

State of Arizona

The Master List of State Government Programs

and

State Agencies' Five Year Strategic Plans



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GOVERNOR

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ABOUT THE MASTER LIST

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

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

PROGRAM 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 2018. *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, 2013, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,563.1	1,933.7	1,933.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,563.1	1,933.7	1,933.7
FTE Positions	13.0	13.0	13.0

5 Year Plan

Issue 1 Business Continuity

Description The Board of Accountancy is comprised of 13 full-time equivalent positions. Over the next five years, approximately five positions will be retirement eligible which represents 38.5% of the Board's workforce. While staff may choose to continue to work past the period in which they are eligible to retire, it is incumbent upon the Board to properly prepare and do some succession planning to ensure a smooth transition in the Board's operations.

Solutions:

Strategy #1 - Develop written desk procedures for all key business processes and save in central network location with appropriate security privileges.

Strategy #2 - Cross train employees

Issue 2 Office Modernization

Description The Board of Accountancy currently operates a SQL 2000 database which is archaic, no longer supported, and is at its end of life. 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 limited 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 must be designed which will serve as a back office system. The database would 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. In contrast, the existing database is like four separate databases since information related to exam, certification, firms, 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.

A new back office system, of which a large component is a new database, would become the central nervous system of the office and would support the contents of envisioned future on-line applications, be able to generate standard and template communications for a variety of business processes, replace various off-database Excel documents that are required to be maintained, and served as the hub of information that would ultimately support the "My Account" function for exam and certification applicants as well as certificate holders and firms.

The concept of "My Account" is to allow every customer that the Board interacts with an opportunity to receive the best service available through a web based portal that would for instance allow each individual to check the status of an exam application, certification application, firm registration, or compliance order. It would allow each customer to have access to key documents that they have submitted to Board such as a recent renewal or firm registration or that they have agree to such as a Decision and Order by Consent if they have been disciplined. It would also be designed to allow for simple transactions such as a name or address change. Further, with the ability to keep the Board apprised of email changes the Board can send reminders about renewal or firm registration dates, when a particular provision of a compliance order is due, or any type of mass communication that the Board feels is important to apprise registrants about like proposed rulemaking or articles that help send out information in a proactive fashion to educate registrants about reoccurring issues and help achieve compliance in a proactive rather than reactive fashion.

Solutions:

Strategy - To conduct a business analysis for key business functions to define business process flow, template communications, envisioned elements of new on-line or web based applications, and performance and management data to help define requisite data elements of new Accountancy Regulatory Management System to support current and future needs.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	13.0	13.0	13.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,933,700.0	1,933,700.0	1,933,700.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of successful candidates	272	250	277	275	275
Number of exam candidates approved by Board to sit for the Uniform CPA exam	504	500	445	475	475

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of certificates issued	414	395	374	394	394
Biennial renewal of certificates	5435	5438	5596	5515	5515

Explanation: FY 2011 - FY 2013 estimates are estimated to be lower due to the impact of Laws 2008, Ch. 295 (SB 1227) regarding CPA reciprocity and mobility.

Number of firms registered	104	111	104	104	104
Number of firms renewed (excluding sole practioners)	747	740	835	791	791
Percent of applicants reporting very good or excellent service	90	90	88	90	90

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of revocations and relinquishments	10	8	6	8	8
Number of compliance files established	142	142	110	126	126
Number of compliance files that resulted in discipline	36	33	71	53	53
Number of compliance files that resulted in administrative letters of concern	37	37	40	39	39

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	128.8	150.2	157.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	128.8	150.2	157.6
FTE Positions	1.0	1.0	1.0

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 seeking legislation 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, legislation will be requested to 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	2.0	2.0	2.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	155.0	160.0	165.0
Non-Appropriated Funds			
Federal Funds	0.0	0.0	0.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of complaints received.	10	9	5	10	10
Unlicensed individuals or institutions identified.	1	2	1	2	2
Total complaints.	10	8	5	10	10
Average time from receipt of complaint until resolution	91	120	113	120	120
Number of complaints resolved from prior year.	0	3	0	4	0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of investigations conducted	10	9	5	10	10
Licensees with greater than one investigation.	0	0	1	0	0
Percent of unlicensed practitioners brought into compliance	100	100	100	100	100
Percent of investigations resulting in disciplinary enforcement	0	20	0	0	0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of applications received	100	110	68	100	110
Explanation: FY12: 60 acupuncture license applications, 7 auricular acupuncture certificate applications and 33 continuing education applications.					
Number of renewals issued	530	530	535	540	550
Auricular Acupuncture Certificates Issued	6	10	7	10	15
Total number of licensees	537	565	548	560	575
Total number of auricular acupuncture certificate holders	44	50	39	45	55

Agency Summary

DEPARTMENT OF ADMINISTRATION

Brian C. McNeil, 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 Arizona Department of Administration (ADOA) 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	5,397.3	6,366.2	6,366.2
➤ GENERAL ACCOUNTING	236,454.9	229,897.4	228,354.6
➤ STATE PROCUREMENT	3,601.9	4,356.5	4,356.5
➤ BENEFITS SERVICES DIVISION	744,863.9	674,299.5	844,153.6
➤ HUMAN RESOURCES DIVISION	15,367.7	14,390.5	14,390.5
➤ ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY OFFICE	64,440.7	91,681.6	88,738.0
➤ RISK MANAGEMENT	69,747.2	96,064.6	95,429.6
➤ GENERAL SERVICES DIVISION	49,279.3	49,628.1	53,865.7
Agency Total:	1,189,152.9	1,166,684.4	1,335,654.7
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	75,923.1	37,244.8	41,191.3
Other Appropriated Funds	153,924.9	239,002.2	240,139.2
Other Non Appropriated Funds	959,304.8	890,437.4	1,054,324.2
Total Funding	1,189,152.9	1,166,684.4	1,335,654.7
FTE Positions	601.0	602.0	657.0

Issue 1 Attract a Highly Engaged and Highly Motivated Workforce

Description The Arizona State Personnel System has nearly 34,000 state employees employed in 95 state agencies, boards and commissions. The workforce is comprised of a very broad and diverse career field 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 will be the biggest single influence on our workforce over the next five years, as increasing numbers of experienced employees may retire or choose to pursue other career opportunities. Our focus moving forward will continue to be on our ability to implement strategies to mitigate anticipated departures of our valuable employees and also to implement recruitment measures to attract top talent.

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.
- By June 30, 2015, increase new hire quality by 5 percent.

Strategies:

- Implement Personnel Reform and revise rules and policies consistent with the reform initiative.
- Implement the Arizona Management Intern Program and increase participation in the Arizona Interns-in-Action Program.
- Implement Leadership Development strategies.

Performance Measures:

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

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, Electronic Employee Time Entry (ETE), Managing Accountability & Performance (MAP), FMLA tracking and On-Line Benefits Open Enrollment.

The ADOA Human Resources Division will continue to leverage our base HRIS human resources, benefits, and payroll applications by adding additional productivity and cost savings modules.

Solutions:**Objective(s):**

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

Strategies:

- Deploy OnBoarding, Performance Management, and FMLA to all agencies.
- Deploy ETE to the Department of Economic Security, Department of Corrections, and Department of Transportation.
- Deploy Goal Management to all agencies.
- Expand Your Employee Services (YES) function to include a Shared Service Knowledge base.

Performance Measures:

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

Issue 3 One State – One Procurement Gateway
(Procurement Reform)

Description To evaluate the current procurement methods, legislation, and organization to modernize and reform existing practices and expand the direct delivery of shared services, customer service consistency and transparency.

Solutions:

Objective(s):

- Strengthen the Statewide Contracts Program.
- Evaluate and improve procurement methods and legislation to increase government efficiency, reduce redundancy and drive cost savings for taxpayers.

Strategies:

- Market the use of ProcureAZ to political subdivisions.
- Conduct market basket studies to compare pricing and contract terms relative to other states and cooperative purchasing programs.
- Centralize procurement positions as a direct report to the State Procurement Administrator.
- Re-classify procurement positions.

Performance Measures:

- By October 31, 2013, prepare recommendations for proposed legislative changes in order to clean-up the previous sessions Procurement Reform bill.
- By December 1, 2013, implement a revised, updated procurement classification and compensation strategy.
- By July 1, 2014, implement procurement rules to support 2013 legislative changes and updates.
- By July 1, 2014, implement 2013 legislative changes: lobbyist disclosure, significant procurement role, vendor performance and cooperative procurement.
- By September 1, 2014, implement a training and compliance program.
- By January 1, 2015, increase Co-op purchased through ProcureAZ by ten percent.

Accomplishments:

- By June 30, 2013, ADOA centralized 50 statewide contracts with plans to annually identify 2 new statewide contracting opportunities.
- By June 30, 2013, ADOA implemented updated rules and uniform terms conditions.
- By September 2013, ADOA completed collection of legislative benchmark data.

Issue 4 Enhance Governmental Mall Security

Description Representatives of the Department of Public Safety (DPS) and the Governor's Office of Homeland Security worked together on a study to evaluate security in the Capitol Mall. They were tasked with: 1) documenting security strategies currently employed, 2) identifying any shortcomings, and 3) making recommendations to address the shortcomings. General Services Division staffers are working closely with DPS, Homeland Security, and the ADOA Director's office to implement many of the study recommendations.

Solutions:

Objective(s): By June 30, 2014, address and rectify Capitol Mall issues identified by the Department of Public Safety and the Governor's Office of Homeland Security

Strategies: Utilize federal grant funding via Arizona Office of Homeland Security to address and rectify Capitol Mall issues by the Department of Public Safety and the Governor's Office of Homeland Security

Performance Measures:

- By June 30, 2014, rectify security issues identified by the Department of Public Safety (DPS) and the Governor's Office of Homeland Security
- By June 30, 2014, request security audit by the Arizona Counter Terrorism Information Center (ACTIC) to evaluate the effectiveness of the strategic security improvements

Issue 5 Leverage Document Management System

Description Improve efficiency and effectiveness of the Risk Management Document Management System (DMS), automation of work processes, electronic invoice processing, immediate document availability and archival, enhanced security, and improve disaster recovery

Solutions:

Objective(s): Continue development and implementation of Phase II (Workers' Compensation) of Risk Management's DMS

Strategies: Develop and implement: paperless environment, electronic workflows, interfaces with the State's financial system (AFIS) and medical bill review provider, and an electronic invoice authorization ladder

Performance Measures:

- By June 30, 2014, determine post implementation DMS enhancements

Accomplishments:

- Completed May 31, 2013, developed and implemented interface with medical bill review provider

Issue 6 Control & Contain Benefit Costs

Description Health care costs continue to trend upward across the nation, which lead to increased benefit premium costs for the state and its employees and retirees. To further control and contain benefit costs, the State will continue to pursue efficiencies and will work with vendors, reviewing and adjusting the design of the State Health Plan as necessary and shifting the focus to improving the health of the individual through continued expansion of Wellness Programs.

Solutions:

Objective(s): Each plan year, manage the benefits offerings such that the premium costs are lower than the national trend

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
- During fiscal year 2014, solicit proposals for new contracts (provider networks/TPA, medical management, pharmacy, vision, and life insurance products) to be implemented for the 2015 plan year.

Performance Measures:

- Customer satisfaction with benefit plans
- Number of state employees attending a Benefit Options Wellness Event
- Percentage of benefits eligible employees enrolled
- Percentage of customers satisfied with health plan provider-Annual Member Satisfaction
- Percentage of AZ providers/facilities available in networks
- Total lives covered under self-funded health plan
- Number of calls/walk-ins assisted by member services
- 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

Issue 7 Successful Implementation of Regulatory Reform

Description Laws 2012, 2nd Regular Session, Chapter 352, also known as HB2744, implemented Governor's Regulatory Review Council's (Council) regulatory reforms proposed under ADOA's Five Year Strategic Plan FY2013-2017. Although these reforms were achieved and became law effective August 2, 2012, the Council is implementing these reforms including: providing interim guidance, undertaking a rulemaking to revise and establish new provisions, revising forms, updating the Council website, and providing training to agencies subject to the reforms, as more fully described below. For more information on the implementation status of these reforms see <http://grrc.az.gov/>.

1. Augment Council's Authority Regarding Substantive Policy Statements

Pursuant to HB2744 Council now has the authority to initiate a review of agencies' practices and policies under A.R.S. § 41-1033. Prior to this change, the Council could only take action on an agency policy or practice that was alleged to constitute a rule if a person petitioned the agency and appealed the agency's final decision. Pursuant to HB2744, if the Council receives a petition and at least four Council members request that the matter be heard, the Council will determine whether the agency practice or substantive policy statement constitutes a rule. The statute is largely self-executing. Any further action necessary for implementation will be completed by Council's rulemaking and the Secretary of State's complementary rulemaking in FY14.

2. Strengthen the Five-Year Review Process

Three statutory changes from HB2744 are being fully implemented in rule and procedure to require more information from agencies and allow for greater control of the process by the Council.

- After August 2, 2012, an agency is required to include in a five-year review report rules made pursuant to a full or partial exemption from the Administrative Procedure Act. (A.R.S. § 41-1056(A) (Laws 2012, Ch. 352, § 17).
- Council now has the ability to review rules outside of the five-year review process if the review is requested by at least four Council members (A.R.S. § 41-1056(D) (Laws 2012, Ch. 352, § 17). Prior to the statutory revisions, the Council was limited to the "periodic review" provided under A.R.S. § 41-1056(C). Now, the Council may schedule a review of an agency's rules at any time. Existing statutory provisions require the agency to prepare and obtain Council approval of a written report summarizing the agency's findings (A.R.S. § 41-1056(A)).
- Council also now has the ability to propose an amendment or repeal a rule (A.R.S. § 41-1056(E) (Laws 2012, Ch. 352, § 17)). Prior to statutory revisions, the Council had no authority to require agencies to revise out-of-date rules in an expedited manner. If the agency does not amend or repeal a materially flawed rule by the Council's specified date, or an extended date, the rule automatically expires (A.R.S. § 41-1056(G). An agency may include, as part of a report, the text of a proposed, expedited rule using the new expedited rulemaking procedure in A.R.S. § 41-1027 (A.R.S. § 41-1056(B) (Laws 2012, Ch. 352, § 17)).

3. Implement the New Statutory Expedited Rulemaking Process

Over the next year, Council will complete the new rules necessary to implement the new Expedited Rulemaking Process authorized under A.R.S. § 41-1027 (Laws 2012, Ch. 352, § 9). In addition, Council will develop a staff seminar to provide guidance to agency personnel utilizing the new rulemaking process.

4. Implement the New Statutory Petition Processes from the 2012 Reform

Statutory changes from HB2744 add two provisions that allow for petitioning the Council:

- The first provision allows a person regulated by a fee in rule either established or increased by exempt rulemaking may petition the Council to institute an expiration date that is later than the standard two year expiration date (A.R.S. § 41-1008(G).
- The second provision allows an agency to petition the Council for a determination that the agency is not required to file an economic, small business, and consumer impact statement before the agency files a proposed rule with the Secretary of State (A.R.S. § 41-1055(E)).

These provisions are being fully implemented in rule and procedure to allow the Council to obtain necessary information and explain the process for the new petitions.

Solutions:

Objective(s): Complete the 2013 legislative reforms of Council's rulemaking and reporting processes and support Council, agency,

and public understanding and use of the new processes by June 30, 2014.

Strategies:

- Work with the Governor’s Office, Council, state agencies, the business community, and other stakeholders to fully implement the reforms.

- Ensure agencies and other stakeholders are aware of and properly trained to use the reform measures in the rulemaking process.

Performance Measures:

- Increase customer satisfaction to 7.0 or better on the annual customer satisfaction survey by June 30, 2014.

- Maintain customer satisfaction at 7.5 or better on the “Voice of the Customer” survey cards by June 30, 2014.

- Increase participation percentage of attendees in GRRC Seminars by 20% by June 30, 2014.

Accomplishments:

- Implemented the 2010 and 2012 legislative reforms of Council’s rulemaking and reporting processes, including finalizing the Council’s rulemaking.

Issue 8 State Data Center Business Continuity Improvements

Description The State Data Center (SDC) provides critical services for more than 140 state agencies, boards, commissions, offices, universities, counties and cities. Every year the SDC processes more than \$50 billion worth of transactions and several hundred million other types of transactions.

The SDC is responsible for the daily (24/7/365) operation of the mainframe, open system servers, critical system monitoring, incident management, change management, 99% system availability, help desk, offsite data storage, high speed print services, and enterprise storage.

In 2011, the SDC suffered several outages that impacted every customer due to an insufficient and aging core infrastructure. The SDC currently does not have the administrative tools to help automate server administration or the server, network and security infrastructure to properly test and ensure changes do not impact customers. The SDC also does not have the resources to implement tools and infrastructure already purchased to address identified issues. Finally, the SDC does not have adequate disaster recovery resources to ensure mission-critical and essential business capabilities will not fail. The SDC needs to reduce the risk of failure.

Solutions:**Objective(s):**

- Continue technical assessment of core infrastructure.
- Identify an alternative recovery facility by end of calendar year 2014.
- Continue implementing core infrastructure improvements identified in the technical assessment.
- Address Uninterrupted Power Supply (UPS); Power Distribution; Server, Network, and Security development and testing environments.

Strategies:

- Partner with the Department of Economic Security and the Department of Public Safety to establish a multi-agency Mainframe Disaster Recovery Strategy.
- Create an SDC Executive Steering Committee – comprised of customers and stakeholders who will drive the SDC roadmap, pricing models and change management processes.
- Augment staffing and skills with outside professional services to complete projects for mission-critical and essential systems.

Performance Measures:

- On-Schedule Project Completion:
 - oMainframe DR testing – Completed 12/16/2013; ongoing testing will be conducted annually
 - oSDC Executive Steering Committee – Completed, however we are leveraging the CIO Council as a forum for ongoing requirements for state agencies
 - oAugment staffing – fully staffed on the Service Desk as of 10/1/2013; ongoing augmentation of staffing for attrition replacement.
- Server, Co-Location and Storage Capacity:
 - oCurrently we are maintaining capacity for these services
- Core Services Uptime – Service Level Agreements:
 - oMainframe batch systems available 99.9% of the time by 6/30/2014; we are accomplishing this as we are hitting that mark currently.
- Change and Incident Management:
 - oHired a dedicated resource to manage Change and Incident (12/15/2012).
 - o90% of incidents resolved within the defined criteria by 6/30/2014; we are accomplishing this as we are hitting that mark currently.

Issue 9 Implement New Statewide Infrastructure and Communications Network

Description The mission of the Enterprise Infrastructure and Communications (EIC) Office within ADOA is to ensure that the State of Arizona has a cost-effective, efficient and consolidated shared telecommunications infrastructure to meet the needs of government agencies, their employees and the public. ADOA is approaching the final year of the state's telecommunications contract with the vendor responsible for implementing the initial network capabilities.

Over the course of 2011-2012, ADOA will be selecting a new technology partner to enhance the current network to ultimately reduce telecommunications costs, improve service levels and security, and develop disaster recovery programs to ensure business continuity for its employees and citizens.

Solutions:

Objective(s):

- Telecommunications Expense Management (TEM) – The State seeks benefits of successful implementation of the Telecommunications Expense Management (TEM) providing a high-value, low-cost, fixed price contract. The requirements for the TEM provider must have extensive experience in carrier and cellular management, billing dispute resolution and complex billing.
- Voice and Network – The State seeks the benefits of a successful implementation of voice and data network services that include cost-effectiveness, improved voice and network security and performance measures and increased efficiencies while reducing costs.

Strategies:

- Telecommunications Expense Management:
 - oTransition new voice and network provider(s) pricing.
- Voice and Network Services:
 - oSuccessful transition of voice and network service providers.
 - oPrioritize refreshment strategies.
 - oImplement refreshment strategies.

Performance Measures:

- Customer satisfaction with voice and network services.
- Customer satisfaction with State's Level 1 Help Desk.
- Customer satisfaction with the Statewide Telecommunications contract (AZNET II).
- Customer satisfaction with connectivity to the Wide Area Network (MAGNET).
- Customer satisfaction with carrier services.
- Customer satisfaction with Telecommunications Expense Management services.
- Percentage of time that primary components of the Network are available and accessible.
- Customer satisfaction with support for new or upgraded telecommunications.

Issue 10 Expand E-Government Capabilities

Description The Strategic Transformation and Innovation (STI) Office within ADOA is responsible for managing several large statewide programs such as e-Government. As part of the overall e-Government (e-Gov) strategy, STI maintains the Arizona web portal, which is the platform for providing a variety of services to state employees and citizens. In today's rapidly changing world of technology, citizens expect to have access to the state's services anywhere and at any time.

As part of ADOA's strategic plan, increased focus will be placed on leveraging new web and mobile technologies to enhance the services currently offered via the Arizona web portal. Through the inclusion of new service offerings, as well as adding support for wireless technologies, ADOA will improve the quality, capacity, and velocity of the business services available for all Arizona citizens.

Solutions:

Objective(s):

- Modernize the Arizona.gov website.
- Consolidate and modernize state Agency websites including a responsive design.
- Develop an enterprise services platform to support agency web-site needs:
 - oImplement payment processing capabilities.
 - oImplement a digital process automation solution (digital signature, online forms, document management, workflow automation).
 - oComplete the integration of E-Licensing solution with Arizona.gov website.
 - oImplement a private portal for residents, businesses and visitors (myAZ.gov).
 - oImplement the Business One Stop solution.

Strategies:

- Incorporate a governance model that includes multi-agency participation. An advisory committee will be created and include groups such as the Arizona Commerce Authority, the Governor's office, and a combination of public and private tourism organizations.
- Implement a modern web platform with content management capabilities to allow state agencies to update their websites faster and easier. The result will be more accurate information for Arizona citizens that could be accessed anywhere at any time.
- Provide valuable services to citizens and generate new revenue opportunities to support and sustain the e-Gov program.
- Augment staffing through a combination of public/private relationships.

Performance Measures:

- Project completion:
 - oAdvisory Committee – 6/30/2014
 - oModern Web Platform – 12/31/2013
 - oNew Revenue Opportunities – 6/30/2015
 - oAugment staffing – Completed 10/3/2013
- Website traffic results (page visits, length of time on website, etc.):
 - oBy modernizing AZ.gov and making it mobile-compatible and easier to navigate, should result in increased traffic and reduced length of time on the site because content will be easier to find.
- Number of agency websites on modern website technology:
 - oGoal is to have 40 agencies on the new platform by 6/30/2014.
- Number of customers using the enterprise services platform:
 - oGoal is to have 15 customers on the enterprise platform by 6/30/2014.

Issue 11 Accelerate Statewide Enterprise Architecture Adoption

Description Enterprise Architecture (EA) provides guidance to ensure the reliability, interoperability, and sustainability of the state's IT investments via the enterprise business, information, technology, and solution architectures. EA creates, communicates, and improves the key principles and models that describe the enterprise's future state and enable its evolution.

By leveraging the state's CIO Council, as well as through the facilitation of ongoing EA training, ADOA will emphasize the importance of adopting a statewide EA strategy. Over time, ADOA will implement an enterprise planning methodology, which will result in a holistic framework and process for solving the state's business challenges today and in the future.

Solutions:

Objective(s):

- Provide statewide business and technical EA training.
- Implement a data governance methodology.
- Implement a statewide EA planning tool.
- Complete a statewide infrastructure assessment.
- Complete a technology contract assessment.
- Implement a new statewide asset management solution.

Strategies:

- Incorporate a governance model that includes multi-agency participation. An advisory committee will be created to ensure all agency projects are aligned with the overall enterprise architecture.
- Facilitate ongoing training to educate both technical and business state resources on the importance of EA.
- Cross-agency workgroups will be leveraged to complete many of the projects.

Performance Measures:

- Project completion:
 - o Incorporate a governance model – Completed 6/30/2013.
 - o Training – ongoing (3 training sessions completed as 6/30/2013).
 - o Workgroups – ongoing (started 2/18/2013).
- Implicit acceptance of statewide Enterprise Architecture charter and methodology – Completed 3/31/2013.
- Agency participation in workgroups:
 - o More than 25 agencies have participated in these workgroups.
- Completion of scheduled training sessions:
 - o Training – ongoing (3 training sessions completed as 6/30/2013)

Issue 12 Implement Statewide Enterprise Resource Planning Solution

Description AFIS is the State's financial system of record. In FY13, it processed over 9.1 million transactions, totaling \$31.9 billion in revenues and \$30.7 billion in expenditures. This mission-critical system is at a significant risk of failure:

- oAFIS was installed in 1992 and has no vendor support. The technical architecture of AFIS is incompatible with many newer systems, making the cost of deployment of new functions or interfaces prohibitively high.
- oFailure would jeopardize the State's ability to make timely payments to Medicaid and child welfare recipients, State vendors and many others who rely upon disbursements from the State.
- oAFIS provides only basic project budgeting and project accounting capabilities, and does not include project scheduling or other project management functionality.
- oAFIS reporting capabilities are limited.
- oAFIS is not robust enough to meet some of the more complex business needs of some State agencies.

There is increased risk of system failure due to the loss of business and technical expertise. Over the next five years, the State's vulnerability to system disruptions will increase, as a significant number of employees knowledgeable of AFIS become eligible for retirement. The loss of these employees will make AFIS more difficult to maintain and increase the risk of system failure because, as noted previously, AFIS was developed using older technology that is inflexible and has been modified extensively.

Solutions:

perspective and implement a strategy that not only replaces AFIS, but also other redundant/shadow systems and change the State's business processes to incorporate the efficiencies and effectiveness enabled by current technology.

Strategies:

- To ensure that the solution meets the State's needs.
- To coordinate with all State agencies.
- To focus on incorporating best practices.
- To streamline and standardize business processes.
- To monitor project funding and budget.
- To implement proper project organization structure including executive sponsorship, Executive Steering Committee, and other agency/stakeholder involvement.
- To have relevant oversight by appropriate bodies including the Information Technology Advisory Committee (ITAC) and the Joint Legislative Budget Committee (JLBC).
- To develop additional, specific strategies to ensure the State's ultimate desired outcomes are achieved within the project's timeframe, scope and resources.
- To utilize various forms of communication to ensure a coordinated effort and identify potential issues.
- To complete Business Case Analysis.
- To complete Request for Proposal (RFP) and Award Contract(s).
- To meet and implement ERP Implementation Milestones consistent with overall plan.

Performance Measures:

- Project meets the State's needs:
 - oAll of the functional and technical requirements, as defined by the State, will be implemented.
- Project completion on time:
 - oThe State has established a "go live" implementation date of 7/1/2015 (beginning of State's FY 2016).
- Project completed within budget.

Accomplishments:

- Completed Business Case Analysis.
- Completed Request for Proposal (RFP) and Awarded Contract.
- Obtained funding for the Project.
- Received Project Approval from the Information Technology Advisory Committee (ITAC).
- Received approval of the Project Expenditure Plan from the Joint Legislative Budget Committee (JLBC).
- Project named the BREAZ Project—Business ReEngineering Arizona to represent the focus and scope of the project.
- Currently in Business Project Re-engineering (BPR) phase of the Project.
- Project continues to be on-time and within budget.

Issue 13 Government Transformation Office

- Description** Integrate the new Government Transformation Office (GTO) into the Department of Administration and focus on implementing a statewide continuous improvement culture. The GTO will focus on the following activities:
- Implement an educational outreach program and develop agency continuous improvement practitioners.
 - Develop a statewide methodology, standards and tools.
 - Implement a centralized repository for sharing all materials.
 - Support agency-led process improvement initiatives.
 - Define, track and communicate key metrics.

The Government Transformation Office will improve government processes by identifying best practices that eliminate inefficiencies and redundancies and increase the quality of services provided to Arizona taxpayers.

Solutions:

Objective(s):

- By the end of 2015, the Government Transformation Office will implement an educational outreach program and develop self-sustaining continuous improvement programs in the agencies identified by the Governor’s office.
- GTO’s customers are State agencies of Arizona State government. The Government Transformation Office will deliver value by increasing agencies’ capacity to achieve their mission. GTO will be a continuous improvement accelerator that helps agencies train their own workforce to make daily improvements on the processes that serve the citizens of Arizona.
- Our state agencies will improve government processes by engaging those who do the work to reduce inefficiencies and redundancies and increase the quality of services provided to Arizona taxpayers.

Activity Measures:

- 6 agencies with completed or active projects during FY 13:
 - oArizona Department of Environmental Quality
 - oArizona Department of Health Services
 - oArizona State Land Department
 - oArizona Department of Real Estate
 - oArizona Department of Revenue
 - oArizona Department of Water Resources
- 50 employees completed or enrolled in Lean practitioner training – a four month training experience that develops practical skills to improve processes. 100% of the graduates will complete a project that delivers improvement to a process in their agency.
- All employees of Arizona Department of Environmental Quality have completed Lean Awareness training.
- 17 improvement teams have reported results for projects that have significantly improved government service.

Performance Measures:

Improved Service: End users experience 59% less wait time as an average across all projects with lead time reduction targets
Improved Capacity: The state will redirect over 35,000 labor hours to higher value-added functions.

Lean efforts accomplish significantly more than cost savings. By eliminating non-value added tasks, we are able to dramatically improve our service. Our agencies are able to issue permits faster. Nurses are able to spend more time with patients. Quality and speed do not have to be trade-offs. Many of the improvements in service delivery are due to processes that emphasize high-quality inputs on the front end of the process, leading to significantly less rework inside the process.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	583.1	583.1	583.1
General Fund	41,191.3	41,191.3	41,191.3
Other Appropriated Funds	240,139.2	240,139.2	240,139.2
Non-Appropriated Funds	1,052,579.8	1,052,579.8	1,052,579.8
Federal Funds	1,744.4	1,744.4	1,744.4

Program Summary

ADMINISTRATION

Brian C. McNeil, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,749.2	3,612.7	3,612.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,648.0	2,753.5	2,753.5
Total Funding	5,397.3	6,366.2	6,366.2
FTE Positions	38.7	38.7	38.7

Subprogram Summary

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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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,013.0	2,677.6	2,677.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	866.4	953.5	953.5
Total Funding	2,879.4	3,631.1	3,631.1
FTE Positions	10.2	10.2	10.2

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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percentage of ADOA's services with a minimum customer satisfaction rating of 6.0	N/A	85.0	72.0	90.0	90.0
Percentage response rate to public information and legislative constituent requests within ten business days	N/A	90.0	N/A	93.0	91.4

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.)

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	373.7	573.2	573.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	373.7	573.2	573.2
FTE Positions	5.0	5.0	5.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Agency satisfaction with staff services (Rulemakings and five-year reviews)	7.73	7.80	7.85	7.90	7.90
Council satisfaction with staff services	7.73	7.80	7.90	7.90	7.90
Agency satisfaction with staff services (Seminars)	7.4	7.50	7.63	7.60	7.70

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Improve customer satisfaction to 7.0 or better on the annual customer satisfaction survey	N/A	7.0	6.21	7.0	7.0
Improve customer satisfaction to 7.5 or better on the "Voice of the Customer" survey cards	N/A	7.5	7.85	7.5	7.9
Increase participation percentage of attendees in GRRC Seminars	N/A	50.0	116.0	50.0	20.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	362.6	361.9	361.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,781.7	1,800.0	1,800.0
Total Funding	2,144.2	2,161.9	2,161.9
FTE Positions	23.5	23.5	23.5

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of stakeholders who rated EPS information as very or extremely useful, timely and relevant	72.1	80	72	85	80
Number of demographic website hits	30,479	27,500	46,664	27,500	30,000
Number of Labor Market Information trainings	13	13	6	13	12
Number of Labor Market Information website hits	276,688	280,000	264,634	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	70,573.0	31,308.0	31,308.0
Other Appropriated Funds	0.0	28,638.0	30,665.0
Other Non Appropriated Funds	165,881.9	169,951.4	166,381.6
Total Funding	236,454.9	229,897.4	228,354.6
FTE Positions	64.0	79.0	119.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction with accounting policies and procedures	6.59	6.0	6.48	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)	100	99.9	99.9	99.9	99.9
Percentage of security requests for financial applications processed within three business days	99.9	95	99.9	95	95
Customer satisfaction with the administration of AFIS	6.2	6.0	6.36	6.0	6.0
Customer satisfaction with administration of payroll process	6.93	6.0	6.77	6.0	6.0
Percentage of warrants distributed to correct agency	99.5	99.5	99.9	99.5	99.5

Program Summary

STATE PROCUREMENT

Jean Clark, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,328.2	954.4	954.4
Other Appropriated Funds	158.9	288.8	288.8
Other Non Appropriated Funds	2,114.8	3,113.3	3,113.3
Total Funding	3,601.9	4,356.5	4,356.5
FTE Positions	35.0	35.0	35.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of solicitations complete by agreed timelines	N/A	70	62	73	75
Number of days to process purchase orders from contracts	N/A	5	.4	3	3
Number of days to process non-contract purchase orders	N/A	10	1.8	7	7

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average age of contracts (years)	N/A	6	2.34	5	4
Percentage increase of cooperative use of contracts	N/A	2	25	2	2
Percentage of total dollar spend from contracts	N/A	60	90	65	68

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of procurements without upheld appeals	N/A	99	100	99	99
Percentage of total non-competitive procurement spend	N/A	5	5	5	5
Percentage increase of vendor solicitation response rate	N/A	2	27	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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,974.8	5,171.2	5,171.2
Other Non Appropriated Funds	735,889.1	669,128.3	838,982.4
Total Funding	744,863.9	674,299.5	844,153.6
FTE Positions	35.5	35.5	35.5

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,974.8	5,171.2	5,171.2
Other Non Appropriated Funds	156.6	157.0	157.0
Total Funding	9,131.4	5,328.2	5,328.2
FTE Positions	35.5	35.5	35.5

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction with benefit plans	7.0	N/A	6.83	7.0	7.0
Explanation: add in words to title					
Number of state employees attending a Benefit Options Wellness Event	22,068	23,000	29,073	25,000	25,000
Percentage of benefits eligible employees enrolled	89	90	88	90	90
Percentage of customers satisfied with health plan provider-Annual Member Satisfaction	94	90	95	90	90
Percentage of AZ providers/facilities available in networks	97	95	96	95	95
Total lives covered under self-funded health plan	123,638	124,000	122,909	124,000	126,000
Number of calls/walk-ins assisted by member services	31,363	31,400	44,124	35,000	50,000
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	735,732.5	668,971.3	838,825.4
Total Funding	735,732.5	668,971.3	838,825.4
FTE Positions	0.0	0.0	0.0

- ◆ **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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of medical plan loss ratio	81	85	91	90	90
Percentage of administrative costs of medical plan	4.3	4.5	4.3	4.5	4.5
Medical claims processing accuracy percentage	98	98	99	98	98
Percent of reserves funded	100	100	100	100	100
Average annual medical cost per covered life	5,066	5,400	5,061	5,350	5,700
Percentage of health care costs compared to national trend	94	95	93	95	95

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	14,946.1	13,825.8	13,825.8
Other Non Appropriated Funds	421.6	564.7	564.7
Total Funding	15,367.7	14,390.5	14,390.5
FTE Positions	85.3	85.3	85.3

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	14,304.7	12,898.7	12,898.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	14,304.7	12,898.7	12,898.7
FTE Positions	80.0	80.0	80.0

◆ **Goal1** To provide high quality Human Resources services to agency management and employees

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of services earning a satisfaction rating of 6.5 or higher (based on annual survey of customer agencies)	100.0	N/A	55.0	60.0	65.0
Customer Satisfaction – Voice of Customer Survey	7.62	7.75	7.49	7.5	7.5

◆ **Goal2** To provide human resources programs that are efficient

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
HR costs per employee (in dollars)	278	342	333	379	379
Productivity savings through the use of efficient use of automation-HRIS (cumulative savings in millions of dollars)	55.3	58.0	56.0	66.6	78.7
Percent of employees with performance evaluations	N/A	100.0	N/A	100.0	100.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of the workforce that is uncovered (excluding CO, FAPO)	23.7	69.0	76.9	82.0	85.0
Percent of workforce eligible to retire	N/A	14.1	14.0	14.0	17.5
Employee absenteeism (avg number of days of sick leave used)	8.6	8.5	8.1	8.1	8.0
Employee engagement ratio (annual statewide survey)	N/A	N/A	1.6	1.8	2.0
Percentage difference in average salaries between state employees and labor market	17.1	14.5	14.0	15.0	15.0
Percentage of poor quality hires (employee leaves within first six months)	N/A	N/A	15.8	15.2	15.0
Number of supervisors trained	0	0	6,531	650	500
Overall satisfaction with supervisor training	0	0	6.96	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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	641.4	927.1	927.1
Other Non Appropriated Funds	421.6	564.7	564.7
Total Funding	1,063.0	1,491.8	1,491.8
FTE Positions	5.3	5.3	5.3

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction with all Travel Reduction services	6.8	N/A	6.13	6.5	6.5
Customer satisfaction of capitol rideshare customers (monthly)	7.6	7.0	7.66	7.0	7.0
Customer satisfaction of travel reduction coordinators (bi-annual)	7.52	7.0	7.57	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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of commuter club members (carpoolers, transit riders, walkers, bicyclists)	4,367	4,410	4,414	4,458	4,503
Percentage increase in transit riders	2.0	3.0	-0.7	2.0	2.0
Agency sites that achieved their travel reduction goals	42	43	27	33	39
Percentage of all state employee commute trips that are drive-alone	N/A	64	67.4	65.0	63.0
Percentage of ADOA employee commute trips that are drive-alone	N/A	60	66.6	60	60
Number of employees spoken to at agency meetings and information tables	1,550	1,650	2,089	1,750	1,850

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	456.0	549.7	549.7
Other Appropriated Funds	32,683.1	66,543.9	66,543.9
Other Non Appropriated Funds	31,301.6	24,588.0	21,644.4
Total Funding	64,440.7	91,681.6	88,738.0
FTE Positions	162.1	142.1	157.1

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	21,367.1	30,608.0	30,608.0
Other Non Appropriated Funds	7,235.1	2,974.4	2,974.4
Total Funding	28,602.2	33,582.4	33,582.4
FTE Positions	122.1	102.1	117.1

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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Customer satisfaction with information and data security services	N/A	6.0	5.95	6.0	6.5
Customer satisfaction with mainframe processing	N/A	6.0	5.54	6.5	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	6.0	N/A	6.5	7.0
Customer satisfaction with shared services	N/A	6.0	N/A	6.5	7.0
Customer satisfaction with application development	N/A	6.0	N/A	6.5	7.0
Customer satisfaction with end user support	N/A	6.0	5.92	6.0	6.5
Percentage of time mainframe batch systems are available	N/A	99.8	99.9	99.9	99.9
Percentage mainframe scheduled batch jobs completed on time	N/A	99	99.9	99.0	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	15,482.9	19,143.7	18,161.4
Total Funding	15,482.9	19,143.7	18,161.4
FTE Positions	4.0	4.0	4.0

◆ **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).

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of State PSAPs converted to Wireless Phase II	78.65	85.0	78.09	84.42	99.98
Percentage of Phase II based on systems available	55.0	66.0	78.09	84.42	99.98
Number of PSAPs Upgraded	11	0	11	15	15
State and local funds spent for equipment, network, maintenance and administration (in millions).	0	0	16.4	17.4	18.4

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,608.7	1,853.6	1,853.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,608.7	1,853.6	1,853.6
FTE Positions	11.0	11.0	11.0

- ◆ **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	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction with voice telecommunications services	N/A	6.7	5.58	6.7	6.7
Customer satisfaction with State's Level 1 Help Desk	N/A	6.5	5.98	6.5	6.5
Customer satisfaction with Statewide Telecommunications Contract services	N/A	6.0	N/A	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)	6.25	6.4	6.15	6.25	6.25
Customer satisfaction with carrier services	N/A	6.0	N/A	6.0	6.0
Customer satisfaction with Telecommunications Expense Management services	N/A	6.5	N/A	6.5	6.5

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of time primary components of Network are available and accessible	N/A	99.0	99.9	99.0	99.0
Customer satisfaction with support for new or upgraded telecommunications	N/A	6.0	N/A	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	456.0	549.7	549.7
Other Appropriated Funds	9,707.3	34,082.3	34,082.3
Other Non Appropriated Funds	8,583.6	2,469.9	508.6
Total Funding	18,746.9	37,101.9	35,140.6
FTE Positions	25.0	25.0	25.0

◆ Goal1 To identify, prioritize and deliver more enterprise business capabilities

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Total number of state entities engaged in Enterprise Architecture initiatives	12	20	15	25	25
Enterprise Architecture training sessions completed	1	2	3	4	4

◆ Goal2 To expand e-Government and mobility capabilities

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Total number of agencies using modern website technology platform	0	20	17	40	60
Increase visits to AZ.gov (% over prior year)	N/A	10.0	30.0	15.0	15.0

◆ Goal3 To implement Statewide Enterprise Resource Planning

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Issue ERP RFP	0	0	N/A`	N/A	N/A

Explanation: This was completed in FY 2012

Select ERP Vendor	0	0	1	N/A	N/A
Percentage of FY ERP milestones implemented on schedule	0	0	100	95	95

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	68,502.0	93,072.2	91,982.2
Other Non Appropriated Funds	1,245.2	2,992.4	3,447.4
Total Funding	69,747.2	96,064.6	95,429.6
FTE Positions	69.0	69.0	69.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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)	N/A	90	100	95	95
Workers' Compensation compensable disability payment processing time two business days after adjuster approval (based on 100% scale)	N/A	90	99	95	95
Investigative contact time for property and liability claims within four business days of claim notification (based on 100% scale)	N/A	90	94	95	95
Property and liability settlement payment processing time within four business days after adjuster approval (based on 100% scale)	N/A	90	100	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)	N/A	90	100	95	95
Participant satisfaction survey with Loss Prevention training courses (based on a scale of 1-8 with 8 being the best rating)	N/A	6.5	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)	N/A	6.5	7.6	7.0	7.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Statewide incident rate per 100 Full Time Equivalent (FTE) positions (accepted Risk Management claims)	3.83	4.0	3.9	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. Further, the division provides accounting services to internal and external agency customers. 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	816.7	820.0	4,766.5
Other Appropriated Funds	28,660.0	31,462.3	31,662.3
Other Non Appropriated Funds	19,802.6	17,345.8	17,436.9
Total Funding	49,279.3	49,628.1	53,865.7
FTE Positions	111.4	117.4	117.4

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).

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	625.7	625.7	3,725.7
Other Appropriated Funds	16,401.0	17,457.4	17,657.4
Other Non Appropriated Funds	15,006.6	13,287.0	13,534.4
Total Funding	32,033.3	31,370.1	34,917.5
FTE Positions	74.1	76.5	76.5

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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Customer satisfaction with agency relocation process	5.14	6.5	7.71	6.6	6.6
Customer satisfaction with tenant improvement process	4.93	6.5	5.93	6.6	6.6
Customer satisfaction with review of office leases	5.62	6.5	6.0	6.6	6.6
Customer satisfaction with building maintenance	5.82	6.5	5.90	6.6	6.6
Customer satisfaction with heating and cooling maintenance	5.38	6.5	5.56	6.6	6.6
Customer satisfaction with custodial services	5.5	6.5	6.03	6.6	6.6
Customer satisfaction with landscaping/grounds maintenance	6.6	6.6	6.63	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	831.2	985.4	985.4
Other Non Appropriated Funds	2,922.4	2,051.6	1,895.3
Total Funding	3,753.6	3,037.0	2,880.7
FTE Positions	7.0	9.5	9.5

◆ **Goal1** To improve efficient delivery of government services in the Construction Services subprogram.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction with general construction projects	6.27	6.5	6.50	6.6	6.6

◆ **Goal2** To aggressively pursue innovative solutions and/or opportunities in the Construction Services subprogram.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of General Construction projects completed on schedule	95.95	96.0	97	96.5	96.5
Percentage of project contingency utilized for non-planned scope	N/A	6.0	1	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 four separate activities including internal ADOA accounting services (accounts receivable, accounts payable, preparation of financial statements and other financial services) for a number of ADOA funds; the Central Services Bureau which provides accounting services to other agencies on a fee-for-service basis; the State Boards Office which provides office support and accounting services on a contracted basis to other agencies; and 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).

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	191.0	194.3	194.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	956.9	1,069.4	1,069.4
Total Funding	1,147.9	1,263.7	1,263.7
FTE Positions	7.1	7.1	7.1

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction with fixed assets accounting (internal)	N/A	6.5	N/A	6.6	6.6
Customer satisfaction with payroll adjustments and travel form processing (internal)	N/A	6.5	N/A	6.6	6.6
Customer satisfaction with financial and management reporting (internal)	N/A	6.5	N/A	6.6	6.6
Customer satisfaction with the payment of vendors (internal)	N/A	6.5	N/A	6.6	6.6
Number of days to process invoices (Accounts Payable)	11.2	10	15.61	15	15
Customer satisfaction with Central Services Bureau	7.4	7.5	6.90	7.5	7.5
Overall customer satisfaction with the State Boards Office	7.5	7.6	7.00	7.6	7.6

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).

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,549.1	2,863.7	2,863.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,549.1	2,863.7	2,863.7
FTE Positions	10.7	13.8	13.8

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction with the effectiveness of on-site customer assistance	7.85	7.85	7.85	7.85	7.85
Customer satisfaction with the efficiency of in-field operations	7.78	7.8	7.87	7.8	7.85
Customer satisfaction with Surplus Property	6.73	7.0	6.55	7.2	7.2

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer requests picked up on date committed/agreed upon (1-8 scale).	7.76	7.8	7.91	7.8	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).

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	846.5
Other Appropriated Funds	8,878.7	10,155.8	10,155.8
Other Non Appropriated Funds	916.7	937.8	937.8
Total Funding	9,795.4	11,093.6	11,940.1
FTE Positions	12.5	10.5	10.5

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction with short-term (day use) vehicle rental	6.67	7.0	6.88	7.2	7.2
Customer satisfaction with long-term vehicle use	6.61	7.0	6.42	7.2	7.2
Average percentage of taxi fleet utilization	67.08	85	56	85	85

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	827.8	862.2	862.2
Other Appropriated Funds	13.3	12.3	12.3
Other Non Appropriated Funds	1,052.7	1,103.6	1,103.6
Total Funding	1,893.8	1,978.1	1,978.1
FTE Positions	26.0	26.0	26.0

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.

Statement: Certain entities do not accept PDF electronic files on cases that are appealed from the agency.

Description Discussion: Currently, electronic appeals records are created for the U.S. District Courts, while the Arizona courts require paper records. Due to the increased filing of documents in electronic form, as well as the automatic conversion of faxes into pdf documents, it is estimated that as of August 29, 2013, more than 75% of documents received by OAH are electronic. In addition, OAH's case records are now primarily electronic because agency records are now transmitted electronically in most cases by the agencies, ALJ recommended decisions and agency final actions are electronically generally exchanged, and all other paper documents received are being scanned.

Solutions:

Strategies:

- a. OAH has created a program to automatically generate an html index after extracting the docket event names and associated pdf documents from OAH's case management system.
- b. OAH uses the electronically generated html index to print the record on appeal in Superior Court.
- c. OAH will create a program to extract all pdf files from its html index to generate a folder of sequentially numbered pdfs corresponding to a list of documents comprising the appeal record. Such pdfs, either singly or batched, will be suitable for direct incorporation into the Superior Court's "Court to Court" automated docket protocol.
- d. OAH will work with the Maricopa Superior Court to accept its pdf files in lieu of paper copies.

Expected Outcome: Both OAH and the superior courts will experience increased efficiency and lower costs.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	17.0	17.0	17.0
General Fund	862.2	862.2	862.2
Other Appropriated Funds	12.3	12.3	12.3
Non-Appropriated Funds	1,103.6	1,103.6	1,103.6
Federal Funds	0.0	0.0	0.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of days from hearing request to hearing scheduling	2.21	2.21	.85	.85	.85
Average number of days from hearing scheduling to first scheduled hearing	45.36	45.36	57.94	57.94	57.94
Average number of days from the first scheduled hearing to the conclusion of the hearing	13.99	13.99	15.65	15.65	15.65
Average number of days from the conclusion of the hearing to transmission of the decision to the agency	15.52	15.52	9.16	9.16	9.16
Average length of delay (in days) from first hearing date to conclusion of the case due to continuances	48.89	48.89	73.68	73.68	73.68
Average length of a single continuance [measured by first continuances only] (in days)	45.23	45.23	68.02	68.02	68.02
Cases docketed	5850	5850	7596	7596	7596
Number of hearings held	2111	2111	2263	2263	2263
New cases docketed to cases concluded	1:92	1:92	1:101	1:101	1:101
Hearings conducted by contract administrative law judges	0	0	0	0	0
Average days from request for hearing to first date of hearing	47.58	47.58	58.89	58.89	58.89

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of agency acceptance of findings of fact and conclusions of law (excluding recommended order) without modification	86.28	86.28	90.6	90.6	90.6
Percent of agency acceptance of findings of fact and conclusions of law (including recommended order) without modification	77.19	77.19	85.22	85.22	85..22
Percent of OAH decisions contrary to original agency position	9.57	9.57	7.3	7.3	7.3
Percent of agency acceptance of contrary Office of Administrative Hearings decision	80.00	80.00	93.2	93.2	93.2
Percent of agency rejection of OAH decisions	2.2	2.2	1.91	1.91	1.91
Percent of cases reheard	.98	.98	.87	.87	.87
Percent of cases appealed to Superior Court	1.8	1.8	1.2	1.2	1.2
Percent of evaluations rating the administrative law judge excellent or good in attentiveness	97.93	97.93	97.47	97.47	97.47
Percent of evaluations rating the administrative law judge excellent or good in explaining the hearing process	97.90	97.90	95.65	95.65	95.65
Percent of evaluations rating the administrative law judge excellent or good in the use of clear and neutral language	97.49	97349	95.66	95.66	95.66
Percent of evaluations rating the administrative law judge excellent or good in impartiality	95.39	95.39	94.53	94.53	94.53
Percent of evaluations rating the administrative law judge excellent or good in dealing with the issues of the case	96.02	96.02	95.06	95.06	95.06
Percent of evaluations rating the office excellent or good in sufficient space	96.24	96.24	92.51	92.51	92.51
Percent of evaluations rating the office excellent or good in providing freedom from distractions	95.71	95.71	95.41	95.41	95.41
Percent of evaluations rating the staff excellent or good in responding promptly and completely to questions	96.6	96.6	93.82	93.82	93.82
Percent of evaluations rating the staff excellent or good in courteous treatment	96.11	96.11	96.49	96.49	96.49

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of weekly requests to website	16885.80	16885.80	15883	15883	15883
Average number of individual domains accessing the website per week	899.22	899.22	899	899	899
Advertisements of website capability per month	1141.3	1141.3	1266	1266	1266
Publication of new informational articles on internet site	0	0	0	0	0
Average number of hits on articles on website per week	596.20	596.20	608	608	608
Average number of weekly hits on information page to enter agency portal	238.24	238.24	241	241	241
Average number of text searches of administrative law judge decisions per week	2.49	2.49	3.06	3.06	3.06

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, air quality and agricultural conservation; 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ FOOD SAFETY AND QUALITY ASSURANCE	6,386.8	7,563.4	7,053.4
➤ NON-FOOD PRODUCT QUALITY ASSURANCE	729.5	817.6	937.6
➤ ANIMAL DISEASE, OWNERSHIP AND WELFARE PROTECTION	2,288.4	2,443.3	2,443.3
➤ PEST EXCLUSION AND MANAGEMENT	4,537.7	3,842.7	3,842.7
➤ NATIVE PLANT AND CULTURAL RESOURCES PROTECTION	251.4	226.7	226.7
➤ PESTICIDE COMPLIANCE AND WORKER SAFETY	588.2	582.6	582.6
➤ ADMINISTRATIVE SERVICES	1,189.3	1,329.4	1,329.4
➤ STATE AGRICULTURAL LABORATORY	1,221.4	1,202.8	1,202.8
➤ AGRICULTURAL CONSULTATION AND TRAINING	2,669.1	3,636.5	2,827.4
➤ COMMODITY DEVELOPMENT AND PROMOTION	4,218.7	4,082.4	4,072.1
Agency Total:	24,080.5	25,727.4	24,518.0
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	8,018.2	8,320.2	8,320.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	16,062.3	17,407.2	16,197.8
Total Funding	24,080.5	25,727.4	24,518.0
FTE Positions	315.7	302.2	302.2

Issue 1 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. 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 security, productivity and stakeholder access, and must have adequate salary structures to retain qualified and competent IT staff to maintain and improve those 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 302 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.

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

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

Develop a strategy for ensuring commensurate salary funding for IT staff.

Ensure IT staff members receive necessary training.

Issue 2 State and Federal Cooperation Required

Description The federal funds the Department receives are not unrestricted grants and are awarded based on an annual competitive process. The Department is extremely concerned with the possibility of a significant reduction in federal grant funds for the next federal fiscal year and in future years. The United States Department of Agriculture (USDA) reduced funding to the Arizona Department of Agriculture by 15% over the past year. In addition, further USDA budget reductions are projected to be 8 to 10%. Many of the Department's programs have been significantly impacted with the current and projected federal funding reductions.

Furthermore, 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 reductions continue, USDA and other federal agencies will increase their reliance on state agency partners. As the Department continues to search out federal grants and cooperative agreement 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.

Issue 3 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, 34% 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 4 Protect the Food Supply, the Public and the Environment

Description Arizona agriculture is a \$10.3 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 the 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 well-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 2014 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 2014 budget relies on the General Fund for only 32% of its funding. Service fees to the agricultural industry provide 48% and federal grants provide the remaining 20% 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 are awarded based on an annual competitive process. The Department is extremely concerned with the possibility of a significant reduction in federal grant funds for the next fiscal year and in future years. The United States Department of Agriculture (USDA) reduced funding to the Arizona Department of Agriculture by 15% over the past year. In addition, further USDA budget reductions are projected to be 8 to 10%. 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.

The General Fund resource assumptions for FY 2016 through FY 2018 reflect that a stable budget will be needed to service a growing population and offset the loss of federal funds.

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.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	302.2	302.2	302.2
General Fund	8,830.9	8,830.9	8,830.9
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	11,090.4	11,090.4	11,090.4
Federal Funds	4,596.7	4,596.7	4,596.7

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, ratites, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,362.4	1,525.3	1,525.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5,024.4	6,038.1	5,528.1
Total Funding	6,386.8	7,563.4	7,053.4
FTE Positions	91.2	85.7	85.7

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, ratites, 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, ratites, 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 and milk tanker inspections. Poultry used in school lunch programs also is inspected for quality and safety.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,362.4	1,525.3	1,525.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,451.6	1,754.5	1,754.5
Total Funding	2,814.0	3,279.8	3,279.8
FTE Positions	36.3	37.7	37.7

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of pounds of fluid milk removed from sale by inspectors due to non-compliance with regulations	780,049	400,000	1,831,272	900,000	300,000
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	630	670	795	850	850
Total number of wholesale and retail egg inspections	339	1,000	263	600	700
Total number of individual shell eggs inspected under State inspection	166,000	200,000	138,414	150,000	160,000
Number of egg dozens retained by inspectors for non-compliance with State standards	31,406	50,000	1,643	3,000	3,000
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	76	75	77	77	77
Percent of meat and poultry product tests in compliance with bacteria, drug and chemical residue requirements	100	100	100	100	100

Subprogram Summary

FRESH PRODUCE STANDARDIZATION AND INSPECTION

Ed Foster, Assistant Director
 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,572.8	4,283.6	3,773.6
Total Funding	3,572.8	4,283.6	3,773.6
FTE Positions	54.9	48.0	48.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of federal-state inspections	19,047	21,000	23,284	23,000	23,000
Number of cartons shipped by industry (in millions)	97.9	95	90.2	90	90
Number of federal-state and citrus, fruit, and vegetable produce inspections	19,047	21,000	23,284	23,000	23,000

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	729.5	817.6	937.6
Total Funding	729.5	817.6	937.6
FTE Positions	9.3	9.3	9.3

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of all ESD applications received	18,761	18,500	21,800	18,500	18,500

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of regulatory actions taken	47	50	49	50	50
Total number of inspections conducted	197	200	157	200	200
Number of feed, fertilizer, pesticide and seed labels inspected in the market place	3,536	3,500	3,306	3,500	3,500
Number of feed, fertilizer, pesticide and seed samples collected	478	450	333	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:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,850.4	1,877.7	1,877.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	438.0	565.6	565.6
Total Funding	2,288.4	2,443.3	2,443.3
FTE Positions	42.1	42.6	42.6

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of custom exempt and home processing inspections	1,018	1,000	912	925	925
Number of strays - animal at large investigations	1,303	1,300	953	1,000	1,000
Number of animal care investigations	1,599	1,600	1,214	1,250	1,250
Number of theft investigations	57	50	34	35	35
Number of livestock movement inspections (range cattle form 1)	5,969	5,800	5,232	5,250	5,250
Number of self inspection certificates issued	27,130	26,000	27,960	28,000	28,000

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of quarantine sites in Arizona for all diseased livestock and fish	2	3	14	15	15
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	1	0	0	0
USDA disease status for Arizona for bovine brucellosis and tuberculosis, and swine pseudo rabies	Free	Free	Free	Free	Free

Program Summary

PEST EXCLUSION AND MANAGEMENT

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:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,461.6	2,528.1	2,528.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,076.1	1,314.6	1,314.6
Total Funding	4,537.7	3,842.7	3,842.7
FTE Positions	88.0	88.0	88.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of pest interceptions within the state interior	12,075	10,000	13,907	10,000	10,000
Number of interceptions resulting in enforcement actions within the state interior	711	500	472	500	500
Percent of inspections within the state interior resulting in pest interceptions	12.5	10	6.46	5	5

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of federal phytosanitary certificates written	1,357	1,500	1,003	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	251.4	226.7	226.7
Total Funding	251.4	226.7	226.7
FTE Positions	2.0	2.0	2.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of criminal referrals received	45	35	29	35	35
Number of civil referrals received	32	20	8	10	10
Number of investigations opened	54	45	45	45	45
Percent of investigations completed	68.5	75	66	75	75
Number of native plant cases with successful compliance	17	20	24	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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	130.0	140.9	140.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	458.2	441.7	441.7
Total Funding	588.2	582.6	582.6
FTE Positions	7.6	7.6	7.6

◆ **Goal1** To ensure safety of pesticide workers and handlers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of worker safety issues addressed during inspections	4,746	4,500	6,216	4,500	4,500
Number of worker safety issues identified as being out of compliance	310	300	338	300	300

◆ **Goal2** To protect the public from unlawful pesticide exposure.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of pesticide use inspections	50	60	87	60	60
Number of inspection issues identified as pesticide misuse	13	15	48	15	15

Program Summary

ADMINISTRATIVE SERVICES

Donald Butler, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,042.9	1,062.1	1,062.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	146.4	267.3	267.3
Total Funding	1,189.3	1,329.4	1,329.4
FTE Positions	13.0	13.0	13.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of employee travel claims correctly processed within ten days	99.63	100	100	100	100
Percent of vendor invoices paid within 30 days	99.66	100	99.7	100	100
Administration as a percent of total cost	4.6	4.6	4.8	5.1	5.3
Percent of industry stakeholders rating the Department's quality of communications excellent or good	97.5	98	97.7	98	98

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
System uptime as a percentage of total monthly hours as measured by industry standard monitoring software	99.84	99.99	99.6	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	30	0	35	40
Percent of issues reported by the Customer Service Tracking System closed within 8 working hours of submission	99.9	99	100	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	931.2	941.5	941.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	290.2	261.3	261.3
Total Funding	1,221.4	1,202.8	1,202.8
FTE Positions	19.5	16.5	16.5

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of customer satisfaction rating regarding the lab's "timely delivery of service"	75	70	91	85	80
Percent of overall customer satisfaction rating for laboratory services	75	75	95	90	85

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of purchasing requisitions approved	1,172	1,200	NA	1,200	1,200
Average number of days taken to complete all levels of approvals for requisitions	0.43	0.5	NA	0.4	0.4
Percent of requisitions completing the entire approval process within 24 hours	92	90	NA	93	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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	239.7	244.6	244.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,429.4	3,391.9	2,582.8
Total Funding	2,669.1	3,636.5	2,827.4
FTE Positions	7.1	7.1	7.1

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of agricultural consultation and training compliance issues addressed	741	850	736	850	900
Number of compliance issues needing correction or clarification	61	60	66	65	65
Number of on-site visits or individual consultations	488	490	643	450	435
Number of pesticide resources, materials, or contacts provided upon request.	336	350	583	600	625
Number of agricultural operations that received training	97	100	68	70	75
Number of individuals who received pesticide safety training in English	280	280	158	200	200
Number of individuals who received pesticide safety training in Spanish	355	400	245	250	275
Number of outreach and education seminars and workshops (including Train-the-Trainer Workshops)	85	70	79	72	61
Number of outreach and education seminar and workshop participants (including Train-the-Trainer Workshops)	7,083	5,815	8,234	6,685	5,710
Number of new outreach and educational materials developed (includes new PPT presentations, training resources, curricula, articles and interviews)	84	75	74	73	74
Number of people reached through outreach and education materials (new and existing)	302,659	54,400	168,877	55,250	48,500

Explanation: In FY 2013 103,000 were due to article in American Nurseryman.

Number of operations receiving assistance	44	60	47	40	30
Number of follow-up on-site visits	17	25	15	18	20
Number of Farm Bill contract management acres	7,309	7,500	4,764	5,000	5,000

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of grant applications	34	100	60	37	22
Explanation: These grant cycles and webinars would only occur if SCBGP-FB is funded in the next Farm Bill.					
Number of grants awarded	15	45	28	30	15
Explanation: These grant cycles and webinars would only occur if SCBGP-FB is funded in the next Farm Bill.					
Amount of grant funds disbursed (in millions of dollars)	2.8	3.0	1.9	2.8	1.4
Amount of grant funds disbursed as Match to NRCS agreements (in millions of dollars)	0.4	0.4	0.05	0.8	0.4

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: 30 of the FTE positions shown in this program reflect employees of the Arizona Cotton Research and Protection Council.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,218.7	4,082.4	4,072.1
Total Funding	4,218.7	4,082.4	4,072.1
FTE Positions	35.9	30.4	30.4

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of free sale certificates issued	72	75	82	75	75
Number of products under free sale	2,565	2,500	2,581	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. As of July 1, 2013 7,066 KidsCare members remain enrolled.

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.

Agency Summary: (\$ Thousands)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	155,520.2	141,786.7	156,009.1
➤ AZ LONG TERM CARE SYSTEM (ALTCS)	2,085,461.5	2,223,995.4	2,392,825.1
➤ ACUTE CARE	4,801,822.8	4,975,974.3	5,334,195.6
➤ PROPOSITION 204 - SENATOR ANDREW NICHOLS COMPREHENSIVE HEALTH INSURANCE COVERAGE ACT	1,478,027.9	1,556,056.2	2,740,777.9
➤ HEALTHCARE GROUP	25,549.2	11,952.3	0.0
➤ CHILDREN'S HEALTH INSURANCE (CHIP)	69,344.1	41,138.6	8,967.1
➤ DIRECT SERVICE CLAIMING (DSC)	20,551.1	36,320.1	35,910.1
➤ CHILDREN'S REHABILITATIVE SERVICES	114,790.9	111,736.4	205,654.4
➤ ACA ADULT EXPANSION	0.0	65,931.9	297,752.4
Agency Total:	8,751,067.7	9,164,891.9	11,172,091.7
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	20,855.0	51,567.5	53,918.7
Total Funding	20,855.0	51,567.5	53,918.7
FTE Positions	0.0	0.0	0.0

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 has had success in the past when care delivery and payment incentives are properly aligned. For example, when the ALTCS program first began, the vast majority of members resided in nursing facilities. Over time AHCCCS incentivized contractors to establish more home and community placement opportunities for members. The end result has been a tremendous shift to home and community settings that not only increases savings for the program but also more appropriately meets the needs and desires of the members.

AHCCCS remains committed to maximizing the efficiencies within our 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 our members can achieve greater health outcomes while saving taxpayer dollars as discussed below. 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 our efforts.

Shared Savings Requirements – Beginning October 1, 2013, health plans are 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 pays on an antiquated per-diem system. AHCCCS will be transitioning to an All Patient Refined Diagnostic Related Group (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.

Ultimately, AHCCCS will be publishing a Payment Modernization Plan by October 1, 2013 that will lay out proposed strategies to be pursued over the next three years.

Solutions:

STRATEGY 1.1

Commit Executive level resources towards substantive system payment modernization

PERFORMANCE MEASURE 1.1.1

Payment Modernization Plan published by 10-1-13 with subsequent updates

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 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

Issue 2 AHCCCS must pursue continuous quality improvement

Description AHCCCS has built its quality structure over time by means of its adherence 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, the Arizona Department of Health Services, Division of Behavioral Health Services (ADHS/DBHS), and Children's Rehabilitative Services (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, electronic health records and health information technology 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 each other and with Medicaid and commercial health plan national 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. Through Agency integration efforts, opportunities to improve care coordination for members in need of care and services across various domains including physical and behavioral health is less fragmented. 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 measurement of inpatient, emergency department and re-admission rates.

CMS and other regulatory bodies utilize multiple measure sets with 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 Performance Improvement Projects.

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 standards, which include monitoring and oversight requirements of placement settings utilized by AHCCCS Contractors, are reviewed regularly to ensure programmatic consistency and 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 IHS and 638 facilities submitting patient data to AHCCCS

PERFORMANCE MEASURE 2.5.2

Percent of readmissions that are reduced

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, 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 (CRS) - 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, CRS services have not been 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 for well-child and primary care, and the other for specialty care through CRS. Children with other conditions, including developmental disabilities or behavioral health needs, are sometimes 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, and clearly the burden placed on families has also been significant. On January 1, 2011, AHCCCS entered into an Intergovernmental Agreement with ADHS to implement an administrative simplification of the CRS program. On November 1, 2012, AHCCCS released the Notice of Request for Proposal soliciting managed care contracts beginning October 1, 2013, integrating the Acute Care 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 will go into effect October 1, 2013.

On January 31, 2013, CMS approved the Waiver amendment for the Acute Care and CRS Integration. The new Waiver authority allows 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 will manage their CRS, physical 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.

Ultimately, the goal for the CRS integration initiative is a system that offers members a choice of plans, comparable to the Acute and Long-Term Care programs.

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

On January 8, 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. On January 31, 2013, CMS approved the Waiver amendment for the Acute Care and Behavioral Health Care Integration. The new RBHA contract award is currently being protested.

The Greater Arizona (all counties except Maricopa) RBHA procurement is slated to begin with contract start dates of October 1, 2015. AHCCCS will work with DBHS to expand the SMI integration model to other counties and other behavioral health populations, such as the general mental health and substance abuse populations, as part of this procurement process. Like CRS, the ultimate goal of the SMI integration initiative is to offer members choice of RBHA plans.

Dual Eligible Members – AHCCCS has approximately 120,000 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 one-third of the AHCCCS dual population is in an aligned plan structure.

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 a goal of increasing dual alignment from 40,000 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

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 I of Health-e-Arizona Plus including MAGI requirements and Federally Facilitated Marketplace by mandated date of 10-1-13

PERFORMANCE MEASURE 3.5.2

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

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

Description If AHCCCS is going to be successful in addressing the Strategic Issues identified, there are a number of other important infrastructure capabilities and initiatives that must be completed over the next several years.

Systems and Security

Looking ahead, AHCCCS needs to implement complex changes mandated by 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. On September 30, 2014 all ICD-9 codes will de-activate, and on October 1, 2014, it will be mandatory for all payers and providers to use ICD-10 codes. 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.

The AHCCCS Information Systems Division (ISD) must be ever vigilant regarding security of our systems and information. As AHCCCS grows, developing and implementing new systems and more technology, we are faced with new security threats that have to be addressed. 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 threat level. The AHCCCS ISD is responsible for providing technical support to the Hawaii Medicaid program, which means ISD staff must also maintain the security of Hawaii's information as well. In addition to the AHCCCS mainframe (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 bandwidth for 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 has completed planning and design for an IT infrastructure to support ACA related changes to Medicaid and Medicaid restoration and is moving forward with development of the Health-e-Arizona Plus system and an interface to the FFM in two phases.

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 the Arizona Long Term Care System (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. It 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, 2013 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. It will include enhanced fraud detection, appeals management, additional reports, data warehouse and coordinated notices and appeals

Workforce

AHCCCS continues to operate with approximately one-third less staff than prior to the start of the Great Recession. Turnover rates remain in the 16% range while approximately one-third of the current AHCCCS workforce is eligible to retire during CY2013. 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 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.

- oOver 30% 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.

The implementation of Governor Brewer's Personnel Reform initiative in calendar year 2012 introduced significant changes to various aspects of human resources management, and has demanded substantial time and resources from HRD and Agency leadership. Additionally, several system changes have been implemented requiring new business processes and policies be developed.

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 only 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 Medical Policy, Analytics and Coding (OMPAC) 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 over the next year to develop the organization's capacity as a whole to turn solid information into efficient actions. Additionally, OMPAC 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

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	2,230.3	2,230.3	2,230.3
General Fund	1,439,877.5	1,511,429.8	1,586,557.4
Other Appropriated Funds	146,321.8	146,321.8	146,321.8
Non-Appropriated Funds	1,707,118.6	1,798,253.9	1,890,746.1
Federal Funds	8,428,010.7	8,841,568.0	9,279,250.8

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
- ▶ Office of Managed Care
- ▶ Office of Medical Management
- ▶ Advisory Council on Indian Health Care (Pass-Through)
- ▶ Division of Member Services

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	57,656.3	53,609.1	55,302.1
Other Appropriated Funds	164.4	116.1	116.1
Other Non Appropriated Funds	97,699.5	88,061.5	100,590.9
Total Funding	155,520.2	141,786.7	156,009.1
FTE Positions	1,729.3	1,729.3	1,754.9

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	11,999.5	11,124.8	12,585.8
Other Appropriated Funds	164.4	116.1	116.1
Other Non Appropriated Funds	34,826.9	29,349.9	41,451.0
Total Funding	46,990.8	40,590.8	54,152.9
FTE Positions	259.2	259.2	276.8

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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of employee turnover	15.6	15.0	15.0	16.0	16.0

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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Cost/benefit ratio (in dollars) of audits and investigations related to reports of fraud and abuse.	1/12.15	1/7.77	1/9.77	1/10.90	1/11.93

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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of timely submissions and approval of rule packages	100	100	100	100	100

Explanation: Twelve packages submitted and approved in FY 2012

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of time the PMMIS is available to our users	99.7	99.0	99.8	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of administrative invoices paid within 30 days	93.8	95.0	93.3	95.0	93

Explanation: Refers to administrative invoices

Percent of total programmatic payments completed electronically	98.3	96.0	98.1	95.0	97.0
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- ◆ **Goal 6** To administer an effective and efficient informal grievance process.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of enrollees filing a grievance	0.8	1.0	.84	1.0	.84

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.)

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	31,410.3	27,212.5	27,212.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	40,068.8	33,446.1	33,446.2
Total Funding	71,479.1	60,658.6	60,658.7
FTE Positions	885.0	885.0	885.0

Subprogram Summary	
OFFICE OF MANAGED CARE	
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,830.1	2,924.7	3,061.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,623.9	4,110.1	4,303.6
Total Funding	6,454.0	7,034.8	7,365.5
FTE Positions	73.5	73.5	76.5

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of acute and ALTCS health plan operational and financial reviews completed on time	40	100	100	100	100
Explanation: 2012 Actual=40% as only 5 OFRs performed; 3 slightly exceeded 6-wk draft goal					
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Rural counties with at least two competitive risk health plans available	100	100	100	100	100

Explanation: Revised measure as percent

Member satisfaction: percent of choice exercised in moving from current health plan	1.5	4.5	.7	4.0	2.0
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◆ **Goal 3** To improve the completeness and quality of encounter data collected from health plans, program contractors, and behavioral health.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
The number of encounters per member month	4.5	4.5	4.5	4.5	4.5
Omission error percent	11.9	11.9	10.0	11.9	10.0
Correctness error percent	13.2	16.0	25.0	16.0	16.0

Explanation: 2013 Actuals extrapolated from OFR results from this time period. Historical and future assessments based upon Data Validation findings.

Subprogram Summary

OFFICE OF MEDICAL 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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,017.2	1,326.2	1,421.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,290.0	3,265.1	3,499.8
Total Funding	3,307.2	4,591.3	4,920.8
FTE Positions	66.9	66.9	71.9

◆ **Goal 1** To streamline claims processing

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Fee-For-Service claims adjudicated within 30 days	98.0	97.0	97.4	97.0	97.0

Subprogram Summary

ADVISORY COUNCIL ON INDIAN HEALTH CARE (PASS-THROUGH)

Amanda Barrera, Executive Director
Phone: (602) 874-2575
A.R.S. § 36-2902; Title XIX, SSA

Mission:

To advocate for increasing access to high quality healthcare programs for all American Indians in Arizona.

Description:

Established in FY 1990, the Advisory Council on Indian Health Care consists of 23 members who serve staggered, two-year terms. Twenty members appointed by the Governor represent five health care agencies, five social service agencies, five agencies serving the developmentally disabled, two tribal organizations or metropolitan Indian centers, and three tribal members serving at-large. The remaining three representatives from AHCCCS, the Arizona Department of Health Services, and the Department of Economic Security are appointed by the respective directors of each of these departments. Technical advisors to the Council include one representative each from the Veteran's Administration, Bureau of Indian Affairs, and the Indian Health Service.

The Council utilizes its knowledge of Indian healthcare issues and tribal sovereignty; serves as a resource for Tribal governments and the state of Arizona; and supports prevention, training, education, and policy development as the keys to meet the unique health care needs of the Arizona Indian population. Ongoing strategic planning efforts are designed to address and measure these objectives.

- ◆ **Goal 1** To facilitate communications, planning, and discussion regarding operations, financing, policy, and legislation relating to Indian health care among tribes, the state, and federal agencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Advisory Council On Indian Health Care (ACOIHC): Number of meetings annually	6	8	11	10	10

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	10,399.2	11,020.9	11,020.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	16,889.9	17,890.3	17,890.3
Total Funding	27,289.1	28,911.2	28,911.2
FTE Positions	444.7	444.7	444.7

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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of applications processed on time	78	97	60	97	97

Explanation: 2013 measure was impacted by the freeze on childless adults resulting in more applications claiming disability and the opening of KidsCare II

Percent of financial redeterminations processed on time	37	80	35	80	80
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Explanation: Reduction in staff; Increased applications; renewals are lower priority

- ◆ **Goal 2** To determine eligibility in an accurate manner.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Member File Integrity System: percent of timely reconciliation of AHCCCS data with other governmental data bases	99	99	99	98	98

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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent accuracy of Communications Center for eligibility and enrollment verifications as measured by internal quality assurance.	95	98	96	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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
ALTCS eligibility case error percent	2	3	2.0	3	3.0
Cost avoidance from Predetermination Quality Control Program (in millions)	16.93	15.75	18.60	19.50	20.50

Program Summary

AZ LONG TERM CARE SYSTEM (ALTCS)

Jami Snyder, Administrator
 Phone: (602) 417-4614
 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:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	162,699.2	162,331.0	181,140.2
Other Appropriated Funds	0.0	6,497.3	5,244.9
Other Non Appropriated Funds	1,922,762.3	2,055,167.1	2,206,440.0
Total Funding	2,085,461.5	2,223,995.4	2,392,825.1
FTE Positions	0.0	0.0	0.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
ALTCS monthly enrollment	52,389	54,143	53,672	55,304	56,830
Percent of members utilizing home and community based services	85.0	86.0	86.0	86.0	86.0

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:

- ▶ 1931(b) Eligibility Family Assistance
- ▶ Supplemental Security Income
- ▶ SOBRA Women
- ▶ SOBRA Children
- ▶ Federal Emergency Services
- ▶ Medicare Premiums
- ▶ Disproportionate Share Payments
- ▶ Family Planning Services
- ▶ Adoption Subsidy/foster Care
- ▶ Graduate Medical Education

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	876,841.9	920,643.3	1,042,307.7
Other Appropriated Funds	86,026.8	125,786.8	112,322.9
Other Non Appropriated Funds	3,838,954.1	3,929,544.2	4,179,565.0
Total Funding	4,801,822.8	4,975,974.3	5,334,195.6
FTE Positions	0.0	0.0	0.0

Subprogram Summary

1931(B) ELIGIBILITY FAMILY ASSISTANCE

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.)

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	332,224.2	348,974.9	394,959.7
Other Appropriated Funds	35,307.6	51,626.1	46,100.1
Other Non Appropriated Funds	1,248,461.1	1,398,145.7	1,537,259.2
Total Funding	1,615,992.9	1,798,746.7	1,978,319.0
FTE Positions	0.0	0.0	0.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
1931 (b) Eligibility Family Assistance monthly enrollment	440,799	460,185	439,002	507,045	528,886

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	63.4	65.0	70.5	66.0	71.0
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Explanation: The current HEDIS national mean for Medicaid managed care plans is 45%, so AHCCCS is performing well above the comparable national average.

Subprogram Summary

SUPPLEMENTAL SECURITY INCOME

Melanie Norton, Assistant Director
 Phone: (602) 417-4511
 A.R.S. § 36-2901

Mission:

To provide comprehensive quality health care to individuals eligible for Supplemental Security Income (SSI).

Description:

The SSI cash program is administered by the Social Security Administration. Individuals receiving SSI monthly cash payments are automatically eligible for AHCCCS acute care services. The three major SSI categories include individuals who are 65 years or older, blind, or disabled. Eligibility for the SSI program is based on uniform federal requirements. The Medical Assistance Only (MAO) population is not eligible for cash assistance, but is still eligible for Medicaid. SSI-MAO eligibility is based on SSI-related eligibility criteria, and eligibility is determined by the AHCCCS Administration. Individuals eligible for AHCCCS health insurance under the SSI-MAO program do not have to meet any limit on resources. Also, unlike the income limit for SSI cash, SSI-MAO members may have income at or below 100% of FPL under a state plan amendment that became effective April 1, 2001. (Ticket to Work Funding is included in the SSI program.)

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	217,767.9	228,747.8	258,890.0
Other Appropriated Funds	23,143.6	33,840.1	30,217.9
Other Non Appropriated Funds	818,347.3	916,463.3	1,007,650.1
Total Funding	1,059,258.8	1,179,051.2	1,296,758.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure the management and delivery of quality acute care services to AHCCCS SSI-MAO eligibles.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Supplemental Security Income monthly enrollment	124,220	130,734	129,361	137,268	143,568

Explanation: Includes Freedom to Work population

Subprogram Summary

SOBRA WOMEN

Melanie Norton, Assistant Director
 Phone: (602) 417-4511
 A.R.S. § 36-2901

Mission:

To provide comprehensive quality health care to eligible pregnant women.

Description:

Under the provisions of the federal Sixth Omnibus Budget Reconciliation Act (SOBRA), the state provides care to pregnant women whose family income does not exceed specified percentages of the Federal Poverty Level (FPL). Percentages of the FPL are specified in SOBRA, Title XIX, and A.R.S. § 36-2901. The federal government currently requires states to provide care to pregnant women whose family income does not exceed 133% of FPL. AHCCCS commonly refers to this population as "SOBRA Women and Infants," after the Sixth Omnibus Budget Reconciliation Act, which took effect in 1987. DES determines eligibility for this program.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	44,506.1	46,750.1	52,910.4
Other Appropriated Funds	4,729.9	6,916.0	6,175.8
Other Non Appropriated Funds	167,248.9	187,301.3	205,937.5
Total Funding	216,484.9	240,967.4	265,023.7
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure the management and delivery of quality acute care services to AHCCCS SOBRA-eligible women.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of women receiving cervical screening within a three year period	60.9	58.0	NA	NA	NA

Explanation: TBD due to change in coverage

Subprogram Summary	
SOBRA CHILDREN	
Melanie Norton, Assistant Director	
Phone: (602) 417-4635	
A.R.S. § 36-2901	

Mission:

To provide comprehensive quality health care to eligible children.

Description:

Under the provisions of the federal Sixth Omnibus Budget Reconciliation Act (SOBRA), the state provides care to children whose family income does not exceed specified percentages of the Federal Poverty Income Level (FPL). Percentages of the FPL are specified in SOBRA, Title XIX, and A.R.S. § 36-2901. Based on changes included in the Omnibus Budget Reconciliation Act of 1989, the federal government currently requires states to provide care to children whose families income does not exceed the amount specified for the specific age group. There are two children's groups: children under age 6 at 133% of FPL, and children age 6 or over at 100% FPL. Effective July 1, 2001, the state elected to cover children up through age 18. DES determines eligibility for this program. Funding Note: For funding purposes, the costs associated with ACA Children Expansion have been added to SOBRA Children for FY14.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	214,965.7	225,804.2	255,558.6
Other Appropriated Funds	22,845.7	33,404.6	29,829.1
Other Non Appropriated Funds	807,816.8	904,670.2	994,683.6
Total Funding	1,045,628.2	1,163,879.0	1,280,071.3
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure the management and delivery of quality acute care services to AHCCCS SOBRA-eligible children.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
SOBRA children monthly enrollment	323,192	333,755	317,430	420,298	450,724
Percent of well child visits in the first 15 months of life - Early Periodic Screening, Diagnosis and Treatment	63.4	65.0	67.0	66.0	68.0

Subprogram Summary

FEDERAL EMERGENCY SERVICES

Rebecca Fields, Assistant Director
 Phone: (602) 417-4411
 A.R.S. § 36-2901

Mission:

To provide limited emergency health care to individuals eligible for the Federal Emergency Services Program.

Description:

The Federal Emergency Services Program (FES) is available to individuals who, except for their citizenship/alien status, meet Federal Title XIX eligibility requirements. The program provides emergency services to two general categories: (1) persons not qualifying for full Medicaid services because they are qualified aliens who entered the country on or after August 22, 1996, and are not yet entitled to full services; and (2) illegal immigrants. This program covers only emergency services, including labor and delivery. As of July 1, 1997, prenatal care is no longer covered. Eligibility for FES for pregnant women, children, or families with children under age 18 years is determined by the Department of Economic Security. Eligibility for individuals who are age 65 or older, blind, or disabled is determined by AHCCCS. The length of eligibility will normally be six months, except for pregnant women who are eligible through their pregnancy, and FES-eligible members in an active AHCCCS household with members eligible for full services. FES eligibility may be determined by either DES or AHCCCS.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	28,149.9	24,724.9	30,745.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	54,837.0	49,843.2	63,075.3
Total Funding	82,986.9	74,568.1	93,820.3
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure the management and delivery of emergency services to AHCCCS FES eligibles.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Federal Emergency Services monthly enrollment	60,809	73,796	67,563	71,810	76,324

Subprogram Summary

MEDICARE PREMIUMS

Melanie Norton, Assistant Director
Phone: (602) 417-4511
A.R.S. § 36-2911

Mission:

To provide quality health care to individuals eligible for both Medicare and AHCCCS, either through acute care or Arizona Long Term Care System programs.

Description:

AHCCCS pays Medicare Part A premiums (hospital insurance) for some eligible members, and Part B premiums (supplemental medical insurance) on behalf of AHCCCS members eligible for Medicare/Medicaid, or for those who are Qualified Medicare Beneficiaries (QMBs). This "buy-in" reduces state costs because the federal government, through Medicare, absorbs some costs that would have otherwise been paid by AHCCCS. Additionally, AHCCCS is able to "buy-in" to Part A and pay the premium costs for certain disabled individuals. The state's financial responsibility is reduced for Medicaid AHCCCS members who also have Part A or Part B Medicare coverage, since Medicare coverage serves as a source of third-party funds for Medicare-covered services provided to AHCCCS members.

Under the Qualified Medicare Beneficiary Program (QMB), an eligible person has income at or below 100% of FPL. Programs include QMB Onlys and QMB Duals. QMB Onlys include those individuals who meet the income and resource requirements of the program and for whom AHCCCS will pay the Medicare Part A and Part B premiums, deductibles, and coinsurance; they do not receive any other AHCCCS benefits. QMB Dual means the individual is eligible for both QMB and one of the federal categorically needy programs; full Medicaid benefits are covered.

Under the Specified Medicare Beneficiary (SLMB) program, an eligible person has income above the FPL, but at or below 120% of FPL. The SLMB benefit is payment of the Part B premium. Prescriptions are no longer covered due to implementation of Part D. Individuals who meet SLMB eligibility requirements, except for income, may qualify to have AHCCCS pay their Part B Medicare Premium if their income does not exceed 135% FPL under the Qualified Individual I program.

AHCCCS determines eligibility for all Medicare cost-sharing programs.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	39,156.4	42,551.6	46,181.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	95,024.3	107,634.9	120,530.2
Total Funding	134,180.7	150,186.5	166,711.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To reduce state health care costs through the enrollment of AHCCCS members eligible for Medicare cost sharing.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Members enrolled monthly in the Medicare Premiums programs	37,923	42,109	42,746	47,171	50,195

Subprogram Summary

DISPROPORTIONATE SHARE 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	3,042.6	3,042.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	479,011.9	204,875.8	84,328.7
Total Funding	479,011.9	207,918.4	87,371.3
FTE Positions	0.0	0.0	0.0

- ◆ **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	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of dollars recouped after distribution	0	0	0	0	0

Subprogram Summary

FAMILY PLANNING SERVICES

Melanie Norton, Assistant Director
 Phone: (602) 417-4511
 A.R.S. § 36-2901

Mission:

To provide up to 24 months of voluntary family planning to women whose SOBRA eligibility has terminated for reasons other than incarceration, a move out of state, failure to cooperate, or voluntary withdrawal.

Description:

SOBRA Family Planning Services Extension Program is a capitated program which provides up to 24 months of voluntary family planning to women whose SOBRA eligibility has terminated. Women who receive services through the Family Planning Services Extension Program are only eligible to receive family planning services. The federal match for this population is 90%.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	71.7	47.2	20.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	645.3	424.9	181.9
Total Funding	717.0	472.1	202.1
FTE Positions	0.0	0.0	0.0

- ◆ **Goal 1** To ensure the management and delivery of family planning services to women enrolled in the SOBRA Family Planning extension program.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Family Planning Services monthly enrollment	4,219	4,701	4,877	1,572	1,709

Subprogram Summary					
ADOPTION SUBSIDY/FOSTER CARE					
Melanie Norton, Assistant Director					
Phone: (602) 417-4511					
A.R.S. § 36-29031.4(b)					

Mission:
To provide Medicaid for children receiving Adoption Subsidy and Foster Care support under Title IV-E of the Social Security Act or State Adoption Subsidy.

Description:
 The Title IV-E adoption subsidy or Title IV-E foster care coverage groups include a child for whom an adoption assistance agreement is in effect under Title IV-E of the Act or who receives a foster care maintenance payment under Title IV-E of the Act. AHCCCS must provide Medicaid to individuals who have an adoption assistance agreement in effect under Title IV-E of the Act. Coverage is provided whether or not adoption assistance is being provided, or a judicial decree of adoption has been issued, or foster care maintenance payments are being made under Title IV-E of the Act.

AHCCCS also covers children who have been adopted under a state adoption agreement with the DES Division of Children, Youth, and Families.

- ◆ **Goal 1** To ensure the management and delivery of quality acute care services to AHCCCS children receiving Adoption Subsidy and Foster Care support.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Monthly Enrollment Figure	NA	NA	NA	NA	NA

Explanation: Not identifiable

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

Mission:
To reimburse hospitals for direct and indirect costs of graduate medical education programs.

Description:
 In FY 1998, AHCCCS established a separate Graduate Medical Education program to reimburse direct costs to hospitals with graduate medical education (GME) programs. In 2007, the Legislature amended state law to permit limited reimbursement of indirect GME costs, as well as the authority for local, county, and tribal governments to provide monies for additional state-matching funds.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	167,561.5	160,184.9	165,918.5
Total Funding	167,561.5	160,184.9	165,918.5
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To help support Graduate Medical Education (GME) through direct cost reimbursements.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	126,291.8	158,242.5	23,720.6
Other Appropriated Funds	22,185.7	21,624.0	21,624.0
Other Non Appropriated Funds	1,329,550.4	1,376,189.7	2,695,433.3
Total Funding	1,478,027.9	1,556,056.2	2,740,777.9
FTE Positions	428.1	428.1	429.5

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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Senator Andrew Nichols Comprehensive Health Insurance Coverage Act monthly enrollment	272,330	219,210	227,792	357,292	414,223

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,133.5	1,097.2	0.0
Other Non Appropriated Funds	24,415.7	10,855.1	0.0
Total Funding	25,549.2	11,952.3	0.0
FTE Positions	14.0	14.0	0.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Healthcare Group monthly enrollment	7,419	5,747	6,414	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,850.6	3,058.5	1,934.9
Other Appropriated Funds	53,782.3	32,139.1	7,013.9
Other Non Appropriated Funds	10,711.2	5,941.0	18.3
Total Funding	69,344.1	41,138.6	8,967.1
FTE Positions	45.9	45.9	45.9

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
KidsCare monthly enrollment	12,236	27,456	43,211	3,257	2,556
Explanation: Includes KidsCareII					
Percent of children with access to primary care provider	84.4	84.0	88.0	85.0	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	20,551.1	36,320.1	35,910.1
Total Funding	20,551.1	36,320.1	35,910.1
FTE Positions	0.0	0.0	0.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of participating Local Education Authorities (LEAs)	126	114	107	104	104

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	38,862.4	37,049.0	67,334.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	75,928.5	74,687.4	138,319.5
Total Funding	114,790.9	111,736.4	205,654.4
FTE Positions	0.0	0.0	0.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Operational Review Standards with which Contractor is in full or substantial compliance	82	85	NA	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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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	65,931.9	297,752.4
Total Funding	0.0	65,931.9	297,752.4
FTE Positions	0.0	0.0	0.0

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
ACA Adult Expansion monthly enrollment	0	0	N/A	45,631	69,348

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 licensure, certification, or designations for supervisor appraisers. In addition to these classifications, they also process the applications for tax agent registration and Appraisal Management Companies (AMC'). The Board assures that all candidates for appraisers and AMC's meet the requirements as set forth by the Appraisal Qualification Board of the Appraisal Foundation and are in compliance with Title XI, FIRREA and Dodd-Frank Acts. 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, course providers, property tax agents, other state appraisal boards, and lending institutions.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	751.1	851.6	891.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	751.1	851.6	891.6
FTE Positions	8.0	8.0	8.0

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. Currently, there is another necessary statute change required for compliance, as well as several of the Board's rules. 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 has decreased by 28% in the past five years. In May, 2008 there were 3,028 licensed and certified appraisers in Arizona. We now have 2,175. Three large national Appraisal Management Companies (AMC's) have failed or had significant staff reductions in the past year, and more are expected to reduce staff in the near future. We currently have 162 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 in FY2013 comprised 23% of the revenue stream to the agency.

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 49% of the complaints are coming from homeowners and another 10% are coming from Realtors. 50% of the staff's time is devoted to the processing of complaint and 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.
- The agency is part of a pilot program for the new website project from ADOA-ASET. This update will allow easier use of the website, which should assist in the education of the public about the appraisal process.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	8.0	8.0	8.0
General Fund	810,000.0	780,000.0	800,000.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of complaints received against appraisers	195	200	175	170	175
Number of complaint resolutions	195	200	173	175	170
Appraisers with more than one complaint filed	30	30	40	35	30

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average days from receipt of application to test approval	60	60	65	40	40
Explanation: Monitor results and compare with previous year					
Average days from receipt of test scores to licensure/ certification	10	10	11	10	10
Average days from receipt of nonresident application to licensure/certification	3	3	3	3	3
Average days from receipt of application to test approval	0	0	65	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Disciplinary actions	25	25	32	25	25
Recidivism rate for those receiving disciplinary action	10	10	3	5	5
Average days from receipt of complaint to resolution	130	130	125	100	100
Average annual backlog of noncurrent cases	10	10	13	10	10

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Processing days from receipt of registration until name appears on list	10	10	18	12	10
Days from receipt of renewal form until the list is updated	10	10	13	5	5
Number of new and existing licensees	2285	2,285	2171	1960	2000
Administration as percent of total cost	2	2	2	2	2
Customer satisfaction rating (scale 1-8)	7.5	7.5	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
To adequately register all AMC's as prescribed by SB 1351.	180	180	162	165	165

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 48-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: stimulating the arts in Arizona, working with arts organizations in the State, and encouraging public interest and participation 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). 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 \$32 million in federal funding, which was delivered through grants, programs and services statewide. Annually, Arts Commission grants and programs serve 6.9 million people, and 1.4 million Arizona youth are served by Arts Commission-sponsored arts education programs in charter, private and public schools.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	1,000.0	1,000.0
Other Non Appropriated Funds	2,558.0	3,159.2	4,159.2
Total Funding	2,558.0	4,159.2	5,159.2
FTE Positions	12.0	12.0	12.0

Issue 1 Increase the capacity of arts and culture delivery agents in service to residents of Arizona and the taxpaying public.

Description PLAN METHODOLOGY:

- This is a 5-year plan, for Fiscal Years 2014–2018.
- 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

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, 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

Issue 2 Build value for the contributions of Arizona residents working in the arts and culture sector.

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 2012," 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, 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

Issue 3 Build value for investment in lifelong learning in, through and about the arts.

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 Artist in Residence Grants, Arts Learning 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 Artist in Residence Grants, Arts Learning 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 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 Build value for community-focused arts and cultural partnerships across Arizona.

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: Example programs: Arts Learning Partnerships Grants, Festivals Project Grants, Honoring Our Servicemembers 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 Build value for arts and cultural investment among corporate and small-business constituencies; provide opportunities for intra- and cross-sector networking, resource-sharing and mutually-beneficial community and financial outcomes.

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; 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	12.0	12.0	12.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	1,500,000.0	1,515,000.0	1,530,000.0
Federal Funds	775,000.0	800,000.0	815,000.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Individuals benefiting from programs sponsored by Agency (in thousands)	7,500.00	7,500.00	6,900.00	7,000.00	7,100.00

Explanation: Figures for this measure are compiled in our online grants program (EGOR) 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	316/300	310/280	310/293	325/305	310/290
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Explanation: Figures for this measure are compiled in our online grants program (EGOR).

Number of grant applications submitted by ethnic-run organizations	53	55	49	55	50
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Explanation: Figures for this measure are compiled in our online grants program (EGOR).

Percentage of applications submitted by ethnic-run organizations funded	91	85	94	85	87
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Explanation: Figures for this measure are compiled in our online grants program (EGOR).

Number of applications submitted by rural applicants	108	90	88	95	90
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Explanation: Figures for this measure are compiled in our online grants program (EGOR).

Percentage of applications submitted by rural applicants funded	92	85	96	90	90
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Explanation: Figures for this measure are compiled in our online grants program (EGOR).

Number of applications submitted by organizations that did not apply in previous year	54	40	40	45	40
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Explanation: Figures for this measure are compiled in our online grants program (EGOR).

Percentage of applications submitted by organizations that did not apply in previous year funded	91	80	85	85	87
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Explanation: 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of applications submitted for arts education programs/dollar amount funded (in thousands)	85/1,634	80/1,650	70/1,478	105/2,245	85/1,750

Explanation: Figures for this measure are compiled in our online grants program (EGOR).

Number of individual Arizona youth served by Commission programs and initiatives (in millions)	1.5	1.5	1.4	1.5	1.6
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Explanation: Figures for this measure are compiled in our online grants program (EGOR).

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total amount of state investment in arts participation opportunities (in thousands)	1,397.2	1,400.0	1,479.0	2,380.0	1,380.0
Explanation: Figures for this measure are constructed by adding the following State monies provided to the Arts Commission: Arts Trust Fund and for FY2014, Rainy Day Fund Interest.					
Total amount of other public and private funds leveraged for arts participation opportunities/state investment (in millions)	145/1.4	140/1.3	141/1.4	145/2.4	150/1.4
Explanation: Figures for this measure are constructed as follows: Cumulative statewide arts budgets as entered into our online grants system (EGOR) 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
Explanation: 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	54	45	79	60	65
Explanation: 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	515	520	490	500	510
Explanation: 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)	89.9	85.0	133.0	110.0	115.0
Explanation: 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)	7.00	7.00	7.10	7.10	7.15
Explanation: 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 530 licenses for the athletic training profession and continues to monitor 337 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	100.6	105.2	123.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	100.6	105.2	123.2
FTE Positions	1.5	1.5	1.5

5 Year Plan

Issue 1 Current licensing renewal system lacks online capabilities

Description The Board members and the regulated community's main issue is the lack of ability to access license and licensee information on the web. The Athletic Training Board desires to update its 5 year old Access license database program. The current database is antiquated and can not be updated to allow for on-line license renewal, instant update of online practioner searches, additional report writing and live acces to data during board meetings. The new program would be hosted offsite on an SQL database for security reasons. Funding this project will require the Board to seek approval in the FY 2015 budget to increase its fund allocation.

Solutions:

The Board will work with ADOA and/or outside vendors to replace our outdated, on-site, Access data base program with an off-site SQL server to allow access from anywhere. By automating the Board's application process, applicants will be able to go on line and apply for licensure which will reduce the application processing time.

Issue 2 Inefficient document storage

Description The Board desires to convert all hard documents now held in file cabinets to digital images and housed in the database.

Solutions:

The Board will contract with an outside vendor to scan existing files contained on-site and turn them into digital images. The digital images will then be downloaded to the database. The Board will also surplus the current file cabinets now holding the hard documents and archive the documents themselves.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	1.5	1.5	1.5
General Fund	0.0	0.0	0.0
Other Appropriated Funds	123.2	123.2	123.2
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To ensure that licenses and renewals are issued in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Athletic Training licenses issued	595	600	662	675	685
Number of license renewals received	528	540	584	580	580
Average calendar days to renew a license	5	5	5	5	5
Average calendar days to issue a license.	5	5	4	5	5

◆ **Goal 2** To investigate and adjudicate complaints within 120 days.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints received	5	5	5	5	5
Disciplinary actions taken	7	6	4	5	5
Complaints resolved within 120 days	5	5	5	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of athletic training complaints received	1	1	0	1	1
Percent of licenses issued within 10 days of approval.	100	100	100	100	100
Complaints resolved within 120 days	1	1	0	1	1
Customer Satisfaction rating (scale 1-8)	7.9	7.9	7.9	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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ LEGAL SERVICES	79,432.3	93,604.9	99,798.1
➤ CENTRAL ADMINISTRATION	16,384.3	13,116.8	13,641.1
Agency Total:	95,816.6	106,721.7	113,439.2
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	23,365.9	22,464.6	26,188.2
Other Appropriated Funds	35,220.2	38,688.4	42,733.7
Other Non Appropriated Funds	37,230.5	45,568.7	44,517.3
Total Funding	95,816.6	106,721.7	113,439.2
FTE Positions	707.3	722.8	760.8

Issue 1 To Provide Exemplary Legal Services

Description One of the fundamental responsibilities of the Attorney General's Office is to act as legal advisor to all state agencies, boards, and commissions, except those few exempted by law. The AGO represents its client agencies on matters concerning public monies, procurement, finance, open meetings, public records, employment law, general agency advice, statutory construction, administrative certification, licensing, administrative enforcement actions, and related litigation.

The demand for resources required to defend or bring litigation caused by mandated budget cuts and sweeps, legislative implementation of public policy decisions, and referenda and initiatives has increased markedly. Furthermore, with the economic downturn, caseloads in many parts of the office have increased due to fraud and other crimes being on the rise. Throughout all this, the AGO continually strives to respond to requests to litigate or intervene in a timely manner in matters that have great public interest. 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, and Colorado City (a community where local police have great allegiance to Warren Jeffs).

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 underestimated. 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 implementation of a new, more rigorous hiring process; a more effective annual employee evaluation process; and expansion of the current recruitment process.
- Improve efficiency of legal services delivery through client relation 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 and related legal restrictions on the activities of public officials and employees.
- Maintain 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 being provided by the AGO.

Issue 2 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.
- 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.

Issue 3 To Protect Citizens Against Crime: Children, Seniors, Families & Communities

Description The Attorney General's Office prioritizes the protection of Arizona's population. 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; all of which are prosecuted by our Office.

In the context of children, the Attorney General's Office provides comprehensive legal representation to the Department of Economic Security through diligent counsel and advice, as well as two very distinct subject areas requiring diligent case management. In Child Protective Services (CPS) there is a rise in the severity of abuse and neglect of children that has resulted in staggering increases in the number of children in care. At the end of Fiscal Year 2013, CPS had 16,793 children in care (Note 1). This represents an 18% increase over Fiscal Year 2012, and continues to impact efforts to achieve safe and timely permanency for Arizona's children in foster care. With respect to Child Support Services (Note 2), 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. 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, senior abuse, and victim's rights. In addition, this group provides written and web-based resources to community groups on a wide range of issues.

Note 1: The figure 16,793 represents the total number of children on a dependency petition and under court supervision whether the child is placed in out-of-home care or with their parent or legal guardian.

Note 2: The Child Support Services section adopted this new name in August of 2013. The name corresponds to the division within the Department of Economic Security that CSS principally represents, and more accurately reflects the provision of services benefitting children and families directly related to the establishment, modification and enforcement of child support orders.

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 and DES staff, CPS caseworks, 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 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.
- 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 protect victimized citizens and keep communities safe.

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.
- Participate in victim service network events.
- Provide for efficient and effective delivery of quality services to victims during all stages of criminal prosecutions.
- Participate and serve as a leader statewide on victims’ issues.
- Collaborate with other law enforcement agencies to recognize individuals in Arizona who made significant contributions to victims’ rights.
- Competently and efficiently defend the State in all capital and non-capital appellate cases.
- Enhance written and oral advocacy skills through participation of training.
- Improve expertise in handling federal habeas litigation through participation in training related to federal appeals under 28 U.S.C. § 2254.

Issue 4 To Defend the Border 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 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 crime, the Office of the Attorney General will take a pro-active role and dedicate resources to implement initiatives to dismantle these criminal enterprises.

Solutions:

GOAL 1: To disrupt criminal organizations that engage in cross border violence.

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 timely legal advice on investigative procedures as well as training on relevant legal issues.
- Provide legal counsel and assistance in wiretap and undercover investigations.
- Develop 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 organized crime of the property and profit that keep it 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 (AML) efforts

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	746.3	739.8	739.8
General Fund	24,194.6	24,194.6	24,194.6
Other Appropriated Funds	57,453.2	41,233.7	41,233.7
Non-Appropriated Funds	39,200.7	39,200.7	39,200.7
Federal Funds	5,316.6	5,316.6	5,316.6

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 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	14,403.4	14,905.8	18,629.4
Other Appropriated Funds	30,361.4	36,228.3	39,749.3
Other Non Appropriated Funds	34,667.5	42,470.8	41,419.4
Total Funding	79,432.3	93,604.9	99,798.1
FTE Positions	594.5	583.2	614.2

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,731.3	2,889.8	2,889.8
Other Appropriated Funds	9,142.6	11,978.5	14,781.3
Other Non Appropriated Funds	2,817.6	6,460.0	6,114.7
Total Funding	14,691.5	21,328.3	23,785.8
FTE Positions	139.0	134.6	150.6

◆ **Goal 1** To be responsive to public concerns about consumer fraud.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints opened	21,453	25,000	14,076	20,000	20,000
Explanation: As a result of the Bank of America settlement, consumers are recovering from the mortgage crisis and fewer complaints were opened / closed.					
Complaints closed	18,910	23,000	12,180	20,000	20,000
Explanation: As a result of the Bank of America settlement, consumers are recovering from the mortgage crisis and fewer complaints were opened / closed.					
Telephone calls received from the public	41,112	42,000	36,894	40,000	40,000
Explanation: Fewer calls received due to enhancements made to the AGO website and fewer mortgage/foreclosure calls.					

◆ **Goal 2** To deter fraudulent business practices as a means to protect consumers from fraud.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Civil cases/investigations opened	112	75	97	75	75
Explanation: Changes made to legislation regarding Business Opportunity scams resulted in more investigation, cases and judgments.					
Judgments	17	25	30	25	25
Explanation: Changes made to legislation regarding Business Opportunity scams resulted in more investigation, cases and judgments.					

◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Advice matters and files opened	202	200	186	200	200
Explanation: This performance measure was added in FY13.					
Civil litigation files opened	653	650	670	650	650
Explanation: This performance measure was added in FY13.					
Cases resolved within the year	503	500	473	500	500
Explanation: This performance measure was added in FY13.					

◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Meetings with client agency directors and/or commissioners	25	20	21	20	20
Explanation: This performance measure was added in FY13.					
Training sessions with clients	11	10	13	10	10
Explanation: This performance measure was added in FY13.					

- ◆ **Goal 5** To enforce the Model Escrow Statute, Directory Statute and Master Settlement Agreement and work to reduce sales of tobacco products to minors.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Youth compliance checks conducted	2,351	2,000	2,050	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints received	10	20	14	15	15

Explanation: Gas complaints have steadily decreased every year as we have made pricing information readily available to consumers via the AGO website.

Restitution ordered for Arizona consumers and costs recovered in antitrust cases (\$ dollars)	81,930	50,000	150,743	75,000	75,000
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Explanation: We reached settlements in some cases, including the e-books case, earlier than anticipated

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,535.8	1,308.6	1,308.6
Other Appropriated Funds	81.5	88.8	88.8
Other Non Appropriated Funds	716.8	1,332.9	1,223.4
Total Funding	2,334.1	2,730.3	2,620.8
FTE Positions	32.1	32.6	32.6

◆ **Goal 1** To increase compliance with anti-discrimination laws through timely and effective investigation.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of cases investigated	1,348	1,500	1,267	1250	1250
Explanation:	The number of cases investigated and the number of cases resolved are below estimate due to members of the public filed fewer civil rights complaints than expected.				
Number of cases resolved	901	1,000	827	800	950
Explanation:	The number of cases investigated and the number of cases resolved are below estimate due to members of the public filed fewer civil rights complaints than expected.				
Percentage of cases resolved using voluntary settlement agreements	12	15	15	15	15
Explanation:	The Civil Rights Division's FY 2013 work-sharing agreement with the EEOC provided payment for fewer case resolutions than FY 2012 agreement.				

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of lawsuits	18	20	21	20	20
Explanation:	More cases were opened that included multiple charging parties, as opposed to cases with individual charging parties.				
Number of lawsuits resolved	5	10	13	7	7
Explanation:	Consent decrees or settlement agreements negotiated for FY2012 were not finalized until FY2013. Consent decrees or settlement agreements negotiated for FY2012 were not finalized until FY2013.				
Percentage of litigation cases resolved using voluntary settlement agreements	100	90	92	80	80
Explanation:	The Division was able to exceed the estimate for lawsuits resolved because a number of cases that were close to resolution at the end of FY 2012 settled in FY 2013. In addition, Civil Rights Litigation Section ("CRL") was fully staffed with attorneys throughout FY 2013, unlike in immediately preceding fiscal years.				

◆ **Goal 3** To provide the people of Arizona and its governmental entities effective dispute resolution services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of cases referred to mediation	460	425	486	425	425
Explanation:	More matters than estimated were referred to mediation because the CRL attorneys' litigation dockets were at such a level that they lacked capacity to dedicate time to conciliating matters or otherwise assisting CRC compliance officers in resolving investigations. In addition, the Tucson Mediation Coordinator requested that more cases be referred to mediation.				
Number of Civil Rights discrimination cases mediated	127	120	113	120	120
Percentage of Civil Rights mediations in which agreement was reached	56	50	55	55	55
Explanation:	This performance measure was added in FY13.				
Maintain satisfaction rate of participants above 90 percent	95	95	95	95	95

◆ **Goal 4** To increase public awareness of the State's zero tolerance of discrimination, resulting in a positive impact on the community.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of training presentations and outreach events	45	36	43	40	40

Explanation: The number of training presentation and outreach events includes public meetings of the Arizona Civil Rights Advisory Board, which were not taken into account when developing the estimate.

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	8,769.2	9,006.5	12,730.1
Other Appropriated Funds	3,390.8	4,692.5	4,992.5
Other Non Appropriated Funds	30,115.1	33,707.4	33,110.8
Total Funding	42,275.1	47,406.4	50,833.4
FTE Positions	216.4	216.3	227.3

◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Death penalty cases open	125	130	124	130	135
Death sentences carried out	5	5	2	5	5
Percentage of capital case convictions upheld by the Arizona Supreme Court on direct appeal and in post-conviction proceedings	95	95	100	95	95
Percentage of death penalty sentences affirmed by the Arizona Supreme Court	88	95	93	95	95

◆ **Goal 2** To defend the State of Arizona in all non-capital appellate cases.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of briefs, habeas answers, petitions for review and responses to petitions for review filed	908	917	912	926	935

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	36	36	36
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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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Cases open (BCS & DRG Section Totals)	1,272	1,100	1,225	1,250	1,300

Explanation: Increase in FY12 reflects multi-defendant wiretap cases and multi-defendant cases submitted by law enforcement agencies statewide.

Opened cases resolved within the year (BCS & DRG Section Totals)	447	300	551	400	425
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Explanation: Increase in cases resolved were due to those defendants who plead guilty in FY11 and sentenced in FY12 and due to the additional defendants being charged and resolved.

Number of defendants charged (BCS & DRG Section Totals)	908	800	1,163	1,100	1,150
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Explanation: Increase in FY12 and FY13 is due to the increase in the number of cases, including complex multi-defendant wiretap cases being submitted by law enforcement agencies, and charged by DRG and BCS.

Number of child abuse victims (BCS & DRG Section Totals)	14	5	12	5	5
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Explanation: Increase in FY12 & FY13 is due to law enforcement stops regarding drug violations where children were present.

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Cases open (BCS, FSP & HCF Section Totals)	1,186	1,200	1,451	1,250	1,300

Explanation: Increase in FY13 cases opened is due to the number of complex multi-defendant fraud cases and large scale wiretap drug cases submitted to be investigated and charged.

Opened cases resolved within the year (BCS, FSP & HCS Section Totals)	427	435	408	400	400
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Explanation: FY13 cases were larger and more complex, resulting in taking longer in the pre-trial process.

Matters reviewed but not opened (BCS, FSP & HCF Section Totals)	97	100	98	100	100
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Total victim losses (\$ millions) (BCS, FSP & HCF Section Totals)	323	300	259	250	250
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Explanation: While there was an increase in actual cases open for FY13, the number of victims per case were less; thus, the Total Victims Losses were less.

Total number of victims (BCS, FSP & HCF Section Totals)	27,402	25,000	23,682	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 were less.

Restitution ordered by the courts (\$ millions) (BCS, FSP & HCF Section Totals)	17.2	13	31.2	13	13
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Explanation: Increase in FY13 is due to restitution being ordered on large, complex victim cases. For example, Defendant Paura was ordered to pay \$5.5 million; Defendant Thomas was ordered to pay \$9.4 million and Defendant Emmons was ordered to pay \$4.4 million.

- ◆ **Goal 5** To assist prosecutorial offices throughout the state by prosecuting matters that are referred due to conflicts of interest.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
County Attorney conflict of interest referrals (BCS, DRG, FSP & HCF Section Totals)	33	20	29	20	20

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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New Forfeiture cases opened	2,283	2,300	1,658	1,809	1,809
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Explanation: Cases referred by law enforcement agencies statewide can and do vary greatly in the number of individuals and items of property involved.

Opened cases resolved within the year	778	790	909	682	682
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Explanation: Cases referred by law enforcement agencies statewide can and do vary greatly in the number of individuals and items of property involved.

Number of defendants (in rem/in personam)	6,504	6,550	7,253	4,713	4,713
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Explanation: Cases referred by law enforcement agencies statewide can and do vary greatly in the number of individuals and items of property involved.

Amount forfeited to State (\$ millions)	14.2	12	11.5	12	12.5
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Explanation: The increase in FY12 is due to a multi-year settlement of a large, multi-million dollar case.

- ◆ **Goal 7** To support statewide prosecution and forfeiture efforts through training, research and property management support.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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Law enforcement training seminars	55	50	84	50	50
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Financial inquiry assists	1,874	1,500	1,016	1000	1000
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Explanation: In FY12, it was estimated that the FY13 number of financial inquires would be 1500 based on previous fiscal years' numbers; however, the number was decreased due to the JNTF National Guard Analyst position being vacant for nearly one year.

- ◆ **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).

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of victim service network events participated in	97	100	78	75	75
Explanation: 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)	2.7	2.75	2.76	2.75	2.75
Percent of VRP recipients in compliance with mandates	100	100	100	100	100
Number of trainings and presentations given	74	50	38	50	50
Explanation: 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	1,587	1,000	946	1,000	1,000
Explanation: Decrease in FY13 is due to fewer trainings being offered since the Victims' Rights Trainer position was vacant for four months.					
% of victims' rights violation allegations responded to	100	100	100	100	100
Explanation: This performance measure was added in FY13.					
% of Victims' Rights award recipients satisfied with the Victim's Rights Program	97	90	94	90	90
Number of agencies audited	18	18	17	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of victims served	6,245	7,200	10,271	10,000	10,000
Explanation: Increase due to adding in restitution victims served to the total number of victims served.					
Number of mandated services provided	19,318	20,000	21,301	20,000	20,000
Number of non-mandated services provided	102,427	120,000	106,809	120,000	120,000
Explanation: Recently, OVS has received significantly fewer PCNR forms from victims of cases prosecuted by the county, which has led to fewer non-mandated services provided. Increase from FY12 to FY13 is due to Maricopa County sending PCNR forms to OVS electronically and therefore garnering a greater victim response than previous year.					
Open restitution cases	200	200	279	250	250
Compliance checks of restitution orders conducted	1,021	1,000	1,454	1,300	1,300
Explanation: Increase in FY13 is 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Open cases	425	450	659	650	700
Explanation: Increase in FY12 and FY13 was due to additional agents hired and available for assignments, including an influx of new cases opened by agents in FRS.					
Law enforcement assists	1,523	1,600	1,341	1350	1400
Explanation: Decrease in FY12 and FY13 was due to continued reallocation of resources, including several vacancies from retirements and resignations. In addition, the difficulty in attracting applicants with specialized areas of expertise has burdened this Section.					
Matters reviewed but not opened by Duty Agent	2,218	2,000	2,300	2,300	2,300

Subprogram Summary

CHILD AND FAMILY PROTECTION DIVISION

Nicole Davis, Division Chief Counsel
 Phone: (602) 542-9948
 A.R.S. § 41-191

Mission:
To provide the Department of Economic Security (DES) 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 Arizona Department of Economic Security (DES). The Division provides these services through three distinct sections which are supported by an Appellate Practice Group.

The Protective Services Section (PSS) provides comprehensive legal representation to DES' Division of Children, Youth and Families (DCYF) throughout Arizona's 15 counties with offices located in Flagstaff, Gila/Pinal, Kingman, Mesa, Phoenix, Prescott, Sierra Vista, Tucson and Yuma. PSS represents DCYF 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 DCYF, and administers a case processing system established by state and federal law designed to expedite dependency court proceedings and place children in permanent homes.

The Child Support Services 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. The CSS section also represents DCSS in appeals, complex litigation actions and provides comprehensive legal advice and support to DCSS in 12 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 a myriad of programs within DES. Other than Child Protective Services and 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 DES in all personnel and operations matters, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	880.3	921.9	921.9
Total Funding	880.3	921.9	921.9
FTE Positions	0.0	0.4	0.4

- ◆ **Goal 1** To assist DES in protecting children from abuse and neglect by providing legal services and representation compliant with the timeframes established by federal and state law.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of dependencies filed by DES (including supplemental and in-home petitions)	4,395	4,650	4,839	5,100	5,350
Number of preliminary protective hearings within five to seven days of filing initial dependency petition	5,322	5,600	5,783	6,075	6,375

Explanation: The increase in Preliminary Protective Hearings is directly tied to the increase in dependencies, the number of petitions filed and the existence of multiple parties involved in each case.

- ◆ **Goal 2** To assist DES 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of hearings held to establish a permanent plan within 12 months	6,979	7,350	7,675	8,050	8,450

Explanation: With an increased number of cases under the jurisdiction of the court there has been, and will continue to be, a corresponding increase in the number of Permanency Planning Hearings held for children in care.

Number of reunifications achieved (child back with parents)	1,244	1,300	1,424	1,530	1,650
Number of guardianships achieved (child placed with guardian)	289	300	291	290	290

Explanation: Termination of parental rights and adoption is DCYF's preferred permanent plan for children. Thus, there has been a decrease in the number of children placed in guardianship arrangements. The decrease may also be attributable to the successful adoption of children by relatives and foster parents.

Number of terminations achieved (child removed from parents)	2,167	2,300	2,834	3,260	3,750
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Explanation: In FY2013, the increase in terminations is the result of an increase in the number of dependency cases, the severity of abuse and neglect of children, and the increased emphasis of Juvenile Courts to achieve permanency more timely for children under age 3.

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of court ordered cases ratio required	83.0	84.0	85	86	87
Percentage of current support collected	52.2	54.0	55	57.0	58.0

Explanation: This performance measure was added in FY13.

◆ **Goal 4** To increase the number of children in the State's child support caseload whose paternity is established.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of children with paternity established	1,593	1,500	1,372	1,350	1,300

Explanation: The decrease in number of paternities established through judicial process corresponds to the increase in paternities established through DES' Administrative Voluntary Paternity Program. Future fiscal year estimates reflect DES' continued use of the program. Attorney General work in this area is offset by efforts to increase the percentages of current support collected added as a measure in goal 3 above.

◆ **Goal 5** To provide legal representation in DES litigation and to prosecute and deter fraud.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Administrative, Civil and Appellate litigation resolved (cases closed)	1,033	1,000	930	1,000	1,050
Civil Collection litigation resolved (judgments)	375	300	258	275	275

Explanation: The decrease in civil collection judgments is the direct result of increased time spent on serving debtors who evade service of process combined with unexpected turnover and training of new staff.

Criminal prosecutions completed successfully (sentenced)	124	125	186	200	210
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Explanation: The increase in the number of criminal prosecutions completed successfully is attributable to the number of completed sentencing hearings, which includes sentencing hearings that were the result of prosecutions initiated in a prior fiscal year.

◆ **Goal 6** To generate funds for the State via criminal restitution and civil judgments.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Civil judgments (\$)	891,115	700,000	701,539	700,000	735,000
Garnishment funds received (\$)	338,993	300,000	322,821	340,000	350,000
Criminal restitution ordered (\$)	460,814	475,000	711,936	475,000	475,000

Explanation: The increase in the amount of criminal restitution ordered is attributable to the increased number of completed criminal prosecutions and an increase in the amount of restitution ordered payable upon completion of the prosecution. 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 (\$)	343,339	350,000	597,597	425,000	425,000
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Explanation: In FY2013, there was an increase in the number of sentencing hearings. In addition, the prosecutions completed involved a larger number of weeks of fraud, and thereby resulted in larger restitution amounts. 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Hours of counsel and advice	27,249	27,000	30,694	27,000	27,000

Explanation: The hours of counsel and advice have increased above estimate due to several DES special projects that have required substantial input from CLA attorneys, including but not limited to, disclosure issues associated with the CHILDS Database, the IVE Audit, and the Person Demonstration Project.

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,367.1	1,700.9	1,700.9
Other Appropriated Funds	17,746.5	19,468.5	19,886.7
Other Non Appropriated Funds	137.7	48.6	48.6
Total Funding	19,251.3	21,218.0	21,636.2
FTE Positions	207.0	199.3	203.3

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Amounts recovered, generated, and/or saved (in millions of dollars)	116	116	122	85	100

Explanation: The FY2013 number is a conservative calculation of revenues generated from sales and long-term leases. FY2014 estimate reflects the projected decline in API sales funding and the uncertainty regarding market recovery. The FY2015 estimate reflects market recovery, but without API.

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average months in suit: per tort lawsuit - AGO	18	20	17	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	28	30	21	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	268	250	262	280	280
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Average billable hours: per tort lawsuit - OSC	344	250	201	305	300
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Average billable hourly rate: per tort lawsuit - AGO	118	120	105	120	120
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Average billable hourly rate: per tort lawsuit - OSC	174	210	193	200	200
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Average months in suit: per employment lawsuit - AGO	16	20	18	20	20
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Average months in suit: per employment lawsuit - OSC	21	24	N/A	24	24
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Explanation: It is difficult to get meaningful data for employment lawsuits assigned to outside counsel because few cases are being assigned to outside counsel. When no outside counsel employment lawsuits are closed during a fiscal year, there is no data to report. The FY 12 data is a reflection of information from one case.

Average billable hours: per employment lawsuit - AGO	441	500	497	500	500
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Average billable hourly rate: per employment lawsuit - AGO	120	125	115	125	125
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Explanation: Average billable hourly rate per employment lawsuit for OSC is \$280 for FY13. OSC is not used every year so it is not included as a performance measure.

Average billable hourly rate: per workers compensation matter: AGO	102	116	111	116	116
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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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	8,962.5	7,558.8	7,558.8
Other Appropriated Funds	4,858.8	2,460.1	2,984.4
Other Non Appropriated Funds	2,563.0	3,097.9	3,097.9
Total Funding	16,384.3	13,116.8	13,641.1
FTE Positions	112.8	139.6	146.6

◆ **Goal 1** To optimize the use of State funds in fulfilling the mission of the Attorney General's Office.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Administrative costs as a % of total costs	5	5	6.6	6.1	6

◆ **Goal 2** To provide a superior level of legal services to our client agencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction rating for client agencies (scale of 1 to 8, with 8 the highest)	7.36	7.50	7.30	7.50	7.50

◆ **Goal 3** To timely issue formal legal opinions.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Days to respond to a request for a legal opinion	55	50	64	60	60

Explanation: The increasing number of requests seems to be a trend and the department lacks resources to turn them around more quickly than they currently are.

◆ **Goal 4** To retain professional, experienced staff whose skills serve both state residents and client agencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of agency staff turnover	13.3	17.0	15.9	17	17

◆ **Goal 5** To collect debts owed to the State of Arizona efficiently, expeditiously and fairly.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Revenue Increase Over Prior Year (as a percentage)	26	5	9.75	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Staff training hours	259	275	394.5	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of Eligible Invoices Paid through ProcureAZ	0	60	86.3	90	95

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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of above average satisfaction rating for new employee hire process and training	0	0	0	70	73

Explanation: New performance measure for FY14

Percent of above average satisfaction rating for supervisor training	0	0	0	70	73
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Explanation: New performance measure for FY14

◆ **Goal9** To provide internal clients with above average customer service in processing personnel actions.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of above average satisfaction rating in processing personnel actions	0	0	0	70	73

Explanation: New performance measure for FY14

◆ **Goal10** To provide internal clients with above average customer service for centralized services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of above average satisfaction rating in processing centralized services requests	0	0	0	70	73

Explanation: New performance measure for FY14

◆ **Goal11** To provide internal clients with above average customer service for procurement requests.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of above average satisfaction rating in processing procurement requests	0	0	0	70	73

Explanation: New performance measure for FY14

Agency Summary

AUTO THEFT AUTHORITY

Brian R. Salata, 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 education programs.

Description:

The Authority administers grants provided to law-enforcement agencies for the most effective and efficient law enforcement strategies and tactics to combat auto theft.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,216.8	5,297.6	5,297.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,216.8	5,297.6	5,297.6
FTE Positions	6.0	6.0	6.0

5 Year Plan

Issue 1 Lack of resources and Auto Theft Task Force detectives along the Arizona/Mexico border has impacted operations in southern Arizona.

Description The AATA is the primary funding source of the AZ. Vehicle Theft Task Force. As the direct result of past fund sweeps by the legislature and an appropriation that falls significantly short of AATA's revenue collected, the Task Force has contracted in size, eliminating several squads of detectives, including its Border Squad.

Solutions:

The AATA will obtain approval and funding to re-establish a border squad within the AZ. Vehicle Theft Task Force. The Agency will seek input from state, local, and federal agencies along the border and determine which agencies to recruit for border squad positions. The AATA will maintain funding and allocated positions for one supervisor and six detectives and determine a location/city to house the border squad.

Issue 2 Lack of available funding to expand and enhance AATA's Vertical Prosecution Program to prosecute auto thieves across Arizona.

Description Provide funding for additional prosecutors and support staff for the Vertical Prosecution Grant Program in seven counties across Arizona.

Solutions:

The AATA will analyze and determine which counties to fund. We will also provide training and instruction on the Vertical Prosecution Program and provide grant funding for additional support staff as needed. The AATA will also ensure agencies are following guidelines set forth by the AATA.

Issue 3 High cost of utilizing emerging technologies such as License Plate Readers to combat auto theft makes it fiscally impossible to fund all LPR requests from law enforcement agencies.

Description

Solutions:

The AATA plans to make the LPR vehicles and barrel LPR available to law enforcement agencies throughout Arizona. We will develop an agreement between the AATA and outside law enforcement agencies for use of equipment and train agencies to utilize the LPR equipment. The AATA will also acquire additional LPR equipment to meet the agencies needs and develop a data tracking system to include an analysis component.

Issue 4 High cost of utilizing emerging technologies such as bait cars to combat auto theft makes it fiscally impossible to fund all Grant requests from law enforcement agencies.

Description Obtain vehicles, equipment, and contracts to provide bait cars to law enforcement agencies throughout Arizona.

Solutions:

The AATA will acquire the vehicles to be used in the bait car program and purchase the most updated bait car equipment operated remotely by Detectives from laptop computers. The Agency will develop an agreement between the AATA and outside agencies for use of equipment. We'll also seek additional tracking devices, such as LOJACK as a backup system and develop a data tracking system to include an analysis component.

Issue 5 Until recently, the AATA has had no available funding to hire additional Arizona POST certified police officers as AATA Investigators.

Description Fund and hire investigators to assist in auto theft investigations and training of law enforcement agencies.

Solutions:

The AATA will obtain approval from the AATA Board of Directors and provide funding for additional investigator positions. The Agency will advertise the position as needed and interview and select qualified candidates.

Issue 6 Arizona law enforcement agencies are seeking additional AZ POST certified auto theft investigations training courses for their officers throughout the state.

Description Develop AZ POST approved lesson plans and conduct certified trainings.

Solutions:

The AATA will develop lesson plans and submit them to Arizona POST for certification. Staff will schedule classes with law enforcement personnel throughout the state and work with Arizona POST to stay active on their training calendar and will continue to update lesson plans with current information.

Issue 7 Lack of resources and trained experts for Arizona law enforcement agencies seeking auto theft investigative assistance and training support.

Description Work with outside agencies to conduct vehicle theft investigations in Arizona and follow up on cases for out of state agencies. Act as a liaison between law enforcement agencies for vehicle theft investigations.

Solutions:

The AATA will work with law enforcement agencies to investigate and follow up on vehicle theft cases. We'll also serve as a liaison between the vehicle theft task force and other law enforcement agencies and will develop partnerships with agencies and work as a liaison on multi-jurisdictional investigations. The Agency will share current vehicle theft trends with other agencies and document and track the number of assists provided to other agencies.

Issue 8 Limited funding presently exists to carry on statewide public awareness and education programs aimed at preventing auto thefts.

Description Maintain existing public awareness programs at a minimal expense, provide statewide support, and identify new, innovative programs and strategies for maximum impact, with nominal expense.

Solutions:

The AATA will continue to maintain the Watch Your Car Program, with increased efficiency and customer service. Staff will collaborate with law enforcement agencies to identify current trends to develop innovative public education programs and public services. The Agency will support sustainable auto theft prevention programs, including VIN Etching, Watch Your Car, Blockwatch and Citizens on Patrol programs. We'll work to empower Arizona vehicle owners to protect and secure their personal property and liaison with statewide law enforcement agencies, including auto theft units and crime prevention practitioners, to provide auto theft prevention tools & resources.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	6.0	6.0	6.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	5,458,336.0	5,512,919.0	5,581,830.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To analyze the problem and trends of vehicle theft and associated criminal activity.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of studies conducted	6	6	8	8	8

◆ **Goal 2** To reduce the incidence of vehicle theft and associated criminal activity by supporting innovative deterrence and prevention programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of vehicles stolen statewide (2012 calendar year).	21,508	20,000	17,533	16,000	15,000

Explanation: AATA expects a continued downward trend due to advancing technologies and new, innovative strategies and programs. *2012 stolen vehicle data from 2012 Arizona DPS Crime in Arizona Report.

Arizona vehicle theft rate (# per 100,000 population)	336	312.5	267	244	229
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◆ **Goal 3** To deter vehicle theft and associated criminal activity through aggressive, proactive law enforcement strategies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Task Force positions funded by AATA	28	28	32	32	32
Explanation: Funding reduction since FY09 have directly impacted Task Force staffing levels.					
Number of stolen vehicles recovered by AZ. Auto Theft Task Force	1,329	1,200	1,200	1,150	1,100
Explanation: The Arizona Vehicle Theft Task Force has shifted focus to investigating and dismantling organized auto theft rings.					
Value of stolen vehicles recovered by Task Force (in millions of dollars)	13.5	13.0	10.5	12.5	12.0
Number of felony arrests by Task Force	147	200	105	250	280
Number of "chop shops" investigated by Task Force.	52	70	23	35	50
Number of insurance fraud investigations by Task Force	10	15	14	20	25
Number of trainings and investigative assistance provided by Task Force	556	580	948	600	615
Return on investment (for every dollar funded by the Arizona Auto Theft Authority amount recovered by Task Force)	4.5	4.33	3.5	3.5	3.5

Explanation: Lower return on investment is expected due to reduced funding and staffing as well as a change in Task Force operations.

Number of law enforcement grants awarded	5	6	10	12	15
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Explanation: Agency presently working to restore statewide Law Enforcement Programs to pre-2009 levels.

◆ **Goal 4** To assure deterrence of vehicle theft and associated criminal activity through effective auto theft (vertical) prosecution.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of prosecutors funded by AATA	5	5	4.5	6	8
Explanation: Agency presently working to restore statewide Vertical Prosecution Programs to pre-2009 levels.					
Number of participating counties	5	5	4	7	7
Explanation: Funding reductions since FY09 have impacted the Vertical Prosecution Program and the number of participating counties.					
Number of vehicle theft cases filed	687	750	297	350	400
Explanation: ATA funding decreases have reduced program effectiveness.					
Number of vehicle theft convictions	256	320	298	320	350
Percent of convictions to cases closed	95.0	95.0	99	98	98
Amount of restitution ordered	718,000	1,000,000	407,000	2,000,000	3,000,000
Number of training sessions provided	8	10	8	12	15

◆ **Goal 5** To provide public education & prevention strategies to reduce victimization of vehicle theft and related criminal activity.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Public Awareness grants to criminal justice agencies	0	0	0	0	0
Number of PACE (Public Awareness and Community Education) events statewide	53	55	58	60	65
Number of PACE events sponsored by AATA	25	25	25	30	30
Number of PACE events sponsored by AATA grant agencies	28	30	33	30	35
Estimated media exposures (in millions)	75	80	92	95	100
Number of ACTIVE Watch Your Car (WYC) enrollments	54,500	53,000	50,300	51,000	52,000

Explanation: The WYC program currently reduced to maintenance level due to decreased funding and agency staffing.

◆ **Goal 6** To develop expertise and promote well-trained vehicle theft/insurance fraud investigators and prosecutors.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of professional training grants awarded to agencies	17	20	20	10	30

Explanation: Major statewide auto theft training seminar hosted in Arizona every two years. Agency co-hosting 63rd Annual Int'l Auto Theft Investigators Seminar planned for 2015.

Number of criminal justice personnel receiving auto theft training	34	35	37	8	50
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◆ **Goal 7** To maximize Agency effectiveness, efficiency and customer satisfaction.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Ratio of administrative costs as a percent of total expenditures	4.84	6.0	4.23	6.0	6.0

Explanation: Ratio decrease is the result of a complete evaluation of all administrative programs along with agency restructuring.

Number of grant agency contractual compliance reviews	28	30	33	35	40
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Explanation: All grant agencies are reviewed annually for compliance.

Customer satisfaction rating (scale of 1-3, 1 highest rating)	1	1	1	1	1
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Number of site visits to grant agencies and statewide law enforcement & criminal justice partners.	38	50	82	90	95
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Initiate monthly e-newsletter and electronic communications with agency customers/stakeholders.	42	45	58	65	75
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Explanation: AATA staff continue to implement cost effective strategies for agency and stakeholder communications.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	291.9	333.8	333.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	291.9	333.8	333.8
FTE Positions	3.8	4.0	4.0

5 Year Plan

Issue 1 To update the rules governing the Board.

Description Due to a moratorium on rule making, the Board has many issues 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. Our Board will be undergoing their Sunset Hearing in fiscal year 2014. We have put the issue of rules on hold until the Sunset Review has been completed.

Solutions:

Issue 2 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:

Issue 3 To update the computer equipment

Description Our equipment will be seven years old at time we plan to replace it. This is well past the recommended time to update computer equipment. A new system will give us dependable equipment, a reliable platform for our database and the latest in software to enhance our productivity. In addition the security of our system will be kept up to date. We currently use Windows XP as our operating system and Microsoft will no longer issue security patches after April, 2014.

Solutions:

Issue 4 To ensure that all licenses issued by the Board meet minimum requirements.

Description

Solutions:

To ensure applicants for barber examinations demonstrate minimal barbering skills and knowledge.

To ensure applicants supply supporting documentation before issuance of license

Issue 5 To ensure the proper use of sanitary procedures to prevent the transmission of diseases, parasite, or injury to the public

Description

Solutions:

To observe proper sanitary procedures during inspections

Investigate complaints made to the Board

Issue 6 To enforce legislative requirements concerning the regulation of barbers

Description

Solutions:

To inspect shops/schools for compliance with statutes

To offer consent agreements or hold informal interviews and/or Formal Hearings to determine if a licensee is violating statutes and discipline and rehabilitate said licentiate if necessary.

Issue 7 To service licensees in an efficient manner

Description

Solutions:

To issue or deny an applicant a license within 7 days

To utilize resources in an efficient manner

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	339.0	348.0	355.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To ensure that all licenses issued by the Board meet minimum requirements.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New examination applications accepted	327	347	319	369	391
Number of first examinations passed	170	190	178	213	238
Percent of examinations passed	52	54	56	56	58
Number of all exam applicants (includes retakes)	528	559	333	591	626
Number of written examinations given	358	380	350	404	430
Number of practical examinations given	342	364	371	386	411
Number of new barber/instructor licenses issued	361	415	336	477	549
Number of new shop/school licenses issued	272	320	86	410	460

◆ **Goal 2** To ensure the proper use of sanitary procedures to prevent the transmission of disease, parasites, or injury to the public.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of inspections conducted	2,610	2,955	2444	3,200	3,200
Percent of total inspections passed	78	78	86	79	80
Number of complaints received	287	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of inspections conducted	2,610	2,954	2444	3,200	3,200
Percent of inspections passed	78	78	86	79	80
Number of licenses revoked or suspended	1	4	0	4	4
Disciplinary actions	62	50	59	50	50
Disciplinary actions resulting in penalties	58	45	57	45	45

◆ **Goal 4** To serve licensees in an efficient manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of calendar days from receipt of application to acceptance or denial	.15	3	.08	3	3
Administrative cost as a percent of total cost	8	10	7.9	10	10
Number of all licenses	7,509	7,665	7732	7,825	7,987

Agency Summary

BOARD OF BEHAVIORAL HEALTH EXAMINERS

Debra Rinaudo, Executive Director
Phone: (602) 542-1864
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 8,700 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,487.3	1,758.1	1,758.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,487.3	1,758.1	1,758.1
FTE Positions	17.0	17.0	17.0

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	17.0	17.0	17.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,758.1	1,758.1	1,758.1
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of application reviews completed within 180 days	94	90	99	90	90
Number of new and existing licenses issued	8,639	8,922	8,798	9,193	9,454
Administration as a percentage of total cost	4.0	3.8	3.6	4.0	4.0
Applications received	893	770	901	900	900
Individuals licensed	714	655	697	765	765
Renewals received	4,105	3,814	3,391	4,144	3,516
Average number of days to renew a license from receipt of application to issuance	13	30	14	30	30
Average number of days to process verifications	5	10	5	10	10
Verifications received	206	200	237	200	200
Numbers of inspections/investigations	384	370	363	370	370
Average days to resolve a complaint	347	306	421	375	375
Number of complaints received about licensees	148	135	101	100	100
Customer satisfaction rating (scale 1- 8)	6.4	5.5	6.2	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 new, replication, and renewal applications.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	753.5	822.4	1,251.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	8.0	140.0	102.7
Total Funding	761.6	962.4	1,354.2
FTE Positions	8.0	8.0	12.0

5 Year Plan

Issue 1 The Arizona State Board for Charter Schools (“Board”) does not have adequate resources and staff to fulfill its statutory obligations.

Description Over the last 10 years, the number of charter contracts for which the Board has oversight responsibilities and the number of charter schools operated by these entities has increased by 40% and 35%, respectively. The number of students attending charter schools has doubled to over 145,000 students. In addition to growing the number of charters the Board oversees, the Board’s workload increased in 2010 as the first cohort of charters matured and required renewal review. Despite the increase in workload, the Board’s appropriation and staffing levels have remained flat.

Solutions:

1. Resources for additional FTE and related operating costs to support the increase in workload.
2. Resources for the additional operating costs related to closing poor performing charter schools.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	12.0	12.0	12.0
General Fund	1,202.0	1,202.0	1,202.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	84.5	84.5	84.5
Federal Funds	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of students enrolled in sponsored charters.	133890	145000	145,028	159,500	175,000
Explanation: Includes full and part time brick and mortar and online instruction					
Number of sponsored charters with one or more sites in operation	390	397	402	412	415
Number of sponsored charter school sites in operation	513	516	516	527	537
Number of annual on-site monitoring visits	124	91	59	130	113
Explanation: Demonstration of sufficient progress toward Board's academic performance expectations and operational compliance.					
Number of contract amendments processed annually.	714	750	1,218	1,200	1,200
Number of charter school annual audits reviewed	364	380	379	386	394
Number of corrective action plans mandated based on fiscal or contractual noncompliance.	83	90	80	90	90
Explanation: Any non-compliance matter requiring further action by charter holder and the Board.					
Number of disciplinary actions that resulted in withholding of funds	24	20	13	24	24
Explanation: Pursuant to A.R.S. 15-185.H					
Number of Notices of Intent to Revoke Charter issued.	3	4	3	7	4
Explanation: Revocation proceedings cross fiscal years, but are only reported once.					
Number of charter contracts voluntarily surrendered.	8	5	6	6	6
Number of Consent/Settlement Agreements entered.	3	4	0	3	3
Number of charter contracts revoked.	0	2	1	3	3
Number of five-year interval reviews completed.	63	40	37	24	15
Number of five-year interval review schools required to submit performance management plans.	40	25	18	18	8
Number of annual performance management plan reports reviewed	0	57	48	94	75
Number of annual complaints regarding sponsored schools	142	140	127	130	130
Explanation: Complaints are reviewed for contractual compliance and processed accordingly.					
Customer satisfaction survey (Scale 1-8)	6.6	6	6.75	6.7	6.7
Explanation: Respondents are charter representatives.					
Administration as a % of total cost	6	6	6	6	5.1

◆ **Goal 2** To approve quality applications and grant charters to qualified applicants.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of new application packages reviewed by staff for administrative completeness.	49	42	42	27	25
Number of new application packages considered by the Board.	14	12	13	13	13
Number of new application packages approved by the Board.	9	9	10	10	10
Number of replication application packages received.	6	8	13	14	14
Number of replication application packages approved by the Board.	6	8	13	14	14
Number of renewal applications prepared.	45	26	26	39	33
Explanation: Determination of application criteria based upon previous performance.					
Number of renewal applications submitted.	43	27	23	46	32
Number of renewal application packages approved by the Board.	40	30	21	32	29
Number of denied renewal applications that file an appeal.	6	5	1	2	2

Agency Summary

BOARD OF CHIROPRACTIC EXAMINERS

Patti Pritzl, Executive Director
Phone: (602) 864-5088
A.R.S. § 32-900 et. seq.

Mission:

To protect the health, welfare, and safety of Arizona citizens who seek and use chiropractic care.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	448.3	469.4	450.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	448.3	469.4	450.4
FTE Positions	5.0	5.0	5.0

5 Year Plan

Issue 1 The Board is collecting insufficient fees to support enforcement of the laws that govern the practice of chiropractic.

Description The Board began operating at a deficit in 2005. OSPB has projected that the Board will have insufficient funds to maintain minimal operations in FY15. There are three reasons for the insufficient funds. The fees paid by chiropractors to fund regulation of the profession are disproportionately lower than other physician populations, the number of new applicants and new licenses has dropped by 50%, cutting revenues by \$60,000 and the Board has not been charging for all services that it provides.

Solutions:

The Board has attempted to pass legislation to raise fees in 2010 and 2011. The attempts were not successful. The Board will need to identify a member of the legislature to sponsor another fee bill when an option becomes available. In the meantime, the Board has met with representatives from the Office of the Governor and the Office of Strategic Planning to request support for legislation that would allow the Board to raise fees. The Board will need to raise fees to produce an additional \$150,000.

The Board has opened a rulemaking docket to increase current service fees and establish new service fees. Service fees do not require legislative approval, as do licensing fees.

The Board has dramatically cut expenses.

New laws regarding continuing education and business entities are anticipated to generate funds sufficient to cover related expenses.

Issue 2 Implement the regulation of business entities.

Description The legislature has passed a new law in 2011 that authorizes the Board to regulate facilities that provide chiropractic services but that are not owned by a licensed health care professional.

Solutions:

The Board has completed the proposed rulemaking process and has submitted the final rulemaking to the Governor's Regulator Review Counsel. The Board has contacted facilities that may fall under this law to provide them with opportunity to make comment or ask questions. When the final rule is published, the Board will hold a meeting for interested parties to explain the new law.

Implementation of the Business Entity law is anticipated to take effect in January of 2014.

Issue 3 Establish amendments to continuing education laws and implement the changes.

Description The Board was successful in promulgating amendments to the continuing education laws in rule. The current laws became effective in November of 2012.

Solutions:

Completed: Notices were sent to providers of CE announcing the new laws. Notices were sent to licensees notifying them of the change in CE law. Applications for course approval application were developed. The new law, a summary of the new law, instructions for completing the application and a list of approved courses are available on the Board's web site.

Issue 4 Improve the timelines to complete investigations, formal interviews and formal hearings.

Description Although the sunset audit teams recommend that cases that are brought before the Board be concluded within 180 days, it is an impractical goal given limited resources and the rights of both licensees and complainants. However, it is the Board's goal to complete initial investigations within four months when there are no complications to consider. In addition, the Board does not have the funds to retain the services of a licensed doctor of chiropractic to assist with the technical analysis of investigations. The Board also has insufficient funds to contract for the services of a dedicated Assistant Attorney General. The result is a delay in hearings and resolution of matters by consent agreement.

Solutions:

Increase funding to support adequate staffing for investigations, monitoring of licensees with discipline, conduct of hearings, development of consent agreements and professional assistance with investigations. Please see strategic issues 1 for the plan to address inadequate financial resources.

As sufficient revenues become available, the Board will implement the following:

Maintain adequate staffing

Maintain a contract with the Office of the Attorney General.

Contract with a chiropractic professional to assist with investigations.

Issue 5 Update Information technology for database.

Description An accurate and functional database is critical to the agency operations. The current data base is an old Microsoft Access system. It is getting more difficult to find technicians that can actually program or problem solve for the system.

Solutions:

Research alternative database sources that fall within a supportable budget for this agency. However, the ability to pay for an upgraded database and programming is an obstacle that must be overcome as the primary step. The Board's efforts to resolve financial issues are detailed in strategic issue 1.

The cost to purchase a new data system and to program the system for the first year is projected to be \$38,000. Ongoing expenses are anticipated to be \$15,000

Issue 6 Provide access to the licensing jurisprudence examination on-line.

Description Currently, applicants for an Arizona license must be physically present at the Board office in order to take the required jurisprudence examination. Many of the applicants reside out of State and must make travel arrangements in order to sit the examination.

Solutions:

The Board has identified a possible source to develop and administer an on-line jurisprudence examination. The Board will conduct a deeper review into the system to determine if it will enter into a contract for the service.

Issue 7 The Board is not able to accept credit card payments.

Description The Board is not able to accept credit card payments at this time.

Solutions:

The Board's goal to accept credit card payments has been delayed due to lack of financial resources. This goal will be delayed until such time as the Board's revenues improve.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	5.0	5.0	5.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	559.0	541.0	541.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of applications for licensure received	73	75	71	75	80
Explanation: This measure is used to assess future revenues.					
Average number of days between receipt of complete application and Board action	23	25	18	25	25
Explanation: This performance measure determines if the Board is meeting the licensing time frames required in law.					
Number of new licenses issued	64	64	61	64	70
Explanation: 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
Explanation: 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	2428	2,500	2323	2500	2500
Percent of license renewal applications processed within 15 business days	99	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of new complaints filed	112	120	81	120	120
Percent of complaints resolved within 180 days of receipt with no hearing required	10	25	40	30	35
Average number of months to resolve an administrative hearing	4	6	6	3	3
Total number of investigations conducted	163	165	105	165	165

- ◆ **Goal 3** To ensure Board and staff competence and knowledge.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 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	100	97	97
Administration as a percent of total cost	17	17	17	17	17

- ◆ **Goal 4** To increase public awareness of agency functions, resources, and public records accessibility.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Self assessment surveys returned.	15	30	34	30	30
Percent of complaint investigations that the Board found to be outside of its jurisdiction.	3	1	4	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 created a new campaign financing system that provides funding to qualified candidates who agree to abide by the Act and Citizens Clean Elections Commission rules. Participating candidates for statewide office and the Legislature are eligible to participate in the Clean Elections program by collecting a pre-determined number of \$5 qualifying contributions. In addition to funding candidates for office, the Commission sponsors debates and publishes two candidate statement pamphlets each election year.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,952.5	10,479.9	10,479.9
Total Funding	6,952.5	10,479.9	10,479.9
FTE Positions	4.0	6.0	6.0

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 T 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To provide public funding to qualified candidates.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of certified participating candidates (calendar years)	72	125	69	117	70
Total funds distributed to participating candidates (calendar years in thousands)	533.1	1200.0	3279.861	11410.343	4000.0

◆ **Goal 2** To administer debates and develop a procedure for communicating candidate statements to the citizens of Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of candidates submitting candidate statements (calendar years)	175	175	100	100	100
Number of candidate statement pamphlets mailed to AZ households (calendar years in thousands)	3700.0	3700.0	3600.00	3700.0	3700.0

◆ **Goal 3** To comply with the Caps for spending specified in the Clean Elections Act

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	28,648.9	39,647.3	37,402.2
Total Funding	28,648.9	39,647.3	37,402.2
FTE Positions	59.0	65.0	65.0

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	70.0	70.0	70.0
General Fund	51,500.0	51,500.0	51,500.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	6,500.0	6,500.0	6,500.0
Federal Funds	12,000.0	12,000.0	12,000.0

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of companies participating in trade events	75	100	57	50	50
Number of substantive export and trade related technical assistance sessions provided to export-related, growth-potential companies and individuals	50	55	82	62	69
Number of trade events (trade shows, trade missions, conferences and workshops)	20	25	18	15	15

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of workers under contract to be trained	6,430	11,000	13,103	11,000	11,000
Number of companies assisted	45	80	43	80	80
Number of new jobs created as a result of grant program	913	1,250	1,857	1,250	1,250
Percent of Job Training funds distributed to small businesses	36.00	10.0	26.0	10.0	10.0

- ◆ **Goal 3** To implement an effective apprenticeship training system designed to produce highly skilled workers that support emerging and base industries in every region of the state.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of active registered programs	104	N/A	0	N/A	N/A
Explanation: All Apprenticeship Programs ended in FY 2012					
Percentage of registered programs with rural employers	20	N/A	0	N/A	N/A
Explanation: All Apprenticeship Programs ended in FY 2012					
Number of workers in registered apprenticeship programs	3,305	N/A	0	N/A	N/A
Explanation: All Apprenticeship Programs ended in FY 2012					

◆ **Goal 4** To promote foreign investment in Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Potential foreign investors attracted to Arizona for site visits	15	20	13	22	25
Foreign delegations served (attracted or assisted)	15	15	13	15	15

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Jobs created by companies utilizing Arizona Commerce Authority business development programs	5,610	12,000	15,262	14,000	15,000
Average hourly wage rate per job	23.69	24.0	25.5	24.0	24.0
Number of new company relocations/expansions	29	62	104	73	78
Locate/expansion capital investments (in millions)	401	960	1,253	1,120	1,200
Number of companies recruited to rural locations	7	15	3	18	20

Agency Summary

CONSTABLE ETHICS STANDARDS AND TRAINING

Ron Myers, Chairman
 Phone: (602) 252-6563
 A.R.S. 22-136

Mission:

To regulate and support the performance of elected and appointed constables in Arizona.

Description:

The Board regulates constables, enforces a professional code of conduct for constables, and issues grants for constable training and equipment.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	184.7	324.5	324.5
Total Funding	184.7	324.5	324.5
FTE Positions	0.0	0.0	0.0

◆ **Goal1** To investigate and resolve complaints against constables

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
The number of citizen complaints against constables received by the Board	12	12	3	12	12
The number of citizen complaints against constables resolved by the Board	12	12	3	12	12

◆ **Goal2** To distribute grants for constable training & equipment

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
The number of grants awarded	25	25	20	25	25

◆ **Goal3** To ensure compliance with constable training reporting requirements

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of constables reporting approved training		75	75	75	75

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.

In 1981, the Legislature established the Residential Contractors' Recovery Fund as a function within the ROC. Statute requires residential contractors provide \$200,000 for consumer protection. This protection may be established by (a) furnishing a \$200,000 surety bond or cash deposit, or (b) paying the required assessment to participate in the Recovery Fund. Like a surety bond or cash deposit, the Recovery Fund reimburses homeowners for poor workmanship or non-performance by a licensed residential contractor. Currently the assessment to participate in the recovery fund is \$300 the first year and \$150 every year thereafter. The maximum liability for the Recovery fund is \$200,000 per license and \$30,000 per person.

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ REGULATORY AFFAIRS	7,215.0	14,893.3	14,893.3
Agency Total:	7,215.0	14,893.3	14,893.3
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	7,215.0	14,893.3	14,893.3
Other Non Appropriated Funds	4,407.9	5,628.5	5,628.5
Total Funding	11,622.9	20,521.8	20,521.8
FTE Positions	5.0	5.0	5.0

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	105.6	105.6	105.6
General Fund	0.0	0.0	0.0
Other Appropriated Funds	12,002,700.0	12,002,700.0	12,002,700.0
Non-Appropriated Funds	6,156,300.0	6,156,300.0	6,156,300.0
Federal Funds	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	7,215.0	14,893.3	14,893.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	7,215.0	14,893.3	14,893.3
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To improve the delivery of services by decreasing the timeframes required to complete processes.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of days to process an application and issue a new license.	26	26	26	26	26
Average number of days to close complaints in compliance.	37	37	41	40	40
Average number of days to close complaints with a default order.	293	293	395	180	180

Explanation: This measure now starts on the date the complaint was received rather than the date of the hearing request.

Average number of days to close complaints with an administrative hearing.	NA	NA	416	365	365
Average number of days to pay administrative recovery fund claims.	536	536	586	234	90

Explanation: A large portion of time has been due to the fund being out of money.

Average number of days to close investigations of unlicensed contracting.	34	34	41	41	41
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◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of technology services internal agency customers indicating they received good or excellent customer service.	69	69	86	86	86
Percent of licenses renewed online.	31	31	39	39	39

◆ **Goal 3** To improve external communications by reviewing and revising forms, form letters, and other template-like correspondence.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of external customers responding that the license application forms and instructions are clear, concise, and understandable.	67	67	69	75	75
Percent of external customers responding that the license renewal forms and instructions were clear, concise, and understandable.	84	84	86	86	86
Percent of external customers responding that the correspondence from the inspections department was clear, concise, and understandable.	95	95	100	100	100
Percent of external customers responding that the correspondence from the legal department was clear, concise, and understandable.	79	79	60	70	70
Percent of external customers responding that the correspondence from the recovery fund department was clear, concise, and understandable.	77	77	71	80	80
Percent of external customers responding that the correspondence from the investigations department was clear, concise, and understandable.	94	94	96	96	96

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 eight 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	3,945.3	3,521.8	3,521.8
➤ HEARINGS	1,563.6	2,400.0	2,400.0
➤ CORPORATIONS	3,774.9	4,070.6	4,125.6
➤ SECURITIES	4,373.2	4,500.0	5,390.0
➤ RAILROAD SAFETY	626.0	635.0	635.0
➤ PIPELINE SAFETY	1,578.9	1,645.0	1,675.0
➤ UTILITIES	5,886.0	6,422.2	6,380.0
➤ LEGAL	1,794.1	1,950.0	1,950.0
➤ INFORMATION TECHNOLOGY	2,807.4	2,484.8	2,584.8
Agency Total:	26,349.4	27,629.4	28,662.2
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	600.3	609.7	609.7
Other Appropriated Funds	24,640.5	26,282.5	27,357.5
Other Non Appropriated Funds	1,108.6	737.2	695.0
Total Funding	26,349.4	27,629.4	28,662.2
FTE Positions	303.9	303.9	304.9

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	301.9	303.9	305.9
General Fund	609.7	609.7	609.7
Other Appropriated Funds	27,357.5	27,357.5	27,357.5
Non-Appropriated Funds	695.0	695.0	695.0
Federal Funds	0.0	0.0	0.0

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. 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. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,945.3	3,521.8	3,521.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,945.3	3,521.8	3,521.8
FTE Positions	27.0	29.0	29.0

- ◆ **Goal 1** To ensure all matters coming before the Commission are resolved in a timely manner, in accordance with administrative procedures.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of open meetings held	59	65	59	65	65
Agenda items considered	439	450	344	400	400
Claims processed	1609	1600	2,214	2,300	2,400
Revenue deposited with the Treasurer (in millions)	60	60	60	60	60

- ◆ **Goal 2** To provide business services to all Divisions.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Purchase orders issued	196	200	320	350	350

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 evidentiary hearings on matters involving the regulation and deregulation of public service corporations, the sale of securities, and the registration of non-municipal corporations. Under the direction of the presiding hearing officer, the proceedings are conducted on a formal basis through the taking of direct testimony, the cross-examination of witnesses, the admission of documentary and other physical evidence, and the submission of oral arguments or post-hearing briefs. The Division is also responsible for Commission record-keeping through its Docket Control Center. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,563.6	2,400.0	2,400.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,563.6	2,400.0	2,400.0
FTE Positions	21.0	21.0	21.0

◆ **Goal 1** To conduct fair and impartial hearings, and to propose timely, factually, and legally sound Orders for the Commissioners' consideration.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Rehearings granted - Hearing Officer's error	0	0	0	0	0
Procedural Orders issued	507	600	424	500	500
Proposed Orders issued	132	155	106	125	125

◆ **Goal 2** To provide timely and efficient docket services to regulated utilities and consumers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Open Meeting items processed	1,140	1,200	970	1,000	1,000
Filings docketed (in thousands)	9	9	7.5	8	8
Number of Decisions	803	700	680	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 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 (for-profits), lists of officers and directors, Certificate of Disclosure, 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 and infrastructure.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,774.9	4,070.6	4,125.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,774.9	4,070.6	4,125.6
FTE Positions	71.5	71.5	71.5

◆ **Goal 1** To provide customers with timely processing of their business documents.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	2-5	2-5	3-11	2-5	2-5
Range of weeks to process regular requests - Corporate Filings	3-6	3-6	3-9	3-6	3-6
Total active corporations and Limited Liability Corporations recorded	726,528	780,000	776,484	780,000	780,000
Total filings received	368,002	385,000	366,177	385,000	385,000
Average turnaround time (days) for normal Annual Reports	22	22	22	22	22
Average turnaround time (days) for expedited Annual Reports	2	2	2	2	2
Annual reports filed	134,863	135,000	135,038	135,000	135,000
Number of e-filed Annual Reports	97,835	120,000	99,794	120,000	120,000

◆ **Goal 2** To provide customers the most expedient public information services possible.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Division-wide incoming calls for corporate filings and records, annual reports, and calls to Tucson office	141,102	145,000	130,545	145,000	145,000
Division-wide calls answered	109,328	125,000	101,448	125,000	125,000
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	31,951	33,000	32,541	33,000	33,000
Number of website hits	4,087,592	4,500,000	7,220,972	7,300,000	7,500,000
Corps. Homepage hits	410,552	500,000	796,047	800,000	900,000
Explanation: Changed count from "hundreds" to "thousands" in FY08.					
Corps. Forms Index hits	794,906	820,000	776,419	820,000	820,000
Annual Report Views	325,937	326,000	339,107	340,000	345,000
Total number of document images viewed (in millions)	17,017,965	17,500,000	19.7	20	20

◆ **Goal 3** To streamline and improve internal customer-related administrative/ operational functions.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total mail received - division-wide, including faxes	140,046	150,000	143,101	150,000	150,000
Initial Processing Section documents scanned	244,402	290,000	243,190	290,000	290,000
Division checks processed	110,984	115,000	113,901	115,000	115,000

◆ **Goal 4** To expand training opportunities for division staff members.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General in-house class hours	327.5	350	879.5	350	350
Class hours per full-time equivalent (FTE)	5.37	5.74	12.72	5.74	5.74

◆ **Goal 5** To continually improve customer service and customer satisfaction.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Overall satisfaction score from customer surveys on a 8.0 scale	7.2	7.8	7.0	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,373.2	4,500.0	5,390.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,373.2	4,500.0	5,390.0
FTE Positions	53.4	53.4	54.4

- ◆ **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 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of applications/filings	24,170	20,000	24,914	20,000	20,000
Number of registrations/exemptions	25,517	21,000	26,262	21,000	21,000
Number of exemptions (Rule 126)	1,248	1,500	1,255	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	99	100	93	100	100
Number of name changes	1,482	2,000	2,040	2,000	2,000
Number of dealer examinations	6	15	5	15	15
Number of dealer registrations	2,075	2,000	2,009	2,000	2,000
Number of salesman registrations	175,753	175,000	173,952	175,000	175,000
Number of IA registrations	477	350	52	350	350
Number of IAR registrations	6,007	4,000	6,525	4,000	4,000
Number of IA examinations	58	35	70	35	35
Number of Public Educational Programs	45	55	55	55	55
Number of Legislative initiatives	0	0	0	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of complaints	230	250	144	250	250
Enforcement action: number of investigations initiated	32	45	15	45	45
Enforcement action: number of subpoenas issued	385	300	351	300	300
Commission Order: Number of Cease and Desist Orders	29	35	30	35	35
Commission Order: Fines- Number of Respondents	43	50	62	50	50
Commission Order: Restitution - Number of Respondents	38	40	46	40	40
Number of civil cases initiated	0	2	0	2	2
Number of indictments - True Bills	11	7	7	7	7
Number of civil proceedings closed	0	3	1	2	2
Number of civil proceedings open at year end	5	2	3	2	2
Total examinations under oath	50	50	44	50	50
Number of cases to hearing	6	5	3	5	5
Administrative Proceedings: Number Respondents	60	45	47	45	45
Number of administrative proceedings initiated	20	20	19	20	20
Civil Proceeding Initiated : Number of Defendants	0	5	0	5	5
Number Criminal Defendants - Indicted	15	10	7	10	10
Number of Criminal Restitution Orders	6	8	8	8	8
Number of Defendant Pleas and Convictions	8	8	14	8	8
Number of Investigations Closed	20	50	32	50	50
Number of Investigations Open at Year End	81	70	64	70	70
Number of Respondents: Commission Orders	60	65	66	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	600.3	609.7	609.7
Other Appropriated Funds	25.7	25.3	25.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	626.0	635.0	635.0
FTE Positions	6.0	6.0	6.0

◆ **Goal 1** To promote and ensure the safe operation of Arizona railroads.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Miles of railroad track inspected	1,167	1,200	1,388	1,300	1,300
Freight cars inspected	1,983	2,500	2,318	2,500	2,500
Locomotive units inspected	167	160	288	200	225
Operating practices inspections	0	50	35	80	100
Hazardous materials inspections	2,464	1,500	1,418	2,100	2,400
Grade crossing inspections	211	225	288	260	275
Industrial spur track inspections	9	10	7	8	8
Federal violations filed	12	15	10	12	12
Derailments	14	15	21	16	16
Number of grade crossing accidents	19	25	25	25	25
Other accidents	4	4	3	4	4
Grade crossing complaints	33	30	29	30	30
Other complaints	9	15	6	10	10
Operation Lifesaver presentations	6	5	4	4	4
HazMat Accidents/Incidents	7	12	8	10	10

◆ **Goal 2** To ensure rail/highway grade crossings safety.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Grade crossings improved	10	12	9	8	8
New Grade Crossings Installed	0	1	0	1	1
Signal & Train control inspections	15	15	8	10	10
Signal system components inspected	416	500	685	700	700

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, Prescott, and Flagstaff. 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	774.4	950.0	980.0
Other Non Appropriated Funds	804.5	695.0	695.0
Total Funding	1,578.9	1,645.0	1,675.0
FTE Positions	18.0	18.0	18.0

◆ **Goal 1** To protect the public and the environment by providing the highest level of pipeline safety awareness.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Fines collected (in thousands)	9	20	29	20	20
Total intrastate inspections	121	80	84	80	80
Violations: Intrastate (major operators only)	120	75	60	60	60

Explanation: Prior years include master meter operators

Violations: Master Meter	1,001	1,116	964	1,100	1,100
Total master meter inspections	1,160	1,199	1,778	1,500	1,200
Total number of code compliance inspections	1,281	1,313	1,936	1,600	1,300
Total Bluestake violations written	59	75	85	75	75
Random Bluestake inspections	12	30	31	30	30
Seminars/Public awareness meetings held	18	22	23	22	22
Investigated incidents	206	206	186	200	200
Total number of Interstate pipeline safety violations	2	0	2	0	0
Total interstate inspections	11	12	4	12	12

◆ **Goal 2** To ensure the pipeline operators in Arizona operate gas pipeline systems as safely as possible.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total intrastate violations corrected (major operators only)	120	75	60	75	75
Explanation: Past years included Master Meter violations corrected					
Major pipeline operators training classes held	2	0	0	2	0
Master Meter training classes held/persons attending	17/274	16/225	15/249	16/225	16/225
Bluestake training classes held/persons attending	35/1,795	36/2,000	44/2,529	40/2,250	40/2,250
Total master meter violations corrected	1,009	1,116	1,062	1,000	1,000

◆ **Goal 3** To receive and maintain an interagency agreement with the Federal Dept. of Transportation to ensure safe operations of interstate pipeline.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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 conduct research and analysis and provide recommendations to the elected commissioners on all matters relating to the regulation of public service corporations (public utilities) under the state constitution and statutes to ensure their actions are consistent with the public interest.

Description:

The Utilities Division carries out its responsibilities through five organizational sections: Finance and Regulatory Analysis, Telecom and Energy, Engineering, Compliance, and Consumer Services. 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 the Commission rules for deregulation of segments of the telecommunications and electric industries. 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,583.1	6,380.0	6,380.0
Other Non Appropriated Funds	302.9	42.2	0.0
Total Funding	5,886.0	6,422.2	6,380.0
FTE Positions	68.0	68.0	68.0

◆ **Goal 1** To ensure that utility service within the Commission's jurisdiction is available to all consumers at authorized rates.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Utilities regulated	558	550	685	621	621
Rate cases completed	30	45	30	40	40
Tariff applications processed	208	200	247	228	228

◆ **Goal 2** To promote the transition of the telecommunications and electricity generation markets from the current regulated monopoly structure to one of competition while ensuring safe and reliable service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
CLEC applications filed	12	12	6	9	9
Reseller applications filed	5	5	7	6	6
Certifications processed: CLECs	13	12	2	8	8
Certifications processed: Resellers	10	15	2	6	6
CLEC interconnection agreements processed	29	45	38	34	34

◆ **Goal 3** To maximize the Division's operating efficiency through modernization of electronic processing and enhancing the Division's information technology.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Consumer complaints/requests submitted electronically	3,700	7,100	2,730	3,500	3,500

- ◆ **Goal 4** To maintain public involvement, accessibility, and regulatory oversight by conducting workshops, forums, and community outreach programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of public awareness functions	25	35	9	17	17
Number of water workshops	0	5	2	2	2
Number of electric workshops	1	5	2	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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,792.9	1,950.0	1,950.0
Other Non Appropriated Funds	1.2	0.0	0.0
Total Funding	1,794.1	1,950.0	1,950.0
FTE Positions	19.0	19.0	19.0

- ◆ **Goal 1** To provide efficient, high-quality legal representation.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Education and training expenditures (\$)	7,171	7,200	2,037	7,200	7,200
Attorney legal education classes completed	25	20	18	20	20
Job-related education classes for attorneys	72	75	113	75	75
Classes completed: job-related education for support staff	3	3	37	20	20
Classes completed: other education	0	0	0	0	0
Expenditures on advanced research tools	36,743	40,060	32,049	33,000	33,000

◆ **Goal 2** To provide high-quality representation in administrative matters before the Corporation Commission.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Docketed matters handled	427	500	421	500	500
Administrative hearing days handled by the Legal Division	28	30	60	30	30
Orders to Show Cause prepared by the Legal Division	1	1	0	1	1
Formal complaints prepared by the Legal Division	0	1	0	1	1
Discovery/Data Requests/ Responses/ Oppositions prepared	284	300	266	300	300
Motions, Briefs, & other pleadings prepared	253	300	178	300	300

◆ **Goal 3** To provide high-quality representation in Judicial matters before various courts.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Commission actions appealed to courts	1	3	3	3	3
Motions, briefs and other pleadings filed in courts	8	20	9	20	20

◆ **Goal 4** To provide high-quality legal advice to the Commission.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Open/Special Open Meetings attended by Legal counsel	50	65	31	65	65
Explanation: On numerous occasions, more than 1 staff member attend.					
Line Siting hearing days attended by counsel	0	2	0	2	2
Explanation: On numerous occasions, more than 1 staff member attend.					
Commission Staff Meetings attended by counsel	19	20	14	20	20
Explanation: On numerous occasions, more than 1 staff member attend.					
Commission hearing days attended by counsel	202	200	115	200	200

Program Summary

INFORMATION TECHNOLOGY

Jeff McNany, Interim Director
 Phone: (602) 364-0450
 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,807.4	2,484.8	2,584.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,807.4	2,484.8	2,584.8
FTE Positions	20.0	18.0	18.0

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of website hits to databases (in millions)	142.3	200	141.2	150	150
Number of entities available via the internet (in thousands)	726.5	750	775	775	800
Number of dockets available via the internet	17.5	18	18	18.3	18.8
Number of filings submitted electronically to the ACC (in thousands)	333.3	400	325	325	350
Streaming media access hours (in thousands)	7.3	15	15	18	20

◆ **Goal 2** To use information technologies effectively to enhance intra-agency communications

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of hits to agency intranet pages (in millions)	4,463	5,000	4,255	4,500	4,750
Percentage of staff using electronic document management integrated with business processes.	65	70	70	70	75

◆ **Goal 3** To improve employees' preparation to use technology and react to their job-specific needs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of staff in attendance at IT-related training classes	55	70	70	70	70
Number of staff in attendance at formal IT-related security classes	20	20	20	20	20

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 services and health care services including medical, nursing, dental, mental health, and pharmacy are provided to inmates. In addition, work, education, career training, substance abuse treatment, religious 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 also provides for the 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ PRISON OPERATIONS AND SERVICES	991,997.8	1,023,980.0	1,075,200.7
➤ COMMUNITY CORRECTIONS	15,521.0	15,738.4	18,603.4
➤ ADMINISTRATION	37,201.9	37,000.5	45,688.2
Agency Total:	1,044,720.7	1,076,718.9	1,139,492.3
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	946,359.2	971,743.9	1,034,879.1
Other Appropriated Funds	43,289.7	47,411.8	47,411.8
Other Non Appropriated Funds	55,071.9	57,563.2	57,201.4
Total Funding	1,044,720.7	1,076,718.9	1,139,492.3
FTE Positions	9,593.5	9,599.5	10,054.5

Issue 1 Managing Changes in Inmate Population

Description Historically, the inmate population increased from an average daily population of 26,579 in FY 2001 to 40,048 in FY 2013 (50.7% increase). After continuous 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 growing by 809 inmates and ADC housed 40,686 convicted felons by year-end. The Department must continue to use planning and process improvement strategies throughout the organization to maximize resources and to ensure the safety of the public, staff, and inmates. The return of inmate population growth, coupled with segments of the population that continue to grow rapidly (such as medium and close security, sex offenders, and protective custody), requires a continued focus on accurate bed plan forecasting and optimal program availability and alignment.

Solutions:

Restrictive Status Housing principles are being implemented to benefit close and maximum custody inmates, to include those with mental health challenges. This initiative will focus on providing avenues for the inmates to achieve less restrictive housing assignments after successfully completing a programmatically applied plan, monitored and guided by staff. Restrictive Status Housing is designed to support a safe and productive environment for both staff and inmates. There remains a need for efficient control of population movement and management of permanent state beds and contracted private beds, maximization of inmate programming and complex scheduling, effective management of an aging inmate population, development of a viable workforce through targeted staff recruitment and retention, and appropriate allocation of resources to address unmet state prison physical plant needs.

Issue 2 Redefine and Enhance the Employee Life Cycle through Emphasis on Human Resources, Staffing, and Training

Description ADC employees work in a demanding and dangerous environment. State salaries are generally below other law enforcement entities, particularly for Correctional Officers. 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. The Department loses many seasoned staff as a result of retirement. ADC faces the difficult challenge of recruiting for a dangerous job that is under-compensated in an improving economy, where there is a deficit of high quality applicants, especially in rural locations. Further, ADC often struggles with legislative and administrative changes that are not easily implemented in the prison environment.

Solutions:

The Department seeks to redefine and enhance the employee life cycle, from selection and hiring through onboarding, training, performance appraisal, formal recognition, promotion, succession planning, and, ultimately, retirement. A pressing need is to recruit and train staff for a new 500-bed prison unit scheduled to open in FY 2015. To improve employee retention and provide for a more engaged work force, all of ADC's supervision, management, and leadership academies are undergoing careful scrutiny. ADC is re-assessing its employee assistance program. Employee recognition programs are also being studied. ADC is implementing a Department-wide random drug testing program in FY 2014. Implementation of a more formal succession planning program will be considered. Finally, ADC is piloting a program called From Corrections Fatigue to Fulfillment, designed to help staff cope with and thrive in the corrections environment.

Issue 3 Ensuring the Provision of Constitutionally Mandated Inmate Health Care

Description Pursuant to House Bill 2010, the Department released the Inmate Health Services Privatization Request for Proposal (RFP) on February 19, 2010. The legislation associated with privatization led to significant challenges in the retention and recruitment of health care staff. In addition, HB 2010 lowered the reimbursement ADC was allowed to pay outside inpatient and out-patient health care providers to Arizona Health Care Cost Containment System (AHCCCS) rates, leading to numerous providers cancelling existing contracts. Ultimately, ADC was able to replace the providers with those willing to accept payment at AHCCCS rates. Subsequently, House Bill 2154 was passed, which modified the RFP award criteria from selection based on cost to “best qualified candidate.” ADC issued a new RFP to reflect this change. On April 2, 2012, ADC awarded the contract for the delivery of comprehensive inmate health services in 10 state-operated facilities to Wexford Health Sources, Inc. Following a 90-day transition period, during which continuity of care was ensured, Wexford took over the delivery of care on July 1, 2012. Wexford retained most of ADC’s health care staff and recruited additional staff required by the contract. ADC developed a Health Services Contract Monitoring Bureau consisting of 32.5 ADC positions to monitor Wexford’s contract compliance, review quality of care, and assist Wexford in resolving issues as they arose. Following several months of monitoring and discussion, ADC and Wexford terminated the contract, effective March 3, 2013. The current health services vendor, Corizon Health, took over the delivery of comprehensive health care to the inmate population on March 4, 2013.

Solutions:

ADC’s primary focus with respect to inmate health care is to ensure contract compliance, quality of care, appropriate staffing, medication management and administration, and implementation of an Electronic Medical Record (EMR) system. ADC continues to work with Corizon on reassessing medication management, with the goal of reducing incidents of self-harm as a result of prescription medication use. ADC and Corizon are also collaborating on specialty training, by a psychologist, to increase staff awareness and contact with inmates housed in maximum custody in mental health areas. Through these efforts, ADC intends to reduce self-harm and suicide rates by increasing mental health and line staff interaction with inmates, increasing mental health programming for high risk inmates, enhancing inpatient mental health services, and heightening awareness of the appropriate delivery and use of prescription medications.

Issue 4 Integration of ADC Technology and Service Delivery in Support of Knowledge Management and Business Intelligence

Description There is a need to ensure that technological systems and services support the collection of accurate data, the synthesis of data into information, and the creation of knowledge and expertise on which to base current and future decisions. The need for 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 its obligations to the public. The Department recognizes that part of public stewardship is to ensure the judicious use of staff and financial resources. Without viable hardware and software solutions, integrated platforms, and automated processes in place, it will become increasingly difficult for the Department to provide appropriate services in an efficient and safe manner.

Solutions:

As part of this strategic issue, the Department will focus on the migration of the Adult Information Management system (AIMS) mainframe system to new web-based technology; the exploration of optimum blends of hosted and in-house hardware/software platforms designed to increase efficiency; the enhancement of disaster recovery capabilities and disaster recovery exercise cycles; and the expansion of videoconferencing capability for increased, cost-effective communication. In support of continuous improvement of inmate health services, multiple stakeholders will collaborate on implementation of an Electronic Medical Record (EMR) Further, the Department is ensuring that consistent administrative processes are in place to appropriately review, approve, and prioritize all technology projects to maximize the benefit of automation and technology agency-wide, to include staff and financial resource management.

Issue 5 Recidivism Reduction through Improved Offender Transition and Re-Entry Support

Description In FY 2013, 17,868 offenders were released from prison, of which 11,541 were released to Community Supervision. During FY 2013, 2,881 offenders were returned to custody for committing a technical violation of their Conditions of Supervision for release, representing 15% of all prison admissions for that year. The Department is focusing on strategies for strengthening re-entry and transition efforts and reducing recidivism within the state prison population.

Solutions:

ADC is working to ensure the optimal alignment and delivery of inmate programs to proactively support re-entry and transition, and to assist offenders in successful completion of community supervision. The Department has created the Southern Region Community Corrections Center (SRCCC) in Pima County. Not only does the CCC introduce additional sanctions and interventions, but it provides temporary housing for inmates released to homelessness, a factor that increases the risk of recidivism. This temporary housing is also available to sex offenders on community supervision, a group that poses unique challenges for ADC and community service providers, and is of particular concern to the public. Efforts dedicated to successful completion of community supervision have the potential to reduce the number of revocations, reduce recidivism, and further reduce admissions to prison. Based on SRCCC outcomes, the Department will explore the future establishment of a CCC in Maricopa County, to which 61% of offenders on community supervision are released.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	9,839.0	9,839.0	9,839.0
General Fund	1,052,067,700.0	1,062,126,500.0	1,066,366,500.0
Other Appropriated Funds	47,411,800.0	47,411,800.0	47,411,800.0
Non-Appropriated Funds	52,220,000.0	52,220,000.0	52,220,000.0
Federal Funds	4,981,400.0	4,981,400.0	4,981,400.0

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 constitutionally mandated 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; the 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, mental health, nursing, and pharmaceutical services through a private vendor that is monitored by the Department for contract compliance and quality of care. The vendor provides inmate health services through licensed staff and contracts with community hospitals and specialists. (The Department privatized the provision of inmate health care services on July 1, 2012.)

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	898,191.1	924,106.8	975,634.3
Other Appropriated Funds	40,177.8	45,058.2	45,058.2
Other Non Appropriated Funds	53,629.0	54,815.0	54,508.2
Total Funding	991,997.8	1,023,980.0	1,075,200.7
FTE Positions	9,055.0	9,061.0	9,513.0

Subprogram Summary

SECURITY

Robert Patton, 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	606,637.9	633,785.8	663,748.9
Other Appropriated Funds	8,896.4	10,462.0	10,462.0
Other Non Appropriated Funds	29.4	0.0	0.0
Total Funding	615,563.7	644,247.8	674,210.9
FTE Positions	7,815.5	7,815.5	8,244.5

◆ **Goal 1** To safeguard the public, staff and inmates through the efficient, safe and secure operations of prisons

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of escapes of inmates from any location	2	0	0	0	0
Number of major rule violations per 1,000 inmates per annual average daily population	475.00	475.00	451.00	450.00	450.00
Number of inmate on staff assaults per 1,000 offenders per annual average daily population	9.42	9.33	8.90	8.90	8.90

Explanation: 95% of all assaults on staff are committed by higher custody inmates housed exclusively in state prisons.

Number of inmate on inmate assaults per 1,000 inmates per annual average daily population	20.04	19.69	18.00	18.00	18.00
Number of major inmate disturbances	0	0	2	0	0
Number of inmate homicides [Homicide numbers are subject to change based on official medical examiner reports, which may be issued in a subsequent fiscal year.]	3	0	3	0	0

◆ **Goal 2** To reduce drug use by incarcerated inmates

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of inmate random positive urinalysis results per 1,000 inmates per annual average daily population	24.00	20.00	22.00	20.00	20.00

◆ **Goal 3** To reduce inmate grievances and inmate litigation

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of formal inmate grievances (excluding health grievances) per 1,000 inmates per average daily population	79.00	69.00	71.00	70.00	70.00
Number of inmate lawsuits (non-habeas) per 1000 inmates per annual average daily population	2.67	2.41	2.65	2.62	2.44

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; performing annual peer reviews and targeted performance audits; and ensuring agency compliance with fire and life safety codes.

Description:

This subprogram conducts 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; 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	6,503.6	6,757.7	6,821.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,503.6	6,757.7	6,821.5
FTE Positions	106.0	106.0	107.0

- ◆ **Goal 1** To conduct investigations, audits and core competency testing to ensure State prisons and Department staff are compliant with Department policies and procedures

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of administrative investigations completed within established time frames	99.62	100	100	100	100
Average annual Arizona State-Operated Prison compliance audit percent score	95.6	100.00	95.69	96.00	96.50
Explanation: Contract Private Prisons reported separately.					
Average annual core competency test score for correctional series staff	85.95	87.00	86.34	88.00	90.00
Explanation: Increase expected because Core Competency program is being modified to emphasize practical application of policy-based knowledge.					
Average annual core competency test score for non-correctional series staff	77.84	87.00	77.21	88.00	89.00
Explanation: Same as above.					

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	29,371.2	29,170.9	30,165.1
Other Appropriated Funds	746.6	966.4	966.4
Other Non Appropriated Funds	40,186.7	43,308.3	43,001.5
Total Funding	70,304.4	73,445.6	74,133.0
FTE Positions	479.5	479.5	492.5

◆ **Goal 1** To maximize inmate participation in Department programming opportunities

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of all eligible inmates participating in appropriate work, education, and treatment assignments	75.30	75.00	76.50	75.00	75.0
Number of inmate hours worked through the Work Incentive Pay Plan	28.0M	28.0M	28.0M	28.0M	28.0M
Number of hours provided to communities by inmates per established IGAs or work contracts (excluding ACI)	2.4M	2.5M	2.4M	2.6M	2.6M

◆ **Goal 2** To expand work opportunities for inmates through Arizona Correctional Industries (ACI)

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of ACI inmate hours worked	3.80M	4.12M	4.1M	3.6M	4.3M
Explanation: FY14 decrease expected due to loss of a significant business partner; three (3) new businesses will start in FY14, with increases expected by FY15.					
Dollar amount deducted from ACI inmate wages being deposited directly in the State General Fund	2.7M	2.8M	2.9M	2.4M	3.1M

Explanation: FY14 decrease expected due to loss of a significant business partner; three (3) new businesses will start in FY14, with increases expected by FY15.

◆ **Goal 3** To provide education programs and services, including functional literacy, special education, GED, and jobs training to all eligible and assessed inmates

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of inmates achieving grade eight proficiency	4,283	4,350	4,238	4,300	4,350
Number of inmates achieving the General Equivalency Diploma (GED)	1,196	1,000	1,027	950	500

Explanation: Decrease expected due to the increased cost of the test and transition from paper to computer-based administration. ADC will explore a new examination option; ADC will be implementing a high school, which will further decrease the demand for the GED.

Number of Career and Technical Education Certificates earned	2,438	2,600	2,633	2,600	7,600
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Explanation: Decrease expected in FY14 due to temporary closure of four (4) programs; increase in FY15 due to change in method of granting certificates - from a single certificate at the end of the program to individual certificates for program milestones.

Number of inmates receiving special education services	376	400	370	360	360
Percent of special education inmates receiving special education services	100	100	100.00	100.00	100.00

◆ **Goal 4** To provide assessment and treatment services to eligible inmates

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of eligible inmates completing substance abuse treatment	2,633	3,000	2,940	3,200	3,200
Explanation: Services cannot increase beyond the FY14 estimate without adding counseling FTEs.					
Number of eligible inmates completing sex offender treatment	159	175	132	175	175
Explanation: Services cannot increase beyond the FY14 estimate without adding counseling FTEs.					
Number of inmates released to the Transition Program for Non-Violent Offenders per A.R.S. § 31-281	0	0	920	1,000	1,000
Explanation: New measure added FY13					

◆ **Goal 5** To ensure spiritual services are available to inmates

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of inmates involved in spiritual services (average per month)	13,148	13,750	13,108	13,033	13,220
Explanation: Estimated decrease in FY14 due to loss of volunteers to provide services; expected increase in FY15 due to restructuring of the religious volunteer program.					
Number of volunteer spiritual service hours provided	44,388	43,900	43,471	43,301	44,090
Explanation: Same as above.					

Subprogram Summary

HEALTH CARE

Arthur K. Gross, Assistant Director
 Phone: (602) 771-2100
 A.R.S. § 31-201.01, 41-1604

Mission:

To provide cost-effective constitutionally mandated correctional health care.

Description:

This subprogram ensures the provision of medical, dental, mental health, nursing, and pharmaceutical services through a private vendor that is monitored by the Department for contract compliance and quality of care. The vendor provides inmate health services through licensed staff and contracts with community hospitals and specialists. (The Department privatized the provision of inmate health care services on July 1, 2012.)

Funding:

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	6,880.5	7,105.0	7,105.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	201.2	0.0	0.0
Total Funding	7,081.7	7,105.0	7,105.0
FTE Positions	34.0	34.0	34.0

- ◆ **Goal 1** To ensure the provision of medical, dental, mental health, nursing, and pharmaceutical services through a private vendor that is monitored by the Department for contract compliance and quality of care. The vendor provides inmate health services through licensed staff and contracts with community hospitals and specialists.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of inmates requiring ongoing mental health services admitted for psychiatric hospital care	1.96	2.14	3.15	3.20	3.20
Number of formal inmate health grievances per 1000 inmates per annual average daily population	29.39	45.60	51.84	50.00	50.00

Explanation: The Department anticipated the increase in health-related grievances during transition to privatized inmate health care.

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
Percent of inmates requiring ongoing mental health services [new measure in FY13]	0	0	23.97	24.00	24.00

- ◆ **Goal 2** To manage health care costs through privatization of inmate health services

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of hospital admissions (revised measure that replaces "Number of inmates hospitalized")	3,372	2,478	2,186	2,000	2,000

Explanation: New measure added in FY11; revised FY12.

Average length of stay for in-patient hospital care in days	4.47	4.52	5.03	4.47	4.47
Average cost per inmate for health care	4,019	3,471	3,543	3,686	3,686

Explanation: Inmate health care was privatized as of July 1, 2012.

Subprogram Summary

PRIVATE PRISONS

Robert Patton, 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 and Arizona county jails, as necessary, to ensure comparable confinement and program services are provided to all Arizona state inmates regardless of location. Oversight of private prisons in Arizona and other jurisdictions and in-state county jail contracts 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	100,895.7	108,934.0	127,655.8
Other Appropriated Funds	27,863.2	25,496.2	25,496.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	128,758.9	134,430.2	153,152.0
FTE Positions	26.0	32.0	32.0

◆ **Goal 1** To systematically and effectively monitor private prison operations

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Average annual Contracted Private Prison compliance audit percent score	97.1	97.5	96.80	97.50	98.00

Subprogram Summary

PRISON MANAGEMENT AND SUPPORT

Robert Patton, 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	147,902.2	138,353.4	140,138.0
Other Appropriated Funds	2,671.6	8,133.6	8,133.6
Other Non Appropriated Funds	13,211.7	11,506.7	11,506.7
Total Funding	163,785.4	157,993.7	159,778.3
FTE Positions	594.0	594.0	603.0

◆ **Goal 1** To manage the inmate population and the allocation of physical and fiscal resources

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Average daily inmate population	40,011	39,877	40,048	41,119	43,519
Average daily rated bed surplus or (deficit)	2,878	2,768	(4,005)	(4,222)	(4,401)

Explanation: Measure reworded to more clearly reflect bed surplus or (deficit)

Program Summary

COMMUNITY CORRECTIONS

Robert Patton, Division Director
 Phone: (602) 542-3894
 A.R.S. § 41-1604

Mission:

To maintain 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 (releases 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	11,021.4	11,261.6	14,181.6
Other Appropriated Funds	2,578.6	2,353.6	2,353.6
Other Non Appropriated Funds	1,921.0	2,123.2	2,068.2
Total Funding	15,521.0	15,738.4	18,603.4
FTE Positions	160.0	160.0	160.0

◆ **Goal 1** To effectively manage offenders' conditions of supervision

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of offenders on community supervision returned to prison for technical violations	10.9	10.9	9.90	9.50	9.25

Explanation: Decrease in FY 2014 expected due to opening of a Community Corrections Center in Pima County; decrease in FY 2015-2019 expected due to opening of a Community Corrections Center in Maricopa County.

◆ **Goal 2** To apply meaningful incentives and sanctions to encourage civil behavior

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of offenders on community supervision returned to prison for a new crime	1.20	1.00	1.10	1.00	1.00

◆ **Goal 3** To effectively monitor and track all offenders on community supervision

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of offenders on community supervision returned to prison for absconding	6.0	6.0	5.40	5.00	4.50

Explanation: Decrease expected due to increased emphasis in this area.

◆ **Goal 4** To effectively manage offenders on community supervision

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average daily population of offenders on community supervision	5,843	5,850	5,785	5,860	6,333

Explanation: (New measure in FY 2012)

Program Summary

ADMINISTRATION

Charles L. Ryan, Director
 Phone: (602) 545-5225
 A.R.S. § 41-1602, 41-1604

Mission:

To provide leadership, direction, resource management, and support for Department employees to enable the Department to serve and protect the people of the State of Arizona and to provide comprehensive victim services and victim-focused restorative justice programs that hold offenders accountable.

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, victims services, policy promulgation, human services, employee relations, equal opportunity, employee grievances and disciplinary actions, training and employee development, budgeting, planning, research, engineering and physical plant services, financial and procurement services, and information technology services.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	37,146.7	36,375.5	45,063.2
Other Appropriated Funds	533.3	0.0	0.0
Other Non Appropriated Funds	-478.1	625.0	625.0
Total Funding	37,201.9	37,000.5	45,688.2
FTE Positions	378.5	378.5	381.5

◆ **Goal 1** To recruit, retain, recognize, and develop staff

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of employee formal grievances	173	146	154	166	166
Percent of employee grievances upheld and/or modified in favor of the employee	40.00	20.00	27.00	25.00	22.00
Annual Correctional Officer II vacancy rate percentage	1.80	2.00	3.20	4.00	5.00
Explanation: Increase expected as job market improves and becomes more competitive.					
Annual Correctional Officer II turnover rate percentage	11.92	11.00	13.29	14.00	15.00
Explanation: Same as above					
Annual employee turnover rate percentage (excluding Correctional Officer IIs)	10.91	10.00	9.43	10.00	10.00
Percent of staff completing mandatory training	95.00	96.00	98.30	98.00	98.00
Number of executives and managers participating in professional development courses	163	173	325	350	375

Explanation: Refers to any staff in a supervisory role taking courses designed to improve their effectiveness

- ◆ **Goal 2** To maintain and/or enhance current and future information technology applications, communications, and network needs by providing the optimal support to computer users

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of network uptime	99.99	99.99	99.95	99.20	99.95
Customer satisfaction survey rating of 3.5 or above for IT Applications/Data Management Unit on a scale of 1 to 5	4.93	4.90	4.85	4.88	4.88
Percent of IT help desk calls resolved in a timely manner	96.0	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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of service contacts provided to inmate families and friends.	26,034	27,500	28,683	28,000	28,000

Explanation: FY13 increase in contacts due to privatization of inmate health care; contacts are expected to decrease and stabilize

- ◆ **Goal 4** To effectively provide crime victims with information on inmate incarceration and release, affect change within the inmate population through various restorative justice methods of education, and provide service to the community

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of crime victim Notifications of Release sent	6,172	6,266	8,975	10,400	11,900
Number of service contacts provided to crime victims (all crimes)	12,782	12,973	14,161	15,561	17,061
Dollar amount of court-ordered restitution collected from inmates.	1.6M	1.7M	1.6M	1.6M	1.6M
Average dollar amount of court-ordered restitution paid per inmate required to pay court-ordered restitution	202.39	205.00	250.87	254.00	254.00

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,654.0	1,784.5	1,784.5
Other Non Appropriated Funds	74.8	74.8	74.8
Total Funding	1,728.8	1,859.3	1,859.3
FTE Positions	24.5	24.5	24.5

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 118,000 licenses in the BOC's database, a number that grows yearly at an estimated growth of approximately 3.9% of new licenses. Included in this number are approximately 25,574 that are in an inactive status of over 10 years.

The BOC will seek 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 reduce expenditures 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 34% reduction in staff positions. Filling the vacant Inspector and Investigators positions will be 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).

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 through reciprocity and examination, 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.

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.

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 presently are over \$20,330 for FY 2013. 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 2014/2015 fees are calculated to be at a yearly \$42K which we estimate will double.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	24.5	24.5	24.5
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,800.0	1,800.0	1,800.0
Non-Appropriated Funds	150.0	150.0	150.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To establish standards for the professional practice of cosmetology.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average calendar days from receipt of completed application to issuance of license	17	17	20	20	20
Total individuals and establishments licensed	115,976	118,000	93,000	93,000	93,000

◆ **Goal 2** To ensure swift, fair, and effective enforcement of statutes and rules governing the profession.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total inspections conducted	6,140	6,300	8,873	8,900	8,900
Total complaints and application denials	2,817	2,400	2,067	2,100	2,100
Average calendar days to resolve a complaint	120	120	120	120	120

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Educational class opportunities offered to the public in class or over the internet	48	48	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	98.5	95	95	95	95
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- ◆ **Goal 4** To provide services through efficient government.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Constituents aided in transferring to another governmental jurisdiction or educational institution.	2450	3,000	2,000	2,000	2,000
Licenses accepted through reciprocity from another state or country.	2947	3,000	2,000	2,000	2,000
Percentage of applicants or license holders reporting very good or excellent.	98.5	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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ AGENCY MANAGEMENT	1,281.8	1,415.6	1,415.6
➤ CRIME VICTIMS	5,254.6	5,503.9	5,503.9
➤ STATISTICAL ANALYSIS CENTER	612.9	718.8	1,076.3
➤ CRIME CONTROL	11,093.4	11,328.4	8,505.2
➤ CRIMINAL JUSTICE SYSTEM IMPROVEMENT	4,278.3	5,080.8	12,461.8
Agency Total:	22,521.0	24,047.5	28,962.8
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	8,000.0
Other Appropriated Funds	5,176.0	5,954.2	8,167.5
Other Non Appropriated Funds	17,345.0	18,093.3	12,795.3
Total Funding	22,521.0	24,047.5	28,962.8
FTE Positions	27.0	28.0	33.0

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.

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.

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.

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	26.0	26.0	26.0
General Fund	8,000.0	8,000.0	8,000.0
Other Appropriated Funds	8,167.5	8,167.5	8,167.5
Non-Appropriated Funds	6,100.9	6,100.9	6,100.9
Federal Funds	6,694.4	6,694.4	6,694.4

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	347.3	512.9	512.9
Other Non Appropriated Funds	934.5	902.7	902.7
Total Funding	1,281.8	1,415.6	1,415.6
FTE Positions	10.3	11.5	11.5

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of agency legislative events	175	200	160	200	200
Number of criminal justice legislative liaison meetings coordinated	26	30	27	30	30

- ◆ **Goal 2** To develop, establish, and maintain reliable accurate fiscal systems for all Commission activities including grant programs and fund distribution functions.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Generate and execute contracts, working agreements and other routine fund distribution and expenditure functions	170	175	165	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Organize, support and conduct meetings under the Commission responsibility to produce effective results	38	35	36	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	98	125	101	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Develop, continuously refine and sustain the implementation of a criminal justice records improvement program for the criminal justice system in AZ	85	100	90	100	100
Develop, implement and operate data and information producing programs and processes on crime activity and the criminal justice system in AZ	85	100	90	100	100
Accurately and successfully publish, distribute reports containing reliable info and data on crime activity and the criminal justice system in AZ	90	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of required reports published	8	40	23	20	40

Program Summary					
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:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,689.3	4,187.4	4,187.4
Other Non Appropriated Funds	1,565.3	1,316.5	1,316.5
Total Funding	5,254.6	5,503.9	5,503.9
FTE Positions	4.0	4.0	4.0

- ◆ **Goal 1** To increase the number of compensation claims filed and awarded to eligible crime victims.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Obtain increased spending authority for the crime victim compensation program	2.49M	2.49M	2.65M	4.1M	4.1M
Increase in compensation awards reported by Operational units	2.49M	2.49M	3.9M	4.0M	4.0M
Increase in eligible benefits available to crime victims	2.49M	2.49M	3.9M	4.0M	4.0M

◆ **Goal 2** To effectively manage the allocation and administration of Crime Victim Compensation Funds.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Continuity of administration in the 15 counties	15	15	15	15	15
Percent of counties in which case reviews completed	40	60	60	60	60
Percent of cases reviewed showing no deficiencies	88	90	85	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Applicants requesting funds	56	55	51	55	55
Grants awarded in a timely manner to victim services providers	44	44	44	47	47
Number of site visits completed	14	22	18	20	20
Program audits reflecting no deficiencies	14	20	13	18	18
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	125.3	224.1	587.4
Other Non Appropriated Funds	487.6	494.7	488.9
Total Funding	612.9	718.8	1,076.3
FTE Positions	6.0	6.5	11.5

◆ **Goal 1** To implement and maintain an effective and relevant criminal justice research program.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of studies/research projects proposed by internal and external customers	15	25	22	25	25
Number of studies/reports completed and published	8	40	35	20	35
Number of research products mailed via US mail to external customers (paper reduction).	0	5	0	3	1
Number of public and media data requests processed	47	45	96	50	55
Number of legislative and policy-maker data requests processed	13	40	42	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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,005.5	1,009.8	2,859.8
Other Non Appropriated Funds	10,087.9	10,318.6	5,645.4
Total Funding	11,093.4	11,328.4	8,505.2
FTE Positions	3.0	3.0	3.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Grants identified, applications submitted and approved by funding authorities	2	2	2	3	3
Number of grant applications received from criminal justice agencies requesting grant funds for criminal justice system activities authorized by the Commission.	41	40	40	42	42
Number of grant applications evaluated and awarded to criminal justice agencies for criminal justice system activities authorized by the Commission.	40	40	40	42	42
Number of arrests made by grant-funded task forces	5607	5400	5,247	5,100	5,100
Convictions reported by grant-funded prosecution projects	20659	20500	25,973	23,000	23,000
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	3	5	14	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	8,000.0
Other Appropriated Funds	8.6	20.0	20.0
Other Non Appropriated Funds	4,269.7	5,060.8	4,441.8
Total Funding	4,278.3	5,080.8	12,461.8
FTE Positions	3.8	3.0	3.0

◆ **Goal 1** To apply for available federal funds in such program areas as DNA and Laboratory Improvements.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of grant applications submitted to proper agencies.	6	4	2	1	1

◆ **Goal 2** To establish and publish technology and data standards for criminal justice agencies of the state annually.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Meetings conducted annually	3	6	6	6	6

◆ **Goal 3** To improve disposition reporting of each county to the central repository each year.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Meetings coordinated to discuss record improvement challenges by records coordinator annually.	13	12	28	15	12
Percentage of increase in disposition reporting utilizing the Records Quality Index (RQI) tool for record improvement projects funded through the program annually.	1	3	5	5	5

◆ **Goal 4** To introduce legislation to change/improve criminal history reporting as needed.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Bills submitted to Legislature	0	1	0	1	0
Bills passed by the Legislature for the improvement of criminal history record reporting	0	1	0	1	0

◆ **Goal 5** To administer, monitor, and evaluate grant projects on a continual basis.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Site visits to grantee agencies	8	4	11	8	8
Assistance provided to grantee agencies	40	20	68	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	324	162	344	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Grants awarded to agencies for improvement of criminal justice/history records	16	12	9	12	12

◆ **Goal 7** To apply for available funds from federal Justice Department agencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of grant applications submitted to proper agencies	6	4	4	3	3
Number of grant awards provided to the Commission by the various granting agencies	4	4	4	3	3
Number of applicants requesting funding	33	12	11	12	12

Agency Summary

ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

Robert E. Hill, 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 the Blind 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 schools located in Tucson or Phoenix or in their home school district. The 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.

Agency Summary: (\$ Thousands)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ PHOENIX DAY SCHOOL	11,091.1	12,157.6	12,807.5
➤ TUCSON CAMPUS	14,483.5	15,753.3	19,236.1
➤ REGIONAL COOPERATIVES	17,541.8	18,563.6	18,563.6
➤ PRESCHOOL/OUTREACH	5,269.9	6,290.5	6,148.0
➤ ADMINISTRATION	4,862.1	4,343.7	6,040.8
Agency Total:	53,248.4	57,108.7	62,796.0
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	20,494.6	21,795.3	27,482.6
Other Appropriated Funds	13,223.4	13,585.5	13,585.5
Other Non Appropriated Funds	19,530.4	21,727.9	21,727.9
Total Funding	53,248.4	57,108.7	62,796.0
FTE Positions	843.4	794.4	794.4

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	541.1	541.1	541.1
General Fund	23,759.6	23,759.6	23,759.6
Other Appropriated Funds	13,296.1	13,296.1	13,296.1
Non-Appropriated Funds	18,161.6	18,161.6	18,161.6
Federal Funds	2,451.1	2,451.1	2,451.1

Program Summary

PHOENIX DAY SCHOOL

Robert Hill, 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 350 students aged 5 through 22 who live within the metropolitan Phoenix area for whom daily transportation is feasible.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,246.0	4,586.1	5,236.0
Other Appropriated Funds	5,911.8	5,750.0	5,750.0
Other Non Appropriated Funds	933.3	1,821.5	1,821.5
Total Funding	11,091.1	12,157.6	12,807.5
FTE Positions	179.5	185.4	185.4

◆ **Goal 1** To increase efficiency and effectiveness in the instructional program for students served by ASDB Programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Individual Education Programs (IEP) or Individual Family Service Plans (IFSP) with participation of the representatives from school districts.	96	100	100	95	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents satisfied with their involvement in the program	96	95	100	95	95

◆ **Goal 3** To effectively manage transportation, food service and medical services to ensure that these programs are supportive of the educational programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents satisfied with the quality of transportation services provided at PSDS	96	95	96	95	95
Percent of parents satisfied with the quality of food services provided at PSDS	93	90	91	90	90
Percent of parents satisfied with the quality of medical services provided at PSDS	95	95	97	95	95

Program Summary

TUCSON CAMPUS

Robert Hill, 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 186 students aged 5 through 22 attend the Tucson Campus, and of these about 65 live in the campus residence halls.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	9,399.9	10,619.5	14,102.3
Other Appropriated Funds	4,219.6	4,260.0	4,260.0
Other Non Appropriated Funds	864.0	873.8	873.8
Total Funding	14,483.5	15,753.3	19,236.1
FTE Positions	272.4	254.6	254.6

◆ **Goal 1** To increase efficiency and effectiveness in the instructional program for students served by ASDB Programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Individual Educational Plans (IEP) with participation of representatives from school districts in Tucson	100	95	100	95	95
Percent of IEPs developed with participation of parent	100	95	98	95	95
Percent of parents satisfied with their involvement in the program in Tucson	100	95	98	95	95
Percent of parents satisfied with the quality of educational programs provided to their child.	94	95	98	95	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents satisfied with the quality of transportation services provided at ASD/ASB in Tucson.	98	95	98	95	95
Percent of parents satisfied with the quality of food services provided at ASD/ASB in Tucson.	89	90	84	90	90
Percent of parents satisfied with the quality of medical services provided at ASD/ASB in Tucson.	95	95	96	95	95

Program Summary	
REGIONAL COOPERATIVES	
Robert Hill, 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:	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	785.1	832.4	832.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	16,756.7	17,731.2	17,731.2
Total Funding	17,541.8	18,563.6	18,563.6
FTE Positions	274.0	226.8	226.8

- ◆ **Goal 1** To operate the Cooperatives in a cost effective manner

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Per student costs for Cooperatives	15508	15508	15,508	15,508	15,508

- ◆ **Goal 2** To provide quality programming for students

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents rating the program as good or excellent	98	95	100	95	95

◆ **Goal3** To provide programming meeting the individual needs of students

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents rating the student IEP progress as good or excellent	95	95	100	95	95

◆ **Goal4** To increase the number of students served through the regional cooperatives.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of students served by the regional cooperatives and the Outreach program	1596	1600	1,611	1,600	1,600

◆ **Goal5** To increase the number of school districts served by the Cooperatives

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of districts served by the Cooperatives	246	246	246	246	246

Program Summary

PRE-SCHOOL/OUTREACH

Robert Hill, 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,593.2	1,978.8	1,836.3
Other Appropriated Funds	3,092.0	3,575.5	3,575.5
Other Non Appropriated Funds	584.7	736.2	736.2
Total Funding	5,269.9	6,290.5	6,148.0
FTE Positions	53.9	58.5	58.5

◆ **Goal 1** To increase the number of students participating in the Parent Outreach Program

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of students served annually through the Parent Outreach Program and the Preschool program.	585	600	590	600	600

◆ **Goal 2** To provide quality programming for preschool students

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents rating overall quality as good or excellent	100	95	97	95	95
Percent of parents indicating the staff regularly communicates with them.	100	95	97	95	95
Percent of parents who feel their child is progressing satisfactorily toward their child's IEP/IFSP goals.	96	96	97	96	96
Percent of parents satisfied with their level of participation in the IEP/IFSP and MET process.	100	95	97	95	95
Percent of parents satisfied with the services and specialized equipment provided based on the IEP/ISFP.	100	95	93	95	95

Program Summary

ADMINISTRATION

Robert Hill, 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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,470.4	3,778.5	5,475.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	391.7	565.2	565.2
Total Funding	4,862.1	4,343.7	6,040.8
FTE Positions	63.6	69.1	69.1

◆ **Goal 1** To prudently and fairly manage personnel resources of the Agency.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of permanent certified positions filled PDS	76	85	92	85	85
Percent of permanent classified positions filled PDS	89	90	62	90	90
Percent of permanent certified staff turnover PDS	19	10	17	10	10
Percent of permanent classified staff turnover PDS	16	20	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents satisfied with the quality of the medical services provided at ASDB.	95	95	96	95	95
Percent of parents satisfied with the quality of transportation services provided at ASDB.	97	95	96	95	95
Percent of parents satisfied with the quality of food services provided at ASDB.	95	90	90	90	90

- ◆ **Goal 3** To maintain a positive relationship with parents

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents satisfied with leadership at ASDB	96	90	96	90	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents satisfied with instructional programs and services as measured by a survey PDS	95	95	99	95	95
Percent of students graduating from PDS with a high school diploma	100	100	100	100	100
Percent of students graduating from ASB and ASD with a high school diploma	100	100	100	100	100

- ◆ **Goal 5** To prudently and fairly manage personnel resources of the Agency

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of permanently certified positions filled (TC)	92	90	87	90	90
Percent of permanent classified positions filled (TC)	89	90	56	90	90
Percent of permanent certified staff turnover (TC)	12	10	20	10	10
Percent of permanent classified staff turnover (TC)	15	10	17	10	10

- ◆ **Goal 6** To maintain a communication system with parents

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents indicating that staff and teachers regularly communicate with me.	100	95	99	95	95

- ◆ **Goal 7** To provide quality services to the schools within the Regional Cooperatives

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of parents with students served through the cooperatives satisfied with the services provided by ASDB.	96	96	99	96	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, as well as for state agencies and institutions providing services to those consumers. Local government and other public and private community agencies also benefit from ACDHH information, programs and activities. For example, ACDHH Deaf and Hard of Hearing Specialists provide sensitivity training for state agencies and other organizations and groups that work with the Deaf, Hard of Hearing, Deaf Blind, and individuals who have speech difficulties.

ACDHH also administers a telecommunications equipment distribution voucher program that loans equipment to qualifying Arizona State residents. The Arizona Relay Service (7-1-1), which allows equal accessibility of public telephone service, is available through ACDHH as well. The service is administered by ACDHH and 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ COUNCIL ACTIVITIES	1,427.4	1,823.8	2,241.6
➤ TDD - TELECOMMUNICATION DEVICE FOR THE DEAF	2,039.2	1,956.1	2,081.1
Agency Total:	3,466.5	3,779.9	4,322.7
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,466.5	3,776.4	4,319.2
Other Non Appropriated Funds	0.0	3.5	3.5
Total Funding	3,466.5	3,779.9	4,322.7
FTE Positions	15.0	15.0	16.0

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	16.0	16.0	16.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	4,319.2	4,319.2	4,319.2
Non-Appropriated Funds	73.1	0.0	0.0
Federal Funds	0.0	0.0	0.0

Program Summary

COUNCIL ACTIVITIES

Lynn Wakefield, Business Manager
 Phone: (602) 542-3363
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,427.4	1,820.3	2,238.1
Other Non Appropriated Funds	0.0	3.5	3.5
Total Funding	1,427.4	1,823.8	2,241.6
FTE Positions	12.0	12.0	13.0

◆ **Goal 1** To increase public awareness of accessibility issues related to the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of information and referral contacts	190,695	200,000	288,272	245,000	250,000
Explanation: Contacts and Trainings					
Total number of website visits	51,377	60,000	82,149	60,000	60,000
Total number of advertisements	1,283,680	1,500,000	3,548,430	1,500,000	1,500,000
Explanation: In FY11 Agency revised data collection methods to reflect publication circulation, matching industry standards.					
Total number of articles	1,989,531	1,500,000	10,468,937	1,500,000	1,500,000
Explanation: 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	13,385	25,000	20,273	22,000	22,000
Number of newsletters distributed	75,623	50,000	72,727	50,000	50,000
Explanation: Agency began weekly E-Newsletter Distribution					

◆ **Goal 2** To increase the number of public and private sector partnerships in providing training and program services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of partnerships formed	3	5	3	5	5

◆ **Goal 3** To prepare future American Sign Language instructors for national-level standards and certification.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of general licensed interpreters	306	350	301	320	320
Average number of calendar days from receipt of complaint about licensed interpreter to resolution	95	120	216	120	120
Number of complaints about certified/licensed interpreters	5	5	5	5	5
Number of licensed legal interpreters	36	45	42	45	45
Number of provisional interpreters	66	95	71	95	95

◆ **Goal 5** To improve public relations on issues related to hearing loss.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of printed articles related to the Arizona Commission for the Deaf and Hard of Hearing	1,063,009	1,000,000	6,953,158	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	1,008,235	1,000,000	8,934	1,000,000	1,000,000
Number of printed articles related to the Arizona Relay Service	134,969	150,000	3,506,845	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	10	10	0	10	10
Number of telecommunication advertisements for Arizona Telecommunications Equipment Distribution Program	4	10	0	10	10

Program Summary

TDD - TELECOMMUNICATION DEVICE FOR THE DEAF

Lynn Wakefield, Business Manager
 Phone: (602) 542-3363
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,039.2	1,956.1	2,081.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,039.2	1,956.1	2,081.1
FTE Positions	3.0	3.0	3.0

◆ **Goal1** To monitor telecommunications relay services to ensure compliance with current contract.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of telecommunications relay service calls completed without a complaint	99.9	99.5	99.5	99.5	99.5
Annual call minutes for the telecommunications relay service	825,536	866,812	1,102,563	910,153	955,661

◆ **Goal2** To administer voucher system of the Telecommunications Equipment Distribution Program.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of customer satisfaction with equipment distribution voucher program	98	95	98	90	90
Number of equipment distributed to consumers	961	1,100	951	1,100	1,100
Explanation: Resumed Voucher Program					
Number of applications distributed to consumers regarding the equipment distribution program	1,443	1,500	1,097	1,575	1,575
Number of demonstrations performed	121	200	118	150	150

Agency Summary

BOARD OF DENTAL EXAMINERS

Elaine Hugunin, Executive Director
Phone: (602) 242-1492
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 8,500 professionals licensed or certified to practice in the state and approximately 300 business entities, as well as serves all Arizona citizens who receive their professional services.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,029.0	1,214.8	1,214.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,029.0	1,214.8	1,214.8
FTE Positions	11.0	11.0	11.0

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, which in turn decreases the time the renewal information was available to the public. In FY13 the Agency enhanced the online renewal application implementing a more user friendly process.

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 a new mid-level dental provider is 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 of 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. The Agency has the manpower to manage the project.

Issue 2 Dissemination of information

Description Disseminating relevant information such as statute changes is important for our 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	11.0	11.0	11.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,214.8	1,214.8	1,214.8
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ Goal 1 To ensure public safety through improved efficiencies in regulating the dental profession.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of days from receipt of completed application to issuance or denial of certification or license	2	10	2	10	10
Total number of applications received	814	739	746	766	750
Total number of individuals or facilities licensed	8,577	8,694	8,857	9,029	9,199
Customer satisfaction rating (scale 1-5)	5	4	5	4	4
Total number of licenses/renewals issued	3,312	3,007	3,229	3,351	3,361
Average calendar days to renew a license (from receipt of application to issuance)	4	10	4	10	10
Percent of cases adjudicated each calendar year (ratio of complaints resolved to complaints received)	98	90	98	90	90
Average number of calendar days from receipt of complaint to resolution of complaint	106	150	111	150	150
Percent of investigations resulting in disciplinary or enforcement action	10	15	11	15	15
Number of licenses revoked or suspended	15	14	3	10	10
Total number of investigations conducted	292	357	256	291	291
Total number of complaints received annually	260	302	262	266	266
Total number of inspections conducted	234	210	187	201	201
Percent of total licensees with disciplinary action	1	3	1	3	3

◆ **Goal 2** To disseminate timely and accurate information for licensees and the public.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Publication of articles to our website which provides information to licensees regarding statutes and rules	0	3	9	6	6
Administration as a percent of total cost	4.4	5.0	4.4	5.0	5.0

Agency Summary

EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD

Jose Samuel Leyvas, Interim 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 (AZECDH) or First Things First (FTF) 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 a new, state-level board, the Arizona Early Childhood Development and Health Board, which provides oversight and guidance on the implementation of the Proposition. First Things First is also the name of the state agency created to carry out the work of the Arizona Early Childhood Development and Health Board.

The Arizona Early Childhood Development and Health Board receives revenues from additional tax levied on tobacco products. Ninety percent of the monies deposited into the Early Childhood Development and Health Fund are devoted to the program costs and ten percent are devoted to administrative costs.

First Things First establishes Regional Partnership Councils throughout the state. The Regional Partnership Councils are to include eleven members who reside or work in the region. Funding is allocated based on the number of children ages birth to five years living in the area, as well as the number of young children whose incomes do not exceed 100% of the federal poverty level. Programs funded through the AZECDH Board may be conducted either by grantees in the region or directly by the Regional Partnership Council.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	145,791.9	185,336.9	180,974.5
Total Funding	145,791.9	185,336.9	180,974.5
FTE Positions	162.0	162.0	160.5

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	155.7	155.7	155.7
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	143,522.4	144,874.4	146,137.9
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To support the building of a comprehensive, high quality early childhood development and health system

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Dollars (in millions) awarded in support of direct program delivery	140.	145	144	145	145
Number of awards made	327	260	295	246	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Dollars (in millions) spent on Communications	0	6.6	3.6	3.9	4.0
% of regions participating in a coordinated communications strategy	85	85	100	100	100
% of Arizonans who see Early Education as important and % who see K-12 important.	81/86	82/86	71/85	73/85	75/85

◆ **Goal 3** To achieve high level of integration, coordination and collaboration with early childhood partners and stakeholders.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Estimated number of grants that have Grant and Sub-Grantee relationship	30	30	23	30	30
Number of multi-agency grants FTF is the recipient of	2	2	2	3	3
% of Council seats/positions (required by statute to have broad and diverse community and sector composition) not filled	10	10	12	10	10

◆ **Goal 4** To monitor and report on services, results, and outcomes

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Dollars (in millions) spent on evaluation and Needs & Assets	6.7	6.4	2.0	8.0	8.9
% of grantees (providing direct client services and have reporting requirements) reporting on units served	99	100	100	100	100

◆ **Goal 5** To provide a cohesive and efficient delivery support structure within FTF

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Staff Vacancy Rate (%)	20	15	8	15	15
Staff External Turnover Rate (%)	1.4	.7	4	7	7
Staff External Voluntary Turnover Rate (%)	14	25	10	25	25
% of regional councils with dedicated staff	100	100	100	100	100
% of female (vs. male) employees	86	70	68	70	70
% of minority employees	43	40	45	40	40

◆ **Goal 6** To be fiscally accountable to the citizens of Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Major Deficiencies in the Annual Audit	0.0	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 one million of Arizona's children, adults and families.

Together, DES' programs enhance the safety, well-being and self-sufficiency of Arizonans. Some of these programs include: child protective services; children's services to provide families the tools they need to care for their children; child care assistance for working parents; adult protective services; domestic violence shelter and supports; social adjustment and self-sufficiency benefits and services for refugees and other humanitarian immigrants of interest to the United States; early intervention services for infants and toddlers with developmental delays; home and community-based services for individuals with developmental disabilities and older adults; independent living support programs for both seniors and young adults; unemployment insurance; employment assistance including vocational rehabilitation and job training; financial assistance; nutrition assistance; child support services; and medical assistance eligibility.

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, Tribal Nations, as well as federal agencies that oversee Department programs, in the delivery of services to the people of Arizona.

Agency Summary: (\$ Thousands)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	164,696.6	166,039.7	169,942.8
➤ DEVELOPMENTAL DISABILITIES	911,024.6	1,052,158.2	1,130,831.0
➤ BENEFITS AND MEDICAL ELIGIBILITY	1,713,326.1	2,099,636.3	2,104,236.3
➤ CHILD SUPPORT ENFORCEMENT	44,001.2	59,900.6	59,249.6
➤ AGING AND COMMUNITY SERVICES	121,936.6	115,192.4	120,054.8
➤ CHILDREN, YOUTH AND FAMILIES	552,956.9	662,773.6	786,824.4
➤ EMPLOYMENT AND REHABILITATION SERVICES	1,052,055.0	997,567.9	659,358.8
Agency Total:	4,559,997.0	5,153,268.7	5,030,497.7
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	618,264.4	690,112.9	901,882.5
Other Appropriated Funds	469,410.5	521,555.2	462,859.3
Other Non Appropriated Funds	3,472,322.1	3,941,600.6	3,665,755.9
Total Funding	4,559,997.0	5,153,268.7	5,030,497.7
FTE Positions	9,257.4	9,451.5	9,999.6

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 impacted 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 2011 Current Population Survey, Annual Social and Economic supplement, 17.2 percent of Arizonans live in poverty, up from 14.3 percent in 2007, and one in four children in Arizona are living below the federal poverty level. In 2013, the federal poverty level for a family of four is \$23,550 per year. In addition to the impact of economic conditions, social conditions in the state also 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 one example of the rising demand for Department services, from fiscal year 2007 to fiscal year 2013, Arizonans enrolled in the Supplemental Nutrition Assistance Program (SNAP) increased by 109 percent, from 537,000 to over 1.1 million, or over 17 percent of the state's population. Recently, economic conditions have begun to stabilize, and after reaching a peak in October 2011, demand in Arizona for SNAP has leveled off. It is important to note further, however, that rising cases over the years has meant an increased possibility for eligibility determination errors and fraud and abuse in the system. In an effort to reduce eligibility errors and contain fraud and abuse, the Department has requested a \$4.6 million General Fund increase in fiscal year 2015 to maintain current eligibility determination staffing levels.

Over the last year, the Department has also experienced rapid growth in the number of reports of child abuse and neglect. In fiscal year 2013, the number of reports of abuse and neglect grew by nine percent. This increase is likely caused by a variety of factors, among them rising poverty and increased attention paid to child abuse cases in local media.

The rising number of reports of alleged child abuse and neglect, in turn, creates an increase in the number of investigations performed by Child Protective Services (CPS). In fiscal year 2013, over 40,000 investigations were conducted. While the proportion of investigations that result in a child being placed in foster care is virtually unchanged, the increase in investigations has driven an increase in the number of children that must be placed in out-of-home care. This number has currently topped 14,632 children for the first time and has saturated the Department's capacity to place children in family foster homes, resulting in the increased use of more expensive and less preferred congregate care settings. Because of the rapid growth of reports and children in the CPS system, the Department has requested \$50.6 million to fund additional CPS staff to keep up with caseload growth as well as to fund the placement costs for the children entering the system.

In 2012, the Legislature created and provided limited funding for the Office of Child Welfare Investigations, tasked with investigating CPS Hotline reports with potential criminal conduct. In fiscal year 2013, the Department flagged almost 11,000 such reports. The Department is requesting \$8.75 million over two years for additional staff to fully investigate these reports.

In addition to the growth in child welfare, the Department has seen caseloads grow in a variety of programs. From fiscal year 2012 to fiscal year 2013, the number of reports of vulnerable adult abuse, neglect, or financial exploitation to Adult Protective Services increased by 27 percent. While the Department did anticipate caseload growth in Adult Protective Services (APS) in SFY 2013, the rate of growth has exceeded our expectations, thereby stressing our staffing and APS infrastructure. As a result, we have updated our caseload growth for SFY 13 and believe that the growth will continue in 2014 at an estimated 20 percent and at about 10 percent in fiscal year 2015. The Department has requested an increase of \$5.2 million in fiscal year 2015 to fund additional APS caseworkers to keep up with the growth and maintain a manageable caseload per caseworker.

Arizona has also seen an increase in the number of individuals seeking assistance in finding employment. Due to impacts from the economy, more people have registered in the Department's automated labor exchange system, AZJobConnection (www.azjobconnection.gov). During calendar year 2012, there was a monthly average of 16,762 individuals registered in the automated system. As of June 2013, there was a monthly average of 18,469 individuals registered in the automated system. This reflects a ten percent increase in the number of individuals seeking assistance finding jobs.

In addition to the above, the Department foresees the exhaustion of the Long Term Care System Fund balance. The fund's revenue is earned through the capitated system of payments developed by the Arizona Health Care Cost Containment System (AHCCCS), approved by the federal Centers for Medicare and Medicaid Services (CMS), and is used to provide services to members of the Arizona Long-Term Care System (ALTCS). Pursuant to the terms of the 1115

waiver that governs Arizona's Medicaid programs and the ALTCS program, the State assumes all liability for cost overages above the agreed capitation. In addition, all excess revenue earned by the program above the actual cost is available for use by the State. In both fiscal years 2013 and 2014, the Legislature made appropriations from the Long Term Care System Fund's balance to fund caseload growth to maintain services levels that otherwise would have received General Fund support. Moving into fiscal year 2015, this fund balance will no longer be able to support the appropriation, so the Department has requested a General Fund increase of \$56.4 million to maintain service levels.

Solutions:

1. Assist older and at-risk adults, individuals with disabilities, and youth aging out of foster care to live independently.

DES provides a wide range of support for independent living. Arizona's Developmental Disabilities program is consistently ranked as one of the best in the nation for assisting people to reside in the least restrictive environment possible. In addition, 22 percent of children 17 or older and 50 percent of children 18 or older who have been removed from their homes live independently.

In SFY 2013 the number of reports of vulnerable adult abuse, neglect and/or exploitation increased by 27 percent from SFY 2012; this increased has strained the ability of the Adult Protective Services (APS) system to provide needed supportive services to this population.

2. Safely reduce both the number of children entering the foster care system and the number of children who remain in the foster care system by developing safe alternatives, including timely permanency.

In the six month period ending March 2012, DES finalized 1,270 adoptions. As a result, adoption subsidy payments, which help adoptive parents of special needs children afford the services they require, increased 11.6 percent in fiscal year 2012. For fiscal year 2015, the Department has requested funding to keep pace with the continued growth in adoption.

The Division of Children, Youth and Families has completed refresher trainings on the facilitated Team Decision Making process to ensure decision making is strengths based and family focused, and has partnered with Casey Family Programs to implement Permanency Roundtables in CPS regions across the state to assist with case reviews and moving children toward permanency. A team of staff is also working to streamline the process for children who are ready to be adopted to achieve permanency quicker.

3. Safely reduce the number of children in congregate care and place children in family-like settings (kinship care and family foster homes).

The Department is engaged in many initiatives to increase the capacity of available family foster homes and place children in other family-like settings. In order to best utilize available resources to target areas where family foster homes are necessary and potentially available, the Department is implementing several strategies. Demographic data on current foster families has been utilized to analyze foster care recruitment success by demographic market segment. This analysis has identified the market segments most likely to become foster parents, allowing the Department and foster care agencies to target their outreach to those most likely to respond. Geographic information systems software is being used to combine foster home capacity data with child removal data to create maps illustrating where the need for foster homes is greatest. Additionally, the Department has dramatically expanded its partnership with faith and community-based groups to recruit foster families. This has resulted in outreach and events sponsored by the Republic Media Group's A Season for Sharing, the Arizona Diamondbacks, the Rotary Club, and nearly two dozen churches and faith-based organizations across the state. To assist their efforts, the Department has engaged a private marketing company that has volunteered, on a pro bono basis, to develop recruiting materials for use by community-based groups. The Department is partnering with foster care agencies and applicants to identify and eliminate barriers to qualified applicants in the licensing process. For example, based on applicant feedback, a training course has been developed that, while providing the same training, allows applicants to complete the course in six weeks rather than ten weeks. Lastly, an expedited training program for families who wish to be relicensed after having left the foster care system has been created.

The Department is also working to increase foster family retention. Retention solutions include the creation of a toll-free Foster Parent support telephone line, development of "mentor families" to provide support to new foster families, and events to recognize current Foster Parents and recruit new families. Additionally, increased staffing to handle the workload will allow CPS to better support foster families by more frequently visiting children in foster care and reducing the number of families exiting the foster care system.

4. Provide core safety net services to stabilize families as a first step toward enabling them to achieve maximum employability and self-sufficiency.

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. Cash Assistance is time limited to 24 months of payments received solely in Arizona and to no more than 60 months of payments received in Arizona or any other state.

Another crucial element in helping families achieve self-sufficiency is the child care subsidy program, which helps cover the cost of child care to enable parents to work to provide for their families. The Department currently has a waiting list of almost 7,000 children who are unable to receive child care services as there are not sufficient resources to provide services to all those who qualify.

5. Provide employment-related services and assistance supports to vulnerable populations, such as older adults, individuals with disabilities, refugees, economically disadvantaged youth and adults, veterans, and youth who have aged out of foster care.

The Department partners with local entities to administer the Workforce Investment Act (WIA) program, funded through the federal WIA grant, which provides services to youth and adults, in addition to programs targeting dislocated workers, to help them become job-ready and to 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 WIA and ES Programs provide “priority service” to qualified veterans and their spouses. This means that a veteran or their spouse receives priority over non-veterans for employment services, training and access to other resources. Utilizing federal funding through the U.S. Department of Labor, the Department provides employment related services to veterans. The veterans’ programs that are available through DES are known as the Local Veterans’ Employment Representatives and the Disabled Veterans Outreach Program. Staff within these programs provides a variety of services throughout Arizona.

The Department’s Unemployment Insurance (UI) Program provides a measure of security through financial assistance to the individual worker when unemployment occurs. 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 which enable individuals to receive benefits while seeking other employment.

The Department operates employment and independent living programs to assist in removing barriers for refugees and other eligible beneficiaries under the Refugee Act, older Arizonans, and individuals with disabilities. In addition, the Department assists clients with developmental disabilities in obtaining employment when it is the most beneficial path for the client. The Department’s Division of Developmental Disabilities (DDD) provides a range of services and supports including center-based vocational training, community integrated group supported employment and competitive job placement with an emphasis on the job supports as needed to facilitate the individual’s ongoing employment success. The DES DDD is a member of the State Employment Leadership Network (SELN), a membership-based group of state developmental disability (DD) agencies committed to improving employment outcomes for people with DD. The Division assisted in developing and continues to support the use of AZ Disability Benefits 101 (AZDB101), an online resource developed and funded by the Rehabilitation Services Administration within DERS. The AZDB101 is designed to help individuals with disabilities make informed decisions about going to work by assisting them to plan for employment, learn how work and benefits (cash, medical, etc.) go together and how their individual benefits might be impacted by work income. In addition, the Division 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 post-secondary outcomes for youth and young adults with disabilities, with a primary emphasis on college and career outcomes. The Division, jointly with the DES Rehabilitation Services Administration/Vocational Rehabilitation, is implementing a system of coordinated planning and collaboration to ensure a smooth and successful transition of DDD eligible persons in the foster care system to meaningful, gainful, and sustained employment, education and community living.

6. 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 employment. Despite reductions in the number of job participants receiving cash assistance, in fiscal year 2013, over 7,098 clients in the Department’s Jobs Program were placed in new employment positions, an increase from 6,628 in fiscal year 2012.

7. 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 providing support to our customers for the self-sufficiency of Arizona families. DES has maintained the level of Title IV-D related child support

collections at \$360 million annually over the last four fiscal years while maintaining a high level of program cost effectiveness. To improve work going forward, the Department is striving to engage our customers more by taking a holistic approach to understanding the challenges our customers are going through and seeking to assist with internal and external resources to help non-custodial and custodial parents meet their responsibilities and obligations.

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 appropriation 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.

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. One example is connecting community resources in support of supervised visitation for Child Protective Service (CPS) cases and the CPS staff that manages these cases. Community resources have adopted 50 rooms that provide an appropriate setting for regular supervised visitations between the child and parents. The visitations further the goal of successful family reunification. These new community connections offer on-going support for CPS staff as they serve these children and their families.

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 27, 2012, served approximately 18,000 people. HopeFest Phoenix, held at Chase Field on April 14, 2012 reached an estimated 15,000 people and HopeFest Phoenix reached approximately 20,000 at Chase Field on April 20, 2013. Once a 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 throughout the morning. In addition to the health services they also receive free clothing and information regarding many areas affecting their living and working conditions such as crop dusting, 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” – highlighting Arizona children in need of forever families, and the “Arizona Blue Ribbon – Celebrating Foster Families”, which is a foster family retention strategy.

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 to connect more faith-based organizations with the systems of care that meet the needs of Arizona’s most vulnerable citizens. Building on previous success, increased community effort is being applied to grow the capacity for foster and adopted care for children and also to support local child protective service staff with family reunification efforts.

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, including recruitment, screening, and referral of qualified job applicants, as well as job fairs, workshops and seminars to assist employers in identifying work opportunities for individuals receiving Department services. Over the past year, the Department hosted or participated in 88 job fairs, including 14 Hire Our Heroes hiring events serving over 11,000 veterans, seven Heroes2Hire events serving over 2,000 veterans and 19 Yellow Ribbon events serving over 5,300 returning Arizona National Guard Service members.

For the past two years in October, DDD with numerous other state agencies and community stakeholders has participated in the D.R.E.A.M. (Disability and Rehabilitation Employment Awareness Month) Job Fairs held throughout the state, providing job and networking opportunities for people with disabilities.

The Department's DDD 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 DDD is a member of Untapped Arizona, a project of the Arizona Medicaid Infrastructure Grant, created to serve Arizona businesses to meet their inclusive workforce needs by connecting them directly with qualified job candidates with disabilities. Untapped Arizona is currently seeking an Executive Director who will be responsible for developing and managing a nonprofit organization whose role will include the functions of a "business leadership network" to support Arizona businesses in hiring and retaining employees with disabilities.

Issue 3 Accountability and Transparency

Description The agency faces a range of challenges as it strives to deliver critical protective and assistance services to millions of Arizonans and manage multiple priorities, amidst a backdrop of economic uncertainty and decreases in funding. In addition, being a large human services agency composed of more than 40 different programs, and with approximately 10,000 employees and thousands of contractors, the agency recognizes the need to ensure accountability of employees, contractors and providers; prevent, mitigate, investigate and prosecute fraud, waste and abuse; and improve its utilization of resources. From an operations perspective, these programs also translate to numerous interdependent processes that span across program and functional areas, and to a complex matrix of risks facing the agency.

Given these challenges, the agency established the Office of Accountability in SFY 2012 to monitor compliance with requirements at all levels of the Department; ensure customers obtain the benefits, goods and services they are eligible to receive; provide objective, reliable data and analysis to inform management decisions; and identify opportunities for improvement and innovation, driving continual improvement of DES programs, functions and processes. The Office is composed of a number of accountability and enforcement functions, such as audit, investigation, licensing and regulation, quality monitoring, and appellate services. It has also recently assumed responsibility for the administrative and analytical support of Human Rights Committees, a third-party oversight body in charge of reviewing potential human rights violations for the agency's developmentally disabled customers.

Under the leadership of the Chief Accountability Officer, the Office has been working aggressively in reviewing and assessing the efficiency and effectiveness of the agency's programs and operations, and in the redesign and improvement of key processes. As an example, in the past year, the Office initiated a review of, and improvements to, the public assistance benefit fraud and overpayment welfare prosecution process – which involves six programmatic and functional areas in the agency – to achieve greater levels of efficiency. The Office has also enhanced the communication and strengthened partnerships among its audit function and with the Department's program areas to improve internal controls, contract language, triggers for detecting improper payments to contractors, and accountability of contractors in the delivery of services. In addition, the Office also completed an agency-wide assessment of, and developed recommendations for the refinement, creation, alignment or integration of performance management and accountability functions.

To promote a more coordinated approach and realize meaningful results in its work, the Office has established and refined partnerships, and engaged multiple entities within and outside the Department. By involving employees at all levels in the Department, other government agencies and stakeholder groups, the Office aims to foster shared ownership and promote a culture of accountability and transparency in the agency's operations.

The Office is also currently engaged in automating its workflows, data collection, assessment and reporting to enable it to effectively manage and assess enterprise risks, and report compliance with internal controls and regulatory requirements. In addition, the Office continues to strive for excellence in the quality, accuracy and timeliness of its work.

Solutions:

1.Improve documentation of key processes and evaluate the extent to which these processes meet customer and business requirements, and consistent compliance with all federal and state regulations and requirements to deliver greater value to the Department and its stakeholders

The Office of Accountability has initiated a comprehensive documentation, review and analysis of key processes to evaluate the extent to which these processes fulfill objectives; evaluate process capability and capacity; identify gaps between requirements and process outputs and outcomes; identify enterprise-wide opportunities for improvement; redesign key processes to meet requirements; and develop and implement management controls. This review will allow the Department to understand and meet performance measures from our funding agencies, improve outcomes and services for consumers, and deliver greater value.

2.Develop and implement a comprehensive and enterprise-wide approach to fraud management, prevention, detection, investigation and corrective action.

The Office of Accountability has conducted a comprehensive collection, documentation and review of existing anti-fraud internal controls; and identification of gaps, residual risks and weaknesses in internal controls.

3. Enhance the functionality of program activities through internal review, analysis, and design changes.

Enhance Adult Protective Services staffing and reduce caseloads to manageable levels to address the safety of vulnerable adults and to promote self-sufficiency and independence.

The Department continues to engage in a comprehensive analysis and modernization of the Adult Protective Services system. This process began by engaging the agency's best staff to streamline not only the current process for the investigation of allegations of adult abuse, neglect and exploitation but also identifying cost efficiencies. The goal of the new process and efficiencies is to improve adult safety and well-being by removing redundancies, thereby allowing investigations to be completed more quickly. Unfortunately, limited staffing and budget restrictions prevented DES from implementing all of the improvements identified. A few key initiatives that have been implemented include consolidation of offices, mobile offices, utilizing AmeriCorps volunteers and interns, create a working relationship with Area Agencies on Aging to reduce recidivism, work across district lines (as needed) and provide more training on investigations and substantiation.

Finally, while the APS modernization project has increased efficiencies in investigations and cost savings, it cannot fully compensate for the dramatic growth in workload. For example, at the beginning of state fiscal year 2013, the statewide average caseload for an Adult Protective Services worker was 67, which is 49 percent above the Arizona caseload standard. By the end of state fiscal year 2013, the average APS caseload was 105 statewide, as APS had an historic year receiving more calls (16,635) and investigating more reports (11,161) in one year than ever before. As a result, for state fiscal year 2015, the Department has requested an additional 64 APS staff, of which 40 are APS investigators.

4. Enhance child protection staffing and reduce caseloads to manageable levels for CPS staff to address child safety, and ensure permanency and well-being.

The Division of Children, Youth and Families continues to be engaged in targeted process improvement work with Division staff to improve the child abuse intake, and investigation process. The Division is assessing how these processes could be streamlined in order to accomplish specific performance measures, including timeliness of completing an investigation or case plan, increased visitation, and increasing the capacity of the CPS Specialist and Supervisor to ensure that caseworker time is spent on value-added steps. In addition to the work that the teams of staff conduct, each team's recommendations are informed by focus groups with other CPS staff and stakeholders from across the state such as courts, providers, parents, youth, and citizen groups.

The Division's process improvement work has expanded beyond a focus on investigations to also include process improvement across the child safety, permanency and well-being spectrum to include: Ongoing Case Management, Adoptions, the Child Abuse Hotline, Practice Improvement, Protective Services Review Team, and Policy.

These teams and their ideas are a foundation upon which the Department will continue to evaluate ways to better address child safety and to communicate these efforts on an ongoing basis. Similar to any process or practice improvement, close monitoring is necessary to ensure continuous improvement occurs.

Growing CPS Specialist workload continues to be a challenge. As a result of the increased number of Child Abuse Hotline reports, in-home services cases, and children in out-of-home care, caseloads per caseworker far exceed the Division's standard.

To address the workload in the investigative and ongoing phases of CPS case management a statewide Social Work Assessment Team (SWAT) was put in place and embedded in each CPS Region to:

- o Provide relief for CPS staff by helping to achieve more manageable caseloads and increase staff's capacity to spend time on value added steps that ensure child safety and engage families.
- o Share trends identified in cases to build the skill level of direct line staff and supervisors as well as staff development and training needs for the system to sustain progress.
- o Work with Practice Improvement, Policy Specialists and Training staff to support the field and provide expert assistance for all process improvement changes.

The Division hired a recruiter and is partnering with Arizona State University on a comprehensive assessment of recruitment, hiring, onboarding and training with an action plan to restructure, reformat and incorporate consistent practices and opportunities for recruitment and continuous learning.

Immediate recruitment and hiring improvements include hiring a recruitment officer, implementing consistent hiring and retention

practices, streamlining the hiring process, connecting onboarding and training processes, and developing Virtual Job Tryout.

Assessment and improvements to training include a revised model that provides a more comprehensive hands-on learning experience, coupled with mentors, which in turn aims to improve retention by providing both new employees and existing case managers with additional support for professional development and learning.

In addition to the efficiencies discussed above and the staffing request mentioned earlier in this document, the Department has revised its caseload standards to more accurately reflect today's work environment. The Department has developed a plan to add another 200 caseworkers over the course of fiscal years 2015 and 2016 and has requested \$12.1 million in fiscal year 2015 to begin hiring those staff and return caseloads per caseworker to levels that are more manageable.

The Department is also working with an outside vendor to assess the effectiveness of its child welfare information system, known as CHILDS, and to determine possibilities for improvements or full replacement. CHILDS is a legacy system dating back to the 1990s, and is not compatible with modern mobile computing. The Department currently projects the total cost at about \$70 million.

Finally, the Department is exploring the implementation of a differential response system to include the creation of pathways to better respond to allegations of child abuse and neglect. Differential response emphasizes a family focused, strengths based approach to support child and family well-being and includes engagement with the family to assess the family's needs and strengths, and improve the service array to meet the family's needs and support positive parenting.

Issue 4 Transforming from a Program-Centric to Person-Centric Human Service System

Description Arizona's safety net system is challenged by both a fundamental design flaw and an over-arching operating flaw. These flaws inhibit the ability of the system to promote consumers' capacity to achieve better outcomes and reduce their dependency on public assistance.

The design flaw stems from a disconnected, program-centric, often conflicting set of single-purpose programs, each designed to address a narrow aspect of human well-being. Each program is structured through its own objectives, rules, funding, and service delivery system that is self-contained and centered on a specific life-sustaining intervention. Additionally, the rules of one program may conflict with those of another. As a result, these programs are not designed, nor are they intended to work in conjunction with each other to achieve the broader objective of growing the consumer beyond that person's need for public assistance.

The operating flaw stems from a safety net system that places little to no emphasis on helping a family or individual move beyond the condition or circumstances for which the support was needed. In many situations, persons present with problems that are inter-related. As each intervention only focuses on its own narrow area of authority and those areas of authority were not designed to work with other interventions, there is no overarching perspective of the person, nor any emphasis on remediating the inter-related problems. Even in socially and economically fragile situations, this disconnected program-focused system has no intentionality of addressing the presenting circumstances in order to help the consumer grow beyond their need for the safety net.

Improve Outcomes for Arizonans by Creating a Person-Centric Human Services System. The Department of Economic Security (DES), as a principal component of Arizona's public safety net system, seeks to create an operating construct that addresses both the design and operating flaws of the Human Services System through a Demonstration Project that tests, refines, and expands strategies that improve outcomes for individuals and families served by the Department. Enhancing the capacity of safety net consumers to be their highest functioning selves outside of the safety net is an important part of strengthening Arizona and enhancing its future ability to compete economically.

Solutions:

1. Engage critical partners including consumers, staff, academicians, and state and federal partners to inform and enhance the achievement of the Demonstration Project.

The Department has established several critical partnerships to provide meaningful stakeholder engagement in the design, operation and evaluation of the Demonstration Project. These partnerships include an Academic Advisory Board, Federal Policy Team, and National Stakeholders Group.

2. Implement a demonstration project to test, refine and expand strategies that improve outcomes for individuals and families served by the Department.

The Department is currently in the process of designing a Demonstration Project to test and refine an outcome-based, person-centric approach to supporting individuals in need of safety net supports. The Demonstration Project operating model includes three primary components: case coordination, comprehensive assessment and the individualized development plan. Case coordinators are dedicated to supporting the individual and his/her family holistically. Case coordinators conduct a comprehensive assessment with the individual to gain a broad understanding of the individual's priorities, aspirations, resources and needs in order to develop a plan that delineates the steps needed to accomplish the individual's goals, identify his/her existing and potential informal supports and other public resources, when needed.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	10,050.0	10,100.0	10,151.0
General Fund	919,900.0	938,300.0	957,100.0
Other Appropriated Funds	476,700.0	491,000.0	505,700.0
Non-Appropriated Funds	797,300.0	821,200.0	845,800.0
Federal Funds	2,964,000.0	3,038,100.0	3,114,100.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	72,931.2	62,058.4	75,215.2
Other Appropriated Funds	8,767.6	22,279.6	11,870.6
Other Non Appropriated Funds	82,997.8	81,701.7	82,857.0
Total Funding	164,696.6	166,039.7	169,942.8
FTE Positions	1,448.2	1,273.3	1,273.3

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	60,562.2	60,613.5	73,770.3
Other Appropriated Funds	6,165.1	19,615.5	9,115.5
Other Non Appropriated Funds	55,878.8	58,657.0	59,252.3
Total Funding	122,606.1	138,886.0	142,138.1
FTE Positions	1,053.7	1,075.8	1,075.8

◆ **Goal 1** To improve the quality and efficiency of services delivered to customers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Agencywide customer satisfaction rating (scale 1-5)	3.7		3.95	3.9	3.9
Total Office of Accounts Receivable and Collections cost per dollar to administer, bill, and collect debts	0.05		0.05	0.06	0.06
DES percentage below Phoenix Market Rate per square foot	12.3		12.4	10.0	11.5
Explanation: % below/(above) comparable market rate					
Percent of OLCR licenses to foster homes without a complaint	97.4		96.7	96.9	96.9

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:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	12,301.1	1,377.0	1,377.0
Other Appropriated Funds	2,602.5	2,664.1	2,755.1
Other Non Appropriated Funds	13,000.3	7,720.8	8,280.8
Total Funding	27,903.9	11,761.9	12,412.9
FTE Positions	380.5	183.5	183.5

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 Community Services and its programs.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	67.9	67.9	67.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	227.1	251.5	251.5
Total Funding	295.0	319.4	319.4
FTE Positions	2.0	2.0	2.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,453.1	1,598.4	1,598.4
Total Funding	1,453.1	1,598.4	1,598.4
FTE Positions	4.0	4.0	4.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,438.5	13,474.0	13,474.0
Total Funding	12,438.5	13,474.0	13,474.0
FTE Positions	8.0	8.0	8.0

◆ **Goal 1** To provide early intervention services for children birth to age 3 who have developmental delays

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total AzEIP cases	5,358	5,526	5,526	5,699	5,878

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

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	295,304.6	327,702.8	384,223.4
Other Appropriated Funds	49,248.8	59,724.3	30,518.4
Other Non Appropriated Funds	566,471.2	664,731.1	716,089.2
Total Funding	911,024.6	1,052,158.2	1,130,831.0
FTE Positions	1,772.3	1,772.3	1,812.4

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 67 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	10,154.4	14,355.7	14,355.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	33,328.7	34,995.9	34,995.9
Total Funding	43,483.1	49,351.6	49,351.6
FTE Positions	294.3	294.3	294.3

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	10,600.0	11,376.4	11,376.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	33,495.9	36,351.1	36,351.1
Total Funding	44,095.9	47,727.5	47,727.5
FTE Positions	755.5	755.5	755.5

◆ **Goal 1** To provide quality case management services for all eligible consumers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of consumer satisfaction with case management services (Title XIX only)	97.8	98.5	98.5	98.5	98.5
Average number of consumers with developmental disabilities served	24,201	25,242	25,748	26,829	27,956

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,346.0	3,926.6	3,926.6
Other Appropriated Funds	500.0	0.0	0.0
Other Non Appropriated Funds	4,923.5	4,080.5	4,080.5
Total Funding	7,769.5	8,007.1	8,007.1
FTE Positions	79.3	79.3	79.3

◆ **Goal 1** To promote quality case management services for all eligible consumers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of consumers with developmental disabilities served	7,709	7,480	7,480	7,500	7,500

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	223,000.0	240,141.5	265,616.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	387,432.9	487,444.9	538,803.0
Total Funding	610,432.9	727,586.4	804,419.2
FTE Positions	94.5	94.5	134.6

- ◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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	94.5	90.6	90.6	91.0	91.0

- ◆ **Goal 2** To provide consumer, family, and caregiver satisfaction with home- and community-based services and supports.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of relatives and caregivers of consumers stating the services received meet the consumer's needs	98.1	99.1	99.2	99	99
Percent of relatives and caregivers satisfied with the providers of services received.	97.3	98.3	98.3	98.3	98.3

- ◆ **Goal 3** To increase consumers' economic prosperity and self-sufficiency by placing adult consumers in community employment opportunities.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percentage of eligible adult consumers placed in community employment	18.3	19.4	19.4	19.4	19.4

Subprogram Summary
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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,043.0	3,319.0	31,292.9
Other Appropriated Funds	16,472.3	30,124.4	3,990.5
Other Non Appropriated Funds	658.8	909.3	909.3
Total Funding	19,174.1	34,352.7	36,192.7
FTE Positions	53.6	53.6	53.6

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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 for the mentally retarded (ICF/MR) and nursing facilities.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	5,000.0	5,591.8	5,591.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,553.1	11,824.7	11,824.7
Total Funding	17,553.1	17,416.5	17,416.5
FTE Positions	74.0	74.0	74.0

- ◆ **Goal 1** To reduce or maintain the number of people placed in institutional settings.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of consumers in ICF/MRs and skilled nursing facilities (*point in time 6/30)	221	225	225	225	225

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	37,557.9	44,151.0	44,151.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	82,590.1	78,062.0	78,062.0
Total Funding	120,148.0	122,213.0	122,213.0
FTE Positions	35.4	35.4	35.4

◆ **Goal 1** To provide cost effective, quality health care.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of consumers receiving acute care services through the Division of Developmental Disabilities	24,632	25,666	25,666	25,666	25,666

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 for the Mentally Retarded (ICF/MR) consisting of certified residential facilities that provide active treatment and other services in accordance with federal and state regulations.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,603.3	4,840.8	4,840.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	11,488.2	11,062.7	11,062.7
Total Funding	16,091.5	15,903.5	15,903.5
FTE Positions	383.7	383.7	383.7

◆ **Goal 1** To provide quality residential services in the Arizona Training Program at Coolidge.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of consumers living at Arizona Training Program at Coolidge	108	108	107	106	106

Subprogram Summary

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.

Funding:	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	29,428.1	26,527.9	26,527.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	29,428.1	26,527.9	26,527.9
FTE Positions	2.0	2.0	2.0

◆ **Goal 1** To provide state funded services to Long Term Care-eligible consumers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Long Term Care-eligible consumers that receive state-funded room and board to live in community-based homes	3,942	4,021	4,021	4,021	4,021

Subprogram Summary

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	3,072.0
Other Appropriated Funds	2,848.4	3,072.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,848.4	3,072.0	3,072.0
FTE Positions	0.0	0.0	0.0

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
- ▶ Food Stamps Benefits
- ▶ Child Passenger Restraint

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	36,535.4	36,963.6	41,563.6
Other Appropriated Funds	56,549.6	54,067.1	54,067.1
Other Non Appropriated Funds	1,620,241.1	2,008,605.6	2,008,605.6
Total Funding	1,713,326.1	2,099,636.3	2,104,236.3
FTE Positions	1,048.8	1,048.8	1,048.8

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	28,900.5	31,028.7	35,628.7
Other Appropriated Funds	10,258.2	8,567.7	8,567.7
Other Non Appropriated Funds	123,146.5	175,104.6	175,104.6
Total Funding	162,305.2	214,701.0	219,301.0
FTE Positions	756.8	756.8	756.8

◆ **Goal 1** To improve customer service and accessibility.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of recipients per month receiving medical assistance for which DES determines eligibility	1,154,115		1,109,211	1,500,000	1,500,000
Percent of clients satisfied with services	84.0		82.0	83.0	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	34,763.2	36,457.0	36,457.0
Total Funding	34,763.2	36,457.0	36,457.0
FTE Positions	292.0	292.0	292.0

◆ **Goal 1** To improve Disability Determination Services Administration performance.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of correct cases	97.0		95.6	97.0	97.0
Average Social Security Disability Insurance initial case processing time (days)	127.0		95.3	98.0	98.0
Average Supplemental Security Income initial case processing time (days)	127.0		98.7	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,700.0	0.0	0.0
Other Appropriated Funds	45,791.4	44,999.4	44,999.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	47,491.4	44,999.4	44,999.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the Family Assistance Administration's efficiency and accountability.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of TANF Cash Assistance recipients	39,194		39,781	37,500	37,500
Percent of TANF Cash Assistance issued timely	96.9		98.0	97.0	97.0
Total number of TANF Cash Assistance applicants diverted from long-term cash assistance with diversion grants	16,599		8,991	9,000	9,000

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</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
Total Funding	4,680.3	4,680.3	4,680.3
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide financial assistance to tribes who operate their own TANF program.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Monthly average of individuals receiving Cash Assistance benefits through a Tribal Cash Assistance program.	2,212		1,901	1,900	1,900

Subprogram Summary

FOOD STAMPS 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).

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,461,527.2	1,796,233.9	1,796,233.9
Total Funding	1,461,527.2	1,796,233.9	1,796,233.9
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the Family Assistance Administration's efficiency and accountability.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of total nutrition assistance payments issued accurately	94.6		94.6	95.0	95.0
Average monthly number of supplemental nutrition assistance recipients	1,123,068		1,120,649	1,194,650	1,194,650
Percent of total nutrition assistance payments issued timely	93.9		95.0	94.0	94.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	148.1	154.0	154.0
Total Funding	148.1	154.0	154.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To disburse the Child Passenger Restraint Fund monies on purchasing and distributing child restraint seats.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Car seats purchased and distributed	3,452		2,724	3,000	3,000

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	9,152.8	11,733.0	11,733.0
Other Appropriated Funds	7,687.0	14,402.2	14,311.2
Other Non Appropriated Funds	27,161.4	33,765.4	33,205.4
Total Funding	44,001.2	59,900.6	59,249.6
FTE Positions	623.0	623.0	623.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	9,152.8	11,733.0	11,733.0
Other Appropriated Funds	7,241.2	13,063.1	13,232.1
Other Non Appropriated Funds	21,557.9	26,504.3	27,544.3
Total Funding	37,951.9	51,300.4	52,509.4
FTE Positions	623.0	623.0	623.0

◆ **Goal 1** To increase IV-D cases and collections, including the number of court ordered cases and compliance with court orders.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
IV-D dollars collected for each IV-D dollar expended (cost-effectiveness ratio)	5.61	5.00	5.86	5.00	5.00
Ratio of court ordered cases (in percent)	83.74	84.47	84.80	85.87	86.95
Ratio of current IV-D child support collected and distributed to current IV-D support due	52.34	53.21	54.10	55.92	57.80
Number of IV-D cases	194,877	194,900	193,061	191,262	189,480
Total amount of IV-D support collections (millions)	361.8	360.0	361.6	360.0	360.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	445.8	1,339.1	1,079.1
Other Non Appropriated Funds	5,603.5	7,261.1	5,661.1
Total Funding	6,049.3	8,600.2	6,740.2
FTE Positions	0.0	0.0	0.0

Program Summary

AGING AND COMMUNITY 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 Community Services Operations
- ▶ Adult Services
- ▶ Community and Emergency Services
- ▶ Coordinated Hunger
- ▶ Coordinated Homeless
- ▶ Domestic Violence Prevention
- ▶ Refugee Resettlement Program

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	16,370.1	16,416.3	21,278.7
Other Appropriated Funds	14,465.5	14,462.7	14,462.7
Other Non Appropriated Funds	91,101.0	84,313.4	84,313.4
Total Funding	121,936.6	115,192.4	120,054.8
FTE Positions	253.2	253.2	317.2

Subprogram Summary

AGING AND COMMUNITY 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,289.9	5,336.1	9,198.5
Other Appropriated Funds	251.3	248.5	248.5
Other Non Appropriated Funds	6,858.3	6,071.8	7,071.8
Total Funding	11,399.5	11,656.4	16,518.8
FTE Positions	241.2	241.2	305.2

◆ **Goal 1** To improve the Adult Protective Services investigation process.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	7,924.1	6,924.1	7,924.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	36,131.5	33,210.6	32,210.6
Total Funding	44,055.6	40,134.7	40,134.7
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide Arizona's aging population with services to promote independence and autonomy

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of clients served	371,442	395,808	395,808	400,000	400,000

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</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	30,977.6	28,662.3	28,662.3
Total Funding	34,701.6	32,386.3	32,386.3
FTE Positions	0.0	0.0	0.0

- ◆ **Goal 1** To ensure the provision of emergency and utility assistance services to low-income households throughout the State of Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of households receiving financial assistance in paying rent and mortgage to prevent eviction	2,337	1,767	1,767	1,800	1,800
Number of households receiving financial assistance for paying home energy bills	50,689	40,565	40,565	41,000	41,000

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.

- ◆ **Goal 1** To more effectively distribute food resources among counties in Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total pounds of food distributed by Department contracted food banks from all food sources (millions of pounds)	121.4		127.0	125.0	125.0

Subprogram Summary

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</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	2,791.9	3,739.2	3,739.2
Total Funding	5,314.5	6,261.8	6,261.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To develop and fund needed services for homeless individuals and families through a variety of strategies.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Individuals receiving emergency shelter	14,724	14,143	14,143	14,100	14,100
Individuals receiving transitional housing	1,847	2,023	2,023	n/a	n/a

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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	152.6	823.2	823.2
Total Funding	12,276.3	12,946.9	12,946.9
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To assist the community in meeting the needs of victims of domestic violence and their children.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of women and children sheltered in emergency shelters	9,809	8,821	8,821	9,000	9,000
Number of unduplicated women and children sheltered in transitional housing	513	455	455	500	500

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	14,189.1	11,806.3	11,806.3
Total Funding	14,189.1	11,806.3	11,806.3
FTE Positions	12.0	12.0	12.0

◆ **Goal 1** To promote refugee social and economic self-sufficiency and well-being.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of refugees obtaining employment	987	1,561	794	800	800

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

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	179,106.6	216,040.4	348,670.2
Other Appropriated Funds	157,534.3	149,146.1	130,156.1
Other Non Appropriated Funds	216,316.0	297,587.1	307,998.1
Total Funding	552,956.9	662,773.6	786,824.4
FTE Positions	2,124.9	2,493.9	2,937.9

Subprogram Summary			
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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	54,225.8	67,429.1	144,504.1
Other Appropriated Funds	52,905.9	53,080.6	53,080.6
Other Non Appropriated Funds	41,164.6	54,583.0	74,312.5
Total Funding	148,296.3	175,092.7	271,897.2
FTE Positions	2,123.9	2,273.9	2,631.9

- ◆ **Goal 1** To provide quality leadership and training opportunities to enhance the delivery of quality services and promote accountability.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of newly hired Child Protective Services (CPS) Specialists completing training within seven months of hire	100.0		100.0	100.0	100.0
Percent of CPS complaints reviewed by the Office of the Citizens Aide where allegations are reported as valid by the Ombudsman	18.8		19.0	18.9	18.9
Number of CPS reports received	40,543		44,104	48,100	52,400
Child protective services response rate (percent)	95.5		93.3	100.0	100.0
Percent of child protective service reports that are substantiated	8.6		7.1	8.0	8.0
Percent of CPS original dependency cases where the court denied or dismissed the dependency	0.3		0.14	0.1	0.1

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- ◆ **Goal 2** To provide quality leadership and training opportunities to enhance the delivery of quality services to promote accountability.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Office of Administrative Hearings (OAH) where CPS case findings are affirmed	84.0		78.4	88.0	88.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	33,354.4	27,668.0	46,427.6
Other Appropriated Funds	48,527.6	45,497.7	31,238.1
Other Non Appropriated Funds	59,448.0	68,273.6	66,184.2
Total Funding	141,330.0	141,439.3	143,849.9
FTE Positions	1.0	1.0	1.0

- ◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of families receiving in-home services (*point in time 6/30)	5,844		5,115	5,100	5,100
Number of children receiving services through Healthy Families	3,375		4,124	4,500	4,500

- ◆ **Goal 2** To promote recovery from alcohol and drug abuse for Arizona Families F.I.R.S.T. program participants.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of CPS clients referred for substance abuse treatment services	6,154		6,200	6,200	6,200

- ◆ **Goal 3** To provide medical and dental care for children in foster care.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Average number of children enrolled in Comprehensive Medical and Dental Program	11,848		13,743	15,000	16,400

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	11,839.5	19,043.6	19,043.6
Other Appropriated Funds	10,973.1	6,973.1	6,973.1
Other Non Appropriated Funds	14,765.7	20,746.7	20,746.7
Total Funding	37,578.3	46,763.4	46,763.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote permanent placements for children who enter out-of-home care.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of children in out-of-home care (*point in time 6/30)	13,385		14,494	15,100	15,100
Percent change in number of children in out-of-home care (*point in time 6/30)	22.6		8.2	4.2	0.0

◆ **Goal 2** To enhance children's health and development by providing stable and nurturing environments.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of children remaining in shelter more than 21 days	736		792	790	790
Average number of days spent in shelter care for those children in shelter care 21 days or longer	95		98	100	100
Number of children under 3 in shelter care as of June 30	36		44	40	40
Number of children under 6 in group homes as of June 30	66		54	50	50

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:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	9,622.3	9,472.3	9,472.3
Other Appropriated Funds	849.3	1,743.0	1,743.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	10,471.6	11,215.3	11,215.3
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase permanency for children who have been adjudicated dependent by providing a monetary subsidy to persons appointed as permanent guardians.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of children receiving subsidized guardianship payments	2,444		2,500	2,500	2,500

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	47,671.7	52,271.3	64,801.7
Other Appropriated Funds	26,700.3	25,376.1	20,645.7
Other Non Appropriated Funds	72,961.3	98,762.8	106,459.2
Total Funding	147,333.3	176,410.2	191,906.6
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote placements in permanent adoptive homes.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of children with finalized adoptions	2,224		2,414	2,450	2,500
Percent of adoptions within 24 months	51.6		52.0	54.1	55.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,669.3	2,719.3	2,719.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	669.4	750.0	750.0
Total Funding	2,338.7	3,469.3	3,469.3
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To assist young adults to achieve self-sufficiency.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of Young Adult Independent Living Subsidy participants (*point in time 6/30)	272		252	270	270

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	20,723.6	18,778.7	36,678.7
Other Appropriated Funds	17,578.1	16,423.0	16,423.0
Other Non Appropriated Funds	27,307.0	48,921.2	32,404.5
Total Funding	65,608.7	84,122.9	85,506.2
FTE Positions	0.0	0.0	0.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	8,863.7	19,198.4	19,198.4
Other Appropriated Funds	175,157.7	207,473.2	207,473.2
Other Non Appropriated Funds	868,033.6	770,896.3	432,687.2
Total Funding	1,052,055.0	997,567.9	659,358.8
FTE Positions	1,987.0	1,987.0	1,987.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	6,153.3	6,138.0	6,138.0
Other Appropriated Funds	17,196.8	20,388.3	20,388.3
Other Non Appropriated Funds	71,812.1	69,272.1	69,272.1
Total Funding	95,162.2	95,798.4	95,798.4
FTE Positions	1,368.2	1,368.2	1,368.2

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	300.0	300.0	300.0
Other Appropriated Funds	12,472.7	12,705.6	10,705.6
Other Non Appropriated Funds	0.0	300.0	300.0
Total Funding	12,772.7	13,305.6	11,305.6
FTE Positions	97.0	97.0	97.0

◆ **Goal 1** To increase the number of Jobs Cash Assistance recipients who obtain employment.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Cash Assistance employment placements	8,031		8,572	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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	9,000.0	9,000.0
Other Appropriated Funds	96,685.0	121,396.6	121,396.6
Other Non Appropriated Funds	18,019.9	8,688.3	8,688.3
Total Funding	114,704.9	139,084.9	139,084.9
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the availability, supply, and quality of child care providers to support the needs of children and families.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of customer satisfaction with child care	90.2		89.3	89.0	89.0
Number of children whose families are assisted by Child Care Resource and Referral	41,436		42,563	42,500	42,500
Average number of children in Day Care Subsidy program per month	27,852		25,863	26,100	26,100

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	166.0	166.0
Other Appropriated Funds	0.0	1,123.4	1,123.4
Other Non Appropriated Funds	0.0	1,898.2	1,898.2
Total Funding	0.0	3,187.6	3,187.6
FTE Positions	0.0	6.5	6.5

◆ **Goal 1** To improve the ability of individuals to make decisions leading to self-determination and to live independently

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of individuals receiving services in order to achieve or maintain their independence	1,161		1,088	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	47,475.1	51,654.6	53,654.6
Other Non Appropriated Funds	1,926.0	0.0	0.0
Total Funding	49,401.1	51,654.6	53,654.6
FTE Positions	0.0	0.0	0.0

- ◆ **Goal 1** To achieve the goals of the Workforce Investment Act by providing employment assistance to adults, youth, and dislocated workers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of adults who entered employment	1,526		1,800	1,800	1,800
Number of youth who entered employment	386		400	400	400
Number of dislocated workers who entered employment	2,224		1,760	1,800	1,800

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,410.4	3,594.4	3,594.4
Other Appropriated Funds	1,328.1	204.7	204.7
Other Non Appropriated Funds	45,799.8	36,395.4	36,395.4
Total Funding	49,538.3	40,194.5	40,194.5
FTE Positions	521.8	515.3	515.3

- ◆ **Goal 1** To assist customer to achieve meaningful and sustained work as effectively and efficiently as possible.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Individuals in the Vocational Rehabilitation program successfully rehabilitated	1,002		1,174	1,200	1,300

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	20,607.8	20,924.9	20,924.9
Total Funding	20,607.8	20,924.9	20,924.9
FTE Positions	0.0	0.0	0.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	706,746.4	630,144.4	291,935.3
Total Funding	706,746.4	630,144.4	291,935.3
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the degree of timeliness in paying Unemployment Insurance benefits.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
First payment timeliness	92.6		82.7	82.0	87.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,121.6	3,273.0	3,273.0
Total Funding	3,121.6	3,273.0	3,273.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide employment opportunities for individuals seeking employment and recruitment services to employers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of clients entered employment	78,247		82,161	82,200	82,200

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 422 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ OFFICE OF THE SUPERINTENDENT	685.9	733.7	733.7
➤ STATE BOARD OF EDUCATION / VOC AND TECH EDUCATION	44,382.4	41,622.0	41,622.0
➤ ADMINISTRATION	418,461.6	421,915.3	438,756.5
➤ SCHOOL FINANCE	3,857,407.4	4,090,062.1	4,090,062.1
➤ HIGHLY EFFECTIVE SCHOOLS	705,365.5	657,240.4	664,757.1
➤ HIGHLY EFFECTIVE TEACHERS AND LEADERS	57,889.7	57,228.0	57,894.9
➤ HIGH ACADEMIC STANDARDS FOR STUDENTS	61,178.7	63,800.3	70,340.3
➤ ACCOUNTABILITY AND ASSESSMENT	32,507.8	39,589.2	54,589.2
Agency Total:	5,177,879.0	5,372,191.0	5,418,755.8
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,464,988.9	3,620,831.2	3,667,396.0
Other Appropriated Funds	48,569.9	56,035.2	56,035.2
Other Non Appropriated Funds	1,664,320.2	1,695,324.6	1,695,324.6
Total Funding	5,177,879.0	5,372,191.0	5,418,755.8
FTE Positions	650.0	633.3	676.8

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 from 7% in 2011 to at least 50% by FY 2018;
2. Increase the percent of students scoring at or above basic scores in National Assessment of Educational Progress (NAEP) 4th grade Reading (from 75%) and Math (from 88%), and 8th grade Reading (from 85%) and Math (from 84%) by at least 5 percentage points by FY 2018; and
3. Increase the percent of students graduating high school in four years from 78% in 2011 to 85% by FY 2018.

Solutions:

- 1.Coordinate training and resources for all teachers and administrators to effectively implement Arizona’s Common Core Standards in classroom instruction by July 1, 2015.
- 2.Provide resources and guidance to districts and charters for full implementation of the educator evaluation framework by 2015.
- 3.By 2015, increase pertinent information available to help school teachers and administrators improve student outcomes by implementing a student satisfaction survey developed through research of applied best practices.
- 4.By 2015, increase pertinent information available to help school teachers and administrators improve student outcomes by gathering and reporting on data submitted by districts and charters on teacher job satisfaction at the school district level.
- 5.By September 30, 2015, establish a baseline of performance on restructured school improvement approaches to reduce the number of failing and low-performing schools in future years by at least 20%, while raising the performance of existing failing schools by at least 10 percentage points.
- 6.By July 1, 2015, gather data to establish a baseline by October, 2015, of the percent of students achieving proficient or above ratings in reading by third grade under the revised assessment of student progress.
- 7.From among LEA/Districts who offer CTE programs, increase the number of LEA/Districts that articulate any CTE program and grant academic credit for embedded Math, Science or ELA to meet a graduation requirement, from 28 to 35, by July 1, 2015.
- 8.By July 1, 2015, develop a system for LEAs to offer third-party assessments, and submit student data from these assessments to ADE/CTE in eight (8) different CTE programs.
- 9.Increase each year the percent of adult education students successfully achieving their educational goals, from the baseline established by 2016 for the new, more difficult assessment aligned to Arizona’s Academic Standards.
- 10.Identify and assist 10 schools in the bottom 20% of ELA and Mathematics proficiency, as measured by the required statewide assessment, and implement blended learning models such that the expected proficiency for these schools will be 10 points above state average for the schools in the bottom 20% of proficiency for ELA and Mathematics at the end of the third year of implementation of the blended learning model.

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 7% in 2013. Although we’ve made great strides from an initial rating of -13.7% in 2011 and 1.1% in 2012, we continue in our quest to provide services that are value-added, from our customers’ perspectives

Solutions:

1. By June 30, 2015, increase to at least 22 the number of ADE programs achieving Net Top Box (percent rating “Poor” subtracted from percent rating “Outstanding”) rating of “Outstanding” on annual external customer surveys.
2. Improve customer satisfaction rating with Information Technology services from 2.39 in 2011 to at least 3.75 in 2015. (Achieved 3.56 rating in 2012, 3.59 in 2013.)
3. By July 1, 2015, increase external customer satisfaction ratings on timely receipt of information, based on improvements to accuracy of master email list.

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. Develop AELAS systems as planned for FY 2015 on time and within budget.
2. Fully implement new grants management system and streamline monitoring process by June 30, 2015.

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 19.9% in 2013.

Solutions:

1. By July 1, 2015, complete at least two 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. Increase employee satisfaction ratings on effectiveness of ADE communication to 4.00 by July 1, 2015 (3.55 in 2013).
3. By July 1, 2015, at least 60% of internal professional development opportunities will be listed in the PD catalogue for ADE staff.
4. By March 1, 2016, increase employee ratings (or maintain at no lower than 4.00) on Supportive Work Environment.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	650.0	650.0	650.0
General Fund	3,812,886,136.0	3,927,272,720.0	4,045,090,901.0
Other Appropriated Funds	56,285,200.0	56,535,200.0	56,785,200.0
Non-Appropriated Funds	573,855,230.0	591,070,886.0	608,803,013.0
Federal Funds	948,964,650.0	948,964,650.0	948,964,650.0

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:

Innovative Learning is a subprogram created by State Superintendent John Huppenthal. The subprogram focuses on developing and implementing breakthrough transformative school models. These models focus on personalized, adaptive programs utilizing technology in an attempt to accelerate student achievement.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	685.9	733.7	733.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	685.9	733.7	733.7
FTE Positions	7.8	7.8	7.8

◆ **Goal 1** To increase customer satisfaction

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Internal (overall) customer satisfaction rating for Policy Development and Government Relations	3.79	3.80	3.63	3.82	3.83
Internal customer satisfaction rating on Policy Development and Government Relations timeliness of information delivery	3.89	3.90	3.89	3.92	3.93
Expand FreeThrows math fluency software to additional sites.	21	41	30	61	70
External customer overall satisfaction rating for Innovative Learning	3.76	4.01	4.42	4.16	4.50
Evaluate personalized, adaptive, digital programs for pilot opportunities.	10	6	6	3	3
Increase Internal satisfaction rating for ADE's website (on a 1.0 - 5.0 scale)	3.72	4.0	3.94	4.15	4.30
Increase Constituent Services' e-mail satisfaction rating for e-mail responses (on a 1.0 – 5.0 scale)	4.17	4.4	4.59	4.65	4.70
Increase satisfaction rating for external conference operations and management (on a 1.0 – 5.0 scale)	4.40	4.50	4.49	4.55	4.60

Program Summary

STATE BOARD OF EDUCATION / VOC AND TECH EDUCATION

Vince Yanez,
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	44,040.7	41,242.3	41,242.3
Other Appropriated Funds	341.7	379.7	379.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	44,382.4	41,622.0	41,622.0
FTE Positions	12.8	11.0	11.0

◆ **Goal 1** To set fair and reasonable policies and standards that foster excellence in public education.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Arizona high school students who enter 9th grade and graduate within four years	78	80	77	80	82

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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of investigative cases closed	348	300	317	300	310
Adjudications by State Board of Education	51	98	66	110	70

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	February	March	January	January
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Explanation: *completion date by scheduled board meeting of indicated month

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	10,415.7	6,249.4	23,090.6
Other Appropriated Funds	62.1	200.0	200.0
Other Non Appropriated Funds	407,983.8	415,465.9	415,465.9
Total Funding	418,461.6	421,915.3	438,756.5
FTE Positions	206.9	210.8	227.8

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,076.5	3,913.2	3,998.2
Other Appropriated Funds	62.1	200.0	200.0
Other Non Appropriated Funds	5,502.4	6,532.3	6,532.3
Total Funding	8,641.0	10,645.5	10,730.5
FTE Positions	89.3	94.1	94.1

◆ **Goal 1** To provide accurate and helpful information to the public.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of 'Out of Compliance' completion reports in the Grants Management Enterprise system	13	10	6	9	9
Properly completed external maintenance requests completed within 3 days (%)	94.65	94.75	98.2	98.0	98.5
Average turnaround time on pending classification position actions (in weeks)	5	4	2.82	4	4
Percent of paychecks with no ADE HR or Payroll staff-related errors	99.75	99.75	99.91	99.75	99.75
Percent of Single Audit Findings resolved within the required six-month timeframe	77.8	85	99	85	85
Perform at least 18 federal fiscal monitoring audits of school districts and charter schools by June 30th of each year	13	18	18	18	18
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.	0	0	6	9	9
Number of print jobs completed on time.	0	0	94.01	93.7	94.9

◆ **Goal 2** To improve employee and customer satisfaction.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Internal customer overall satisfaction rating for Business and Finance services	3.90	4.05	3.67	4.05	4.15
Percent of internal customers rating satisfaction excellent for Building Operations services	3.98	4.00	38	43	44

Explanation: * Measure revised to track percent indicating excellent instead of overall average rating

Internal customer overall satisfaction rating for Human Resources services	4.06	4.18	3.91	4.03	4.15
Internal customer overall satisfaction rating for Organizational Development services	3.84	3.90	3.83	3.90	4.00
Overall external customer satisfaction rating	3.17	3.25	3.54	3.60	3.70
Percent of employees rating ADE as "Outstanding"	16.6	20	22.7	22	25
Overall employee satisfaction rating	3.43	3.50	3.73	3.75	3.80

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 Service 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.).

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	7,248.2	2,245.8	18,702.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,904.8	18,345.7	18,345.7
Total Funding	20,153.0	20,591.5	37,047.7
FTE Positions	39.3	39.4	56.4

◆ **Goal 1** To ensure customer business success

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Service availability on critical applications at 99.75% uptime	99.99	99.75	99.87	99.75	99.75

◆ **Goal 2** To insure customer system availability

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Meet/exceed baseline target of 57% for First Call resolution by Support Center.	0	0	71.8	85	85

◆ **Goal 3** To increase quality of customer delivery

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Deploy 92% of all production changes on time and performing as designed	0	92	87.8	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	466.2	1,157.6	1,157.6
Total Funding	466.2	1,157.6	1,157.6
FTE Positions	9.3	8.3	8.3

◆ **Goal 1** To issue, on time, valid and reliable evaluations of school and student performance as required by State and Federal statutes.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of students in grade 3 meeting or exceeding state academic standards in AIMS reading Explanation: * Establishing new baseline using PARCC assessment in FY 14	75	78	75	*	*
Percent of students in grade 3 meeting or exceeding state academic standards in AIMS math Explanation: * Establishing new baseline using PARCC assessment in FY 14	69	72	68	*	*
Percent of students in grade 10 meeting or exceeding state academic standards in reading Explanation: * Establishing new baseline using PARCC assessment in FY 14	80	82	83	*	*
Percent of students in grade 10 meeting or exceeding state academic standards in writing Explanation: * Establishing new baseline using PARCC assessment in FY 14	70	72	70	*	*
Percent of students in grade 10 meeting or exceeding state academic standards in math Explanation: * Establishing new baseline using PARCC assessment in FY 14	60	64	62	*	*
Percent of students in grade 2 performing at or above the 50th percentile on norm-referenced reading test	41	44	40	42	44
Percent of students in grade 2 performing at or above the 50th percentile on norm-referenced math test	57	59	57	59	61
Percent of students in grade 9 performing at or above the 50th percentile on norm-referenced reading test	66	66	64	66	68
Percent of students in grade 9 performing at or above the 50th percentile on norm-referenced math test	71	73	71	73	75

◆ **Goal 2** To provide accurate and helpful information to the public.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
External customer overall satisfaction rating	3.52	3.60	3.60	3.70	3.80

Subprogram Summary

HEALTH AND NUTRITION SERVICES

Mary Szafranski, Deputy 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	91.0	90.4	390.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	389,110.4	389,430.3	389,430.3
Total Funding	389,201.4	389,520.7	389,820.7
FTE Positions	69.0	69.0	69.0

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Child and Adult Food Care Program Sponsor reviews with no serious deficiencies	95	80	94	95	95
Percent of Food Service Management Contracts in program compliance with invoicing SFAs	80	87	85	87	89
Percent of claims reimbursed within 45 days	100	100	100	100	100
Overall external customer rating on Operations services	4.25	4.27	4.15	4.25	4.28
Overall external customer rating on Food Distribution services	4.27	4.29	4.32	4.34	4.36
Overall external customer rating on School Nutrition Program services	4.21	4.23	4.16	4.18	4.20
Overall external customer rating on School Health Program services	3.86	3.88	3.74	3.86	4.00
Overall external customer rating on CACFP services	3.99	4.01	4.08	4.10	4.12

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,349,088.0	3,503,682.3	3,503,682.3
Other Appropriated Funds	46,406.9	46,475.5	46,475.5
Other Non Appropriated Funds	461,912.5	539,904.3	539,904.3
Total Funding	3,857,407.4	4,090,062.1	4,090,062.1
FTE Positions	16.2	17.0	17.0

◆ **Goal 1** To provide timely and reliable customer service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Instructional Improvement Fund (IIP) payments made on a quarterly basis	100*	100	100	100	100
Explanation: * 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	92	85	77	77	77
External customer overall satisfaction rating	3.70	3.80	3.69	3.74	3.78

Program Summary

HIGHLY EFFECTIVE SCHOOLS

Marv Lamer, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	44,746.1	48,392.4	55,909.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	660,619.4	608,848.0	608,848.0
Total Funding	705,365.5	657,240.4	664,757.1
FTE Positions	246.7	236.2	253.7

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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	243,621.3	214,411.6	214,411.6
Total Funding	276,863.4	247,653.7	247,653.7
FTE Positions	121.5	120.9	120.9

◆ **Goal 1** To ensure that all students with disabilities have access to an excellent education

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of students with IEPs graduating from high school with a regular diploma*	*	66	*	68	70
Explanation: *data reported summer 2013					
Percent of children with IEPs scoring at or above proficient in reading as measured by the state approved standardized assessment	*	40	*	42	44
Explanation: *data reported summer 2013					
Percent of children with IEPs scoring at or above proficient in math as measured by the state approved standardized assessment	*	29	*	31	33
Explanation: *data reported summer 2013					
Annual special education director specialist satisfaction survey overall rating	3.70	3.75	3.6	3.80	3.85
Annual external customer overall satisfaction rating	4.17	4.25	3.99	4.25	4.25
21st CCLC annual external customer overall satisfaction rating	4.43	4.45	4.39	4.50	4.50

Subprogram Summary

SCHOOL IMPROVEMENT AND INTERVENTION

Dan Brown, Deputy Associate Superintendent

Phone: (602) 364-2281

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.

The AZLEADS unit provides high quality, intensive professional development to administrators throughout the state by supporting superintendents, principals, and other administrators in all school settings in their efforts to improve school improvement. This is accomplished by providing an array of best practices leadership trainings which are highly practical in their application for all levels of school leaders.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	2,134.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	36,605.0	29,538.4	29,538.4
Total Funding	36,605.0	29,538.4	31,672.9
FTE Positions	21.2	18.9	28.9

◆ **Goal 1** To provide technical assistance and training for districts and schools to improve effectiveness

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
External customer overall satisfaction rating	3.88	4.38	4.23	4.63	4.73
Complete at least 95% of scheduled monitoring visits to SIG/Priority schools on time	80	95	97	95	95
Percent of Principal Institute schools improving or holding steady AIMS Reading scores	60	60	82	70	70
Percent of Principal Institute schools improving or holding steady AIMS Math scores	50	50	72	60	60

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	11,504.0	11,503.9	16,886.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	25,847.6	25,456.0	25,456.0
Total Funding	37,351.6	36,959.9	42,342.1
FTE Positions	47.3	43.9	47.4

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of career and technical education students graduating high school	98	98.2	*	85	86
Explanation: * Data available Oct 2013					
Percent of career and technical education program concentrators passing Arizona CTE Assessment aligned with industry-recognized standards	*	80	*	73	74
Explanation: * data available Oct 2013					
Percent of CTE students placed in school, job or military after graduation	76.3	76.5	*	58	59
Explanation: * Data available Oct 2013					
External customer overall satisfaction rating	3.95	4.25	4.25	4.35	4.4

Subprogram Summary

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	3,646.4	3,646.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	343,618.7	329,965.9	329,965.9
Total Funding	343,618.7	333,612.3	333,612.3
FTE Positions	47.3	43.5	47.5

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of districts in compliance in (Cycle 1) Federal indicator	95	96	91	97	97
Percent of districts in compliance in (Cycle 2) Federal indicator	98	99	94	95	96
Percent of districts in compliance in (Cycle 3) Federal indicator	100	99	82	90	95
Percent of districts in compliance in (Cycle 5) Federal indicator	94	95	99	96	97
Percent of districts in compliance in (Cycle 6) Federal indicator	98	99	100	99	99
External customer overall satisfaction rating on the School Safety Program	4.69	4.72	4.26	4.3	4.34
Maintain the percent of S3 schools with Action Plans aligned to State Plan (100% in 2012)	100	100	100	100	100

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.

Office of Indian Education:

The Office of Indian Education/Emergent Student Services 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,926.8	9,476.1	9,476.1
Total Funding	10,926.8	9,476.1	9,476.1
FTE Positions	9.4	9.0	9.0

◆ **Goal 1** To provide timely and reliable customer service

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Character Education participants indicating a decrease in disciplinary referrals	38	40	41	45	50
Percent of Character Education participants indicating improvement in school climate	69	72	73	75	78
External customer overall satisfaction rating on Migrant Education	4.67	4.70	4.37	4.70	4.73
External customer overall satisfaction rating on Education for Homeless Children and Youth	4.63	4.65	4.61	4.65	4.70
External customer overall satisfaction rating on the Indian Education	3.36	3.45	3.0	3.1	3.2
External customer overall satisfaction rating of the Refugee Education	5	4.75	4.38	4.40	4.45

Program Summary

HIGHLY EFFECTIVE TEACHERS AND LEADERS

Karen Butterfield, 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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	666.9
Other Appropriated Funds	1,759.2	1,980.0	1,980.0
Other Non Appropriated Funds	56,130.5	55,248.0	55,248.0
Total Funding	57,889.7	57,228.0	57,894.9
FTE Positions	45.7	47.0	53.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,232.5	10,240.1	10,240.1
Total Funding	10,232.5	10,240.1	10,240.1
FTE Positions	4.5	4.5	4.5

◆ **Goal 1** To ensure high-quality educational choices

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of applicants to Aspiring Leadership Fellowship	15	30	30	40	*
Explanation: * Grant ends after 2014					
Number of high schools serving at-risk populations	31	40	40	42	*
Explanation: * Grant ends after 2014					

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 Common Core Standards cross-functional work team.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	666.9
Other Appropriated Funds	1,759.2	1,980.0	1,980.0
Other Non Appropriated Funds	45,898.0	45,007.9	45,007.9
Total Funding	47,657.2	46,987.9	47,654.8
FTE Positions	41.2	42.5	48.5

◆ Goal 1 To provide timely and reliable customer service

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Reduce from 10 days the average processing time of certification services requiring an evaluation.	10	7.5	11*	11	8
Explanation: * Temporary increase in processing time anticipated in response to implementation of new certification system					
Maintain at least a 4.5 customer service satisfaction rating at the counter and for outreach services	4.5	4.5	4.5	4.5	4.5

◆ **Goal 2** To ensure the quality of Arizona’s educators through evaluation and certification

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	75	78	97.6	98.5	99
Increase the percent of core academic teaching positions taught by highly qualified teachers within the state	98.3	99	97.1*	99	99.2

Explanation: *Preliminary number

Program Summary	
HIGH ACADEMIC STANDARDS FOR STUDENTS	
Kathy Hrabluk, 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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	12,790.4	12,807.5	19,347.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	48,388.3	50,992.8	50,992.8
Total Funding	61,178.7	63,800.3	70,340.3
FTE Positions	68.0	62.7	65.7

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 the Arizona Common Core 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 Common Core 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 3 grant funding.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	540.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	8,016.2	15,271.2	15,271.2
Total Funding	8,016.2	15,271.2	15,811.2
FTE Positions	25.6	24.3	27.3

◆ **Goal 1** To provide training and professional development to improve the effectiveness of standards based teaching and learning

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of LEAs completing ADE-sponsored Mathematics Standards professional development	35	50	55	75	80
Percent of LEAs completing ADE-sponsored ELA Standards professional development	35	50	65	75	80
Percent of K-12 teachers implementing Arizona Common Core standards	25	50	50	85	100
Percentage of teachers reporting expanded content knowledge of K-3 reading instruction as a result of implementing Move On When Reading literacy plans	0	35	35	65	70

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,203.1	6,406.9	6,406.9
Total Funding	6,203.1	6,406.9	6,406.9
FTE Positions	18.0	14.6	14.6

◆ **Goal 1** To ensure compliance with the Office of Special Education Programs requirements

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Overall customer satisfaction rating	4.28	4.40	4.97	4.50	4.60
Percentage of preschool children in general education who made greater than expected gains in acquisition of knowledge and skills by 3%	69	72	*	73	74

Explanation: * Data not available for report

Percentage of preschool children with disabilities who are functioning at a level comparable to same-aged peers in positive social-emotional skills by 3%	64	67	63.3	70	71
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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 English Acquisition Services was established by Arizona Revised Statutes. 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 state laws 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. English Acquisition Services was formally established as the Office of English Language Acquisition Services on September 21, 2006, pursuant to A.R.S. 15-756.07.

The assistance that the English Acquisition 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; (8) Implement work of ELL Task Force.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	12,790.4	12,807.5	18,807.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	34,169.0	29,314.7	29,314.7
Total Funding	46,959.4	42,122.2	48,122.2
FTE Positions	24.4	23.8	23.8

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of annually identified Corrective Action Follow-up LEAs in non-compliance with Federal and State requirements	69	66	51	49	47

◆ **Goal 2** To increase academic gains of students reclassified as FEP

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of students reclassified as Fluent English Proficient (FEP)	34.5	35.5	22*	**	**

Explanation: * New AZELLA test administered, preliminary result. ** Establishing new baseline.

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 assessing, evaluating, and implementing effective assessments and the use of data to guide instructional practices.

Description:

The Accountability and Assessment program focuses on improving student achievement through development and administration of valid and reliable assessments which are used 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,222.1	7,723.6	22,723.6
Other Appropriated Funds	0.0	7,000.0	7,000.0
Other Non Appropriated Funds	29,285.7	24,865.6	24,865.6
Total Funding	32,507.8	39,589.2	54,589.2
FTE Positions	45.9	40.8	40.8

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 the Common Core Standards in Mathematics and English Language Arts June 28, 2010. The State is participating 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 technology based assessment system of the Common Core Standards. The PARCC assessment system 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,222.1	3,223.6	18,223.6
Other Appropriated Funds	0.0	7,000.0	7,000.0
Other Non Appropriated Funds	15,910.7	11,622.0	11,622.0
Total Funding	19,132.8	21,845.6	36,845.6
FTE Positions	23.9	19.8	19.8

◆ **Goal 1** To develop relevant and accurate instruments to assess all Arizona students

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of AIMS test questions without error on student assessment.	99.0	99.0	99.0	99.0	99.0
Percent of administered AIMS tests that result in a valid score.	99.9	99.9	99.9	99.9	99.9
Customer rating on administration of AIMS and Stanford 10	4.68	4.7	4.48	4.5	4.5
Customer rating on administration of AIMS A	4.49	4.6	4.29	4.3	4.5
Customer rating on administration of AZELLA	4.19	4.3	3.77	4.0	4.5

Subprogram Summary

ADULT EDUCATION

Karen Liersch, 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.

The General Education Development (GED) Testing subprogram ensures equitable access to the GED examination for adult learners in pursuit of an Arizona High School Equivalency Diploma. The GED exam has been developed and validated by the General Educational Development Testing Service, a subdivision of the American Council of Education, and is administered by the Arizona Adult Education Services/GED Testing Office.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	4,500.0	4,500.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	13,375.0	13,243.6	13,243.6
Total Funding	13,375.0	17,743.6	17,743.6
FTE Positions	22.0	21.0	21.0

◆ **Goal 1** To increase academic achievement of learners age 16 and over

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of learners age 16 and over increasing academic skills by two years	57	59	59	59	60
Percent of learners age 16 and over achieving their goal of earning a High School Equivalency diploma	57	*	58	**	***
Explanation: *Baseline changes as a result of change in federal reporting requirements. ** Implementation of new GED Test occurs halfway through FY2014. ***New baseline, full year for new GED Test aligned to Common Core State Standards.					
External customer overall satisfaction rating	4.21	4.25	4.0	4.21	4.22
Percent of GED transcript request fulfilled in one business day	95	95	96	96	96

Agency Summary

DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

Brig Gen Michael T. McGuire, Adjutant General
 Phone: (602) 267-2710
 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	3,330.3	4,153.3	3,915.3
➤ EMERGENCY MANAGEMENT	15,068.8	18,167.3	19,917.9
➤ MILITARY AFFAIRS	83.0	5,126.3	90.0
Agency Total:	18,482.1	27,446.9	23,923.2
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,380.0	7,959.0	8,746.3
Other Appropriated Funds	117.1	132.7	132.7
Other Non Appropriated Funds	13,985.0	19,355.2	15,044.2
Total Funding	18,482.1	27,446.9	23,923.2
FTE Positions	98.9	104.4	104.4

Issue 1 Operations and maintenance budget for Army National Guard facilities to fulfill state appropriation 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.

DEMA has not received an increase in State match funds since 2002 and the State is under-funding the required match by \$1,371,200. Historically, DEMA has received \$1,215,000 in State match, of which \$620,000 is allocated to Army National Guard and \$595,000 is allocated to the Air National Guard. However, the total Army National Guard State match requirement is \$1,991,200. The required match will help operate and maintain the following Readiness Centers that increase in cost as they age:

- 15 are 50+ years old
- 6 are 40-49 years old
- 5 are 30-39 years old
- 6 are 20-29 years old
- 7 are less than 5 years old

Solutions:

For the Army National Guard, \$1.6 million is needed to sustain current state match obligations, contribute to State employees' payroll plus ERE, pay for capital and non-capital equipment, and pay for capital improvement expenditures, all based on historical figures from FY2011 through FY2013. An additional \$391,200 is needed annually to address the backlog of deferred maintenance that totals over \$5 million.

If the Arizona Army National Guard does not receive the required State match funding to maintain its Readiness Centers, then The Adjutant General has indicated that he is prepared to close the following Readiness Centers (in the order presented):

- Nogales
- Douglas
- Flagstaff
- Glendale
- Sunnyslope (Phoenix)
- Silverlake (Tucson)
- Silverbell Army Heliport (Marana)

It is well known that deferred maintenance only compounds facilities' problems and becomes 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 FY 16, 17, and 18, then maintenance, liability, and risk costs will continue to increase and force the Arizona National Guard to begin closing Readiness Centers that will reduce the readiness of units and soldiers to perform their mission and impact community relations negatively. As units, soldiers, and equipment move from closed Readiness Centers to open ones, there will not be sufficient space to accommodate all into such facilities; the Readiness Centers will become overcrowded and exceed their specified capacities which only increases liability and risk and reduces readiness of units and retention of soldiers. State match funding must meet its required level to sustain the readiness of units and Soldiers to perform their State and Federal missions. It is the State's obligation to match the federal funds provided to operate and maintain the Arizona National Guard's Readiness Centers.

Issue 2 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 \$21,311,940. 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 designed as the Offsite Nuclear Emergency Response Center and evolved into the State Emergency Operations Center. Space once identified as storage rooms, dormitory/sleeping quarters, and the building lobby have been converted to offices which 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. When the Emergency Operations Center is activated during an emergency or disaster these inadequacies 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 was not completed, there would be continued inefficiencies in both operational and building systems and recurring code compliance problems.

Issue 3 Proper balance of State and Federal resources

Description The Agency budget was reduced 33% over four years (FY 2010 thru FY 2013) and represents .001% of the entire State budget at \$9 million annually. Conversely, the Army National Guard federal budget is \$228,000,000 and the Air National Guard federal budget is \$441,472,344 for a total federal appropriation of \$669,472,344. There are only 24 State employees paid for by the general fund out of 463; the rest are paid for through federal cooperative agreements. With diminishing federal budgets that includes the 2011 Budget Control Act and potentially sequestration which will be felt for 10 years, there will be a need to have more State employees paid for by the general fund in FY 16, 17, and 18, especially those in critical positions that perform core Agency functions. Without additional general fund appropriation, then reductions in force will occur in alignment with reduction in federal budgets and negatively impact the Agency’s core functions and missions.

Solutions:

The Agency needs \$667,000 added annually in FY16, 17, and 18 to increase the general fund appropriation by \$2 million over three years to balance the state and federal resources and reduce the risk and liability of potential reductions in force that would impact the Agency and the State negatively.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	498.0	498.0	498.0
General Fund	15,075.9	15,467.1	15,858.3
Other Appropriated Funds	132.7	132.7	132.7
Non-Appropriated Funds	14,785.3	14,785.3	14,785.3
Federal Funds	38,880.9	38,880.9	38,880.9

Program Summary

ADMINISTRATION

John Burk, Senior Executive Officer
 Phone: (602) 267-2732
 A.R.S. § 26-102 C-8

Mission:

To provide leadership and support resources to all elements of the Department.

Description:

The Administration program provides agency-wide direction, oversight and support services. 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,668.7	1,880.0	1,995.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,661.6	2,273.3	1,919.9
Total Funding	3,330.3	4,153.3	3,915.3
FTE Positions	29.4	34.9	34.9

◆ **Goal 1** To provide quality and timely support services to our customers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of weeks to process personnel actions	1	1	1	1	1

Program Summary

EMERGENCY MANAGEMENT

Wendy Smith-Reeve, Director
Phone: (602) 464-6203
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 program 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,659.9	5,989.0	6,660.9
Other Appropriated Funds	117.1	132.7	132.7
Other Non Appropriated Funds	12,291.8	12,045.6	13,124.3
Total Funding	15,068.8	18,167.3	19,917.9
FTE Positions	68.5	68.5	68.5

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,597.8	1,823.9	2,495.8
Other Appropriated Funds	117.1	132.7	132.7
Other Non Appropriated Funds	8,984.8	11,058.6	11,811.6
Total Funding	10,699.7	13,015.2	14,440.1
FTE Positions	63.9	63.9	63.9

◆ **Goal 1** To reduce loss of life and loss of property from all hazards.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of communities with sustained Disaster Resistant Community Programs	117	119	117	117	118

◆ **Goal 2** To increase local emergency management capability through training assistance programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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:

This subprogram 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,062.1	4,165.1	4,165.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,307.0	987.0	1,312.7
Total Funding	4,369.1	5,152.1	5,477.8
FTE Positions	4.6	4.6	4.6

◆ **Goal 1** To reduce human suffering during disasters and enhance community recovery after disaster strikes.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of months of community recovery time from declaration of emergency to termination of emergency	13	15	13.5	14	12
Customer satisfaction rating for communities served during disasters (Scales 1 - 8)	7.1	7	7.37	7	7

Program Summary

MILITARY AFFAIRS

Brigadier General Alberto Gonzalez, Assistant Adjutant General, Army

Phone: (602) 267-2717

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) and 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	51.4	90.0	90.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	31.6	5,036.3	0.0
Total Funding	83.0	5,126.3	90.0
FTE Positions	1.0	1.0	1.0

Subprogram Summary

ARMY NATIONAL GUARD

Brigadier General Alberto Gonzalez, Assistant Adjutant General, Army

Phone: (602) 267-2717

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 Army National Guard serves a dual mission provided for by the United States Constitution and the A.R.S. 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,647.9	1,721.6	3,038.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	51,251.6	56,127.4	30,596.9
Total Funding	52,899.5	57,849.0	33,635.7
FTE Positions	293.3	294.3	294.3

◆ **Goal 1** To recruit and retain highly qualified personnel.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Army National Guard soldiers re-enlisted	98.3	85	87.1	85	85

Subprogram Summary

AIR NATIONAL GUARD

Colonel Jill Nelson, Director of Staff

Phone: (602) 267-2458

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 Air National Guard Air Operations program consists of the 161st Air Refueling Wing (ARW), 162nd Fighter Wing (FW) and the 107th Air Control Squadron (ACS). The 161st ARW is a refueling tanker task force flying KC-135E aircraft providing aerial refueling support. The 162nd FW trains fighter pilots for the Air National Guard and international student pilots. The 107th ACS provides Air Battle Management training for active duty and reserve components.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	935.1	631.8	631.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	8,066.3	8,025.1	8,025.1
Total Funding	9,001.4	8,656.9	8,656.9
FTE Positions	99.3	99.3	99.3

◆ **Goal 1** To recruit and retain highly qualified personnel.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Air National Guard soldiers re-enlisted	90	90	92.2	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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	11,881.0	14,241.5	14,241.5
➤ AIR	36,984.9	42,747.0	50,247.0
➤ WASTE	41,076.7	50,724.9	59,724.9
➤ WATER	18,343.5	25,311.2	24,311.2
Agency Total:	108,286.1	133,024.6	148,524.6
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	7,000.0	7,000.0	15,000.0
Other Appropriated Funds	53,292.9	67,334.0	74,834.0
Other Non Appropriated Funds	47,993.2	58,690.6	58,690.6
Total Funding	108,286.1	133,024.6	148,524.6
FTE Positions	617.4	610.6	610.6

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 Aging Computer Infrastructure

Description Aging computer infrastructure and software is limiting our productivity. 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	10,951.9	13,308.5	13,308.5
Other Non Appropriated Funds	929.1	933.0	933.0
Total Funding	11,881.0	14,241.5	14,241.5
FTE Positions	98.0	105.5	105.5

◆ **Goal 1** To fully support and champion delivery of ADEQ's mission

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of statutorily set permit timelines met through License Time Frame rule.	99.3	99.5	99.9	99.5	99.5
Reduce Voluntary Attrition Rate to less than 10% in 5 years.	N/A	11.0	11.8	10.0	9.0
Generate yearly report that clearly links budget to state-wide priorities, ADEQ plans, and customer and/or citizen outcomes.	N/A	1.0	Baseline	1.0	1.0
To pay 95% of invoices payable within 30 calendar days.	N/A	95.0	99.7	95.0	95.0
Receive 90% of Accounts Receivable within 10 days of due date.	N/A	90.0	Baseline	90.0	90.0
Reduce total elapsed time from Purchase Requisition to goods and services received by 40% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	Baseline	20.0	30.0
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.	N/A	10.0	Baseline	20.0	30.0
99.9% availability of critical services from 7:00 a.m. to 5:00 p.m.	N/A	99.9	100.0	99.9	99.9

◆ **Goal 2** To provide value to all of Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction rating for citizens (scale of 1-8)	N/A	7.6	7.6	7.7	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	32,970.4	39,112.6	46,612.6
Other Non Appropriated Funds	4,014.5	3,634.4	3,634.4
Total Funding	36,984.9	42,747.0	50,247.0
FTE Positions	127.8	130.9	130.9

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,889.4	13,840.9	20,640.9
Other Non Appropriated Funds	4,014.5	3,634.4	3,634.4
Total Funding	12,903.9	17,475.3	24,275.3
FTE Positions	100.8	104.9	104.9

◆ **Goal 1** To enhance Arizona's unique environment

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
50% of air quality monitors with data demonstrating an improving trend over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	Baseline	20.0	30.0

◆ **Goal 2** To support environmentally responsible economic growth

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	53.6	20.0	30.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	Baseline	20.0	30.0
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.	N/A	10.0	Baseline	20.0	30.0
Present Exceptional Event documentation to EPA within 180 days of event. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	25.0	38.1	50.0	75.0
95% of Exceptional Event submittals approved by EPA over 5 years.	N/A	95.0	100.0	95.0	95.0

◆ **Goal 3** To improve the quality of Arizona's air, land and water

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of days per year exceeding National Ambient Air Quality Standards (NAAQS) for Ozone (O3), Carbon Monoxide (CO), or Particulates (PM10).	15.0	N/A	N/A	N/A	N/A
Number of non-attainment areas exceeding national ambient air quality standards.	3.0	N/A	N/A	N/A	N/A

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	24,081.0	25,271.7	25,971.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	24,081.0	25,271.7	25,971.7
FTE Positions	27.0	26.0	26.0

◆ **Goal 1** To enhance Arizona's unique environment

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
50% of air quality monitors with data demonstrating an improving trend. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	Baseline	20.0	30.0

◆ **Goal 2** To support environmentally responsible economic growth

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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.	N/A	10.0	Baseline	20.0	30.0
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	0	16.2	20.0	30.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	7,000.0	7,000.0	15,000.0
Other Appropriated Funds	2,633.6	4,366.8	5,366.8
Other Non Appropriated Funds	31,443.1	39,358.1	39,358.1
Total Funding	41,076.7	50,724.9	59,724.9
FTE Positions	200.5	192.7	192.7

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,633.6	4,344.8	5,344.8
Other Non Appropriated Funds	2,687.2	2,706.6	2,706.6
Total Funding	5,320.8	7,051.4	8,051.4
FTE Positions	70.0	68.7	68.7

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Reduce time to make permitting decision by 40% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	25.7	20.0	30.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	Baseline	20.0	30.0
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.	N/A	10.0	Baseline	20.0	30.0
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.	N/A	0.0	Baseline	3.0	6.0
Triple participation in voluntary stewardship programs over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	150.0	Baseline	175.0	200.0

◆ **Goal 2** To accelerate cleanups

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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)	89.9	88.0	89.1	88.2	88.5
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.	N/A	5.0	Baseline	10.0	15.0

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	22.0	22.0
Other Non Appropriated Funds	16,683.5	19,332.6	19,332.6
Total Funding	16,683.5	19,354.6	19,354.6
FTE Positions	61.5	65.5	65.5

◆ **Goal 1** To accelerate clean ups

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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.	N/A	5.0	Baseline	10.0	20.0
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).	89.9	88.0	Baseline	88.2	88.5
Reduce time to make permitting decision by 40% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	0	0	9.8	20.0	30.0

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</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	12,072.4	17,318.9	17,318.9
Total Funding	19,072.4	24,318.9	32,318.9
FTE Positions	69.0	58.5	58.5

◆ **Goal 1** To accelerate clean ups

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.	N/A	5.0	Baseline	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.	N/A	5.0	Baseline	10.0	20.0
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).	89.9	88.0	Baseline	88.2	88.5

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,737.0	10,546.1	9,546.1
Other Non Appropriated Funds	11,606.5	14,765.1	14,765.1
Total Funding	18,343.5	25,311.2	24,311.2
FTE Positions	191.1	181.5	181.5

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,561.4	6,552.1	5,552.1
Other Non Appropriated Funds	573.1	580.3	580.3
Total Funding	4,134.4	7,132.4	6,132.4
FTE Positions	57.7	52.8	52.8

◆ **Goal 1** To enhance Arizona's unique environment

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.	N/A	10.0	Baseline	20.0	30.0

◆ **Goal 2** To support environmentally responsible economic growth

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	52.7	20.0	30.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	Baseline	20.0	30.0
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.	N/A	10.0	Baseline	20.0	30.0

Subprogram Summary
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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,430.4	3,143.0	3,143.0
Other Non Appropriated Funds	6,053.0	8,412.1	8,412.1
Total Funding	7,483.4	11,555.1	11,555.1
FTE Positions	73.2	76.2	76.2

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	0.8	20.0	30.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	Baseline	20.0	30.0
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.	N/A	10.0	Baseline	20.0	30.0

◆ **Goal 2** To enhance Arizona's unique environment

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.	N/A	10.0	Baseline	20.0	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,745.3	851.0	851.0
Other Non Appropriated Funds	4,980.4	5,772.7	5,772.7
Total Funding	6,725.7	6,623.7	6,623.7
FTE Positions	60.3	52.5	52.5

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	26.2	20.0	30.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	Baseline	20.0	30.0
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.	N/A	10.0	Baseline	20.0	30.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	177.5	188.5	188.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	16.9	0.0	0.0
Total Funding	194.4	188.5	188.5
FTE Positions	4.0	4.0	4.0

5 Year Plan

Issue 1 Attract and retain a highly engaged workforce

Description

Solutions:

Issue 2 New SI

Description

Solutions:

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	188.5	188.5	188.5
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of state agency Equal Employment Opportunity plans submitted.	91	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	108	90	90	90	90
Number of calls answered providing information and assistance regarding Equal Opportunity rules and regulations	136	150	140	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of training classes provided	4	5	3	5	5
Total training hours provided to state employees	117	150	140	150	150
Number of EEOC charge notices received and monitored for organizational trends and follow-up.	51	60	54	60	60

- ◆ **Goal 3** To achieve and maintain a culturally diverse state government workforce and ensure diverse representation on state Boards and Commissions.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of community organizations contacted by the Governor's Office for Equal Opportunity to help facilitate the dissemination of information regarding employment opportunities	214	200	50	200	200
Number of community organizations contacted by GOEO to help facilitate the dissemination of information regarding positions on State Boards and Commissions	130	130	50	130	130
Contact with tribes, tribal members and off-reservation native Americans regarding employment, appointment and procurement opportunities with the state	271	250	10	250	250

- ◆ **Goal 4** To enhance the growth and development of minority and women-owned business enterprises.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of minority/women-owned businesses contacted and provided with information regarding state contracting opportunities	214	200	0	200	200
Number of minority/women-owned businesses referred to DOA procurement	128	130	0	130	130

◆ **Goal 5** To provide alternative dispute resolution services to state agencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of presentations concerning mediation services	0	2	0	2	2
Number of mediation sessions conducted as a result of Governors Office of Equal Opportunity	1	4	0	4	4

Agency Summary

STATE BOARD OF EQUALIZATION

George Shook, Chairperson
 Phone: (602) 364-1601
 A.R.S. §§ 42-16152 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 thirty-three members, thirteen appointed by the Governor, including the Chairman, and ten members from both Maricopa and Pima counties. 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 La Paz, Mohave, Navajo, Pinal 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 appeals process.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	503.5	639.5	639.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	503.5	639.5	639.5
FTE Positions	7.0	7.0	7.0

- ◆ **Goal 1** To restore sufficient funding in order for the State Board of Equalization to be prepared for a rapidly increasing caseload. 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	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Cost per parcel (in dollars)	68.61	71.95	60.98	71.95	71.95
Parcels appeals received	9,160	8,750	8,173	8,750	8,750

- ◆ **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, Navajo, Mohave, Pinal, and Yavapai Counties).
- ◆ **Goal 4** To update and obtain necessary approvals of the State Board of Equalization's Rules
- ◆ **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 insure taxpayers will receive competent representation by tax agents and to insure prompt, thorough and fair treatment of taxpayers by the Board by obtaining adequate resources.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	822.9	838.4	878.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	822.9	838.4	878.8
FTE Positions	12.0	12.0	13.0

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ INTERIM EVENTS	4,261.6	4,279.6	5,745.9
➤ STATE FAIR	6,696.3	7,143.9	7,143.9
Agency Total:	10,957.9	11,423.5	12,889.8
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	10,957.9	11,423.5	12,889.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	10,957.9	11,423.5	12,889.8
FTE Positions	184.0	184.0	184.0

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, both of which have been lacking in recent years.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	184.0	184.0	184.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	13,735.5	13,735.5	13,735.5
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

Program Summary

INTERIM EVENTS

Wanell Costello, Special Projects Manager
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,261.6	4,279.6	5,745.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,261.6	4,279.6	5,745.9
FTE Positions	70.5	70.5	70.5

◆ **Goal 1** To increase the number of non-fair rental days.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Non-fair rental days over previous year	11	5	-33	5	5
New promoters requesting space	10	5	10	5	5
Repeat promoters annually	20	22	22	25	26

◆ **Goal 2** To maximize the use of existing parking space.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Parking lot rentals	213	84	80	81	82
New strategic partners renting parking lots	4	1	1	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,696.3	7,143.9	7,143.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,696.3	7,143.9	7,143.9
FTE Positions	113.5	113.5	113.5

◆ **Goal 1** To develop partnerships with business, industry, community, and volunteer groups.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New partners acquired	21	12	30	20	25
Exhibit space used by partners for business showcase (square feet)	772,750	55,000	99,400	75,000	80,000

◆ **Goal 2** To maximize all fair revenue sources.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New revenue streams identified	4	3	3	1	3
New revenue received from alternative sources (in dollars)	101,219	15,000	48,000	20,000	20,000

◆ **Goal 3** To increase midweek fair attendance.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Increase Wednesday attendance	(128)	10,000	(2663)	10,000	10,000
Fair attendance (in thousands)	1,077.9	1,000.0	1,154.3	1,175	1,175

◆ **Goal 4** To maximize the satisfaction of fair guests.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of guest service contacts	322	338	234	246	258
Improvements implemented	26	25	31	34	14

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ OFFICE OF SUPERVISION	3,049.2	3,173.8	3,731.7
➤ OFFICE OF REGULATORY AFFAIRS	1,585.8	1,585.7	1,705.3
➤ RECEIVERSHIPS	967.3	1,451.0	155.0
Agency Total:	5,602.3	6,210.5	5,592.0
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,948.8	3,019.1	3,467.6
Other Appropriated Funds	758.3	936.7	1,165.7
Other Non Appropriated Funds	1,895.2	2,254.7	958.7
Total Funding	5,602.3	6,210.5	5,592.0
FTE Positions	59.1	60.1	62.1

Issue 1 Ongoing funding shortfall for meeting statutorily required examination schedule for banks, credit unions, and non-depository licensees.

Description The Department is facing an on-going funding shortfall for FY 2014 and beyond, based on the resources required to perform the number of examinations and other regulatory activities required by Arizona statute.

Due to budget reductions in FY08, FY09, and FY10, the number of filled examiner positions is down 28% from the number that existed before budget cuts began. At a time of distress among banks, credit unions, and non-depository licensees affected by the credit crisis, housing collapse, and prolonged economic downturn, there has been an equal negative impact on DFI as more frequent examinations and unpredictable investigations have placed heavy demands on limited examiner resources.

Effective regulation and enforcement actions against both licensed and unlicensed entities who do not comply with Arizona statutes are a fundamental expectation of the regulated community and their customers. Since all of DFI's revenue streams come exclusively from industry sources (i.e., licensing, examination, and annual assessments), the monies generated from banks, credit unions, and licensees' fees and assessments should be used to underwrite the Department's operations.

Lastly, in 2012, the State Agency Fee Commission (Commission) reviewed the fees and funding structures of four State agencies, including DFI. The Commission's December 2012 report, recommended that DFI - prior to realigning its fees - be moved to a self-funding structure; at which time its appropriation would be increased to recognize the actual expenditure needs of the agency. The Commission also found that "altering DFI's fee structure will enhance transparency of fees, eliminate conflicts of interest, and provide more efficient management of agency resources." While the Governor's FY 2014 Executive Budget included an increase in DFI's appropriation as part of a move to a self-funding structure, it was not included in the final budget bill.

Since the issues facing each of DFI's three operating divisions vary, they are each discussed below separately.

1. Financial Institutions Division

DFI's division of Financial Institutions is responsible for ensuring the safety and soundness of all Arizona state-chartered financial institutions (Banks, Credit Unions and Trust Companies), licensed by DFI to provide financial depository and fiduciary services to Arizona businesses and consumers.

Community Banks, Credit Unions and Trust Companies are vital to the businesses and citizenry of Arizona. The 39 financial depository and trust institutions currently licensed by the DFI hold or manage over \$25 Billion in assets and provide financial services to the entire state. These institutions are better suited to meet and support community financial needs and foster economic recovery in Arizona than any other single industry licensed in Arizona. Safety and soundness is supported through DFI examinations, and ongoing supervisory processes. The complexities of the industry continue to increase at record speeds as brick and mortar offices are no longer needed to facilitate monetary transactions. The requirements of regulatory oversight are extremely important as the industry evolves in the 21st century. The federal regulations are often a one size fits all whether the organization is a Wall Street giant headquartered in New York or a community based and headquartered in anytown Arizona.

Focused attention by Arizona examiners is helpful to facilitate meaningful implementation of the plethora of regulations. If DFI does not maintain a strong examination force and program, the institutions and their customers will suffer at the hands of federal regulators who are often unfamiliar with state laws and less concerned about community impact than loss to the Federal deposit insurance funds. In addition, the Federal examiner is not always familiar with the dynamics of the state and may react to examination conclusions based on a standard for all states. Since 2010, the DFI has worked hard to remain effective in spite of less than adequate funding for staff resources, technology, training and travel.

The benefit of the dual chartered banking system continues to be challenged with Federal preemption efforts and unfunded mandates. The DFI's response to these challenges has never been more important to the financial institutions industry. The local and familiar state regulator, which leads joint examinations, or at least participates with the Federal Deposit Insurers during joint examinations, can often maintain integrity in the examination process while

better supporting the unique business needs that are based on locality of the financial service industry.

The division is currently staffed with 10 examiners and one manager. The Division is capable of completing full scope depository institution examinations but does not have adequate trained staff to conduct independent full scope examinations of banks and credit unions above \$250 million without assistance from the Federal Insurers. All examiners must complete annual training continuously to build or retain knowledge and capacity to complete independent bank and credit union examinations. The Division has always completed independent Trust Company examinations annually but currently has only one examiner capable of leading these independent examinations at the present time. New staff has completed training and will participate in trust company examinations during the year.

Federal regulators have mandated more frequent examination visitations placing additional strain on a limited state regulatory work force to spread resources to meet examination demands.

2. Financial Enterprises Division

The Financial Enterprises Division is primarily responsible for administering the general program of examination and supervision of over 10,200 licensees spread among 15 different types of regulated entities, including: escrow agents, collection agents, motor vehicle dealers, sales finance companies, loan originators, mortgage brokers, mortgage bankers, commercial mortgage brokers, commercial mortgage bankers, money transmitters, debt management companies, premium finance companies, advance fee loan brokers, pre-need funeral trust, and consumer lenders. Responsibilities include conducting examinations (pursuant to statutory requirements), reporting results of examinations, and taking appropriate formal or informal regulatory enforcement action where necessary. The Division also investigates complaints that are filed by consumers against licensed individuals and entities and directs appropriate remedial action if the violations are substantiated.

A) Loan Originators & Mortgage Companies:

State legislation mandating the licensure of loan originators went into effect on July 1, 2010. This new law also provided a financial structure that allows the Loan Originator licensing program to be self-sustaining and minimize support from the General Fund. This was accomplished through the creation of a new fund (the Financial Services Fund) consisting of loan originator licensing fees collected by DFI. The monies in this fund – which are subject to annual legislative appropriation - can only be used for the supervision and regulation of loan originators.

In FY 2011, DFI received its first appropriation to fund the Licensing and IT costs associated with running this new program. However, monies to fund the Supervision (i.e., statutorily required examinations) of licensed loan originators, was not appropriated until FY 2013. With this additional funding, DFI hired three (3) examiners, who are dedicated to providing ongoing oversight of loan originators – to help prevent a repeat of the bad real estate loans that contributed to the housing crash. However, given the rapid growth in the number of licensed loan originators, three (3) dedicated examiners is not adequate.

In accordance with the statutory examination schedule, licensed loan originators - whose population currently exceeds 7,200 - must be examined at least once every five years. Furthermore, this new licensing program generates new complaints (including complaints of unlicensed activity) that must be investigated.

Mortgage companies and loan originators currently account for 78% of those regulated by DFI. While the past four (5) years brought an expected decline in both mortgage broker and mortgage banker licensee levels, the ongoing economic downturn, credit crisis, and housing recession does not significantly change the long-term outlook for financial entity growth. In fact, despite declines in licensed mortgage broker and bankers, DFI continues to see strong growth in the number of licensed loan originators that they employ. The total number of mortgage brokers and mortgage bankers are now starting to rise again.

B) Other Financial Enterprises:

The Department has two (2) examiners assigned to conduct examinations of 36 consumer lenders, 39 debt management companies, 109 escrow agents, 25 pre-need funeral trusts, and 33 premium finance companies, and only one (1) examiner assigned to handle 727 collection agencies. The examiners currently have 158 examinations past due pursuant to the Department's statutory mandate.

This is an issue because the Department is required by law to conduct these examinations. While the prolonged economic downturn has kept some licensee counts relatively flat over the past three years, DFI expects the long-term upward trend to soon resume. The anticipated increase in the size of the regulated community will only cause the backlog to grow.

Solutions:

Given limited resources, the Department continues to explore ways to operate more efficiently. Conducting examinations-by-mail and, more recently, instituting a limited scope electronic examinations (E-exam), on some of its better-rated or minimal activity financial enterprises (collection agencies and mortgage brokers) reduces on-site time at the licensees. These procedures enable the Department to allocate more resources to “troubled” licensees. The agency also has in place a “risk-focused” approach in its examinations that concentrates on inherent risks. Despite these efficiencies, there remains a need for additional resources. Therefore, Department strategies are as follows:

1. Self-Funding

DFI remains supportive of the self-funding structure that was proposed in the Governor’s FY 2014 budget recommendation, and will continue to pursue making this change for FY 2015.

2. Loan Originator and Mortgage Companies

A) Since the compliance examinations of loan originators are conducted, as a general practice, with the examination of the mortgage broker or mortgage banker, the division’s loan originator examiners help to prevent the Division from falling even further behind in its mortgage related examinations.

B) The anticipated growth in mortgage companies and loan originators can only be addressed through additional resources. DFI will soon be hiring its fourth loan originator examiner and will be seeking additional funding for two (2) more examiners for FY 2015 – at which point the loan originator licensing program will have been in existence for more than 5 years. DFI anticipates that it will need to request additional funding in subsequent years to keep up with continuing growth.

3. Other Financial Enterprises

A) To address the current backlog, the Department is seeking continuing funding for one (1) additional examiner for FY 2015.

B) The anticipated resumption in growth of the regulated community may require funding for a second examiner as early as FY 2016. The need for additional funding will be re-assessed during the next budget cycle.

4. All Financial Enterprises

A) Continue to conduct E-exams to the extent possible. This type of examination is not appropriate in some areas, so it will not address the backlog and on-going examinations as effectively as a full time examiner.

B) Continue to supplement the examiner staff, by utilizing contractors to augment heavy volume times, when funds are available. By employing the services of contract examiners, DFI will have the flexibility to expand and contract to help tackle backlogs and meet changing needs throughout the year - something that can’t be done with permanent employees.

Issue 2 The Department's ability to accomplish its mission of protecting Arizona consumers and the integrity of the state's financial community will be compromised if key personnel cannot be retained.

Description The Department has been unsuccessful in its past efforts to obtain additional funding in order to offer its examiners, and other key personnel, promotional opportunities and a more competitive salary. If key employees cannot be retained, the Department's ability to accomplish its mission of protecting Arizona consumers and the integrity of the state's financial community will be compromised.

1. Examination Team

The Department's effectiveness as a regulator is directly related to the competence of its examiners in the field. Without adequate compensation and career path, our best examiners are hired by our licensees, banks, credit unions, and other state and federal agencies that can offer much higher salaries and more opportunity.

Retention of trained and experienced examiners is essential to the overall effectiveness of the Department's supervisory program. Without proficient examiner staff, DFI may not detect and appropriately respond to: 1) illegal activity such as fraud, terrorism financing, and money laundering; 2) mismanagement leading to bankruptcy or receivership having direct financial hardship to both consumers and the State (if named as receiver); and 3) compliance issues that reduce consumer protections and cost Arizona citizens as a result.

2. Licensing Division Staff

The Licensing Division's primary function is to evaluate license applications and maintenance requests for 15 different regulated entities and provide service to current licensees and the general public.

The entire licensing staff is classified as grade 15, "Customer Service Representative II" ("CSR"). It is critical that the people making licensing decisions are competent to make those decisions. When an entity becomes licensed that should not be, they pose a potential risk to consumers and become an added burden on the Department's examination team – whose resources are limited due to budget cuts. DFI has various levels of experience, training, and specific expertise among its licensing staff. With only one classification level, DFI cannot provide a career path with adequate incentives to retain and reward staff for attaining higher levels of training and experience.

Historically, staff turnover has caused significant disruption and performance shortfalls for the licensing division. When coupled with recent budget/staff reductions, the failure to meet statutory licensing time frames continued at a greater pace. This failure requires, by Arizona law, that DFI refund application fees to those applicants - directly impacting the State's General Fund. In addition, businesses applying for licenses become increasingly frustrated with the Department's inability to process their license application in a timely manner.

Through improved employee satisfaction that is gained by providing a better career path with intermediate advancement and rewards, DFI can:

- ☑ retain experienced CSR's past their earliest retirement window
- ☑ attract new candidates and provide them with a route for career advancement
- ☑ minimize the disruption to DFI when turnover occurs, which prolongs the application process and causes refunds to applicants

3. Other Key Employees

Retention of trained and experienced employees and recruitment of qualified competent new employees is an issue that affects all areas within the Department. Due to the Department's small staff size, its' organizational structure is relatively flat. Therefore, promotional opportunities and resultant salary increases are limited for other employees, including managers, supervisors, and administrative/support staff. Without a funded compensation system that rewards employees based on performance, the Department will be unable to 1) retain experienced administrative/support staff, 2) compete with the private sector for new candidates, and 3) prevent the loss of key employees and the institutional knowledge that they possess.

Solutions:

DFI proposes a three-pronged approach to staff retention and development: 1) fund earned examiner promotions; 2) institute and

fund a three-tiered career ladder for Licensing Division personnel; and 3) develop and track new performance measures that are directly linked to the new Performance Management and Compensation Pay Systems.

1. Examiner Promotions

In FY 2006, the Department established a three-tiered classification system to provide retention incentive through promotional opportunities and pay increases for its examiner personnel. Each division has set objective criteria based on training, job roles/responsibilities, education, as well as performance that qualify employees for promotions to higher job classifications/grades. Several examiners have already met the criteria for promotion to a higher grade examiner position; however, the Department has been unsuccessful in its efforts to obtain funding for this purpose. In order for the tiered system to be an effective development and retention tool, DFI must promote worthy personnel for their efforts in a timely manner.

DFI will continue to seek funding to pay for the ongoing cost associated with implementing this strategy. As part of this effort DFI will also survey its state and federal counterparts to ascertain the current disparity in salaries as compared to Arizona.

2. Implement Tiered Classifications for Licensing Division

To address this situation, DFI is seeking to institute a three-tier classification system for licensing staff in FY 2015. This system would include: 1) an introductory level for recruits with limited to no previous licensing experience, but who meet the minimum educational requirements; 2) an intermediate classification with a higher grade level that requires licensing or industry experience to qualify; and 3) the highest classification for licensing personnel with experience in specific areas of licensing responsibilities.

Some of our staff will have the experience levels required to qualify for the higher classification. Accordingly, those individuals would qualify for a salary increase as they move into a higher classification. The implementation of a tiered classification system must be accompanied by additional funding.

3. Performance Pay System

As part of the State's efforts to modernize the personnel system and to assist in attracting and retaining high performers, new performance management and compensation systems have been implemented. Under these new systems, agencies will have various compensation tools available to use in rewarding high performing employees.

In order to fully benefit from these new systems, DFI must:

- A) Further develop and implement meaningful and employee specific performance measures, which will serve as the basis for evaluating and rewarding employees.
- B) Develop and maintain an efficient process for tracking and reporting newly established performance results.

Issue 3 The Department's Information Technology system is outdated and paper based. This system must be modernized if DFI is going to be able to meet the expectations of the state and the public.

Description The lack of adequate IT funding in past years has prevented the Department from modernizing its outdated IT system. We currently are dependent on a database that has been in use since 1996. The Banking Department Information System (BDIS) was written in Foxpro 5.0, which is a Microsoft product that has not been sold or supported since 2007. Because of the inadequacies of BDIS, many undocumented "shadow" systems have been developed for both tracking items and for creating reports. The Department does not have one information management system that will centralize its data and provide sufficient reporting on that data.

The state is increasingly moving towards web based applications for both the cost savings benefits and the improvements to Customer Service. Without updating DFI's core software, the Department is unable to participate in this state movement.

Because of our antiquated information management system, the Department faces significant challenges in its efforts to use technology to streamline our business processes.

Solutions:

The DFI plan to implement new technology and simplify processes consists of 4 areas: 1) Continue to document, standardize and streamline our work processes; 2) continue to work through implementing an e-Licensing system; 3) Implement web based services; and 4) implement a document management system.

1. Document Work Processes

Over the past year, DFI has been working with a consulting company to identify and document our work processes. As part of this documentation, the agency is finding opportunities to immediately improve working procedures and streamline the licensing process. The expected benefits of documenting our work processes include:

- Ensuring that our business processes are consistent.
- Ensuring that DFI processes are being performed in accordance with agency policies and procedures.
- Identify bottlenecks and inefficiencies in the processes and work towards improving them.
- When processes are thoroughly documented it will enable staff to quickly train new employees.
- Minimizes potential danger of loss of business process knowledge due to unexpected loss of staff.
- Turns the staff's experience into documented processes.
- Formalizes existing processes which may not be well documented or which have evolved over time into "informal knowledge".
- Handle exceptions faster and in a better way.

2. Implement a regulatory licensing system

DFI is currently purchasing a new regulatory licensing system as part of our strategy to modernize. Although we have not yet implemented the software, the goal of moving to a new system is still an important part of our strategies. A new regulatory licensing system will bring the following benefits to DFI:

- Reduce redundant workload by eliminating the need for dual entry into BDIS and the Nationwide Mortgage Licensing System (NMLS).
- Improve efficiency by streamlining our data management, examination, compliance and licensure processes all into a single, web-based system.
- Increase productivity with the ability to access all the information for a licensee in one place.
- Improved accessibility for examiners in the field as the software will be web based.
- Data security will be improved when DFI has the ability to control access to licensee information and the software will provide audit trails for viewing and changes to data.
- Improved internal operations because the time it takes to complete a process will be reduced.

3. Web Based Services

A critical aspect of a modernized DFI is to implement web based services for our licensees and the public. These services would include the ability to obtain and maintain a license through online applications, the ability to pay online with credit cards and the

ability for the general public to look up licensee information and file inquiries and complaints. The benefits of offering web based services to the public would include:

- Improvements to data accuracy
- Increased efficiency in issuing licenses
- Convenient availability to the public any time of day, from any web-enabled computer
- Licensees would have the ability to check the progress of their licensing transactions
- Licensees will be able to receive email notification of transactions.
- Ability to accept credit cards payments will reduce the amount of time currently spent processing paper checks and cash payments.
- License information will be updated as soon as changes are made, rather than the licensee having to wait for paperwork to be processed.
- Improved customer service and satisfaction
- Data entry demands on the licensing staff will be greatly reduced since the licensees will be entering their own data.

4. Document Management System

Implementing a Document Management System should give DFI the ability to control the creation and authentication of documents, maintain version control for multiple versions of a document, manage storage of documents in a way that facilitates convenient retrieval of a particular document when needed, ensure security and safety of documents with the dual objectives of preventing unauthorized access to documents and allowing recovery from physical damage or loss of documents. The benefits to DFI of a document management system will include:

- Reduced storage needs since scanning documents and integrating them into a document management system can greatly reduce the amount of storage space required by paper.
- Less time is spent locating the documents as they can be retrieved without leaving a desk. Offsite examiners can also retrieve documents from any computer with web access.
- Improved compliance with state and federal regulations and recommendations – the risks involving missing time frames, not having items documented correctly and missing audit trails is reduced and, in most cases, removed.
- Searching capabilities are greatly improved because a document management system can retrieve files by any word or phrase in the document and can also allow documents to be classified and stored in more than one category.
- Cost savings by reducing the costs associated with paper based document distribution, such as printing and postage and removes the typical delay associated with providing hard copy information.
- Improved security since DFI will have better, more flexible control over sensitive documents and will also have an audit trail of who viewed an item, when or who modified an item and when that modification happened.
- Disaster recovery strategies will be improved as the system will provide an easy way to back-up documents for offsite storage.

Issue 4 The Financial Institutions and Services industries are rapidly evolving due to expanded uses of technology, unprecedented economic challenges, and the increased burden of federal regulations

Description The DFI must stay current with the changing industry to provide relevant regulatory oversight and to champion safety and soundness for financial service providers and the businesses, communities, and citizens that they serve. If DFI fails to accomplish this, the state governance could be totally preempted by the Federal Regulators.

Solutions:

The DFI must adapt by developing and implementing effective techniques to remain abreast of industry changes. These techniques must include, but not limited to the following:

1. Develop effective talent management practices to support recruitment and retention.
2. Provide ongoing support of staff development through up-to-date and continuing training.
3. Improve functionality and use of technology and systems infrastructure to support licensing, examination, supervisory and enforcement functions.
4. Implement performance measurements that are meaningful, understandable, and promote ongoing improvement in DFI effectiveness and efficiencies.
5. Establish increased capacity to foster timely responsiveness and improve ongoing communication between the DFI and industry.
6. Create a monitoring program that fosters ongoing DFI performance improvement in effectiveness and efficiencies.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	62.1	64.1	66.1
General Fund	3,605.6	3,755.6	3,905.6
Other Appropriated Funds	1,315.7	1,465.7	1,615.7
Non-Appropriated Funds	829.7	829.7	829.7
Federal Funds	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 10,200 licensees (including over 7,200 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,865.0	1,957.7	2,320.6
Other Appropriated Funds	242.9	386.5	581.5
Other Non Appropriated Funds	941.3	829.6	829.6
Total Funding	3,049.2	3,173.8	3,731.7
FTE Positions	36.3	37.3	39.3

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 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	37	40	71	50	50
Percent of licensees scheduled to be examined every third year that are examined	39	20	23	20	60
Percent of licensees scheduled to be examined every fifth year that are examined	11	20	12	10	8
Percent of licensees examined with no examination schedule requirement	2.1	2.0	2.1	2.0	2.0
Percent of examinations receiving a satisfactory composite rating	96	90	69	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Supervisory actions taken based on examination findings	29	35	32	35	40
Formal/informal supervisory actions taken	86	100	99	105	110

- ◆ **Goal 3** To improve relations with licensees through the examination process.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of examination reports mailed within 25 days of completion of all examination procedures	88	90	87	90	90
Percent of licensees indicating they receive good or better service from the Department	100	98	96	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,070.4	1,035.5	1,121.1
Other Appropriated Funds	515.4	550.2	584.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,585.8	1,585.7	1,705.3
FTE Positions	22.3	22.3	22.3

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Applications processed (home office and branch)	2,574	2,580	3,864	3,500	2,650
Total applications processed (including renewals)	9,307	11,080	11,500	14,300	14,900
Licenses/renewals issued	9,224	11,080	11,164	14,300	14,900

- ◆ **Goal 2** To implement and administer a new licensing program to license all mortgage loan originators by July 1, 2010, as mandated by A.R.S. Title 6, Chapter 9, Article 4.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of licensed loan originators	5,320	6,500	6,925	8,825	9,825
Total number of all licensees	8,190	9,400	9,952	11,925	13,000

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average days from receipt to approval of license applications (Excluding Banks and Credit Unions)	8	10	6	8	8
Average days from receipt to approval of license applications (Excluding Banks, Credit Unions & Loan Originators)	30	35	25	30	30
Average days from receipt to approval of Loan Originator license applications.	2	2	3	4	4
Percent of license applications approved within 45 days of receipt (excluding Banks and Credit Unions)	96	90	98	95	95
Percent of surveyed applicants who respond they received 'good' or better overall service	96	95	97	95	95

- ◆ **Goal 4** To receive and investigate consumer complaints/unlicensed activity and resolve disputes in a prompt and professional manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of calendar days from receipt to resolution of regular complaint	23	35	68	75	75
Regular complaints filed	830	850	489	650	675
Complaints received and forwarded	244	300	179	200	200
Complaints closed (reg and forwarded)	824	1,100	896	900	925
Unlicensed activity identified	161	100	300	200	200
Percent of complainants indicating they receive good or better overall service from the Department	74	75	79	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	13.4	25.9	25.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	953.9	1,425.1	129.1
Total Funding	967.3	1,451.0	155.0
FTE Positions	0.5	0.5	0.5

◆ **Goal 1** To promptly marshal and liquidate the assets of assigned receiverships.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Close 'Landmarc Capital' receivership in FY 2014	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 determines good cause exceptions for eligible 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 central registry background check.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	500.3	543.1	543.1
Total Funding	500.3	543.1	543.1
FTE Positions	5.8	5.8	5.8

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 FY 2013, the Board took steps to return to full or nearly full statutory compliance.

In upcoming fiscal years, the Board will 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 2015 and 2016

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.

In 2012, the Legislature established a new function at the Board—central-registry exceptions. Since this is a 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	5.8	5.8	5.8
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	530,000.0	510,000.0	510,000.0
Federal Funds	0.0	0.0	0.0

- ◆ **Goal 1** To make fair and consistent determinations on good-cause-exception applications.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of investigator recommendations for expedited reviews accepted.	97.54	95	98.39	96	96
Percent of applications approved.	96.28	94	97.16	96	96
Explanation: Excludes applications that are closed administratively.					
Percent of approvals by expedited review.	91.34	90	95.76	95	95
Percent of approvals by administrative hearing.	8.66	10	4.24	5	5

- ◆ **Goal 2** To provide applicants with timely decisions on their good-cause-exception applications.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of good-cause-exception applications received.	2,464	2,300	2644	2600	2600
Number of applications disposed.	2,636	2,300	2611	2600	2600
Ratio of cases opened to cases closed.	1:1.07	1:1	1:1.99	1:1	1:1
Average number of days to dispose.	48.75	40	32.6	30	30
Average number of days spent processing application.	30.44	30	20.49	20	20
Average number of days spent processing application from receipt to expedited review.	13.71	12	12.59	12	12
Percent of applications that undergo an expedited review within 20 days (processing time).	98.39	99	99.96	100	100
Average days from expedited review to hearing.	56.34	40	37.89	35	30
Percent of applications heard within 60 days of expedited review.	75.82	90	100	100	100
Percent of applications decided within 80 days of hearing.	54.35	70	63.52	100	100

- ◆ **Goal 3** To develop fair and comprehensible rules, policies, and procedures for determining good cause exceptions.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of applications complete on initial submission.	67.5	70	82.17	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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	384.9	713.5	900.8
➤ MANUFACTURED HOUSING	1,320.8	1,194.3	1,307.1
➤ STATE FIRE MARSHAL	811.0	825.2	991.2
Agency Total:	2,516.7	2,733.0	3,199.1
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,723.5	2,026.0	2,492.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	793.2	707.0	707.0
Total Funding	2,516.7	2,733.0	3,199.1
FTE Positions	26.0	29.0	34.0

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	30.0	31.0	32.0
General Fund	2,500.0	2,750.0	3,025.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	494.6	494.6	494.6
Federal Funds	212.4	212.4	212.4

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	326.4	505.3	692.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	58.5	208.2	208.2
Total Funding	384.9	713.5	900.8
FTE Positions	1.2	8.0	11.0

◆ **Goal 1** To be responsive and accurate in response to internal and external requests for administrative services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Relocation forms received	35	35	22	100	150
Relocation claims paid	31	31	10	95	140
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	652.8	752.5	865.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	668.0	441.8	441.8
Total Funding	1,320.8	1,194.3	1,307.1
FTE Positions	15.5	14.0	14.0

◆ **Goal1** To rapidly and accurately investigate alleged illegal conduct within the manufactured housing industry.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of licenses revoked or suspended	68	65	38	38	38
Total investigations conducted	490	490	650	350	350
Percent of licensees with disciplinary action	14	14	12	12	12
Average calendar days per investigation from start to final adjudication	45	45	45	45	45
Percent of investigations resulting in convictions	0	0	0	0	0
Percent of investigations resulting in disciplinary enforcement action	18	18	39	39	39
Trust account audits	59	65	72	72	72
Background investigations	228	228	260	260	260
Cease and desist orders issued	18	18	17	17	17
Administrative hearings held	36	36	2	5	5
Citations and complaints issued	203	203	145	145	145

◆ **Goal2** To expedite licensing of qualified applicants.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average days from receipt of complete application to granting of license	2	2	2	2	2
Licenses issued	167	170	194	194	194
Renewals issued	802	802	765	765	765
Total individuals or facilities licensed	1214	1214	1190	1190	1190
Tests administered	51	51	34	34	34

◆ **Goal 3** To ensure safe products for consumers of manufactured/mobile homes and factory-built buildings.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of complaints closed vs. complaints filed	89	89	77	85	85

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	744.3	768.2	934.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	66.7	57.0	57.0
Total Funding	811.0	825.2	991.2
FTE Positions	9.4	7.0	9.0

◆ **Goal 1** To increase life safety and property conservation through fire code enforcement.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of enforcement inspections for new construction	1201	1450	886	1450	1450
Scheduled - State, County, DOC, school buildings inspections	400	600	424	600	600

◆ **Goal 2** To ensure public safety by the review of plans for construction, permitting, and the removal of petroleum tanks under DEQ requirements.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total tank inspections	207	200	103	200	200

Explanation: OFM will be required to increase inspections

Average number of days from receipt of plan submittal to initial plan review	46	40	40	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.

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ STATE FORESTER	36,642.0	27,191.8	33,383.4
➤ EASTERN COUNTIES ENVIRONMENT GRANTS	75.0	175.0	175.0
Agency Total:	36,717.0	27,366.8	33,558.4
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	6,913.0	7,336.4	13,528.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	29,804.0	20,030.4	20,030.4
Total Funding	36,717.0	27,366.8	33,558.4
FTE Positions	156.0	156.0	171.0

Issue 1 Enhance wildland firefighting response and management capacity.

Description Across all ownerships, Arizona’s average annual fire acreage burned totals have tripled in the last twenty years. As fire size and severity grows, suppression costs also escalate. Mega fires that burn thousands of acres in one afternoon are becoming more commonplace. Large fires are the most costly in terms of life and structure threat, natural resource loss, and post fire losses. Recent studies show the overall economic impact from Arizona wildfires range from 6 to 14 times the suppression cost.

Since frequent fire is a natural ecological process in many of Arizona ecosystems, we know that wildfires cannot be eliminated. AZSF responds to approximately 1500 reported wildfires annually on state and private lands, of which 400 are confirmed wildfires that burn approximately 25,000 acres. In addition AZSF often responds to federally managed fires in the State, either to provide state and local firefighting resources through a federal-state cooperative agreement or to assess threat potential to communities, local infrastructure, and state lands.

Solutions:

Goal 1: Enhance wildland firefighting response efficiencies.

Implementation Strategies:

In cooperation with fire service stakeholders, perform annual after action reviews of the implementation effectiveness of the Arizona State Equipment Mobilization Plan and revise as necessary.

Initiate management study of the Arizona State Forestry Dispatch Center at Deer Valley to evaluate the center remaining a stand-alone State managed center State versus consolidation with a federal center.

Complete Master Cooperative Wildland Fire Management and Stafford Act Response Agreement with federal land management agencies.

Goal 2: Increase firefighting suppression capacities.

Implementation Strategies:

Leverage AZSF preparedness funds with federal, state and local agencies to increase number or availability periods of firefighting resources, including aircraft.

Increase number of wildland fire trucks stationed at rural fire departments through Federal Excess Property Firefighting Program.

Maintain full staffing of state inmate fire crews.

Develop Arizona rancher wildfire equipment and prevention program.

Convene Federal, State, and Local Wildfire Managers to review all of Arizona’s Incident Management Teams for staffing and response sufficiency and evaluate need to change mix of Type 2 and Type 3 teams.

Increase partnership and seek funding for the Arizona Wildfire Academy and other training venues to maintain wildland fire training opportunities for State and local firefighters.

Goal 3: Increase fire business administration efficiencies.

Implementation Strategies:

Develop web based invoicing systems and training modules for local government and contractor fire suppression billing to AZSF. Finalize Arizona State supplement to National Interagency Incident Business Management Handbook in collaboration with fire service stakeholders.

Revise Cooperative Fire Rate Agreement and Emergency Equipment Agreements as needed with new provisional language and reimbursement rate standardization.

Seek funding to for fire resource equipment and labor rate economic study.

Continue to provide additional trained and experienced agency representatives on large wildfire incidents.

Provide training to agency and cooperator personnel in fire cost share apportionment systems.

Issue 2 Strengthen statewide wildfire prevention, community preparedness, and mitigation programs

Description Every resident of Arizona is affected by wildfire directly or indirectly. New data from the West Wide Wildfire Risk Assessment shows that over 1,000,000 Arizona citizens live in urban interface areas that are risk to wildfire. The risk and cost of wildland fire across Arizona is increasing, particularly large and destructive fires that threaten life, communities, and natural resources. The 2013 Yarnell Hill Fire resulted in the loss of 19 brave wildland firefighters from the Prescott Fire Department and over 100 residences destroyed in the Yarnell community. Just two week prior, the Doce Fire NW of Prescott required the evacuation of over 300 residents. In 2011 alone, the suppression cost of large fires across the State exceeded 200 million dollars and burned over 1 million acres.

Protecting the safety of firefighters, citizens, and communities, and values such as infrastructure, watersheds, airsheds, timber, rangeland, and wildlife habitat is of critical concern. Many of our forests, wildlands, and community interface areas need mechanical vegetation treatment followed up by regular burning to maintain health and reduce future fire intensities. We know that fire is a key process in many of our forest ecosystems, and using fire as a management tool where appropriate is an ongoing challenge, particularly with air quality concerns. In addition the utilization of managed grazing, including cattle and goats may be an important tool in protecting our wildlands.

Increasing our fire prevention, community preparedness, and mitigation programs in both quantity and efficiencies are needed to protect our citizens and their property. Benefits to be gained are communities that are defensible and adapted to wildfire, and a public that is educated and aware of their responsibilities in being outdoors or maintaining their properties in a Firewise condition. As much of the treatment is costly, the need to prioritize treatments through the use of current wildfire risk assessments and Community Wildfire Protection Plans is paramount. AZSF needs to continually educate citizens and community leadership to increase awareness of wildland fire issues and preparedness. To better manage and understand Arizona's wildfire issue, a true statewide data picture of wildland fires and their individual causes is needed on state and private lands.

Solutions:

Goal 1: Assist the public and communities in planning for and reducing fire risks.

Implementation Strategies:

Assist communities in seeking funding and developing or revising Community Wildfire Protection Plans

Provide technical assistance to communities and subdivisions in implementing Firewise USA programs.

Seek and leverage grants and other funding sources to perform fuel mitigation projects in high risk areas.

Continue to promote State Inmate Fire Crew program as a tool to increase hazard fuel treatment in and around communities at risk.

Seek and leverage grants and other funding sources to develop Statewide Fire Risk Portal to include tracking of statewide fuel treatment projects.

Implement and evaluate new hazard fuel treatment tractors for the inmate fire program.

Increase wildland urban interface fuel project efficiencies through development of minimum treatment standards for primary Arizona vegetation types.

Increase public and government official's awareness of wildland fire risks and available mitigation tools.

Continue to improve interagency coordination, standards, and public outreach for fire restrictions.

Goal 2: Increase statistical data and cause determination on wildland fires.

Implementation Strategies:

Develop and implement web based wildland fire report data system for all state and local agencies.

Develop fire cause determination accuracies by increasing investigation training opportunities for cooperating agencies and developing in-house expertise.

Goal 3: Design and implement effective smoke management protocols.

Implementation Strategies:

Partner with the Arizona Interagency Coordinating Group and Arizona Department of Environmental Quality to develop online smoke data base to streamline the permit request, approval, and management processes while integrating on-line mapping with smoke monitoring and modeling functions.

Issue 3 Foster and develop the economic, social, and ecological benefits of forests and trees

Description Due to a variety of factors, including past fire suppression policies, lack of markets for wood products, and recent limited harvesting activities an unnatural buildup of vegetation has occurred through many forest and other vegetation types within the State of Arizona. Harvesting in the ponderosa and mixed conifer forests declined significantly in early 1990's as wood availability from federal lands decreased and the large mills shut down. All these factors have resulted in a very unhealthy and unnatural accumulation of trees that present a significant threat from wildfires, insects, and disease. The overstocked condition of the forests means that when fires do ignite, they are resistant to control, grow in intensity and size much quicker than was historically the case, and they are much more catastrophic in effect. In addition, the unnatural buildup of our forests results in less surface flow of water, less water in springs and streams, and degraded water quality condition particularly after a fire when the ash and sediment flow. The overcrowded conditions also weaken the overall health of the forest making them considerably more vulnerable to attack by disease and insects.

In May 2012, the US Forest Service awarded the Four Forest Restoration Initiative contract for 30,000 acres per year, for ten years, of harvest and utilization. The project is designed to foster hazardous fuel reduction, forest restoration, and utilization across the landscape in northern Arizona. This project will be delayed as the USFS has allowed a contractor change through a novation agreement. When the project eventually gets underway in earnest, there will be an opportunity for private and state lands to dovetail with these efforts to get more material removed and utilized that will reduce the number of trees per acre; increase resistance to fires, disease, and insect attack; and allow economic development opportunities to our rural forested communities.

A healthy forest industry in Arizona is critical to the restoration of our forests and rural economies. While many of the large dimensional lumber mills that were prevalent in the early 1990's are no longer in existence, Arizona does have many small to medium mills and other wood utilization industries that do have capabilities to take wood from restoration treatments. As landscape scale projects such as 4FRI get underway, the Division needs to continue to support existing industry grow and encourage new industry where appropriate.

Federal forestry grants programs offered to the Forestry Division primarily from the USFS provide primary funding streams to implement forest management treatments and technical assistance to state and private lands and communities. The foreseeable trend for these funds is to diminish as the federal government addresses the US deficit. To maintain the current delivery level the Division will need to offset federal funding losses through more efficient program delivery methods, higher quality grant submittals, and alternative funding sources.

Solutions:

Goal 1: Progress toward landscape scale outcomes and restoration of unhealthy forest ecosystems.

Implementation Strategies:

Utilize the 2010 State Forest Action Plan to delineate priority forest landscapes and critical forest issues.

Convene stakeholders to seek input for needed revisions of the 2015 Forest Action Plan.

Maintain leadership role and utilize expertise of Forest Health Council to advance forest policies that will foster community wildfire protection, landscape forest management, and forest based economic recovery.

Enlist state agency support to the USFS in the implementation of the 4FRI contract and similar.

Maintain active AZSF participation in forest and fire related collaborative organizations, such as the Four Forest Restoration Initiative Stakeholders, Prescott Area Wildland Urban Interface Commission, Greater Flagstaff Forest Partnership, Natural Resources Working Group, and Eastern Environmental County Organization to promote and coordinate multi-jurisdictional landscape efforts.

Goal 2: Provide stewardship, forest health, and other cooperative forest management assistance to private land and state lands.

Implementation Strategies:

Increase awareness of AZSF assistance in providing forest stewardship, forest health, and forest legacy programs for private inholdings.

Increase number of stewardship plans and landowner technical assistance that provide direction on making forested lands more resilient and provide economic opportunities.

Provide current public information related to cooperative forestry issues, including emerging forest health threats and treatment options.

Provide forest management services to State Trust Lands, including forest management planning, silvicultural treatments, forest health treatments, and fire hazard fuel treatments.

Leverage and seek federal grant and other funds to implement cooperative forest programs and projects on state and private lands.

Goal 3: Provide expertise in utilization and marketing to local communities, small businesses, tribes, and others to increase the utilization of hazardous fuel and forest restoration residue (logs) from our forests.

Implementation Strategies:

Provide a marketing and utilization specialist to offer technical expertise in harvest systems, mill configurations, market strategies, Arizona Healthy Forest Incentive Utilization, federal government coordination, and equipment development.

Partner with the State of New Mexico and the Southwest Region USFS to seek and leverage funding to maintain Arizona's marketing and utilization specialist.

Provide technical expertise in renewable energy projects that propose to make energy from wood waste, forest residues, and small logs.

Maintain current forest industry directories and thinning contractor directories.

Goal 4: Increase the management of our urban forests and promote their contributions to clean air, water quality, and energy conservation through shading, diversity of wildlife habitat, maintenance of property values, and an improved quality of life for Arizona citizens.

Implementation Strategies:

Increase outreach to increase awareness of AZSF urban and community programs and available resources.

Develop baseline knowledge of Arizona's urban forests to identify where data and resource gaps exist, develop long-range goals for urban forests, compile statewide canopy cover information, and to provide regular and updated urban forest management information for multiple needs.

Develop urban forestry specific training sessions to address inventory needs and build "toolkits" for Arizona communities and encourage urban tree sustainability.

Promote the Urban and Community Forestry Challenge Grant Program to communities and organizations

Issue 4 Increase organizational excellence and efficiency

Description AZSF employs approximately 56 full time and 80 call-when-needed seasonal staff. The workforce is comprised predominantly of natural resource professionals and technicians. Expertise within these classifications include firefighting, incident command, fire behavior, dispatch operations, aircraft operations, firewise, forest stewardship, forest utilization, forest health, and urban community forestry. Additional AZSF staff expertise in other personnel classifications include IT, radio communications, fiscal administration, procurement, human resources, and fire equipment renovation and repair.

Approximately 46% of the full time staff has been with the agency under three years. These staff members are still learning their complex jobs, and continual mentoring and training are paramount to the agency's success. Several more key positions are eligible to retire in the next five years, and successional planning will play a key role in maintaining work continuity.

The federal government land management agencies are the primary competitors that recruit AZSF employees. Similar positions within the federal service typically pay 20 to 35% higher wages. As the federal land management agencies are also experiencing high numbers of retirements, many openings are available, particularly in wildfire related positions. Our focus will be the evaluation and use of the best available tools to retain top performers and recruit highly experienced candidates. The new personnel reform system provides the agency new tools to reward top performing employees and promote goal achievement. Other examples include using new technologies that can provide increased efficiencies and also be used as a retention/recruitment tool for tech savvy employees and job seekers. Collaboration and cooperative efforts with stakeholders is another example that can leverage work outcomes while increasing job satisfaction and career development opportunities.

Solutions:

Goal 1: Improved employee recruitment quality and retention.

Implementation Strategies:

Continue to utilize new personnel reform tools in conjunction with existing programs to reward top performance, address low performance, incentivize agency goals, and attract quality job candidates.

Goal 2: Increase organizational and service efficiencies.

Implementation Strategies:

Complete training development plans for all employees to include successional planning attributes such as cross training, special assignments, and team leadership roles.

Develop in-house mentoring and training programs.

Goal 3: Evaluate and implement new technologies to increase operational efficiencies.

Implementation Strategies:

Maintain in-house technology committee to identify and evaluate new technologies to further the agency's mission and increase efficiencies.

Increase public, cooperator, and internal communication through improved website design and through use of social media.

Goal 4: Instill a cooperative and collaborative organizational culture.

Implementation Strategies:

Promote the necessity for collaboration and leveraging to all AZSF employees through leaders intent, training, and mentoring.

Develop an organizational paradigm that all AZSF programs and plans shall consider cooperation and leveraging opportunities with stakeholders.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	82.0	82.0	82.0
General Fund	13,528.0	13,528.0	13,528.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	16,961.4	17,130.4	17,330.4
Federal Funds	3,069.0	2,900.0	2,700.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	6,838.0	7,161.4	13,353.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	29,804.0	20,030.4	20,030.4
Total Funding	36,642.0	27,191.8	33,383.4
FTE Positions	156.0	156.0	171.0

◆ **Goal 1** To enhance wildland firefighting response.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of fires controlled at 100 acres or less.	96.6	97	96.1	97.1	97.2
Percentage of fire departments under cooperative agreement for wildfire response.	95	95	95	96	96
Number of fire departments with issued wildland fire equipment.	90	100	95	110	120
Number of State and local NWCG qualified firefighting positions in State Forestry ROSS/IQS database.	2705	2730	2,725	2,755	2,780
Number of hours deployed on wildfires by state inmate fire crews	73795	80000	71,000	80,000	85,000

◆ **Goal 2** To strengthen wildfire prevention, community preparedness, and fuel mitigation programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of acres of state and private land treated to protect communities from wildfire and increase forest health.	8500	9000	8,500	9,000	9,000
Number of acres of non-federal and federal land treated by State inmate fire crews	14211	10000	10,000	11,000	12,000
Number of communities with Firewise Recognition	46	51	51	60	70
Number of State qualified Firewise Assessors and Advisors	88	138	92	188	188
Number of available NWCG qualified State and local wildland investigators.	3	3	3	6	8

◆ **Goal 3** To enhance fire business efficiencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of local agency and private contractor fire invoices processed with 30 days.	94	95	95	96	97
Number of trained State Forester agency representatives available for large fire cost share management.	20	30	20	35	35

◆ **Goal 4** To effectively deliver cooperative forest and fire programs to enhance protection and stewardship of State, community, and private forest lands.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of forest landowners receiving technical assistance.	139	210	210	245	265
Number of forest management plans (Stewardship or related) completed or revised.	13	15	15	18	20
Number of communities recognized as Tree City USA by National Arbor Day Foundation.	20	24	24	25	26
Number of urban forestry training sessions	19	21	21	23	25
Number of technical assists provided to forest industry.	60	65	65	70	75
Number of forestry related technical bulletins and threat advisories produced.	9	15	15	19	22

◆ **Goal 5** To increase organizational excellence and efficiencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Agency turnover rate in percent.	13.6	14	13	14	13
Customer satisfaction surveys percent	0	70	0	75	77

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	75.0	175.0	175.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	75.0	175.0	175.0
FTE Positions	0.0	0.0	0.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Participation in regional natural resource meetings	35	35	35	35	35

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	10	10	10
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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 1,700 licensees practicing in the state and serves all Arizona citizens who receive funeral goods and services.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	327.0	353.6	353.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	327.0	353.6	353.6
FTE Positions	3.0	3.0	3.0

5 Year Plan

Issue 1 Statutory Deficiencies

Description The largest concerns are statutory deficiencies. Body donor/tissue organizations fall under the purview of the Food and Drug Administration (FDA) and the Anatomical Gift Act. Arizona like many other states is being inundated with organizations that offer free cremation. A small number of these organizations are operating without affording proper disclosures that are mandated for funeral establishments. At the time of death many consumers are not in position to make clear sound decisions, the board would desire that consumers be cognizant of the process and handling of remains donated. Only a handful of states have regulation with oversight over body/tissue organizations.

Solutions:

1. Develop a rapport with many donor organizations to coordinate efforts to protect residents and licensees.
2. Work with donor organizations to ensure that death certificates filed by organizations reflect the funeral organization who arranges the cremation to ensure that these fees are properly obtained by the Board

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	362.6	368.0	373.5
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Applications received	1,691	1,720	1,669	1,730	1,740
Licenses issued	1,664	1,700	1,669	1,710	1,720
Average days to process license	30	30	30	30	30
Number of investigations	20	20	22	20	20
Number of inspections	140	150	182	100	100
Number of complaints received	22	25	22	25	25
Average number of days to investigate	30	30	30	30	30
Average number of days to renew license	5	5	5	5	5

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 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.	25	20	22	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints processed	8	7	4	8	8
Average days to renew license	1	1	1	1	1
Average days to investigate complaint	30	30	30	30	30
Number of licenses	1,664	1,700	1,669	1,710	1,720

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ CENTRAL ADMINISTRATIVE	9,323.3	12,708.8	12,974.1
➤ WILDLIFE CONSERVATION	61,027.8	74,166.1	76,125.5
➤ RECREATION	16,946.9	22,905.0	24,962.4
Agency Total:	87,298.0	109,779.9	114,062.0
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	30,073.3	39,681.9	43,986.4
Other Non Appropriated Funds	57,224.7	70,098.0	70,075.6
Total Funding	87,298.0	109,779.9	114,062.0
FTE Positions	631.5	632.1	632.1

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.

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	632.1	632.1	632.1
General Fund	0.0	0.0	0.0
Other Appropriated Funds	44,359.5	45,246.7	46,151.6
Non-Appropriated Funds	41,757.0	42,592.1	43,443.9
Federal Funds	27,680.1	28,233.8	28,798.4

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,751.9	8,962.0	9,227.3
Other Non Appropriated Funds	2,571.4	3,746.8	3,746.8
Total Funding	9,323.3	12,708.8	12,974.1
FTE Positions	85.5	86.5	86.5

◆ **Goal 1** To provide administrative support for wildlife conservation and compatible outdoor recreation.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complete 100% of required rule items impacting the Department's ability to manage wildlife.	0	0	100	100	100
Percent of customers who use online DRAW self-service features	0	0	76.8	78	80
Percent of customers who use online LICENSE self-service features	0	0	24	25	25
Percent of customers who use online WATERCRAFT self-service features	0	0	31.2	33	33

Program Summary

WILDLIFE CONSERVATION

Larry Riley, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	16,149.7	19,405.8	21,387.6
Other Non Appropriated Funds	44,878.0	54,760.3	54,737.9
Total Funding	61,027.8	74,166.1	76,125.5
FTE Positions	375.0	375.0	375.0

Subprogram Summary

WILDLIFE CONSERVATION

Larry Riley, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,405.7	7,443.1	7,683.1
Other Non Appropriated Funds	813.3	1,205.5	1,183.1
Total Funding	4,219.0	8,648.6	8,866.2
FTE Positions	83.5	83.5	83.5

◆ **Goal 1** To enforce laws designed to promote wildlife conservation

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Maintain at least 95% compliance rate for hunting contacts	0	0	97.2	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	0	0	89.4	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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Ensure 100% of Department activities are in compliance with State and Federal environmental laws and regulations.	0	0	98.9	100	100

◆ **Goal 3** To conserve wildlife habitats

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Redevelop or construct at least 8 wildlife water developments per year.	0	0	10	8	8

◆ **Goal 4** To provide science-based wildlife research

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Disseminate research findings and scientific expertise via at least 4 peer-reviewed publications annually	0	0	8	4	4
Contribute to the body of scientific knowledge by presenting in regional and national scientific meetings.	0	0	24	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	0	0	80	80	80

Explanation: For FY13, 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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Increase the number of participants attending outreach events and education classes by 5%.	0	0	129,760	136,248	143,071

Subprogram Summary

GAME WILDLIFE PROGRAM

Brian Wakeling, Acting 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	7,322.3	6,079.1	6,692.9
Other Non Appropriated Funds	14,508.6	17,859.1	17,859.1
Total Funding	21,830.9	23,938.2	24,552.0
FTE Positions	112.9	112.9	112.9

◆ **Goal 1** To maintain healthy game populations for the benefit of Arizonans

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
On an annual basis, provide the hunting public with at least 550,000 big game hunting days	0	0	561,389	550,000	550,000
On an annual basis, provide the hunting public with at least 375,000 small game hunting days.	0	0	380,382	375,000	375,000
The number of all hunting and combination licenses sold	0	0	144,614	151,845	159,437

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,151.0	2,081.7	2,695.5
Other Non Appropriated Funds	17,466.4	19,662.6	19,662.6
Total Funding	19,617.4	21,744.3	22,358.1
FTE Positions	84.9	84.9	84.9

◆ **Goal 1** To maintain healthy nongame populations for the benefit of Arizonans

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Nongame activities are 100% in compliance with the Arizona State Wildlife Action Plan	0	0	100	100	100
Number of statewide nongame species managed	0	0	123	123	123

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,270.7	3,801.9	4,316.1
Other Non Appropriated Funds	12,089.8	16,033.1	16,033.1
Total Funding	15,360.5	19,835.0	20,349.2
FTE Positions	93.7	93.7	93.7

◆ **Goal 1** To maintain healthy sportfish populations for the benefit of Arizonans

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Stock 610,000 pounds of sportfish annually.	0	0	571,260	610,000	610,000
Number of all fishing and combination licenses sold	0	0	408,897	429,342	450,809

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

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	7,171.7	11,314.1	13,371.5
Other Non Appropriated Funds	9,775.3	11,590.9	11,590.9
Total Funding	16,946.9	22,905.0	24,962.4
FTE Positions	171.0	170.6	170.6

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,086.1	4,708.2	5,008.2
Other Non Appropriated Funds	616.6	515.7	515.7
Total Funding	2,702.7	5,223.9	5,523.9
FTE Positions	51.9	52.0	52.0

◆ **Goal 1** To ensure Arizonans have access to their wildlife

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Maintain the percentage of Arizona lands available for recreational access.	0	0	42.2	42.2	42.2

Explanation: 42.2% of Arizona equals 30,787,619 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.

Funding:	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	369.0	271.6	271.6
Other Non Appropriated Funds	1,160.3	1,451.3	1,451.3
Total Funding	1,529.3	1,722.9	1,722.9
FTE Positions	11.5	11.5	11.5

◆ **Goal 1** To increase participation in hunting, fishing, and other wildlife recreation.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Increase number of annual participants at Department Recreation events and programs by 5%.	0	0	86,415	90,736	95,275
Explanation: Uses FY13 as a baseline					
Increase all license sales 5% annually.	0	0	486,416	510,736	536,274

Subprogram Summary

SHOOTING SPORTS

Jay Cook, 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	945.6	1,025.5	1,201.2
Other Non Appropriated Funds	4,544.2	4,243.1	4,243.1
Total Funding	5,489.8	5,268.6	5,444.3
FTE Positions	56.6	56.6	56.6

◆ **Goal 1** To increase participation in shooting sports

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Increase number of shooter days per year at Commission-owned ranges by 5%	0	0	332,778	349,417	368,888

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,351.2	4,854.7	6,260.7
Other Non Appropriated Funds	2,046.7	3,555.6	3,555.6
Total Funding	5,397.9	8,410.3	9,816.3
FTE Positions	38.5	38.5	38.5

◆ **Goal 1** To increase participation in safe boating recreation

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Increase annual boating safety education course attendance by 5%	0	0	1,148	1,205	1,266
Maintain at least 70% compliance rate for watercraft contacts	0	0	80.4	70	70
Decrease the number of lapsed boat registrations by 2% annually.	0	0	13,633	13,360	13,093
Number of boat registrations in Arizona	0	0	130,038	127,088	124,138

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.

Funding:

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	419.8	454.1	629.8
Other Non Appropriated Funds	1,407.5	1,825.2	1,825.2
Total Funding	1,827.3	2,279.3	2,455.0
FTE Positions	12.5	12.0	12.0

◆ **Goal 1** To ensure the safety of the off-highway recreating public

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Maintain at least 70% compliance rate for OHV contacts	0	0	81.0	70	70
Increase compliance with OHV decal requirements.	0	0	91.8	80	80

Explanation: No baseline available

Agency Summary

DEPARTMENT OF GAMING

Mark Brnovich, 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ENFORCEMENT	9,692.0	11,393.0	11,508.1
➤ CERTIFICATION	2,052.5	2,104.0	2,104.0
Agency Total:	11,744.5	13,497.0	13,612.1
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	11,744.5	13,497.0	13,612.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	11,744.5	13,497.0	13,612.1
FTE Positions	115.3	115.3	115.3

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	115.3	115.3	115.3
General Fund	0.0	0.0	0.0
Other Appropriated Funds	13,612.1	13,612.1	13,612.1
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

Program Summary

ENFORCEMENT

Dan Bergin, Deputy Director
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	9,692.0	11,393.0	11,508.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	9,692.0	11,393.0	11,508.1
FTE Positions	87.3	87.3	87.3

◆ **Goal1** To enforce Arizona's gambling laws and assure compliance with compact provisions and internal control requirements

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of compact compliance reviews accomplished	15	15	15	15	15
Percentage of facilities reviewed for compact compliance reviews	100	100	100	100	100

◆ **Goal2** To maintain communication with tribal officials

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average visits per casino each month	10	10	12	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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of machines inspected and certified	13981	14,000	13,407	14,000	14,000
Percent of all gaming devices certified	98.98	100	90	100	100

◆ **Goal 4** To provide problem gambling treatment and education.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of individuals receiving treatment services	840	850	884	884	884
Number of awareness materials distributed	19,724	15,000	26,280	26,280	26,280

Program Summary

CERTIFICATION

Dan Bergin, Deputy Director
 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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,052.5	2,104.0	2,104.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,052.5	2,104.0	2,104.0
FTE Positions	28.0	28.0	28.0

◆ **Goal 1** To Ensure the Suitability of Individuals Employed by the Tribal Casinos

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of individual applications received	8,629	10,000	9,062	10,000	10,000
Total number of days elapsed from receipt of completed application to the issuance of temporary certification	3	6	3	5	5
Percentage of applicants granted certification or renewal	99	98	99	99	99
Percentage of applicants who had their certification, denied, revoked or suspended	1	2	1	1	1

◆ **Goal 2** To Ensure the Suitability of Businesses that Provide Goods and Services to the Tribal Casinos

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of new or initial applications received	96	100	96	100	100
Total number of certifications issued	108	110	87	90	90
Explanation: The number of issued certifications decreased because the department waived the certification requirement for 60 vendors that the department determined certification was not necessary to protect the public interest.					
Total number of renewals issued	233	200	262	200	200
Total number of denials, revocations, and suspensions	3	2	2	2	2
Percent of temporary certifications issued within 20 days	92	95	96	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	872.5	941.4	1,847.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,388.1	9,878.0	1,992.1
Total Funding	10,260.6	10,819.4	3,839.5
FTE Positions	38.7	38.9	30.7

Issue 1 Continuing to successfully compete for external grants and contracts, especially from federal sources, to maintain the current level of subsidy for state services.

Description 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 the #1 or #2 mining state (non-fuel minerals) in the U.S. A mandate of the following merger of the agencies was to digitize the vast number of paper records, maps, and reports of the ADMMR files. 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.

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 revenues

Strategy 2: Further the emphasis on mineral resources

- Create a more coordinated and strategic approach to mineral resources, including:
 - o Assessing mineral potential on lands subject to withdrawal (publish reports/studies)
 - o Representing resource potential to agencies and industry (response to inquiries)
 - o Provide critical information on exploration, land management, environmental impacts, and economic development (mapping, published reports/studies, online digital repository)
 - o Assist in fraud investigations
- Assist counties in planning for aggregate resource development
- 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 3: 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 with the expected completion date of FY2016, general maintenance of the records and adding new information will continue through general maintenance
 - o Submit to the State Archives paper records that will be digitized, for preservation and curation

Issue 2 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.

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 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.

Solutions:

Strategy 1: Define and characterize potential geologic hazards and limitations

- Create a more coordinated and strategic approach to natural hazards, including:
 - o Ensuring continued operation of the state earthquake monitoring network – the Arizona Broadband Seismic Network (ABSN)
 - o Pursue a statewide hazards assessment
 - o 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
- Attempt to map each of the geologic hazards statewide at an initial scale of 1:500,000

Issue 3 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.

Description 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 a 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.

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 deposits.

Solutions:

Strategy 1: Define and characterize potential geologic hazards and limitations

- Create a more coordinated and strategic approach to natural hazards, including:
 - o Ensuring continued operation of the state earthquake monitoring network – the Arizona Broadband Seismic Network (ABSN)
 - o Pursue a statewide hazards assessment
 - o 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
- Attempt to map each of the geologic hazards statewide at an initial scale of 1:500,000

Strategy 2: Further the emphasis on mineral resources

- Create a more coordinated and strategic approach to mineral resources, including:
 - o Assessing mineral potential on lands subject to withdrawal (publish reports/studies)
 - o Representing resource potential to agencies and industry (response to inquiries)
 - o Provide critical information on exploration, land management, environmental impacts, and economic development (mapping, published reports/studies, online digital repository)
 - o Assist in fraud investigations
- Assist counties in planning for aggregate resource development
- 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

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, 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.

The funding for these efforts comes largely from federal contracts and grants, which are at risk due to budget cuts and the budget sequestration.

Solutions:

Strategy 1: Everything Digital, Online, and Interoperable

- Complete digitization of AZGS data and integrate them using the 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.

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 and federal authorities continually in cases of fraudulent sales of 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.

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:
 - o Assessing mineral potential on lands subject to withdrawal (publish reports/studies)
 - o Representing resource potential to agencies and industry (response to inquiries)
 - o Provide critical information on exploration, land management, environmental impacts, and economic development (mapping, published reports/studies, online digital repository)
 - o Assist in fraud investigations
- Assist counties in planning for aggregate resource development
- 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

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 cyberinfrastructure or “Big Data”) which is transforming the business world. Grants and contracts 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) 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.

These activities are funded by external grants and contracts, largely from federal agencies or one-time 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 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

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	19.5	19.5	19.5
General Fund	941.4	941.4	941.4
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	319.6	319.6	319.6
Federal Funds	1,672.5	1,672.5	1,672.5

◆ **Goal 1** To serve as the primary source of information about Arizona geology.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New maps/reports released by AZGS staff	36	18	68	18	18
Number of geologic and related maps of Arizona	13	15	21	15	15
Number of reports that describe geologic hazards and resources in Arizona	16	6	18	6	6
Number of reports released to inform citizens not trained in geology (Down-to-Earth Series)	4	2	5	2	2
Number of reports published by other groups	18	8	6	8	8
Number of talks given or fieldtrips led	111	50	97	50	50
Number of state agencies and bodies for whom AZGS serves as a science support provider	20	15	17	15	15

◆ **Goal 2** To inform the public about geologic processes, natural hazards, and natural resources in Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of reports released to inform citizens not trained in geology (Down-to-Earth Series)	4	2	5	2	2
Number of seminars and workshops presented to non-technical audiences	42	5	43	5	5
Number of interviews and presentations through the news media	60	60	20	60	60

◆ **Goal 3** To distribute geologic maps, reports, and data efficiently with high customer satisfaction.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent increase (decrease) in number of publications sold	16	10	(30)	10	10
Explanation: 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	2,909	4,000	2,423	4,000	4,000
Explanation: Hard copy maps are less popular because people use internet downloads.					
Technical maps and reports sold	1,994	2,300	1,156	2,300	2,300
Explanation: More information is available online now.					
Percent increase (decrease) in sales of technical maps and reports	(4.16)	10	(32)	5	5
Explanation: The market is changing as more things are available to be downloaded.					
Number of non-technical reports sold	4,561	3,000	3,655	3,000	3,000
Explanation: We carry more general interests books on Arizona now.					
Percent increase (decrease) in sales of non-technical reports	51.8	8	(30)	8	8
Explanation: Less technical things are selling, more interest in general use/recreation.					
Quality of products sold, 1-5 (highest) scale	4.8	4.8	4.8	4.8	4.8
Number of products released or Number of digital maps/reports downloaded	126,500	125,000	125,000	125,00	125,000
Explanation: 4mb = 400 updates to databases. 5,000 = # of files downloaded					
Percent of orders filled the same day received	97	95	98	95	95
Satisfaction with mail order service provided, 1-5 (highest) scale	4.95	4.9	4.9	4.9	4.9

◆ **Goal 4** To effectively assist the Arizona Oil and Gas Conservation Commission.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average days to issue a permit	4	5	4	5	5
Number of Permits issued to drill a well	53	26	30	25	25
Compliance and safety inspections made	30	28	30	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

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Phone:

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,563.5	6,926.0	6,926.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	60,701.4	37,581.3	26,028.2
Total Funding	64,264.9	44,507.3	32,954.2
FTE Positions	95.0	120.0	114.5

Agency Summary

GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

Phone:
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,866.9	1,993.2	1,993.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,866.9	1,993.2	1,993.2
FTE Positions	22.0	22.0	22.0

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	127,263.5	147,136.9	149,102.5
➤ BEHAVIORAL HEALTH SERVICES	1,677,141.1	1,601,331.7	2,170,655.7
➤ ARIZONA STATE HOSPITAL	1,417.7	5,267.7	4,396.7
➤ PUBLIC HEALTH SERVICES	0.0	300.0	300.0
Agency Total:	1,805,822.3	1,754,036.3	2,324,454.9
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	455,681.4	421,077.3	542,863.0
Other Appropriated Funds	72,106.0	81,015.7	77,638.1
Other Non Appropriated Funds	1,278,034.9	1,251,943.3	1,703,953.8
Total Funding	1,805,822.3	1,754,036.3	2,324,454.9
FTE Positions	1,418.7	1,418.7	1,557.7

Issue 1 Impact Arizona's Winnable Battles

Description There are many funded efforts at a national level around Winnable Battles, where it is possible to show the impact of targeted efforts within a four year period. The following five winnable battles are objectives specific to the priority public health issues facing Arizonans that ADHS could positively impact in the next strategic period:

Objective 1: Promote Nutrition and Physical Activity to Reduce Obesity

Objective 2: Reduce Tobacco Use and Substance Abuse

Objective 3: Reduce Healthcare Associated Infections (HAI) and Readmissions

Objective 4: Reduce Suicides

Objective 5: Reduce Teen Pregnancy

Solutions:

Objective 1: Promote Nutrition and Physical Activity to Reduce Obesity

The Agency, working with the community has the greatest opportunity to impact many public health outcomes to achieve this objective. An agency-wide workgroup will use evidenced based strategies to develop messaging, programming and outreach techniques to increase community awareness of obesity reduction strategies.

Objective 2: Reduce Tobacco Use and Substance Abuse

Connecting all areas of the agency around this objective places resources into the hands of the citizens and providers to help Arizonan's either quit smoking via the ASHLine, or seek help for substance abuse through prevention programs and policy changes.

Objective 3: Reduce Healthcare Associated Infections (HAI) and Readmissions

The HAI Advisory Committee will prioritize efforts and leverage resources across ADHS to work with partners to reduce infections acquired in health care settings and improve health outcomes.

Objective 4: Reduce Suicides

Successful evidence based prevention strategies will be employed to reduce the suicide rates among adults and teenagers. Collaboration across the agency will chart a path for additional work in this area.

Objective 5: Reduce Teen Pregnancy

Recent declines in Arizona's teen pregnancy rate are dramatic. ADHS is committed to continuing to focus on this important objective through the work currently provided as well as on-going collaboration with stakeholders.

Cross-Cutting Strategies:

Implement Best Practices

Align Resources with Key Priorities

(These two strategies span all areas of work and are the foundation for the Strategic Map. All programs and divisions implement best practices as a proven method for achieving results, and throughout the agency we are aligning resources with our key priorities. These two cross-cutting measures are entrenched into the way we operate and function as an agency.)

Issue 2 Integrate Physical and Behavioral Health

Description ADHS recognizes that integrated care between physical and behavioral health services will greatly impact public health outcomes for the behavioral health population. Our goal is to promote recovery, resiliency, psychosocial rehabilitation, safety and hope for persons with serious mental illness enrolled in the community-based behavioral health system. This effort will involve collaboration with community partners, public health, and other stakeholders in the design and delivery of integrated behavioral health services. Ultimately, the goal is to increase the availability and utilization of peer support and family support services, decrease readmission rates to Level I facilities, and increase/maintain timely access to services. The second Strategic Priority for the agency is to develop a model for integrated care by working through the following Strategic Objectives:

Objective 1: Sustain Engagement and Support of Stakeholders

Objective 2: Develop Innovative Strategies for Integration

Objective 3: Establish Needed Infrastructure

Objective 4: Implement and Sustain Integration

Objective 5: Demonstrate Impact on Co-Occurring Conditions

Solutions:

Objective 1: Sustain Engagement and Support of Stakeholders

ADHS is collaborating with stakeholders to expand integration efforts to provide whole health care for SMI patients in Maricopa County starting next year, with a long-term plan to roll out these same services statewide to all behavioral health populations in the following 3-5 years.

Objective 2: Develop Innovative Strategies for Integration

One of the foundational concepts of all integrated care models is the “health home”. This concept originated in the primary care setting and is also referred to as a patient-centered medical home, a place where a person may receive treatment to address both physical and behavioral health care needs. ADHS along with key stakeholders is working on developing such a model.

Objective 3: Establish Needed Infrastructure

As models and strategies are defined, ADHS will develop the necessary training, information technology and business infrastructure to support this effort.

Objective 4: Implement and Sustain Integration

ADHS is committed to full implementation and sustainability of integrated behavioral health models. A pilot effort is ongoing around integrating the behavioral and physical health services of the seriously mentally ill population in Maricopa County, with long term plans to integrate the entirety of public behavioral health services.

Objective 5: Demonstrate Impact on Co-Occurring Conditions

As systems of integration of behavioral health systems are implemented, performance measures will be built into an evaluation plan to measure the impact on patients with three or more co-occurring conditions.

Cross-Cutting Strategies:

Implement Best Practices

Align Resources with Key Priorities

(These two strategies span all areas of work and are the foundation for the Strategic Map. All programs and divisions implement best practices as a proven method for achieving results, and throughout the agency we are aligning resources with our key priorities. These two cross-cutting measures are entrenched into the way we operate and function as an agency.)

Issue 3 Promote and Protect Public Health and Safety

Description The public looks to ADHS as the public health authority for information on a variety of issues including licensing, handling emergencies, preventing communicable disease outbreaks, identifying food borne illness, and improving safety and well being. The third strategic priority requires our programs to think creatively how they may impact the following Strategic Objectives:

Objective 1: Implement Strategies to Promote Non-Violent Behavior

Objective 2: Address Quality of Care Issues and Public Health Risks

Objective 3: Prepare for and Respond to Public Health Emergencies

Objective 4: Provide a Safety Net of Services and Community Support

Objective 5: Promote Healthy and Safe Community Environments

Solutions:

Objective 1: Implement Strategies to Promote Non-Violent Behavior

Identifying and collaborating on efforts to reduce violence is an issue of great importance in Public Health. Encouraging all programs to think about the trauma caused by violence and the long-term effects on individuals and society will foster a culture of creative, successful interventions.

Objective 2: Address Quality of Care Issues and Public Health Risks

Childcare and health care licensing programs, as well as environmental laboratory licensing allows ADHS to ensure a minimum standard of services and is an important factor in protecting the safety of the citizens of Arizona.

Objective 3: Prepare for and Respond to Public Health Emergencies

Wildfires, food borne illness, and the H1N1 pandemic are all the types of public health crisis to which ADHS must be prepared to respond. The agency takes great pride in the work accomplished in this area. This objective supports all programs that focus on preparedness and continuity planning.

Objective 4: Provide a Safety Net of Services and Community Support

ADHS is for many, a source of support and/or services. This objective highlights the work already in place to provide public health services, community support and encourages connections with the numerous community stakeholders to leverage resources in new and creative ways.

Objective 5: Promote Healthy and Safe Community Environments

This objective is modeled after the US Department of Health and Human Services National Prevention Strategy's focus on safe environments to provide drug-free, gang-free, non-violent safe communities for residents to thrive and live more healthily. Also, this effort emphasizes the ability to create sustainable, green spaces minimizing environmental hazards and threats of food borne illness, toxic exposures, and pandemics.

Cross-Cutting Strategies:

Implement Best Practices

Align Resources with Key Priorities

(These two strategies span all areas of work and are the foundation for the Strategic Map. All programs and divisions implement best practices as a proven method for achieving results, and throughout the agency we are aligning resources with our key priorities. These two cross-cutting measures are entrenched into the way we operate and function as an agency.)

Issue 4 Strengthen State-wide Public Health Infrastructure

Description Focusing on external stakeholders, the fourth strategic priority is to strengthen the state-wide public health infrastructure, which is critical to the success of ADHS programs. Without community support, ADHS could not function effectively. We work with all our partners including county health departments on communication, planning, resource allocation, and program development efforts. ADHS provides support to the Indian Tribes of Arizona, the urban Indian health programs, the Inter Tribal Council of Arizona, and the Indian Health Service in accomplishing their public health goals and objectives. Additionally, we coordinate and integrate cross-border public health program efforts. The following Strategic Objectives focus on the importance of the agency's relationships and collaborations:

- Objective 1: Build Awareness of Public Health Value
- Objective 2: Strengthen Existing Public Health Infrastructure
- Objective 3: Engage Existing and Build New Partnerships
- Objective 4: Address Public Health Workforce Needs
- Objective 5: Achieve Public Health Accreditation

Solutions:**Objective 1: Build Awareness of Public Health Value**

Key stakeholders, policy makers, and the community at large understand the role that we all play in public health. This effort requires coordination, outreach, and communication internally as well as externally.

Objective 2: Strengthen Existing Public Health Infrastructure

Implementing our public health plans and strategies rely heavily on the buy in of our local, tribal and border health partners as well as the many private and community partners we work with on a daily basis.

Objective 3: Engage Existing and Build New Partnerships

Identifying new cross-jurisdictional partners and innovative new business enterprise solutions will enhance the connection to the community and increase the agency's ability to find solutions to emerging public health issues.

Objective 4: Address Public Health Workforce Needs

ADHS is seeking to increase the talent pool attracted to careers in public health. By creating new cross jurisdictional partnerships and partnering with Universities and other professional development organizations, ADHS will encourage potential talent that the work of ADHS is exciting and meaningful to the public.

Objective 5: Achieve Public Health Accreditation

ADHS is in the process of completing the prerequisites and requirements needed for the state to achieve accreditation, analyzing our collaborations with stakeholders as well as our ability to perform effectively on the ten essential public health services. These ten essential services were established in 1994 by a Core Public Health Functions Steering Committee that included representatives from US Public Health Service agencies and other major public health organizations who were tasked with developing a national framework. The ten essential services include: Monitor health status, Diagnose and Investigate health problems and hazards, Inform and Educate to empower people about health issues, Mobilize community partnerships, Develop policies and plans, Enforce laws and regulations, Link people to health services, Assure competent health workforce, Evaluate effectiveness and quality, and Research to find innovative solutions to health problems. Ultimately, the accreditation effort will improve the quality of public services in Arizona, as well as impact public health outcomes for our citizens.

Cross-Cutting Strategies:**Implement Best Practices****Align Resources with Key Priorities**

(These two strategies span all areas of work and are the foundation for the Strategic Map. All programs and divisions implement best practices as a proven method for achieving results, and throughout the agency we are aligning resources with our key priorities. These two cross-cutting measures are entrenched into the way we operate and function as an agency.)

Issue 5 Maximize ADHS Effectiveness

Description The fifth and final Strategic Priority promotes a business model that strives to improve internal processes by improving efficiency. The consolidation of programs and staff over the past several years yielded an opportunity to partner internally in new and exciting ways. These efforts have led to development of user-friendly policies and procedures that contribute to increased operational efficiencies, and refinement of information technology policies and procedures to address new security concerns, emerging technology, and business needs. ADHS provides a highly available and flexible information technology environment that supports the implementation and maintenance of enterprise applications, business communications, and internet-based public services. The following Strategic Objectives focus on innovative methods of providing the services by integrating our lines of business to increase efficiency and effectiveness:

Objective 1: Implement Agency-wide Workforce Development

Objective 2: Leverage Technologies to Achieve Results

Objective 3: Measure Performance to Drive Continuous Improvement

Objective 4: Improve Internal Policy Development and Implementation

Objective 5: Fulfill Statutory Regulatory and Operational Requirements

Solutions:

Objective 1: Implement Agency-wide Workforce Development

In order to retain, promote and recruit talent, ADHS must focus on investing in workforce development. This effort will look at integrating training, retention, and succession planning across the agency.

Objective 2: Leverage Technologies to Achieve Results

ADHS is committed to looking for new and existing technology to increase efficiency. Creating more e-government solutions, using state of the art technology in our State Lab and ASH help ensure higher quality results.

Objective 3: Measure Performance to Drive Continuous Improvement

Continuous Quality Improvement is the foundation of an effective public health system. ADHS is implementing a performance management system throughout the agency.

Objective 4: Improve Internal Policy Development and Implementation

ADHS is continuously working to address policy making procedures and guidelines. This effort will streamline the process to provide coordination in an effort to produce timely, effective and user-friendly policies, procedures and guidelines.

Objective 5: Fulfill Statutory Regulatory and Operational Requirements

An extensive responsibility for ADHS is fulfilling legal mandates, and enforcing the rules and regulations around many public health programs. Additionally, we have various operational requirements that we maintain to meet either state or federal guidelines.

Cross-Cutting Strategies:

Implement Best Practices

Align Resources with Key Priorities

(These two strategies span all areas of work and are the foundation for the Strategic Map. All programs and divisions implement best practices as a proven method for achieving results, and throughout the agency we are aligning resources with our key priorities. These two cross-cutting measures are entrenched into the way we operate and function as an agency.)

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	1,782.5	1,782.5	1,782.5
General Fund	698,900,688.0	724,487,850.0	751,065,334.0
Other Appropriated Funds	91,007,210.0	92,281,311.0	93,573,249.0
Non-Appropriated Funds	1,823,460,041.0	1,894,381,452.0	1,968,111,481.0
Federal Funds	314,927,814.0	319,336,803.0	323,807,519.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	76,973.5	83,103.3	84,229.3
Other Appropriated Funds	35,959.4	42,098.7	42,571.1
Other Non Appropriated Funds	14,330.6	21,934.9	22,302.1
Total Funding	127,263.5	147,136.9	149,102.5
FTE Positions	1,279.7	1,279.7	1,418.7

◆ **Goal1** To maximize ADHS effectiveness

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Administration as a percent of total cost	1	1	1	1	1
Percent of Continuous Quality Improvement (CQI) projects completed on schedule	100	100	100	100	100
Percent of agency staff turnover	21.6	21.6	18.92	19.29	19.29
Percent of new e-government applications implemented on schedule	100	100	100	100	100
Percent of mail-in requests to vital records for birth and death records that are processed within 10 business days	95	95	95	95	95

◆ **Goal2** To promote and protect public health and safety

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of child care license renewals granted within licensing timeframes	NA	NA	NA	NA	NA
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	47	55	55	55	55

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	378,707.9	337,974.0	455,654.7
Other Appropriated Funds	36,146.6	34,767.0	34,767.0
Other Non Appropriated Funds	1,262,286.6	1,228,590.7	1,680,234.0
Total Funding	1,677,141.1	1,601,331.7	2,170,655.7
FTE Positions	139.0	139.0	139.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	24,239.7	24,507.3	26,341.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	28,916.8	28,933.8	35,206.4
Total Funding	53,156.5	53,441.1	61,547.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure that the behavioral health needs of Arizonans are met through standards set in ADHS/RBHA contracts

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of eligible Title XIX population enrolled in behavioral health treatment programs	16	15	17	18	20

Subprogram Summary

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	97,379.5	98,312.8	98,312.8
Other Appropriated Funds	2,250.0	2,250.0	2,250.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	99,629.5	100,562.8	100,562.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To integrate physical and behavioral health services

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of SMI clients on anti-psychotics receiving new-generation psychotropic medications	60	60	56	60	60

Subprogram Summary

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,480.4	8,160.1	8,160.1
Total Funding	12,480.4	8,160.1	8,160.1
FTE Positions	0.0	0.0	0.0

- ◆ **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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of RBHA Title XIX families (with children ages 0-17) satisfied with services through an annual satisfaction survey	90	90	82.1	85	90

Program Summary	
ARIZONA STATE HOSPITAL	
Donna Noriega, Acting 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

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	2,979.0
Other Appropriated Funds	0.0	3,850.0	0.0
Other Non Appropriated Funds	1,417.7	1,417.7	1,417.7
Total Funding	1,417.7	5,267.7	4,396.7
FTE Positions	0.0	0.0	0.0

Subprogram Summary

CLINICAL AND PROGRAM SERVICES

Donna Noriega, Acting 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	1,130.7	1,130.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	1,130.7	1,130.7
FTE Positions	0.0	0.0	0.0

◆ **Goal1** To maintain a stable and competent workforce

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of staff turnover during the first 12 months of employment	23	22	30	22	20

◆ **Goal2** To implement strategies to promote non-violent behavior

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of direct care staff trained in non-violent crisis intervention	100	100	100	100	100

Program Summary

PUBLIC HEALTH SERVICES

Will Humble, Director
Phone: (602) 542-1140
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	300.0	300.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	300.0	300.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

ADMINISTRATION AND LOCAL, BORDER AND NATIVE AMERICAN HEALTH OFFICES

Will Humble, Director

Phone: (602) 542-1140

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	322,185.9	317,951.2	317,951.2
Total Funding	322,185.9	317,951.2	317,951.2
FTE Positions	332.7	332.7	332.7

◆ Goal 1 To strengthen state-wide public health system

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of border health meeting attendees expressing satisfaction with Border Health Program	85	85	85	85	85
Percent of technical assistance requests from Native Health partners that are completed	100	100	100	100	100
Percent of monthly Arizona Local Health Officers Association (ALHOA) meetings conducted on schedule to engage county partners regularly	100	100	100	100	100

Subprogram Summary

PUBLIC HEALTH STATISTICS

Don Herrington, Assistant Director

Phone: (602) 364-3855

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	125.0	125.0	125.0
Other Appropriated Funds	1,000.0	1,000.0	1,000.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,125.0	1,125.0	1,125.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To maximize ADHS effectiveness

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Accuracy (percent) in collection and maintenance of accurate and complete cancer incidence data	95	95	93	95	95
Survey response rate (percent) for the AZ Behavioral Risk Factor Survey that is used to report on the health of Arizonans	25	25	31	31	31

Subprogram Summary

ARIZONA POISON CONTROL

Don Herrington, Assistant Director

Phone: (602) 364-3855

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	580.7	990.0	990.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	580.7	990.0	990.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Total number of calls made to U of A and Banner Poison Control centers to provide 24-hour, seven-days-a-week state-wide poison and drug information to doctors, medical institutions, and citizens	167,235	172,252	129,633	177,419	137,527
Total number of follow up calls made by U of A and Banner Poison Control centers to track medical outcomes from human exposures	218,933	225,490	178,338	232,255	189,198

Subprogram Summary

STATE LABORATORY SERVICES

Don Herrington, Assistant Director
 Phone: (602) 364-3855
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,429.5	6,307.0	6,307.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,429.5	6,307.0	6,307.0
FTE Positions	24.1	24.1	24.1

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of micro performance testing samples correct	99.38	99	99.82	99	99
Number of environmental labs licensed	143	143	139	139	139
Percentage of laboratory reports submitted by electronic laboratory reporting (ELR)	35	50	52	70	80

Subprogram Summary

EPIDEMIOLOGY AND DISEASE CONTROL

Don Herrington, Assistant Director
 Phone: (602) 364-3855
 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,500.5	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
Total Funding	1,500.5	1,590.7	1,590.7
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Immunization rate among 2-year old children	80	80	80	82	82
Percent of monthly infectious disease trainings to county health departments conducted on schedule	100	100	100	100	100
Percent of urgent infectious diseases that are reported to ADHS within legally-mandated timeframes	76	85	53	70	80

Subprogram Summary

HEALTH SYSTEMS DEVELOPMENT

Sheila Sjolander, Assistant Director
 Phone: (602) 542-2818
 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	198.0	198.0	198.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	198.0	198.0	198.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To strengthen state-wide public health system

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of areas re-designated in a timely manner	100	100	100	100	100

Subprogram Summary	
WOMEN'S AND CHILDREN'S HEALTH	
Sheila Sjolander, Assistant Director	
Phone: (602) 542-2818	
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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,925.2	3,545.3	3,545.3
Other Appropriated Funds	223.3	450.0	450.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,148.5	3,995.3	3,995.3
FTE Positions	1.0	1.0	1.0

◆ **Goal 1** To impact Arizona's winnable battles

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of high school youth who smoked in the last month	17	17	17.4	15	15

Subprogram Summary

CHILDREN WITH SPECIAL HEALTH CARE NEEDS

Sheila Sjolander, Assistant Director
 Phone: (602) 542-2818
 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	-0.1	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	547.8	547.8	547.8
Total Funding	547.7	547.8	547.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To strengthen state-wide public health system

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Arizona families with children with special health care needs partnering in decision making and satisfied with services per the State and Local Area Integrated Telephone Survey (SLAITS)	66.2	66.2	66.2	66.2	66.2

Subprogram Summary

NUTRITION AND PHYSICAL ACTIVITY

Sheila Sjolander, Assistant Director
 Phone: (602) 542-2818
 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	316.0	400.0	400.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	316.0	400.0	400.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To impact Arizona’s winnable battles

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of adults eating the recommended amount of fruits and vegetables	21.3	21.8	NA	NA	NA

Explanation: The data is currently not available and will be updated by 10/15/13.

Percent of adults who get the recommended amount of physical activity	52.3	52.8	NA	NA	NA
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Explanation: The data is currently not available and will be updated by 10/15/13.

Subprogram Summary

BIOMEDICAL RESEARCH COMMISSION

Don Herrington, Assistant Director
 Phone: (602) 364-3855
 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

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of research contracts that are in compliance	75	85	90	95	95

Subprogram Summary

EMERGENCY MEDICAL SERVICES

Don Herrington, Assistant Director
 Phone: (602) 364-3855
 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	300.0	300.0	300.0
Other Appropriated Funds	0.0	0.0	574.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	300.0	300.0	874.9
FTE Positions	0.0	0.0	6.0

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of public health and emergency response professionals on Health Alert Network	13,122	13,514	13,500	13,906	13,500
Percent of trauma centers granted designation within the timeframes established in administrative rule	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,159.2	13,311.8	13,311.8
Total Funding	9,159.2	13,311.8	13,311.8
FTE Positions	11.0	11.0	11.0

5 Year Plan

Issue 1 Decrease the fatality rate per 100 million vehicle miles traveled (VMT).

Description The fatality rate per 100 million VMT increased from 1.26 in 2010 to 1.39 in 2011. This increase followed a succession of years where the rate decreased from 2.07 per 100 million VMT in 2006 and likely represents a regression to the mean. The 5-year moving average data show a nearly straight line decrease from 2007 to 2011.

The GOHS has set the 2014 fatality goal at 820. This is three less than the 823 fatalities experienced in 2012 and 10 less than the 5-year moving average of 830. Because of the facts of an improving economy and continued increases in VMT combined with an apparent regression to the mean, the GOHS considers the goal of 820 fatalities in 2014 to be aggressive yet achievable.

Based on the trend data, the GOHS has set the 2014 fatality rate goal at 1.37 per 100 million VMT. This is nearly the same as the 1.38 million per 100 million VMT experienced in 2011 but 4.9 percent less than the 2011 5-year moving average of 1.44.

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 nonuse of safety belts coincidental to a 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. The 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 total number of injuries has remained essentially constant in 2012 as compared to 2011. This level is significantly higher than the 68,574 injuries recorded in 2006. The leveling process seen in recent years can be explained with the same economic growth argument as described in the fatality discussion in the previous section. Essentially, 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. According to ADOT and FARS data, in 2011 294 speed-related fatalities occurred, which constitutes a 12.22 percent increase from 2010. Speeding-related fatalities make up 35.64 percent of all traffic fatalities; however, the number is down from 2006 (584), which likely is due to fewer vehicle miles traveled and stronger law enforcement.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	11.0	11.0	11.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	1,497.5	1,497.5	1,497.5
Federal Funds	11,814.3	11,814.3	11,814.3

◆ **Goal 1** To decrease the fatality rate per 100 million vehicle miles traveled (VMT) from the base level of 1.52 to 1.37 by December 31, 2014.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Grant Proposals received from jurisdictions.	300	300	300	300	300
Contracts negotiated, written, and executed.	280	280	373	350	300
Miles traveled fatality rate (prior calendar year).	1.38	1.37	1.25	1.25	1.25

Explanation: Crash data compiled on calendar year

Total statewide fatalities (prior calendar year).	825	825	823	820	820
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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.

Total persons injured (prior calendar year).	49,550	49,000	49,646	49,551	49,551
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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 2012 of 823 to 820. This is 10 less than the 5-year moving average of 830.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Placement/contracts for alcohol-detection devices.	150	200	150	150	150
Agencies funded for DUI enforcement.	60	60	118	61	65
Explanation: Includes contracts for new federal funds, Section 164.					
Officers receiving standardized field sobriety/horizontal gaze nystagmus/drug recognition expert/phlebotomy training.	800	800	899	900	900
Alcohol-related fatalities (prior calendar year).	236	235	281	270	270
Explanation: Actual represents prior calendar year actual. Performance measures will now be calculated using a calendar year base average.					
Judges attending GOHS Summit training on DUI, Speed, Seat Belt, etc.	67	70	70	70	70

CONFERENCE FOR JUDGES ONLY.

◆ **Goal 3** To decrease serious traffic injuries based on the 5 year moving average 2008-2012 of 51,314 injuries to 49,551 injuries by December 31, 2014.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Agencies participating in public information & education/enforcement projects.	86	88	40	40	40
Public information & education campaigns developed each calendar quarter.	4	4	4	4	4
Enforcement/training/public information & education events.	10	10	10	10	10
Percent of seat belt use (prior calendar year).	82.2	83.02	82.2	83.1	83.1
Explanation: 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	83.02	82.2	83.1	83.1
Explanation: Actual data represents prior calendar year actual. Performance measures will now be calculated using a calendar year base average.					

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,061.9	3,155.0	3,334.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,127.5	1,094.7	941.9
Total Funding	4,189.4	4,249.7	4,275.9
FTE Positions	40.8	58.0	59.5

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.

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.

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.

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.

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.

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.

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)

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 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	54.4	57.4	60.0
General Fund	3,334.0	3,700.0	4,000.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	9,419.0	1,000.0	1,000.0
Federal Funds	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of linear feet of archives processed sufficiently to provide public access in the fiscal year	25797	28000	29,250	29,500	31,000
Percent of three dimensional collections available to the public	85	90	90	90	90

◆ **Goal 2** To interpret and disseminate the history of Arizona for a broad general audience.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of public programs	1079	1000	900	1,000	1,000
Public program attendance	270,612	100,000	95,000	100,000	100,000
Number of public inquiries	11,942,843	15,100,000	10,865,716	17,500,000	20,000,000
On-site public attendance at local certified historical societies and museums.	550,000	550,000	550,000	550,000	550,000
Number of museum visitors and researchers	86,030	65,000	46,457	70,000	85,000
Number of volunteer hours	28549	30,000	32,000	35,000	40,000
Administration as a percent of total cost	10.5	10	10	10	10

Agency Summary

PRESCOTT HISTORICAL SOCIETY

John Langellier, 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, and natural aspects of Arizona, with emphasis on the Central Highlands, and 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 includes seven restored historic structures, featuring the territorial Governor's Mansion (1864) and the Victorian-era Bashford House (1877).The Museum Center (1977) hosts changing exhibits, historic theater, and storage of extensive historic and prehistoric objects. A large Archive Library (1993), houses approximately 100,000 images and documents. A new, approximtely, million dollar facility constructed with non-State of Arizona funds was completed in March 2013. 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, perdiocial musical and theaterical historical productions, historical reenactments in both indoor and outdoor settings, heritage gardens, lecture series, education tours, and outreach opportunities for children and adults.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	617.0	826.0	826.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	182.0	182.4	182.4
Total Funding	799.0	1,008.4	1,008.4
FTE Positions	10.0	10.0	10.0

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 be 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:

- ☑Develop a collections plan that includes Research Center holdings to manage and expand the artifacts, archives, and other materials held in trust by the Museum
- ☑Develop a master plan for exhibits
- ☑Develop an education plan to include festivals

Issue 2 Long-Range Financial Planning

Description Sharlot Hall Museum is committed to sound and responsible stewardship of the public resources to ensure adequate resources for students and our community.

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 (product sponsors/other institutions) ;
 4. Governmental relations; and
 5. Fund raising events on campus/in the community with a focus on those which minimize impact on the museum staff and/or are sponsored by other 501c3 entities which sponsor, staff and manage events with donation of net proceeds to SHHS for the SHM.

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
- ☑A. Development of 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, Western Heritage Days, Westerners Corral, et al)
 4. Service clubs
 5. Educational institutions

Issue 5 Public 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
- ☒ Develop progressive membership plan
- ☒ Develop visitor surveys and other means to obtain audience input

Issue 6 Improve Technology Infrastructure

Description Sharlot Hall Museum is committed to providing up-to-date technology services to enhance student learning.

Solutions:

- ☒ Add PTE IT staff member or contractor
- ☒ Improve IT system via a Museum wide network
- ☒ Improve telephony services

Issue 7 Reorganization

Description The Prescott Historical Society (PHS) and SHHS articles of incorporation and/or by-laws remain as currently constituted except as follows:

- a. Policy Committee should be a committee of the PHS only.
- B. Development Committee should be a committee of the SHHS only.

Solutions:

By-laws of SHHS should be amended to permit the Development Committee's membership to be expanded by as many members of SHHS as its chairman shall deem necessary to carry out its mission.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To increase museum visitation annually.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of people served (includes museum, festival, and theatre attendees; and researchers)	30,000	32,000		35,000	38,000
Percent of museum clients pleased with service	90	90		90	90
Number of volunteer hours	1,500	1,600		1,650	1,700
Number of museum researchers	950	1,100		1,150	1,200

Explanation: In FY2008 Library closed for one month to relocate to new facility

Number of web site unique visitors	3,800	4,000		4,200	4.500
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◆ **Goal 2** To continue phased facility expansion, bringing needed square footage for public and non-public uses to support goal 1 above.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Capital campaign dollars raised to build new square footage (in thousands)	175,000	200,000		200,000	200,000
Increase in number of dues-paying members	1,200	1,250		1,275	1,300

◆ **Goal 3** To increase the private, non-state funding support for expansion and operations

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Dollars of supplemental non-state funds per annum in thousands	675,000	700,000		800,000	850,000

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	2,038.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	45,753.9	37,189.0	10,599.6
Total Funding	45,753.9	37,189.0	12,638.0
FTE Positions	17.0	16.0	16.0

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	17.0	17.0	17.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	16,800.0	15,000.0	15,000.0

- ◆ **Goal 1** To improve regional collaboration on homeland security issues within Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 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 24 sub-grantee site visits per year	28	24	28	24	24
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Explanation: Sub-grantee site visits review equipment, reimbursements, & compliance

Total amount of unexpended grant funds reverted to the Federal Government	380,132	0	710,066	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. Homeopathy is a form of alternative medicine in which the fundamental premise for treatment is the belief that diseases are cured by medicines, given in tiny doses, that create symptoms similar to those the patient is experiencing, triggering the body's natural immune reactions. 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. Licensees renew their licenses and dispensing permits annually and provide updated information about the nature of their practices. Upon receipt of complaints against licensed homeopathic physicians, the Board conducts investigations and holds hearings, taking disciplinary action as necessary to protect the public safety. The Board also registers homeopathic medical assistants that work under the supervision of licensed homeopathic physicians within Arizona. Homeopathic medical assistants renew their registrations annually every December. Physician licenses are renewed every year on the initial month of licensure.

In 2011 the legislature expanded the Board's scope of regulation to include homeopathic doctors who will practice classical homeopathy and nutrition. The first homeopathic doctors will be licensed in January, 2015.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	86.3	102.1	112.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	86.3	102.1	112.1
FTE Positions	1.0	1.0	1.0

5 Year Plan

Issue 1 Processes are needed for the licensure of prospective homeopathic doctors.

Description Licensure of Homeopathic Doctors begins January, 2015. The Board is engaged in rulemaking that includes a crucial component setting forth educational standards for prospective applicants. In addition, an examination must be proscribed that will test the didactic knowledge of applicants for the license. The Board will coordinate educational and testing standards with the Accreditation Commission for Homeopathic Education in North America (ACHENA). Our goal is to ensure consistent educational standards for homeopathic doctors that will promote the public health and safety.

Staff and/or volunteer resources are available to accomplish the strategic research necessary to promote interaction with ACHENA. The Board is exploring the possibility of requiring the use of an existing nationally recognized examination which will negate the expenditure of funds that would be necessary for the Board to create its own comprehensive examination.

Solutions:

- Coordinate with ACHENA and approved homeopathic schools to ensure consistent training standards.
- Explore and determine the most effective strategy to test prospective licensees on the areas of knowledge that a homeopathic doctor must demonstrate for licensure.
- Complete rulemaking for homeopathic doctor licensing.

Issue 2 Legislative approval is needed to revise fees to support Board operations.

Description Fees are capped by statute and have remained unchanged since 1995. They are inadequate to fund Board operations. The two primary revenue producing fees have reached their statutory cap and will require legislative action to either increase the cap or devise a mechanism by which the Board can set forth the fee structure, but rely on rulemaking to set the actual amount of the fee. Furthermore, other fees should be added to address the administrative cost of enforcing the requirement.

The Board is taking a two-pronged approach to address this issue. Staff hours will be reduced to allow cash reserves to increase. The implementation of a new fee schedule would allow the Board to staff the office at a level sufficient to prepare for the implementation of the licensure program for homeopathic doctors in January, 2015. The Board recognizes that the reduced staff hours during rulemaking and other administrative processes necessary to prepare for the new licensure class will be challenging. However, other options are limited until cash revenues are built up to a level sufficient to adequately fund Board operations.

Solutions:

- Obtain legislative approval to amend fees.
- Revise rules in the Administrative Code to include new fees related to continuing education review, re-examination costs, and the issuance of a new license.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	1.0	1.0	1.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	102.1	102.1	102.1
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Applications received (includes physicians, assistants, dispensing permits and chelation protocol reviews filed with an initial application)	24	20	24	17	20
Explanation: FY 2013 : 21 medical assistants, 0 dispensing permit, 3 physicians					
New licenses issued (physicians and medical assistants)	17	20	6	11	12
Explanation: FY 2013 : 3 medical assistants, 3 physicians, 0 dispensing permits					
Licenses eligible for renewal (physicians, dispensing permits, chelation permits, and medical assistants)	201	211	207	211	215
Explanation: FY13 Dispensing=40; Physicians=87; Assistants=42; Chelation=32 + 6 new licenses					
Number of licenses renewed	177	176	170	173	177
Explanation: FY 2013: Total includes 84 physicians, 36 dispensing permits, 18 assistants, and 32 chelation permits renewed.					
Average number of days from receipt of completed application to issuance or denial of certification	63	47	24	35	40
Explanation: This figure is an average of 9 applications divided into a total of 211 calendar days					

◆ **Goal 2** To receive, investigate, and adjudicate complaints consistent with the performance objectives of the board.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of complaints resolved within 180 days.	64	75	50	80	90
Explanation: 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 (3 closed out of 6 total complaints)					
Number of complaints or inquiries received	6	8	7	10	10
Explanation: 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)	4	3	1	4	4
Suspension	1	1	1	2	2
Average number of days per investigation from start to final adjudication	119	100	191	125	100
Explanation: Based on the total number of calendar days (1151) accrued in adjudicating the closed complaints divided by total number of closed complaints (6)					
Percent of licensees with disciplinary action	4 Percent	2 Percent	4 Percent	2 Percent	1 Percent
Explanation: 85 licenses and of that total 2 on probation, 1 suspended; 1 completed probation: statistic reflects current fiscal year actions					
Total number of investigations conducted	13	12	12	12	13
Explanation: 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of information inquiries responded to within 24 hours	94	90	87	93	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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ HOUSING DEVELOPMENT AGENCY	94,910.6	94,667.2	88,838.2
➤ HOUSING FINANCE AUTHORITY	283.3	234.3	238.3
Agency Total:	95,193.9	94,901.5	89,076.5
Funding:			
	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	311.2	313.8	313.8
Other Non Appropriated Funds	94,882.7	94,587.7	88,762.7
Total Funding	95,193.9	94,901.5	89,076.5
FTE Positions	61.0	61.0	61.0

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.

Issue 2 Reducing the occurrence of mortgage foreclosures to aid in Arizona's economic recovery.

Description Throughout the past few years of economic crisis, Arizona has remained one of the states at the top of the list in experiencing foreclosure problems. With some homes in the state experiencing as much as 58 percent depreciation since the height of the market, and more than half a million Arizonan homeowners living with underwater mortgages, even as the housing crisis improves, the problem of foreclosures is expected to continue to remain an issue as we move into 2014 and beyond. 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 mortgages, the state's economic recovery is heavily tied to the stabilization and recovery of the housing market. Today recovery is underway.

Prior to 2008, the Department had provided little in the way of mortgage foreclosure assistance. However, starting in 2008, the Federal government has provided some significant resources to help address related problems, with several of those programs winding down in 2012 and 2013. Those programs which have been fully expended or are nearly so, include 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. The Department is also just now winding down a \$7 million program that 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 December 2013.

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 Department's challenge is to utilize this resource in a manner that will make a significant difference in quelling foreclosures sooner rather than later, even though the program is authorized through December 31, 2017. 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.

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 \$43 million in loans and \$1.7 million in 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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	61.0	61.0	54.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	313.7	313.7	323.2
Non-Appropriated Funds	13,154.7	13,955.8	12,560.2
Federal Funds	73,335.2	74,068.6	75,549.9

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	311.2	313.8	313.8
Other Non Appropriated Funds	94,599.4	94,353.4	88,524.4
Total Funding	94,910.6	94,667.2	88,838.2
FTE Positions	59.5	59.5	59.5

◆ **Goal 1** To provide homeownership opportunities and a mix of rental options for Arizonans.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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Total number of households assisted with eviction or foreclosure in order to prevent homelessness	4,765	4,774	4,020	4,425	4,425
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Explanation: Number of households assisted with eviction or foreclosure assistance.

Total funds committed to homeownership programs	6,473.8	6,000.0	6,716.4	4,500.0	4,500.0
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Explanation: Includes construction and acquisitions, rehabilitation of new and existing units, and first-time buyers.

Total number of households assisted with homeownership assistance	370	343	259	175	715
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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.	282,545.7	154,335.9	89,894.6	265,190.6	199,530.5
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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	12,438	6,173	10,416	13,305	12,076
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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	213,099	219,492	303,083	312,176	321,541
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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	3,833	3,101	4,472	5,786	8,649
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Explanation: The number of Department-assisted rental units that will be monitored.

◆ **Goal 2** To recruit, retrain and maintain a qualified, professional work force.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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Percent of agency turnover	23	15	11	13	13
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◆ **Goal 3** To maintain and further improve quality working relationships with our partners.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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Results of customer satisfaction survey (7=excellent; 4=satisfactory; 1=poor)	5.73	5.79	5.5	5.66	5.83
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Explanation: In FY2013, the Department received its highest customer satisfaction scores ever in its history for three of its scoring categories.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	283.3	234.3	238.3
Total Funding	283.3	234.3	238.3
FTE Positions	1.5	1.5	1.5

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total funds utilized for homeownership program through bond issuances for Mortgage Revenue Bonds (MRB) and/or Mortgage Credit Certificates (MCC).	19,949.1	20,490.4	16,337.0	44,928.0	44,928.0

Explanation: Total funds utilized for AzHFA-sponsored homeownership programs.

Total number of low-income households assisted into homeownership through the homeownership program	184	193	132	364	364
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Explanation: Total number of first-time homebuyers assisted through AzHFA programs.

Total number of rental projects approved	0	0	0	0	0
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Explanation: 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	0	0
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Explanation: No new rental units are expected to be financed with AzHFA bond issuances until market conditions improve.

Agency Summary

INDEPENDENT REDISTRICTING COMMISSION

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Phone:

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,588.7	1,115.1	1,115.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,588.7	1,115.1	1,115.1
FTE Positions	4.3	4.3	4.3

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	53.4	56.9	56.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10.2	14.5	14.5
Total Funding	63.6	71.4	71.4
FTE Positions	0.4	0.4	0.4

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 Director. The Director also serves as the Policy Advisor for Indian Affairs. As an appointed member of staff, there is a possibility that staff may change with a new administration. Plans are being made to ensure continuity in Commission operations. Several appointed members of the Commission have term dates of 2015 and will assist in this transition (if needed). The solution is to fill all vacant seats on the Commission of Indian Affairs.

Solutions:

Contact all tribal economic development offices and municipal inter government offices to request (15) nominations for consideration

Issue 2 There is no indication on who is required to lead efforts to address issues related to Indian Education.

Description The Commission is required by statute to participate in the evaluation of activities related to the education of native American pupils. However, it is unclear if the Department of Education, the Inter Tribal Council of Arizona or other entity is leading this effort. At this point in time, there seems to be partnerships regarding pre-kindergarten, K-12 and higher education without an indication on which group prevails among others. Although the Commission exercises outside the purview of education, the agency receives resource requests to supplement multi-generational families (i.e., resources for grandparents who are raising grandchildren). The solution is to establish a subcommittee on Indian Education to identify activities for the Commission to pursue in support of the education of native American pupils.

Solutions:

Request participation from Dept. of Education, AZ Ready, First Things First and the State Education Board to conduct (4) meetings to assess current resources available for Indian Education.

Issue 3 Limited resources impacts the agency ability to meet statutory requirements.

Description With a limited budget, resources are not available to support travel to tribal nations to gather input on state activities. Such visits are necessary to ensure the Commission has up to date information on tribal community needs and maintain state relations with the 22 Indian Tribes and Nations.

Solutions:

The Commission plans to maximize fundraising efforts for Indian Town Hall and Indian Nations and Tribal Legislative Day. As these are two key areas to interface with tribal leaders and community members, arrangements will be made to host planning meeting in tribal communities.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	56,900.0	56,900.0	56,900.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of meetings facilitated between stakeholders, tribal officials and state officials to communicate and/or collaborate on administrative and legislative issues	23	20	39	20	20
Issue an annual report describing Commission activities to state policymakers	1	1	1	1	1
Explanation: Required by A.R.S. 41-542 C					
Conduct 10 meetings with the Tribal Liaisons and subcommittees per fiscal year	7	10	20	7	7
Number of projects and activities of each Tribal Liaison subcommittee advertised/publicized	7	8	14	7	7
Number of legislative bills tracked related to Education, Health, Transportation, Economic Security, Commerce and Tourism	21	20	12	10	10

◆ **Goal 2** To establish and maintain relationships between the State of Arizona and the 22 Indian Tribes

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of structured visits with each tribe on their respective tribal communities to obtain tribal input about state activities.	0	6	2	2	2
Explanation: Based on invitations received from tribal communities 6 visits will be planned annually					
Plan and implement Indian Nations and Tribes Legislative Day	1	1	1	1	1
Explanation: Required by A.R.S. 41-544					
Plan and implement AZ Indian Town Hall	1	1	0	1	1
Explanation: Required by A.R.S. 41-541 G, and A.R.S. 41-545					
Electronic annual reports distributed to tribal leaders	1	1	1	1	1
Explanation: Distributed per Executive Order 2006-14					

◆ **Goal 3** To act as an informational clearinghouse and reference desk

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of website updates. Update the website at least once a month to ensure relevant data is consistently available.	54	12	147	45	45
Explanation: 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					
Distribute a Newsletter 4 times a year which highlight tribal-state initiatives	0	4	0	4	4
Phone, walk-in, email and standard mail inquiries processed	593	500	500	500	500

◆ **Goal 4** To enhance growth and development among low income and minority populations

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	105	8	600	105	105
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	294	250	0	250	250
In partnership with the Commerce Authority, provide 2 annual workshops to supply technical assistance, training and/or education	0	2	1	2	2
Establish and maintain 2 partnerships to support Military/Veteran employment for tribal members	2	2	2	2	2
Attend 2 meetings of the Nineteen Tribal Nations Workforce Investment Board	0	2	0	2	2
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	1	1	0	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 (“Commission”) is a regulatory agency that was created in 1925 to oversee the state workers' compensation system. While the Commission 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATIVE SERVICES	4,700.8	3,979.7	4,503.5
➤ WORKERS COMPENSATION CLAIMS ASSURANCE	3,148.5	3,634.1	3,641.4
➤ ADJUDICATION OF DISPUTES	4,852.6	5,058.5	5,076.9
➤ LABOR LAW ADMINISTRATION	644.5	804.4	805.5
➤ OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION	8,526.0	10,098.7	10,211.3
➤ SPECIAL FUND CLAIMS PROCESSING	748.0	862.0	917.6
➤ LEGAL COUNSEL	1,271.5	1,628.2	1,796.0
Agency Total:	23,891.9	26,065.6	26,952.2
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	18,768.8	19,989.5	20,819.8
Other Non Appropriated Funds	5,123.1	6,076.1	6,132.4
Total Funding	23,891.9	26,065.6	26,952.2
FTE Positions	270.0	271.0	280.0

Issue 1 PRIORITY STRATEGIC ISSUES-STRATEGIC ISSUE 1: PRIVATIZATION OF SCF ARIZONA

In the second regular session of the Forty-ninth Legislature, the Legislature passed SB 1045 which continued the State Compensation Fund, a quasi-state agency that provided workers' compensation insurance and other services critical to the Arizona workers' compensation system (SCF Arizona) through January 1, 2013. On that date, SCF Arizona ceased to exist as a State agency and became a private mutual insurance company. The operations of the Industrial Commission (ICA) are impacted in the following ways by SCF Arizona's privatization:

Description

1. Prior to January 1, 2013, the calculation of taxes owed from a self-insured employer (individual or workers' compensation pool) was based on a hypothetical premium that would have been paid by the self-insured if the self-insured was fully insured by SCF Arizona. See A.R.S. § 23-961(J). Effective January 1, 2013, calculation of taxes owed by a self-insured is no longer based on SCF Arizona premium plans. The Commission is now required to calculate a self-insured employer's taxes based on a premium that would have been paid by the self-insured employer to an insurance carrier authorized to transact workers' compensation insurance in Arizona. A.R.S. § 23-961(J) as amended 1-1-2013. To calculate self-insured taxes under the new methodology the ICA will require additional in-house expertise and staff. This will require the services of an FTE with prior experience in insurance underwriting.
2. Prior to its amendment (effective January 1, 2013), under A.R.S. § 23-966 SCF Arizona was required to process and pay insolvent carrier/self-insured claims on behalf of, and under the direction of, the Special Fund. The Special Fund was required to reimburse SCF Arizona on a quarterly basis for benefits paid plus "reasonable administrative costs, necessary expenses and reasonable attorney fees." A.R.S. § 23-966©. Effective January 1, 2013, SCF Arizona is no longer required to perform this function on behalf of the Special Fund. As amended, A.R.S. § 23-966 requires that insolvent carrier/self-insured claims ("claims") be assigned to the Special Fund, which is responsible to ensure that the claims are processed and paid. The Special Fund may process these claims in-house or use third-party processors to assist in the processing and payment of these claims. A.R.S. § 23-966 as amended 1-1-2013. The Special Fund is currently using SCF Arizona as a third-party processor to process these claims. Upon the expiration of the interagency service agreement that describes this arrangement, June 30, 2015, the Special Fund intends to process these claims in-house. Since 1975, and as of June 30, 2013, 7,068 claims have been assigned under A.R.S. § 23-966. The number of claims varies from year to year depending upon the number of new insolvent carriers/self-insureds and their size. As of June 30, 2013, SCF Arizona was processing 924 claims: 80 claims were open for active benefits and 844 claims receiving permanent benefits, death benefits, and/or supportive medical benefits. Since June 30, 2013, additional claims have been referred to SCF Arizona. The number of claims being processed by SCF Arizona increased to 1,097 as of August 22, 2013. This number may increase throughout the year due to additional insolvencies. The processing of these claims must continue without interruption of benefits to injured workers. Otherwise, economic hardship will result to injured workers. Assuming direct responsibility of these claims by the Special Fund will require an investment of personnel and resources in multiple Divisions with the ICA, including the Special Fund Division, the Accounting Division, the Legal Division, and the Management Information Services Division. Presently, the ICA does not have sufficient resources or infrastructure to process these claims in-house.
3. SCF Arizona was historically considered Arizona's workers' compensation "insurance carrier of last resort," ensuring that small employers, start-up companies, and employers with employees performing dangerous jobs have an insurance carrier in the traditional market (as opposed to the residual, high risk market) from whom they can obtain workers' compensation insurance. The Arizona workers' compensation system has seen an increase in the residual market, which may be, in part, related to an increased number of employers being declined coverage by SCF Arizona. This is expected to result in an increased number of uninsured employers. Additional uninsured employers will increase both the Special Fund liability for "no insurance" claims and the workload of multiple divisions throughout the ICA.
4. Pursuant to Section 111 of the Medicare, Medicaid, and State Children's Health Insurance Program Extension Act of 2007, the Special Fund must comply with mandatory reporting requirements for certain workers' compensation claims. Through the interagency service agreement with the ICA, SCF Arizona is reporting the required information on the insolvency claims processed under A.R.S. § 23-966. Assuming direct responsibility of these claims by the Special Fund (as described above) will require additional personnel and resources.
5. The ICA does not have sufficient legal staff to handle the additional litigation and subrogation tasks that will come with assuming direct responsibility for the processing of A.R.S. § 23-966 claims. Outsourcing these responsibilities to private law firms would cost significantly more than adding legal personnel to the ICA's legal department.

Solutions:

STRATEGIC ISSUE 1: STRATEGY

The ICA intends to process and pay the insolvent carrier/self-insured claims in-house. To do this, the ICA proposes to add six new positions to assist in necessary and critical aspects of the program (Underwriting Officer, Accountant II, Attorney IV, Legal Secretary II, Information Technology Specialist III, and Workers' Compensation Claims Adjuster I). The in-house processing and payment of A.R.S. § 23-966 claims will eliminate the payment of the administrative fee charged to the Special Fund by the entity that is processing and paying the claims on behalf of the Special Fund.

Issue 2 STRATEGIC ISSUE 2: ADOSH DISCRIMINATION COMPLAINT INVESTIGATIONS

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 Commission (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.

Description The ICA conducts discrimination investigations through its Division of Occupational Safety and Health (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 is trending upward. In FY 1998, ADOSH received 12 discrimination complaints. In FY 2013, ADOSH received 76 discrimination complaints, an increase of 533%. Of the 76 discrimination complaints filed, only 54 discrimination complaints received an initial decision within 90 days.

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. Currently, ADOSH has assigned two CSHOs to conduct discrimination investigations on a full-time basis. A third CSHO spends approximately 50% of his time conducting discrimination investigations and three additional CSHOs conduct investigations intermittently. Despite its best efforts, the ICA is unable to complete its investigations and issue timely determinations in approximately 50% of the cases investigated. As noted above, an investigation is not conducted if the complaint is administratively dismissed for jurisdictional reasons.

Failure to render a timely determination creates the following problems in those cases that are investigated: First, the ICA is not fulfilling the statutory mandate of A.R.S. § 23-425. Second, a delayed investigation results in a delayed determination addressing the complainant’s concerns. Third, a delayed investigation jeopardizes the ICA’s ability to obtain relevant information and meet the one year statute of limitations for the filing of a complaint in Superior Court. Lastly, the ADOSH program is under continued and regular review by the federal OSHA program. As a state plan, which receives substantial funding from federal OSHA, ADOSH is required to be at least as effective as the federal program. ADOSH is not meeting OSHA’s requirement that 100% of investigations and determinations be completed within 90 days. This deficiency has been identified by Federal OSHA in recent evaluations of the ADOSH program, and if not addressed, may jeopardize the state plan’s authorization and federal funding.

Solutions:**STRATEGIC ISSUE 2: STRATEGY**

To solve this problem and ensure that the ICA is fulfilling its statutory mandate, the ICA created a separate unit within ADOSH that assumes responsibility for conducting discrimination complaint investigations. The ICA moved two investigator positions from its Labor Division to ADOSH to ensure that it had dedicated staff to fulfill its statutory mandate. The ICA proposes to add one new position (Investigator IV supervisor position) to supervise the staff and manage the unit’s discrimination investigation cases. This proposed position will be funded fifty percent by grant funds provided by Federal OSHA and fifty percent from the ICA’s Administrative Fund. No General Fund monies are required.

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 \$42,100, which is significantly higher than the country wide average of \$28,000 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 Commission 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 Commission 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). The implementation of a process for the use of treatment guidelines, as well as other on-going Commission processes (described below), requires the expertise of a Medical Director and associated staff ("Medical Director Office"). Following the lead of other regulators throughout the country, the Commission requests funding for the establishment of a Medical Director's Office that can provide the necessary support and resources in the following areas:

Description

1. Implementation of treatment guidelines under A.R.S. § 23-1062.03: This process is anticipated to include review by a medical director as part of the dispute resolution process concerning the denial of authorization for medical care in a workers compensation claim. Presently, this type of dispute is processed under A.R.S. § 23-1061(J) ("J" requests) and is referred to the Administrative Law Judge Division for resolution through the litigation process. In FY13, the Commission processed 1,252 "J" requests. The majority of these "J" requests involved the authorization for medical treatment or payment of medical expenses and would likely be processed through the Medical Director's Office. Processing of this type of dispute through a Medical Director's Office is anticipated to expedite the resolution of these types of disputes and reduce the number of hearings held.

2. Fee Schedule Authority under A.R.S. 23-908. The Commission 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 Commission is required to review the 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, which includes a public hearing process. The process requires hundreds of hours of staff, which is performed solely by the Director and Executive Secretary of the Commission. Over time, this process and the associated issues have become more complex, demanding, and time-consuming. The Medical Director's Office would assume the responsibility for this function.

3. Resolution of disputes under A.R.S. § 23-908: In addition to the setting a schedule of fees, the Director's Office assists payers and providers in the resolution of disputes related to the payment of services covered under the fee schedule. In FY13, 158 bill disputes were processed through the Director's office. The Medical Director's Office would assume responsibility for this function.

4. Workers' Compensation Claims Oversight and Claims Processing: Through its Claims Division, the Commission 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 an individual workers' compensation claim. 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 13, the Claims Division issued 2,349 LEC Awards. The Medical Director's Office would provide in-house support to Claims staff related those claims involving complex medical issues.

Solutions:

STRATEGIC ISSUE 3: STRATEGY

To solve this problem and ensure that the ICA is fulfilling its statutory mandate, the ICA proposes the creation of a Medical Director's Office that can provide the necessary resources to support the implementation of treatment guidelines, resolve treatment guideline disputes, support the fee setting process under A.R.S. § 23-908, resolve fee disputes under A.R.S. § 23-908, and

provide general support to the agency related to its worker's compensation claims oversight/processing functions. To do this the ICA proposes to add two new positions (a Medical Director and a Program & Project Specialist II).

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	244.1	244.1	244.1
General Fund	0.0	0.0	0.0
Other Appropriated Funds	20,959,800.0	20,959,800.0	20,959,800.0
Non-Appropriated Funds	29,660,000.0	29,660,000.0	29,660,000.0
Federal Funds	5,992,400.0	5,992,400.0	5,992,400.0

Program Summary

ADMINISTRATIVE SERVICES

Michael Hawthorne, Chief Financial Officer

Phone: (602) 542-5380

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:

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,601.3	3,836.6	4,360.4
Other Non Appropriated Funds	99.5	143.1	143.1
Total Funding	4,700.8	3,979.7	4,503.5
FTE Positions	37.0	39.0	44.0

◆ **Goal 1** To process all personnel actions in an effective manner on a timely basis.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Actions processed	47,204	50,500	17,162	17,500	17,800
Percent of Agency staff turnover	6.5	10.0	10.0	10.0	10.0
Administration as a percent of total cost	9.7	9.3	10.6	9.7	9.7

◆ **Goal 2** To process all accounting transactions correctly on a timely basis.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Invoices processed	44,078	45,000	44,694	69,475	71,112
Warrants, checks and ACH payments completed	15,308	15,500	16,255	36,504	37,209
Purchase orders processed	299	390	333	390	390
Claims Processed	3,005	3,310	3,209	3,500	3,500

◆ **Goal3** To process all self-insurance new applications and renewal applications efficiently and in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Self-Insurance licenses issued	90	91	89	90	90

Program Summary					
WORKERS COMPENSATION CLAIMS ASSURANCE					
Melinda Poppe, Manager					
Phone: (602) 542-4661					
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,013.4	3,494.1	3,501.4
Other Non Appropriated Funds	135.1	140.0	140.0
Total Funding	3,148.5	3,634.1	3,641.4
FTE Positions	65.0	65.0	65.0

◆ **Goal1** To ensure that permanent disability awards are issued in timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Awards issued	2,160	2,100	2,349	2,225	2,2291
Percent of awards issued within 75 days	86.0	85.0	61.0	85.0	85.0

◆ **Goal2** To complete injured worker average monthly wage determinations in most effective, efficient manner possible.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of wage determinations issued	13,843	13,500	13,881	14,297	14,726
Percent determined within 45 days	100.0	90.0	95.0	90.0	90.0

◆ **Goal3** To process lump sum commutation requests in the most efficient manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Lump sum requests processed	23	22	10	22	22
Percent of lump sum decisions issued within 15 business days	100.0	87.0	100.0	100.0	100.0

◆ **Goal 4** To process initial filing of Workers Compensation Claims on timely basis.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of claims for workers' compensation processed	88,154	98,000	97,730	100,662	103,682
Percent of claims established within five days	99.0	97.0	99.0	99.0	99.0

◆ **Goal 5** To ensure that workers' compensation claims are processed in a timely and efficient manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction rating for workers' compensation program (Scale A=Excellent, B=Above Average, C= Average, D=Below Average, F=Fail)	B	B	B	B	B

◆ **Goal 6** To provide information and assistance to injured workers in an efficient manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of claimants contacted	1,840	1,800	2,781	2,864	2,950

Program Summary

ADJUDICATION OF DISPUTES

Michael Mosesso, Acting 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,852.6	5,058.5	5,076.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,852.6	5,058.5	5,076.9
FTE Positions	45.0	43.0	43.0

◆ **Goal 1** To process and set hearings so that they are heard in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of petitions for hearing received: workers compensation	6,857	7,300	7,052	7,300	7,300
Petitions for hearing received: OSHA	49	60	52	70	75
Awards issued: Workers' Compensation	6,469	6,550	6,687	6,800	6,800
Average number of days to resolve a case by the administrative law judge division	107	110	116.5	110	110

◆ **Goal 2** To process requests for hearing in the most efficient, cost effective manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Awards issued without hearing	2,898	3,000	2,919	3,000	3,000
Number of hearings conducted by the administrative law judge division	4,989	5,000	5,190	5,300	5,300

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	644.5	804.4	805.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	644.5	804.4	805.5
FTE Positions	15.0	13.0	13.0

◆ **Goal 1** To efficiently enforce the Child Labor Laws in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of injury reports reviewed	354	400	451	400	400
Child labor law violations investigated	16	25	9	20	20
Violations confirmed	5	5	1	5	5
Turnover time (time violations known to Labor to time violation confirmed in days)	42	45	20	45	45

◆ **Goal 2** To efficiently process and investigate wage claims in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of claims filed	2,570	2,800	2,729	2,800	2,800
Average months to complete investigation	2.5	2.0	3.0	2.5	2.5

◆ **Goal 3** To efficiently process and monitor the licensing of private employment agencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average months to complete investigation	1.5	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	2	5	3	5	5

◆ **Goal 4** To efficiently process, investigate minimum wage claim complaints and enforce minimum wage laws.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints filed	32	50	28	30	30
Average months to complete investigation	1.9	2.0	2.0	2.0	2.0
Inquires	1,200	1,200	375	500	500
Complaints resolved through administrative determinations	3	10	0	5	10
Complaints mediated and resolved	20	40	20	30	40
Audit of Payroll Records & Compliance investigations completed	32	50	20	30	50

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,819.3	4,462.6	4,518.9
Other Non Appropriated Funds	4,706.7	5,636.1	5,692.4
Total Funding	8,526.0	10,098.7	10,211.3
FTE Positions	73.0	75.0	76.0

◆ **Goal 1** To effectively enforce all OSHA standard in safety compliance and industrial hygiene.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of health compliance inspections	362	400	315	450	450
Health violations	1,152	1,200	669	1,300	1,300
Number of safety compliance inspections	755	900	903	900	900
Safety violations found	1,907	2,250	1,789	2,250	2,250

◆ **Goal 2** To provide effective and timely voluntary consultation services to aid employers in recognizing and abating work place hazards.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Safety consultation surveys	163	200	200	250	250
Hazards	548	600	515	650	700
Health consultation surveys	169	170	129	155	155
Hazards	702	650	435	650	650

- ◆ **Goal 3** To provide statewide training programs to employees concerning specific safety related functions that are timely and effective.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Programs	230	230	309	310	310
Employers trained	2,255	2,000	2,625	2,700	2,700
Employees trained	2,970	3,500	3,600	4,000	4,000

- ◆ **Goal 4** To ensure that there is no danger to employees or the general public from Arizona boilers or elevators.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Boilers inspected	3,118	4,000	3,358	4,000	4,000
Deficiencies identified	1,932	2,000	1,772	2,000	2,000
Elevators inspected	5,959	6,000	6,178	6,200	6,200
Deficiencies identified	2,462	2,500	3,048	3,100	3,100

- ◆ **Goal 5** To effectively investigate OSHA Discrimination Cases.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Discrimination Complaints Received	76	80	76	85	90
Number of complaints where initial decision was reached within 90 days (includes cases administratively dismissed without investigation)	51	55	54	50	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	748.0	862.0	917.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	748.0	862.0	917.6
FTE Positions	16.0	16.0	17.0

◆ **Goal 1** To process claims of injured Special Fund claimants in timely manner.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Average days between receipt of claims notice and issuance of award	21.0	21.0	21.0	21.0	21.0
Pre-1973 Supportive care awards issued	32	50	24	45	40
Open Pre-1973 supportive care claims	0	0	259	246	233
Open No Insurance claims	0	0	689	758	796
No insurance determinations issued	1,365	1,433	1,618	1,740	1,826
Rehabilitation awards issued for scheduled and unscheduled injury types	125	155	136	150	158
Reimbursement request processed on second injury claims	636	668	632	664	697
A.R.S. § 23-966 Determinations made	34	48	98	244	256
Open A.R.S. 23-966 claims	0	0	924	970	1,019

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,089.7	1,471.3	1,639.1
Other Non Appropriated Funds	181.8	156.9	156.9
Total Funding	1,271.5	1,628.2	1,796.0
FTE Positions	19.0	20.0	22.0

◆ **Goal1** To provide quality legal representation to the Agency in contested legal matters.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
No Insurance cases referred for hearing	139	165	150	165	170
OSHA cases referred for hearing	49	60	50	70	75
Apportionment/Supportive Care Matters	62	70	72	70	70
Number of wage claim appeals	1	5	7	5	5
Litigation investigations completed	47	50	39	50	50
Civil Penalty Cases referred to hearing	15	20	28	20	20
Matters related to assignment of claims under A.R.S. § 23-966	44	45	49	119	121
Legal opinions & other miscellaneous	71	80	109	100	100
Rulemaking/Regulatory/Compliance/Legislation	3	10	9	12	12
Writs	73	80	77	80	80
Mandates	81	80	77	80	80

◆ **Goal2** To effectively collect debts owed to the Industrial Commission.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Collection investigations completed	3	10	7	10	10
Collection files opened	220	220	148	220	220
Subrogation files opened	7	10	11	10	10

◆ **Goal 3** To effectively enforce compliance by Arizona employers with Arizona Workers' Compensation Insurance requirements.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of compliance referrals	2,421	2,500	2,243	2,500	2,500
Employers identified as uninsured	981	1,200	983	1,200	1,200
Compliance investigations completed	827	900	1,724	1,100	1,100
Civil penalties issued	167	175	183	190	190
Employers insured through our efforts	244	300	258	320	320
Injunctive proceeding initiated	63	70	59	70	70

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 \$400 million in insurance premium taxes, license fees, and other revenues that benefit the General Fund.

Agency Summary: (\$ Thousands)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ POLICY AND ADMINISTRATION	2,598.8	1,404.3	1,404.3
➤ SOLVENCY REGULATION	5,766.1	4,844.9	4,844.9
➤ CONSUMER SUPPORT	5,006.6	6,533.8	5,740.8
➤ FRAUD INVESTIGATION AND DETERRENCE	637.2	668.8	1,128.9
➤ LICENSING	640.2	691.4	691.4
➤ PREMIUM TAX COLLECTIONS AND ANALYSIS	297.3	249.6	249.6
➤ CAPTIVE INSURER PROGRAM	161.7	189.6	189.6
Agency Total:	15,107.9	14,582.4	14,249.5
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,984.4	5,364.9	6,532.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,123.5	9,217.5	7,716.7
Total Funding	15,107.9	14,582.4	14,249.5
FTE Positions	138.9	136.4	131.4

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 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.

Issue 2 Economic Competitiveness - A Vibrant, Competitive, and Financially Sound Insurance Industry

Description Arizona's economy and 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 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 ADOI must keep equipment, software and systems up-to-date, 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: Invest 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.

Issue 4 Education Reform –Industry Competency, and Consumer Education and Awareness

Description 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 filing claims.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	131.4	131.4	131.4
General Fund	6,583.1	6,532.8	6,532.8
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	7,423.0	7,423.0	7,423.0
Federal Funds	0.0	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 ADOL 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,121.0	1,320.8	1,320.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,477.8	83.5	83.5
Total Funding	2,598.8	1,404.3	1,404.3
FTE Positions	14.9	15.4	15.4

- ◆ **Goal 1** To efficiently and effectively coordinate, facilitate and support accomplishment of department-wide and divisional goals and objectives.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of Insurance Department employees surveyed who agree that agency management efficiently and effectively supports accomplishment of agency-wide and division goals and objectives.	66.7	75.0	73.9	75.0	75.0

- ◆ **Goal 2** To provide a satisfying work environment for agency employees.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of employee separations to average filled FTE positions	16.9	10.0	12.1	12.5	12.5
Percentage of Insurance Department employees surveyed who responded they were "satisfied" with their jobs	77.3	80.0	88.4	80.0	80.0

◆ **Goal 3** To provide quality accounting, budgeting, personnel and procurement services to internal customers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of Insurance Department employees surveyed who responded they were "satisfied" or better with the Business Services Section	86.7	85.0	91.2	85.0	85.0

◆ **Goal 4** To provide quality information technology support to internal customers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of Insurance Department employees surveyed who responded they were "satisfied" or better with the Information Services Division	78.7	80.0	82.4	80.0	80.0

◆ **Goal 5** To promptly fulfill appropriate public records requests and subpoenas.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average days to fulfill a public records request or respond to a subpoena from date received	6.0	8.0	5.9	8.0	8.0

Explanation: FY 2015 estimate assumes the agency receives additional appropriated funding to handle increased workload associated with Laws 2013, Ch. 215 (HB 2550).

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	225.7	215.8	215.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5,540.4	4,629.1	4,629.1
Total Funding	5,766.1	4,844.9	4,844.9
FTE Positions	29.8	28.5	28.5

◆ **Goal 1** To efficiently and effectively analyze financial filings of insurers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of priority domestic insurer annual financial reports analyzed by April 30	98.0	95.0	100.0	95.0	95.0
Percentage of priority domestic insurer supplemental filings analyzed within 45 days after receipt	98.0	95.0	58.0	95.0	95.0
Percentage of non-priority domestic insurer annual financial reports analyzed by June 30	98.0	95.0	90.0	95.0	95.0
Percentage of non-priority domestic insurer supplemental filings analyzed within 90 days after receipt	98.0	95.0	92.0	95.0	95.0

◆ **Goal 2** To timely, efficiently and effectively examine domestic insurers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of domestic insurers examined within statutory timeframes	100.0	100.0	100.0	100.0	100.0
Number of new domestic receiverships	1	N/A	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage by which investment earnings of the Guaranty Funds exceeded the 90-day T-bill rate	-0.05	0.00	-0.08	0.10	0.20
Claims handling audit score for claims handled by the Guaranty Funds office (perfect score = 100)	N/A	N/A	N/A	95.0	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 2013.

Program Summary

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,225.9	2,385.5	3,093.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,780.7	4,148.3	2,647.5
Total Funding	5,006.6	6,533.8	5,740.8

FTE Positions

58.6 **58.1** **53.1**

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of managed care examination reports filed within one year after exit from company for reports filed during the year	N/A	100.0	0.0	100.0	100.0

Explanation: The ADOI filed 2 managed care examination report during FY 2013. Neither was filed within the one-year timeframe.

Percentage of managed care examination draft reports sent to the company within 60 days after exit	N/A	100.0	0.0	100.0	100.0
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Explanation: The ADOI drafted 2 managed care examination reports during FY 2013. Neither was drafted within the 60-day timeframe.

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of market conduct examination reports filed within one year after exit from company for reports filed during the year	100.0	100.0	81.0	90.0	85.0
Amount of restitution recovered through market conduct examinations (in thousands of dollars)	318.9	100.0	204.8	125.0	125.0
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	74.1	135.0	66.0	135.0	135.0

- ◆ **Goal 5** To efficiently and effectively review Property and Casualty rate filings to determine compliance with Arizona law.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	10.3	15.0	8.3	15.0	15.0
Percentage of Property and Casualty rate filings submitted electronically	97.6	90.0	98.0	90.0	90.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of Property and Casualty form filings for which review was completed within the prescribed substantive review period	99.8	95.0	100.0	95.0	95.0
Average calendar days to complete substantive review of Property and Casualty form filings	5.0	20.0	4.6	20.0	20.0
Percentage of Life and Health form filings for which review was completed within the prescribed substantive review period	91.4	90.0	93.0	90.0	90.0

Explanation: FY 2015 estimate assumes the agency receives additional appropriated funding to handle increased workload associated with Laws 2013, Ch. 215 (HB 2550).

Average days to complete substantive review of Life and Health form filings	22.7	22.0	20.9	25.0	30.0
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Explanation: FY 2015 estimate assumes the agency receives additional appropriated funding to handle increased workload associated with Laws 2013, Ch. 215 (HB 2550).

Percentage of form filings submitted electronically	98.3	98.0	99.4	99.5	99.6
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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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average calendar days to complete an investigation after receipt of complaint warranting an investigation	76.3	100.0	98.5	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. FY 2015 estimate assumes the agency receives additional appropriated funding to handle increased workload associated with Laws 2013, Ch. 215 (HB 2550).

- ◆ **Goal 8** To efficiently and effectively administer health insurance external appeals process.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of success in locating liability coverage for difficult-to-place risks	100.0	95.0	100.0	90.0	90.0
Percent of survey respondents indicating satisfied or better with assistance rendered	56.3	60.0	75.0	60.0	70.0

Explanation: FY 2015 estimate assumes the agency receives no additional appropriation to handle increased workload associated with Laws 2013, Ch. 215 (HB 2550).

Average days to resolve request for assistance	180.6	180.0	193.8	200.0	180.0
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Explanation: FY 2015 estimate assumes the agency receives no additional appropriation to handle increased workload associated with Laws 2013, Ch. 215 (HB 2550).

◆ **Goal 10** To efficiently and effectively make insurance-related information available to the public.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of insurance-related public education events conducted during the fiscal year that had 10 or more attendees	18	15	12	10	10

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	637.2	668.8	1,128.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	637.2	668.8	1,128.9
FTE Positions	14.0	14.0	14.0

◆ **Goal 1** To efficiently and effectively investigate fraud referrals.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of investigations completed from referrals	125	50	99	100	180
Explanation: Excludes major cases, which are large-scale investigations involving multiple referrals and a common set of suspects. FY 2015 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation, and to handle increased referrals received because of Affordable Care Act provisions that will lead to more Arizonans being covered by insurance.					
Number of fraud referrals received from insurers	2,370	2,300	2,074	2,000	2,140
Explanation: Excludes major cases. FY 2015 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation, and to handle increased referrals received because of Affordable Care Act provisions that will lead to more Arizonans being covered by insurance.					
Number of insurer-referred cases submitted for prosecution (including citations in lieu of detention)	61	25	47	45	90
Explanation: Excludes major cases. FY 2015 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation, and to handle increased referrals received because of Affordable Care Act provisions that will lead to more Arizonans being covered by insurance.					
Number of convictions from insurer-referred cases	47	15	22	25	42
Explanation: Excluded major cases. FY 2015 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation, and to handle increased referrals received because of Affordable Care Act provisions that will lead to more Arizonans being covered by insurance.					
Average days to complete investigation of insurer-referred cases for cases completed during the year	420.0	350.0	239.8	250.0	200.0
Explanation: Excludes major cases. FY 2015 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation, and to handle increased referrals received because of Affordable Care Act provisions that will lead to more Arizonans being covered by insurance.					
Number of citation-in-lieu-of-detention cases submitted for prosecution	0	0	0	0	20
Explanation: FY 2015 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation, and to handle increased referrals received because of Affordable Care Act provisions that will lead to more Arizonans being covered by insurance.					
Number of citations in lieu of detention resulting in conviction or consent decree	0	0	0	0	16
Explanation: FY 2015 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation, and to handle increased referrals received because of Affordable Care Act provisions that will lead to more Arizonans being covered by insurance.					
Total restitution ordered from investigations of insurer-referred cases (in thousands of dollars)	1,110.0	450.0	993.6	950.0	1,750.0
Explanation: FY 2015 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation, and to handle increased referrals received because of Affordable Care Act provisions that will lead to more Arizonans being covered by insurance.					

◆ **Goal 2** To efficiently and effectively target and investigate major fraud cases.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of major case investigations completed	4	2	2	2	2
Explanation: Major cases are large-scale investigations involving multiple referrals and a common set of suspects.					
Number of major cases submitted for prosecution.	4	2	2	2	2
Number of major cases that resulted in convictions	2	2	1	2	2
Total restitution ordered from major case investigations (in thousands of dollars)	699.0	200.0	768.5	500.0	500.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	477.3	524.4	524.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	162.9	167.0	167.0
Total Funding	640.2	691.4	691.4
FTE Positions	12.9	11.5	11.5

◆ **Goal 1** To efficiently and effectively process insurer license applications.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	23.0	25.0	24.0	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 efficiently deposit premium tax revenues.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of premium tax (installment and annual) reports and payments received electronically	13.3	15.0	14.7	15.0	15.0

◆ **Goal 3** To accurately forecast premium tax revenues.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Difference (absolute value) between tax revenue forecast and actual fiscal-year tax revenues collected	4.8	3.0	0.1	3.0	3.0

◆ **Goal 4** To provide quality service to premium taxpayers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of insurance premium taxpayers surveyed who reported they were "satisfied" or better with the Premium Tax Unit.	11.1	33.3	16.7	50.0	66.6

Explanation: FY 2013 results are based on 6 responses to the survey, of which 1 indicated satisfaction and 5 indicated neither satisfied nor dissatisfied.

Program Summary	
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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	161.7	189.6	189.6
Total Funding	161.7	189.6	189.6
FTE Positions	4.3	4.5	4.5

◆ **Goal 1** To enable growth of the domestic captive insurance industry.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of new captive insurers licensed	7	7	6	6	6

◆ **Goal 2** To efficiently and effectively process captive insurer license applications.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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

◆ **Goal 3** To efficiently and effectively oversee the soundness of domestic captive insurers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of captive insurer annual reports analyzed within 120 calendar days of receipt	34.7	20.0	45.7	50.0	50.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADJUDICATION	4,456.4	4,422.3	4,465.5
➤ ADMINISTRATIVE SUPERVISION (COURTS AND AOC SUPPORT)	5,528.4	5,607.7	5,607.7
➤ REGULATORY ACTIVITIES	2,597.0	3,251.4	3,251.4
➤ COURT ASSISTANCE	41,578.2	55,385.3	55,385.3
➤ FAMILY SERVICES	6,340.2	7,107.6	7,283.1
➤ JUDICIAL NOMINATIONS AND PERFORMANCE REVIEW	417.2	428.4	428.4
➤ COMMISSION ON JUDICIAL CONDUCT	508.6	522.3	522.3
➤ JUDICIAL COMPENSATION	7,904.9	7,956.9	8,828.3
➤ ADULT PROBATION SERVICES	30,073.9	31,098.6	31,098.6
➤ JUVENILE PROBATION SERVICES	47,767.1	52,541.8	52,541.8
➤ COURT OF APPEALS DIVISION I	9,700.3	9,896.9	10,065.4
➤ COURT OF APPEALS DIVISION II	4,223.8	4,289.8	4,405.1
➤ ADULT AND JUVENILE DRUG COURT	1,259.9	1,224.8	1,224.8
Agency Total:	162,355.9	183,733.8	185,107.7

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	90.0	90.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	90.0	90.0
FTE Positions	0.0	0.0	0.0

Program Summary

ADJUDICATION

Kevin Kluge, Chief Financial Officer

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,456.4	4,422.3	4,465.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,456.4	4,422.3	4,465.5
FTE Positions	39.5	39.5	39.5

◆ **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.)

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
All cases on file	1,501	1,501	1,479	1,479	1,400
All cases terminated	1,080	1,080	1,145	1,145	1,100
Cases pending	421	421	334	334	330
New case filings	1,109	1,109	1,054	1,054	1,000
State Bar matters on file	63	63	72	72	70
State Bar matters terminated	53	53	65	65	65
State Bar activity reports	2,018	2,018	2,323	2,323	2,300
All other cases on file	22	22	15	15	15
All other cases terminated	18	18	11	11	10

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	5,528.4	5,607.7	5,607.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,528.4	5,607.7	5,607.7
FTE Positions	43.4	43.4	43.4

◆ **Goal 1** To identify operational and administrative problems and recommend solutions and to uphold the integrity and independence of the judiciary.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Operational reviews completed	18	20	20	20	20
Average days to complete an operational review report	329	180	176.7	180	180
Average reviews per specialist	4.5	4	4	4	4

◆ **Goal 2** To ensure that automation services are provided that support statewide programs and systems.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Internal and external users connected to the Arizona Judicial Information Network	8,867	8,900	7,664	8,000	8,000
Infrastructure cost per user (dollars)	734	950	808	863	863
Uptime of network availability during normal operating hours (percentage)	99	99	99.9	99	99
Uptime of systems availability during normal operating hours (percentage)	99	99	99.9	99	99
% 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total Number of Questions/Issues Received	53,368	55,000	49,053	55,000	55,000
Number of Questions/Issues Received - Urgent Priority	74	100	81	100	100
Percent of Questions/Issues Resolved Within 1 Business Day - Urgent Priority	86	86	88	90	90
Number of Questions/Issues Received - High Priority	880	900	760	800	800
Percent of Questions/Issues Resolved Within 2 Business Days - High Priority	76	80	83	85	85
Number of Questions/Issues Received - Medium Priority	28,759	30,000	23,403	30,000	30,000
Percent of Questions/Issues Resolved Within 3 Business Days - Medium Priority	91	95	96	95	95

Program Summary	
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:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	804.2	1,190.2	1,190.2
Other Non Appropriated Funds	1,792.8	2,061.2	2,061.2
Total Funding	2,597.0	3,251.4	3,251.4
FTE Positions	33.5	34.0	34.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,792.8	2,061.2	2,061.2
Total Funding	1,792.8	2,061.2	2,061.2
FTE Positions	19.8	20.3	20.3

◆ **Goal1** To promptly process and review certification applications and reports for issuance, renewal or denial of certification

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Applications received (new and renewal)	462	20	15	462	20
Certifications granted	461	20	15	461	15
Certifications denied	1	0	0	1	0
Average number of days from receipt of application to decision regarding certification	60	60	60	60	60
Number of certified reporters (end of year)	446	440	464	440	440

◆ **Goal2** 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints received	1	10	11	10	7
Complaints closed	14	10	8	15	13
Disciplinary action	2	3	4	2	2
Average number of days from receipt of complaint to resolution by dismissal or disciplinary action	581	600	720	300	275
Complaint closure rate (percent)	1400	100	62	150	186
Percent of cases closed within 22 month standard	71	60	25	98	95

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	84.8	170.0	170.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	84.8	170.0	170.0
FTE Positions	2.5	2.5	2.5

◆ **Goal 1** To promptly process and review applications for initial certification.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of applicants for certification	0	10	16	10	20
Average number of days from receipt of complete application requirements to decision regarding certification	NA	90	90	90	90
Explanation: No applications received					
Number of individuals granted certification	0	10	15	10	20
Explanation: No applications received					
Number of individuals denied certification	0	0	1	0	0
Explanation: No applications received					
CIs certified (end of year)	32	30	43	45	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of applications received	NA	33	27	NA	50
Number of individuals granted recertification	NA	30	27	NA	50
Number of individuals denied recertification	NA	0	0	NA	0
Number of days from submission of complete renewal application to decision regarding renewal	NA	90	90	NA	90

- ◆ **Goal 3** To provide initial training to individuals eligible for certification and renewal training for certified CIs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of individuals receiving initial training	0	15	32	30	30

- ◆ **Goal 4** To assist CIs to provide high quality service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Cases closed	45	45	57	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints received	0	0	0	0	0
Complaints closed	NA	0	0	0	0
Disciplinary action	0	0	0	0	0

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	190.6	318.0	318.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	190.6	318.0	318.0
FTE Positions	3.6	3.6	3.6

◆ **Goal 1** To promptly process and review licensure applications and reports for issuance or denial of initial licensure.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of applications received	32	30	24	30	30
Number of individuals licensed	29	30	20	30	25
Number of applications denied	1	1	1	1	5
Number of days from receipt of complete application requirements to decision regarding licensure	60	60	60	60	60
Number of fiduciaries licensed at end of year	285	249	292	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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of applications received	282	NA	NA	280	NA
Number of individuals granted recertification	273	NA	NA	270	NA
Number of applications denied recertification	0	NA	NA	1	NA
Number of days from submission of complete renewal application to decision regarding renewal	60	NA	NA	60	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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of complaints received	14	20	12	20	15
Number of complaints closed	8	20	29	20	22
Number of disciplinary actions	1	5	1	5	5
Number of days from receipt of complaint to resolution by dismissal or disciplinary action	517	600	882	350	275
Complaint case closure rate (percent)	57	100	264	100	147
Percent of complaints resolved within 22 month standard	75	60	41	98	90

- ◆ **Goal 4** To conduct audits of licensed fiduciaries and their businesses to insure compliance with statutes, administrative code sections and court orders.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of notice of engagement letters	11	9	3	9	10
Fieldwork completed	11	9	3	9	10
Corrective Action Plans in Place	1	3	1	3	2
Number of final reports completed	9	9	4	9	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:

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	528.8	702.2	702.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	528.8	702.2	702.2
FTE Positions	7.6	7.6	7.6

- ◆ **Goal 1** To ensure defensive driving schools and instructors meet established standards for administrative and educational quality.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Operational reviews of schools completed	1	5	1	5	5
Percent of instructors rated that are in compliance with Arizona Code of Judicial Administration (ACJA 7-205) and Statutes.	96	95	98	95	98
Instructors monitored	44	50	68	50	50

- ◆ **Goal 2** To ensure the statewide database provides accurate and timely information for eligibility and fee payment verification.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 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	98	98	98
Court information change requests processed	303	303	1,335	1,300	1,300

◆ **Goal 3** To provide continuing training opportunities for instructors to improve the quality of the defensive driving classes.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New instructors completing training	0	NA	NA	NA	NA
Current instructors receiving ongoing training	124	120	121	120	120
Percent of instructors indicating training programs are responsive to their needs	100	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of bi-monthly school reports/fee payments reconciled monthly	100	98	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints received	7	10	8	10	10
Complaints closed	9	15	20	15	10
Complaint case clearance rate (percent)	129	150	250	150	200
Disciplinary actions	1	3	4	3	5
Average number of days from receipt of complaint to closure	383	300	468	200	180
Percentage of complaint cases closed within 22 month standard	88	60	75	98	75

◆ **Goal 6** To promptly process and review applications for certification.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Applications received	41	20	37	20	28
Certifications granted	32	20	35	20	25
Certifications denied	2	5	2	0	3
Average number of days from receipt of complete application to decision regarding certification (Instructors)	60	60	60	60	60
Number of certified schools (end of year)	55	70	70	80	85

Program Summary

COURT ASSISTANCE

Kevin Kluge, Chief Financial Officer
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	949.2	962.6	962.6
Other Appropriated Funds	25,218.1	29,472.5	29,472.5
Other Non Appropriated Funds	15,410.9	24,950.2	24,950.2
Total Funding	41,578.2	55,385.3	55,385.3
FTE Positions	74.5	72.1	72.1

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	116.7	119.3	119.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	116.7	119.3	119.3
FTE Positions	1.1	1.1	1.1

◆ **Goal 1** To provide continuing education to all members of the judiciary.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of sessions offered to judges (limited, general and appellate jurisdictions)	241	225	315	225	250
Number of sessions offered to probation, detention and surveillance officers	734	500	902	500	600
Number of sessions offered to judicial staff	269	200	318	200	300
Number of judges participating in Education Services Division sponsored programs	961	1,000	1,091	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	1,081	1,000	1,451	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 programs	1,157	1,800	892	1,800	1,800
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◆ **Goal 2** To assure a comprehensive system of judicial education for all categories of personnel

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of educational hours offered to judges (limited general and appellate jurisdictions)	413	375	455	375	400
Number of educational hours offered to probation, detention and surveillance officers	1,808	1,250	2,221	1,250	1,500
Number of educational hours offered to judicial staff	510	360	647	360	500
Percent of judges in compliance with annual continuing education mandate	99.6	100	99.8	100	100
Percent of probation, detention and surveillance officers in compliance with annual continuing education mandate	98	100	97.9	100	100
Percent of judicial staff in compliance with annual continuing education mandate	99.6	100	99.5	100	100

◆ **Goal 3** To assure appropriate use of available resources to support a comprehensive system of judicial education

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of faculty used to train judges	322	300	320	300	300
Number of faculty used to train probation, detention and surveillance officers	475	355	597	355	400
Number of faculty used to train judicial staff	203	200	281	200	200
Percent of total faculty used paid for services to train judges	6	10	5	10	10
Percent of total faculty used paid for services to train probation, detention and surveillance officers	3	10	4	10	10
Percent of total faculty used paid for services to train judicial staff	4	10	6	10	10
Cost per participant hours from total budget to train judges	12	20	15	20	20
Cost per participant hours from total budget to train probation, detention and surveillance officers	6	15	7	15	15
Cost per participant hours from total budget to train judicial staff	3	15	2	15	15

◆ **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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of seminars/workshops	51	50	85	50	50
Total number of conferences	7	6	7	6	6
Total number of residential programs	55	30	46	30	30
Total number of broadcasts	15	5	30	5	25
Total number of computer based programs	2,761	2,000	27,593	2,500	3,000
Total number of publications	68,685	72,000	41,609	73,000	74,000
Total number of WENDELL website "hits"	99,567	65,000	135,831	75,000	90,000
Total number of materials checked out of resource library	0	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 domestic relations 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 the legislatively established Child Support Committee and Domestic Relations Committee. These committees address statewide strategic planning for child support and consolidation/revision of domestic relations statutes. 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	644.6	655.4	655.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	644.6	655.4	655.4
FTE Positions	4.9	4.9	4.9

◆ **Goal 1** To provide timely, effective administrative and technical support to the legislative co-chairs and committee members.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of time minutes were provided in 10 days & notice at least 24 hours prior to meeting	100	100	100	100	100
Percent of annual committee reports completed on schedule	NA	100	NA	100	100

◆ **Goal 2** 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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percentage of annual reports received and analyzed from prior fiscal year	100	100	93	100	100
Number of alternative format programs reviewed.	2	2	1	2	2

◆ **Goal 3** 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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of time minutes were provided in 20 days & notice 48 hours prior to meeting	100	100	100	100	100

◆ **Goal 4** To provide on site monitoring and assessment of state and local proceedings and services related to domestic violence issues.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
State and local contacts monitored and evaluated for proceedings and services following statutes and court rules.	55	50	96	50	50

- ◆ **Goal 5** To maintain the competence of judicial officers in the appropriate determination and effective management of domestic violence cases.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	NA	100	100	NA	100
Appropriate judicial officers and court personnel educated in policies and procedures that help counties effectively address the needs of domestic violence victims	239	700	459	200	200

Subprogram Summary

STATE GRAND JURY

Kevin Kluge, Chief Financial Officer
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	97.9	97.9	97.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	522.5	867.7	867.7
Total Funding	620.4	965.6	965.6
FTE Positions	0.3	0.3	0.3

- ◆ **Goal 1** To provide for reimbursement of valid grand jury expenses, in accordance with Constitutional mandates.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Claims processed	6	8	7	7	7

Subprogram Summary

POST CONVICTION RELIEF

Kevin Kluge, Chief Financial Officer
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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
Total Funding	90.0	90.0	90.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide for reimbursement of valid post-conviction relief proceedings.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Claims processed	18	20	23	20	20

Subprogram Summary

JUDICIAL ASSISTANCE

Kevin Kluge, Chief Financial Officer
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,589.4	2,944.6	2,944.6
Other Non Appropriated Funds	12,529.4	21,813.3	21,813.3
Total Funding	15,118.8	24,757.9	24,757.9
FTE Positions	46.8	44.5	44.5

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of counties' criminal cases processed within the 100 day target	55	60	49	60	60
Percent of counties conducting criminal case processing improvement projects	80	100	87	80	80

Subprogram Summary

JUDICIAL COLLECTION ENHANCEMENT

Marcus Reinkensmeyer, Acting 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	17,313.3	20,031.2	20,031.2
Other Non Appropriated Funds	603.2	675.0	675.0
Total Funding	17,916.5	20,706.2	20,706.2
FTE Positions	13.9	13.8	13.8

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of annual increase in court revenue in prior fiscal year	-4.8	0	-2.7	0	0
Difference in percentage change from previous fiscal year in court revenue collections and case filings	4.0	3.0	2.1	2.0	2.0

- ◆ **Goal 2** To fund court automation projects likely to improve case processing or the administration of justice.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.	-6.5	-4.0	-5.3	-3.0	-3.0
Clearance rate (dispositions/filings) for all cases at all court levels in prior fiscal year.	1.04	1.03	1.07	1.03	1.03

- ◆ **Goal 3** To expedite the processing of grant requests in a cost-effective manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Mean cycle days receipt of request to court notification of approval/denial	9.45	12	8.19	12	12
Grant management budget as percent of total budget	1	1	1	1	1

Subprogram Summary

DEFENSIVE DRIVING

Marcus Reinskensmeyer, Acting 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,118.1	3,492.2	3,492.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,118.1	3,492.2	3,492.2
FTE Positions	3.0	3.0	3.0

- ◆ **Goal 1** To develop automation systems to process all court cases.

Note: Program proposes deleting this goal and corresponding measure.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,606.7	1,364.4	1,364.4
Total Funding	1,606.7	1,364.4	1,364.4
FTE Positions	0.4	0.4	0.4

- ◆ **Goal 1** To enhance the ability of the courts and probation departments to process drug related cases more expediently and effectively.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average days drug case processing	115	115	137	125	125
Percent of quarterly financial and progress reports submitted according to schedule	100	100	75	100	100
Cases that are over 361 days to disposition	1,265	1,200	1,059	1,059	1,050

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	149.1	229.8	229.8
Total Funding	149.1	229.8	229.8
FTE Positions	1.2	1.2	1.2

- ◆ **Goal 1** To create, improve, maintain, or enhance alternative dispute resolution programs in superior court and justice of the peace courts.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of volunteer mediators trained	132	128	127	128	128
Number of volunteer mediator training sessions held	9	10	8	10	10

Subprogram Summary

CASE PROCESSING ASSISTANCE

Amy Wwood, 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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,197.3	3,004.5	3,004.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,197.3	3,004.5	3,004.5
FTE Positions	2.9	2.9	2.9

◆ **Goal 1** To enhance the ability of courts to process juvenile delinquency cases.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent growth in filings in prior fiscal year	-11.4	-5	3.3	3	3
Prior fiscal year clearance rate (dispositions/filings) of 1.00 or greater annually	.938	.94	.91	.9	.9
Months for disposition of pending cases in prior fiscal year	8	8	12	12	12

◆ **Goal 2** To enhance the ability of the courts to process criminal cases.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent growth in filings in prior fiscal year	-4.11	-4	2.1	2.0	2.0
Prior fiscal year clearance rate (dispositions/filings) of 1.00 or greater annually	1.06	1.06	1	1	1
Months for disposition of pending cases in prior fiscal year	12	12	13	12	12

◆ **Goal 3** To expedite the processing of grant requests in a cost-effective manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Mean cycle days receipt of request to court notification of approval/denial	7.5	10	6.6	10	10
Grant management budget as percent of total budget	1.3	1.3	1.4	1.4	1.4

Program Summary

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,902.2	4,166.7	4,342.2
Other Appropriated Funds	2,438.0	2,940.9	2,940.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,340.2	7,107.6	7,283.1
FTE Positions	39.5	42.5	45.5

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,357.0	3,617.1	3,792.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,357.0	3,617.1	3,792.6
FTE Positions	34.0	37.0	40.0

- ◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Children eligible for review during the fiscal year	17,252	17,842	20,134	23,154	25,469
Number of child reviews held during the fiscal year	20,261	21,071	24,079	27,690	30,459
Total number of reviews conducted within the fiscal year	12,018	12,498	14,084	16,196	17,815
Percent of reviews during fiscal year for which the board found that progress was being made towards establishing permanency	72	73	58	64	70

- ◆ **Goal 2** To establish, maintain and train sufficient volunteers to perform high quality case reviews.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
FTEs to support volunteers (Does not include Support Pool)	34.8	36.8	37.8	42.8	42.8
Number of active volunteers during the fiscal year	666	686	609	639	670
Average length of volunteer service during the fiscal year	5.00	5.77	5.85	5.85	5.85
Number of volunteers meeting or exceeding the yearly training requirement	356	397	300	330	363
Number of active Removal Review volunteers during the fiscal year	87	87	77	0	0
Number of Removal Review volunteers meeting or exceeding the yearly training requirement	27	0	0	0	0

- ◆ **Goal 3** To provide accurate information to families in a caring, respectful manner

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Hotline Calls	1,300	1,350	1,081	1,400	1,250

- ◆ **Goal 4** To increase public and agency awareness of the Parent Assistance Hotline

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Yellow Page referrals	2	2	1	0	0
Agency Referrals	183	155	142	240	200
Calls attributable to brochures (DES)	206	320	306	220	350
Calls attributable to other advertising	909	873	627	940	700

◆ **Goal 5** To ensure that each child who is removed from home receives a review of his or her removal

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of Removal Reviews facilitated during the fiscal year	2,980	229	143	0	0
Total number of children reviewed by Removal Review Team during the fiscal year	5,253	413	423	0	0
Number of removals in which the majority of the Removal Review team did not agree with the removal	0	0	0	0	0

Subprogram Summary	
COURT APPOINTED SPECIAL ADVOCATE	
Leticia D'Amore, 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	102.0	102.0	102.0
Other Appropriated Funds	2,438.0	2,940.9	2,940.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,540.0	3,042.9	3,042.9
FTE Positions	5.5	5.5	5.5

◆ **Goal 1** To maintain an adequate number of certified volunteer advocates.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Children eligible for CASA assignment during the year	17,252	16,195	20,134	23,154	25,469
Children with CASA assigned as of 6/30	1,229	1,290	1,381	1,442	1,503
Total Number of volunteers as of 6/30	812	862	861	911	961
Volunteers serving during the year	924	1,022	1,087	1,185	1,283
Number of Assigned CASAs as of 6/30	628	659	735	766	797
Number of volunteers during the year completing the required number of hours	603	633	638	665	697
Percent of number of volunteers serving during the year completing the required number of hours	74	77	70	81	82
Average number of in-service training hours volunteers received	22.68	22.82	24.3	28.4	28.8

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of volunteer files reviewed	245	200	190	250	200
Percent of required items reviewed and found to be in compliance	88	90	81	92	90
Total number of case files reviewed	227	200	216	250	220
Explanation: Increased FY07 number is due to Maricopa County operational review.					
Percent of required items reviewed and found to be in compliance	96	97	95	98	98

Subprogram Summary

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	443.2	447.6	447.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	443.2	447.6	447.6
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To reduce the time frame from removal to permanency.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of petitions that met preliminary protective hearing requirements (within 5-7 days of removal)	77	79	75	82	82
Average number of days to adjudication	55	50	59	45	45
Percent of petitions for which a permanency hearing was completed within 12 months of removal	93	93	94	94	94

Program Summary

JUDICIAL NOMINATIONS AND PERFORMANCE REVIEW

Kevin Kluge, Division Director

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	417.2	428.4	428.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	417.2	428.4	428.4
FTE Positions	3.6	3.6	3.6

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Applications received from minorities and women as a percent of all applications	35	50	10	50	50
Nominations of minorities and women as a percent of all nominations	20	50	38	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Cost per appellate court vacancy (dollars)	3,617	4,000	4,189	4,000	4,000
Cost per trial court vacancy (dollars)	960	1,000	2,200	1,000	2,000

◆ **Goal 3** To provide survey forms during each survey period for distribution to individuals who interact with a merit/retention judge.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Survey forms distributed	66,709	9,500	6,654	62,000	7,000
Survey forms returned	14,155	2,750	1,442	17,000	2,000

◆ **Goal 4** To widely disseminate the results of the survey and review process.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Pamphlets distributed (in thousands)	0	40	40	0	40

Explanation: Pamphlets are not distributed in a non-election year.

Telephone Contacts	45	200	160	50	200
Website Hits	1,500	150,000	118,000	2,000	120,000

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	508.6	522.3	522.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	508.6	522.3	522.3
FTE Positions	4.0	4.0	4.0

◆ **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)

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Inquiries	449	450	NA	NA	NA
Complaints processed	327	330	357	330	340
Formal and Informal Advisory Opinions	140	150	174	150	175
Preliminary investigations	215	225	263	225	250
Motions for reconsideration	21	25	25	25	25
Sanctions and other warnings	51	50	40	50	30

Program Summary

JUDICIAL COMPENSATION

Kevin Kluge, Chief Financial Officer

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	7,741.1	7,776.5	8,647.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	163.8	180.4	180.4
Total Funding	7,904.9	7,956.9	8,828.3
FTE Positions	82.0	83.0	84.7

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
All cases on file in prior fiscal year	455,199	450,000	422,315	420,000	420,000
All cases terminated in prior fiscal year	244,572	239,000	212,735	210,000	210,000
Cases pending in prior fiscal year	212,501	215,000	210,786	210,000	210,000
New filings (includes transfer in cases) in prior fiscal year	235,381	230,000	211,350	210,000	210,000
Other proceedings in prior fiscal year	49,812	50,000	41,596	40,000	40,000

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	24,938.2	24,945.7	24,945.7
Other Appropriated Funds	1,504.5	2,310.1	2,310.1
Other Non Appropriated Funds	3,631.2	3,842.8	3,842.8
Total Funding	30,073.9	31,098.6	31,098.6
FTE Positions	27.9	27.9	27.9

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	13,527.2	13,543.2	13,543.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	13,527.2	13,543.2	13,543.2
FTE Positions	9.6	9.6	9.6

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Operational reviews conducted	3	4	4	4	4
Percent of operational reviews completed within prescribed time frame	0	100	100	100	100
Percent of follow-up reviews on non-compliance issues completed within prescribed time frame	100	100	67	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of court-ordered restitution paid by active standard probationers	63	63	56	60	62
Percent of community service hours completed	59	65	56	65	65
Percent of probationers exiting standard probation and not committed to county jail or DOC	83	85	80	85	85

- ◆ **Goal 3** To assist in enhancement of education and training of probation officers and staff by providing regionalized and statewide training.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Certification Academies conducted	4	4	4	4	4
Regional training events	112	100	124	110	110
Percent of probation personnel in compliance with COJET requirements	100	100	99.75	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of probation departments in compliance with 65:1 mandate	86	100	71	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	81	83	78	81	83
Average annual state cost per probation slot (in dollars) in prior fiscal year	1,287	1,376	1,310	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	10,765.6	10,754.5	10,754.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	10,765.6	10,754.5	10,754.5
FTE Positions	7.8	7.8	7.8

- ◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of eligible IPS probationers participating in a treatment program	48	55	47	50	53
Percent of IPS probationers maintaining full-time employment	44	55	44	50	53
Percent of IPS probationers not testing positive for illegal drug use	68	75	70	72	75
Explanation: 14 of 15 counties reporting					
Percent of court-ordered restitution paid by active IPS probationers	61	70	38	50	50
Explanation: 14 of 15 counties reporting					
Percent of community service hours completed	62	75	61	70	75
Percent of probationers exiting IPS and not committed to county jail or DOC	49	52	46	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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of probation departments in compliance with statutorily prescribed caseload	43	100	43	100	100
Percent of probation departments provided sufficient operating motor vehicles	100	100	100	100	100
Percent of probationers successfully completing probation	60	61	42	50	53
Average annual state cost per probation slot (in dollars) in prior fiscal year	8,370	8,370	8,366	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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,504.5	2,310.1	2,310.1
Other Non Appropriated Funds	548.5	571.7	571.7
Total Funding	2,053.0	2,881.8	2,881.8
FTE Positions	0.9	0.9	0.9

◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of active probationers who received CPP funded services	2,786	2,700	2,962	3,000	3,000

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	645.4	648.0	648.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	645.4	648.0	648.0
FTE Positions	4.8	4.8	4.8

◆ **Goal 1** To facilitate the transfer and supervision of probation cases through the interstate compact.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of transfer investigation requests completed within forty-five days of receipt, as required	96	97	97	98	99
Percent of victim assistance fund payments collected	38	40	57	57	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,082.7	3,271.1	3,271.1
Total Funding	3,082.7	3,271.1	3,271.1
FTE Positions	4.8	4.8	4.8

- ◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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	5,503	5,785	5,218	5,500	5,500
Number of probationers convicted of an ARS 13-901.01 1st or 2nd offense that received DTEF funded treatment services	2,093	2,000	2,148	2,200	2,250

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of probationers on GPS	218	220	221	220	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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	45,201.3	45,808.5	45,808.5
Other Appropriated Funds	3,814.7	5,192.1	5,192.1
Other Non Appropriated Funds	-1,248.9	1,541.2	1,541.2
Total Funding	47,767.1	52,541.8	52,541.8
FTE Positions	33.5	33.1	33.1

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,586.8	4,606.2	4,606.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,294.6	1,096.8	1,096.8
Total Funding	5,881.4	5,703.0	5,703.0
FTE Positions	5.1	5.1	5.1

◆ **Goal1** To ensure proper supervision of youth on probation.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of juvenile probation departments in compliance with mandated case load ratios of 35:1	93	100	98	100	100
Percent of youth who complete their term of probation without a referral, i.e. successful completion	84	85	83	85	85
Percent of juvenile probation departments (15) undergoing on-site visits	73	100	93	100	100
Average annual cost per probation slot (in Dollars) in prior fiscal year	1,576	1,500	1,855	1,920	1,920
Percent of probationers successfully completing probation without a referral (a notice of misbehavior)	84	85	83	85	85

◆ **Goal2** To manage and monitor the efficient and effective allocation and distribution of state appropriated funds.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of juvenile probationers ordered to pay restitution, who pay	99	100	99	100	100
Percent of juveniles ordered to pay probation fees, who pay	80	70	85	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	8,674.4	9,175.6	9,175.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	11.4	3.4	3.4
Total Funding	8,685.8	9,179.0	9,179.0
FTE Positions	5.4	5.4	5.4

◆ **Goal 1** To ensure the proper level of intensive supervision of high risk probationers .

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of JIPS case load monthly reports reviewed	100	100	100	100	100
Percent of juvenile probation departments (15) visited	80	100	93	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	73	80	86	80	80
Percent of probationers successfully completing probation without a referral (a notice of misbehavior)	61	65	65	65	65
Average annual cost per probation slot (in dollars) in prior fiscal year	11,240	11,300	13,963	14,292	14,292

◆ **Goal 2** To ensure that JIPS officers are trained and meet established standards.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of JIPS youth who complete JIPS without a referral, i.e.. successful completion	61	66	65	66	66

◆ **Goal 5** To promote victim and community restoration by holding juvenile intensive probationers accountable for their court ordered financial and community service obligations.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of the juvenile intensive probationers ordered to pay restitution who are paying	100	95	99	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	22,252.2	22,341.4	22,341.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-2,320.7	441.0	441.0
Total Funding	19,931.5	22,782.4	22,782.4
FTE Positions	16.0	15.6	15.6

◆ **Goal 1** To audit and evaluate treatment programs for contract compliance and effective service delivery.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Service contractors audited for compliance with program standards	34	70	38	70	70
Percent of contractors monitored in satisfactory compliance with established program standards (70%+)	99	85	85	85	85
Average cost per contract to audit (dollars)	1,197	1,000	990	1,000	1,000
Average hours per contract to audit and write report	42	30	34	50	50

◆ **Goal 2** To provide a comprehensive array of services and interventions for youth on probation.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Youth served	10,203	11,000	9,662	9,500	9,500
Youth provided out of home services	807	800	736	750	750
Youth provided day support services	122	400	102	110	110
Youth provided counseling intervention	3,392	4,000	2,778	2,700	2,700
Youth provided drug testing	8,382	9,000	8,063	8,000	8,000
Youth provided evaluations and other services	5,540	4,400	5,414	5,400	5,400
Youth provided educational and vocational services	129	500	13	25	25
Percent of youth who don't re-offend within 12 months of program completion in prior fiscal year	55	50	54	45	45
Percent of youth with successful outcomes in functional family therapy	63	80	71	75	75
Percent of youth with successful outcomes in Family Preservation	100	70	72	75	75
Percent of youth with successful outcomes in high impact residential	77	87	75	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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	659.8	660.4	660.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	659.8	660.4	660.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure services are available through the local juvenile courts for families in crisis.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	751	900	737	750	750
Average cost per family (dollars) in prior fiscal year	876	900	1,016	1,050	1,050
Average age of youth participating in program in prior fiscal year	16	16	16	16	16
Average sessions per family in prior fiscal year	11	10	12	12	12

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.

Funding:	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	9,028.1	9,024.9	9,024.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-234.2	0.0	0.0
Total Funding	8,793.9	9,024.9	9,024.9
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure diversion eligible referrals are processed in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of juveniles with an intake interview within 30 days of receipt of referral by the juvenile court	54	55	54	55	55

◆ **Goal 2** To promote victim and community restoration by holding diversion youth accountable for their assessed financial obligations.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of diversion youth assessed restitution, who pay	100	95	99	95	95
Percent of parents of diversion youth assessed one-time parental assessment fee, who paid	97	90	91	90	90

◆ **Goal 3** To ensure consequences are successfully completed.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Community Work Service case closures that were successfully completed	88	85	87	85	85
Percent of Counseling case closures that were successfully completed	89	90	90	90	90
Percent of Delinquency Prevention Education case closures that were successfully completed	87	90	88	90	90
Percent of Substance Abuse Education case closures that were successfully completed	88	90	87	90	90
Percent of Non-Residential Rehabilitation or Supervision case closures that were successfully completed	94	95	92	95	95
Percent of diversion programs showing a minimum of 15% positive change between pre and post test	82	85	78	85	85

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,814.7	5,192.1	5,192.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,814.7	5,192.1	5,192.1
FTE Positions	7.0	7.0	7.0

◆ **Goal 1** To manage and monitor the distribution of JCRF grant funds.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of on-site monitoring visits conducted (non-random sample)	2	80	100	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Local programs funded	24	30	31	30	30
Explanation: Excludes LEARN Labs					
Youth served in local programs	92,320	93,000	73,654	73,000	73,000
LEARN labs	3	3	3	3	3

◆ **Goal 3** To oversee the distribution of federal education monies to the counties for juvenile detention education services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Counties receiving funds	15	15	15	15	15
Juveniles served	12,019	15,000	9,644	9,000	9,000
Percent of on-site fiscal and program audits conducted	25	50	27	50	50
Percent of programs audited in compliance	100	100	75	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Operational reviews conducted	3	3	3	3	3
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Automation projects funded	3	2	2	2	2
Loss prevention issues addressed in detention centers	0	1	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	9,700.3	9,896.9	10,065.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	9,700.3	9,896.9	10,065.4
FTE Positions	98.3	98.3	98.3

- ◆ **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.)

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
All cases on file	5,251	5,251	4,987	5,510	5,510
All cases terminated	3,003	3,003	2,936	2,968	2,968
Cases pending	2,248	2,248	2,051	2,051	2,051
New case filings	2,910	2,910	2,809	2,800	2,800
Customer Satisfaction rating for settlement program	7.4	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.	2,529	2,529	2,619	2,250	2,250
Cases decided where Supreme Court review was denied	453	453	485	480	480
Cases decided which Supreme Court review was granted and decision upheld	21	21	7	6	6

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,223.8	4,289.8	4,405.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,223.8	4,289.8	4,405.1
FTE Positions	36.5	38.5	38.5

- ◆ **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.)

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
All cases on file	1,592	1,800	1,903	1,900	1,900
All cases terminated	652	800	1,040	1,000	1,000
Cases pending	915	850	869	850	850
New case filings	841	880	985	975	975
Customer Satisfaction rating for settlement program (Scale 1-8)	7.6	7.8	7.9	7.8	7.8
Cases upheld upon review	626	770	1,031	990	990

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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	246.3	211.2	211.2
Total Funding	1,259.9	1,224.8	1,224.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To measure the number of Adult participants screened, admitted and graduated from drug courts.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of Participants sentenced to drug court.	1,303	1,400	1,336	1,400	1,450
Number of Participants retained at 180 day point	1,074	1,200	1,231	1,300	1,350
Number of Graduates from drug court	357	400	334	375	400

◆ **Goal 2** To measure the number of Juvenile participants screened, admitted and graduated from drug courts.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of Participants admitted to drug court	260	275	217	275	275
Number of Participants retained at 180 day period	282	300	302	300	300
Number of graduates from drug court	69	100	92	100	100

Agency Summary

DEPARTMENT OF JUVENILE CORRECTIONS

Charles Flanagan, 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ HOUSING	14,553.5	17,086.9	17,686.9
➤ REHABILITATION	23,682.4	25,184.3	25,184.3
➤ ADMINISTRATION	7,135.7	7,429.2	7,429.2
Agency Total:	45,371.7	49,700.4	50,300.4
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	40,636.4	43,822.7	44,422.7
Other Appropriated Funds	3,195.8	3,925.4	3,925.4
Other Non Appropriated Funds	1,539.5	1,952.3	1,952.3
Total Funding	45,371.7	49,700.4	50,300.4
FTE Positions	738.5	738.5	738.5

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 2001-02. 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 biweekly 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.
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.

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 2013, the average length of stay in secure care for a committed youth was 6.9 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 82 percent having a related diagnosis. In addition, over 33% 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, work readiness and vocational skills training, and special education (over 26% of ADJC youth require special education services). The majority of committed youth have failed in traditional education settings; over 40% have been expelled from school at least once, most have had significant attendance problems; 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” our children will be taught which behaviors are expected and which are unacceptable. To implement PBIS with fidelity, we will be engaged in planning, developing, and implementing action steps to establish and maintain effective environments that exhibit: a common approach to discipline; positively stated expectations for all children and staff; procedures for teaching these expectations to all children 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.

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 re-entry 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 up 40 ADJC youth per year 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.

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 two of four 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 children 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, children, 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:

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 assess 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. In FY 2011, ADJC’s agency-wide turnover rate was 14 percent. In FY 2012, this turnover rate grew to 20 percent. Although ADJC has successfully reduced the turnover rate to 17% in FY 2013, ADJC must continue to focus on innovative human capital management strategies.

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.
- 5.Improve internal communications and foster a respect for innovative ideas and solutions.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	738.5	738.5	738.5
General Fund	43,822,700.0	43,822,700.0	43,822,700.0
Other Appropriated Funds	3,925,400.0	3,925,400.0	3,925,400.0
Non-Appropriated Funds	235,100.0	235,100.0	235,100.0
Federal Funds	1,717,200.0	1,717,200.0	1,717,200.0

Program Summary

HOUSING

Charles Flanagan, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	13,423.4	15,199.3	15,799.3
Other Appropriated Funds	1,098.6	1,098.6	1,098.6
Other Non Appropriated Funds	31.5	789.0	789.0
Total Funding	14,553.5	17,086.9	17,686.9
FTE Positions	217.5	216.0	216.0

Subprogram Summary

FACILITIES MANAGEMENT

Charles Flanagan, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	5,184.8	5,828.1	6,428.1
Other Appropriated Funds	1,098.6	1,098.6	1,098.6
Other Non Appropriated Funds	31.5	789.0	789.0
Total Funding	6,314.9	7,715.7	8,315.7
FTE Positions	61.0	61.0	61.0

◆ **Goal 1** To create a safe and healthy milieu for staff and youth.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of fire and health inspection discrepancies corrected before the next inspection	100	100	100	100	100

Subprogram Summary

SECURITY

Charles Flanagan, 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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,348.7	3,867.6	3,867.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,348.7	3,867.6	3,867.6
FTE Positions	92.0	92.0	92.0

◆ **Goal 1** To safeguard the public, staff and committed youth using sound correctional practices.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Assaults on youth per 100-youth days	.10	.07	.09	.07	.07
Number of escapes	0	0	0	0	0
Percent of youth who feel safe in their secure care	94	94	92	94	94

Subprogram Summary

HEALTH CARE

Charles Flanagan, 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,889.9	5,503.6	5,503.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,889.9	5,503.6	5,503.6
FTE Positions	64.5	63.0	63.0

◆ **Goal 1** To provide necessary and appropriate medical, dental and mental health care to committed youth.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Medical services average annual cost per youth	7,860	7,860	8,864	8,864	8,864
Percent of youth assessed with significant mental health needs	28	28	33	33	33
Mental health services average annual cost per youth	4,764	4,764	5,355	5,355	5,355

Program Summary

REHABILITATION

Charles Flanagan, 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

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	20,201.8	21,294.9	21,294.9
Other Appropriated Funds	2,097.2	2,826.8	2,826.8
Other Non Appropriated Funds	1,383.4	1,062.6	1,062.6
Total Funding	23,682.4	25,184.3	25,184.3
FTE Positions	447.0	449.0	449.0

Subprogram Summary

EDUCATION

Charles Flanagan, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,191.4	1,216.0	1,216.0
Other Appropriated Funds	1,691.1	2,296.2	2,296.2
Other Non Appropriated Funds	714.7	877.8	877.8
Total Funding	3,597.2	4,390.0	4,390.0
FTE Positions	75.5	73.0	73.0

- ◆ **Goal 1** To prepare committed youth to be successful upon release through an integrated array of academic and career-oriented educational programming.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of youth entering secure care at two or more grades below grade level	0	0	49	49	49
Overall grade level increase in reading achievement (average length of stay is 6.9 months)	0	0	.9 grade	.9 grade	.9 grade
Overall grade level increase in mathematic achievement (average length of stay is 6.9 months)	0	0	.4 grade	.4 grade	.4 grade
Percent of youth passing the GED test.	81	81	78	81	81
Number of youth in secure care achieving a high school diploma	20	25	16	20	20

Subprogram Summary

SECURE CARE TREATMENT

Charles Flanagan, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	15,120.9	16,245.4	16,245.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	668.7	184.8	184.8
Total Funding	15,789.6	16,430.2	16,430.2
FTE Positions	316.0	323.0	323.0

◆ **Goal 1** To develop law abiding behavior in youth by providing an integrated array of services based on individual needs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of youth showing progress in their primary treatment problem area	76	76	82	82	82
Percent of juveniles incarcerated within 12 months of release	30	30	33	30	30
Percent of juveniles incarcerated within 36 months of release	46	46	45	45	45
Percent of all revoked youth whose revocation offense was a new delinquent offense	29	26	26	26	26

◆ **Goal 2** To contribute to the successful restoration of communities, youth and families.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Dollar amount of court ordered restitution collected from youth in secure care	19,604	19,604	13,453	13,453	13,453

Subprogram Summary

COMMUNITY CARE TREATMENT

Charles Flanagan, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,889.5	3,833.5	3,833.5
Other Appropriated Funds	406.1	530.6	530.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,295.6	4,364.1	4,364.1
FTE Positions	55.5	53.0	53.0

◆ **Goal 1** To maximize committed youth participation in programming opportunities within the community.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of juveniles involved in an academic, vocational or employment program while on conditional liberty	97	97	100	100	100

◆ **Goal 2** To collaborate with community stakeholders to effect positive change through restorative justice programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of victims who report satisfaction with restorative services received from ADJC	89	89	100	100	100

Program Summary

ADMINISTRATION

Charles Flanagan, 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	7,011.2	7,328.5	7,328.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	124.5	100.7	100.7
Total Funding	7,135.7	7,429.2	7,429.2
FTE Positions	74.0	73.5	73.5

◆ **Goal1** To provide effective services for youth efficiently and cost effectively.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Administration as a percent of total cost	6.5	6.5	6.7	6.5	6.1
Average daily population for youth in secure care	0	0	347	TBD	TBD
Average yearly cost per bed in secure care.	276.25	260.0	291.88	291.88	291.88
Explanation: This dollar amount is the daily cost per youth in secure care.					
Average daily population for youth on conditional liberty in the community	0	0	513	TBD	TBD
Daily cost per youth on conditional liberty in the community	52.70	49.00	46.03	46.03	46.03

◆ **Goal2** To create a competent and diverse workforce.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of staff indicating satisfaction with their jobs	67	70	67	70	70
Annual staff turnover rate	20	14	17	17	17
Annual Youth Corrections Officer (YCO) turnover rate	26	26	26	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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ TRUST MANAGEMENT AND REVENUE GENERATION	13,633.9	16,164.6	18,407.6
➤ OUTSIDE ASSISTANCE AND GRANTS	1,113.4	1,174.4	1,694.4
Agency Total:	14,747.3	17,339.0	20,102.0
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,253.8	12,345.4	15,288.4
Other Appropriated Funds	12,562.3	3,934.5	3,754.5
Other Non Appropriated Funds	931.2	1,059.1	1,059.1
Total Funding	14,747.3	17,339.0	20,102.0
FTE Positions	125.7	125.7	133.7

Issue 1 Management of Significant Instruments

Description The Department's portfolio of over 11,000 significant instruments includes, but is not limited to, leases, certificates of purchase (cp's), 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 or ten year agreements. Most of the revenue received by the Department is conveyed through the use of these instruments.

Since the Department manages a large amount of diverse instruments that are typically longer term in nature and are used to earn most of the 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 reviewing 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 will develop a schedule whereby a formal process is implemented to ensure appropriate internal staff is alerted to, and concurs with, the terms and conditions in the significant instruments entered into by the Department. These instruments should be reviewed by individuals representing a broad spectrum 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 within each category to ensure uniformity and aid in efficiency. Due to the large cohort of instruments compared to the limited amount of staff resources available, the Department should begin by identifying 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 that could be considered include the dollar amount, length of the agreement and special risk factors. For example, it may be determined that an achievable subset in the one fiscal year would include only the new instruments over ninety-eight years in length along with all new agreements involving industrial usage. Subsequent year subsets could 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 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.

Issue 2 Management of Application Processes

Description Each year the Department receives, on average approximately 11,000 paper applications for approximately forty different land uses among eight major categories. Over the past four years, the total has ranged from 9,000 to 17,000. Some applications are simple and routinely processed within a few days, while others are extremely complicated and dependent on both internal and external actions from third parties for completion. The more complicated, numerous and time consuming applications offer an opportunity for process improvement.

In order to potentially improve the efficiency of Department staff to do more with less, thereby allowing more capacity to be utilized toward the core mission of the Department and to improve our customer's 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 will have the greatest benefit to both internal and external customers.

The Department specifically, will begin by identifying which of the forty unique application processes has the highest likelihood of being improved the most given the assumption of static human resources availability. The factors involved in the selection should include the amount of applications received annually, the complexity and number of contacts required for completion, the overall time involved in processing, and the economic impact to the 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 and managers, internal employees indirectly tied to the process and external customers whenever possible. The Department should work with this group of stakeholders 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) should be involved in the initial process improvement exercise in order to ensure the greatest improvement possible for the initial process and also to train internal Department staff to apply these techniques to another of the processes chosen for future improvement.

As the Department finishes improvements to each specific process, the efficiency savings should compound for the subsequent processes in both the time needed to dissect, review and improve the process; and the resources needed to maintain current service levels of processes previously improved.

The Department will have been successful in this strategy when the most complicated, numerous and time consuming application processes have been reviewed with a proven process improvement methodology in order to achieve the greatest possible efficiencies.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	133.7	133.7	133.7
General Fund	15,288.4	15,288.4	15,288.4
Other Appropriated Funds	3,754.5	3,754.5	3,754.5
Non-Appropriated Funds	1,059.1	1,059.1	1,059.1
Federal Funds	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, less up to ten percent for management costs, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	688.2	11,754.2	13,997.2
Other Appropriated Funds	12,390.5	3,674.5	3,674.5
Other Non Appropriated Funds	555.2	735.9	735.9
Total Funding	13,633.9	16,164.6	18,407.6
FTE Positions	123.7	123.7	131.7

◆ **Goal 1** To administer Trust resources to optimize revenue over time.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Total revenue generated (in millions)	213.2	262.0	318.5	212.7	274.8
Balance in Permanent Fund (Book value in millions)	2,613.7	2,812.2	2,780.3	2,932.6	3,159.4
Total expendable receipts, excluding interest on permanent fund and school leases (millions)	47.1	43.4	58.3	56.9	42.8
Total annual revenue to permanent fund (millions)	161.9	198.5	238.9	152.3	226.8
Number of participation sales	0	0	0	0	1
Number of auctions where broker commission is paid	1	2	2	3	4
Percent increase in commercial leasing revenue	-10.4	9.6	30.0	-15.5	5.0
Number of sales above appraised value	3	2	1	2	3
Percent of total leasing revenue from long-term leases	85	85	85	85	85
Net present value of long-term leases (in millions)	505	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Acres reclassified as suitable for conservation purposes	478	0	2,757	0	0
Number of acres sold or leased for open space conservation or parkland	5,064	9,835	9,836	5,435	1,000
Proposed land use and disposition actions reviewed for cultural resource considerations	444	400	430	400	400
Number of hazardous materials sites remediated	5	5	4	5	5
Number of nonhazardous materials sites remediated	17	40	11	20	20
Amount allocated for adjudicating water rights	250,000	175,000	175,000	275,000	175,000

- ◆ **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%.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average processing time for long-term leases (tracked by months)	22	20	17	15	14
New short-term lease processing time (in months)	8.5	12	11	12	12
Average processing time for sales applications (tracked by months)	22	20	26	23	21
In-house appraisal turnaround time (days from administrator request to receipt by section manager)	45	45	54	45	45
Contract appraisal turnaround time (days from administrator request to receipt by section manager)	90	90	81	90	90
Average trust land earnings per acre sold (in dollars)	12,488	15,000	8,897	12,000	20,000
Average trust land earnings per acre on new long-term commercial leases	6,229	15,000	14,000	14,000	20,000

- ◆ **Goal 5** To provide efficient internal support and coordination to enable the Department to accomplish its mission.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of findings during annual financial audit	0	0	0	0	0
Average score on employee satisfaction survey. (5 = very satisfied, 1 = unsatisfied)	3.5	3.6	3.6	3.6	3.6
Median number of minutes to resolve computer user problems	15	20	15	17	15
Percent of agency staff turnover	19	10	9	10	10
Administration as a percentage of total cost	6.6	6.6	5.8	6.0	6.0

- ◆ **Goal 6** To improve Department productivity and minimize costs through increased efficiency and risk reduction.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of employees receiving basic computer training	120	100	10	50	120
Number of professional training hours for staff	700	800	625	800	800
Number of agency's administrative policies updated or added	0	3	1	3	2
Percent of employees completing agency required training	97	98	98	99	99

◆ **Goal 7** To develop and implement measures to improve external customer service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of customers giving the department a rating above 4 (Survey rating 5 - 1; 5 = very satisfied, 1 = unsatisfied)	96	90	94	94	96
Number of settlement hearings vs. number of appeal hearings	8/2	6/2	1/1	3/2	2/2
Number of interactive applications available through the web site	7	7	2	3	3
Number of times interactive applications are accessed by the public	95,000	98,000	10,277	20,000	20,000
Number of times the web site is accessed	112,000	112,000	112,750	120,000	130,000
Number of formal public records requests vs. number of records (in thousands) pulled and researched for requests	23/295	20/450	11/24	14/30	13/25

◆ **Goal 8** To continue an effective program of land conservation of appropriate State lands while ensuring continued economic benefits to the trust.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Cumulative number of acres petitioned to be reclassified for conservation	120,032	120,032	110,941	110,941	110,941
Cumulative number of acres sold under Arizona Preserve Initiative	16,068	25,904	26,179	31,614	32,614
Number of Arizona Preserve Initiative land sale/leases	4/0	6/0	6/0	3/0	2/0
Cumulative number of acres reclassified as suitable for conservation purposes	42,829	42,829	46,195	46,195	46,195
State acres identified and/or researched for transfer under State/Federal land conservation and federal land management actions	147,114	147,000	150,000	150,000	150,000
Federal acres identified and/or researched for State acquisition under State/Federal Land conservation and land management actions	41,480	40,000	41,480	50,000	150,000

◆ **Goal 9** To improve the availability of actual information and increase analytical capabilities of the agency.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Combined parcels (surface, minerals, special permits, etc.) accessible through PALMS	63,055	63,040	63,079	63,030	63,020
Number of data sets accessible through PALMS	561	570	473	580	590

◆ **Goal 10** To improve internal and external communication.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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)	3.5	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)	95	94	89	90	91
Average percentage of employees attending "All Employee" meetings	91	90	85	90	90
Number of agency-wide electronic notices distributed	750	800	729	800	800

◆ **Goal 11** To respond within established time frames, to all applications and request for land use and title research from public and staff.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Acres researched involving title transactions, special projects, lease, or contract development (in millions of acres)	4.6	5.0	3.7	5.0	5.0
Number of applications received requiring current land use or ownership research	1,162	1,200	1,212	1,250	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	565.6	591.2	1,291.2
Other Appropriated Funds	171.8	260.0	80.0
Other Non Appropriated Funds	376.0	323.2	323.2
Total Funding	1,113.4	1,174.4	1,694.4
FTE Positions	2.0	2.0	2.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	175.6	201.2	201.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	376.0	323.2	323.2
Total Funding	551.6	524.4	524.4
FTE Positions	2.0	2.0	2.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Datasets transferred	2,170	500	1,522	2,000	2,000
Geospatial datasets under development or revision	99	105	304	200	200
Datasets accessible through AGIC, ALRIS or SCO websites	193	200	103	210	220

- ◆ **Goal 2** To create and implement cost-effective and results-effective GIS training and information programs for Arizona public agencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Government employees trained	36	37	51	38	38
Percent of students rating training as satisfactory	96	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Users accessing AGIC, ALRIS or SCO websites for information or data	316	250	6,168	10,000	10,000
Participation in coordination activities with organizations which improve access and utilization of geographic datasets	32	33	33	34	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	390.0	390.0	1,090.0
Other Appropriated Funds	171.8	260.0	80.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	561.8	650.0	1,170.0
FTE Positions	0.0	0.0	0.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
District meetings attended	64	75	16	40	40
Interagency meetings attended	25	30	9	20	20
Percent of NRCs rating Department assistance as satisfactory	92	95	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	17,428.0	17,989.7	17,989.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,864.2	1,997.8	1,997.8
Total Funding	19,292.2	19,987.5	19,987.5
FTE Positions	204.8	204.8	204.8

◆ **Goal 1** To use efficient and value-added processes to ensure our reports are issued in a timely manner

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 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).	NA	Yes	Yes	NA	NA

◆ **Goal 2** To identify and communicate on high-impact issues

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of administrative recommendations implemented or adopted within two years for performance audits	89	90	100	90	90
Percentage of single audit recommendations implemented or adopted within one year for financial audits	48	65	51	65	65
Percentage of legislative recommendations implemented or adopted within two years	78	60	85	60	60

◆ **Goal 3** To hire, develop, and retain a high-quality workforce

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of staff turnover	15	20	13	20	20

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	11,839.4	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
Total Funding	11,839.4	13,372.2	13,372.2
FTE Positions	0.0	0.0	0.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.4	2,492.0	2,492.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.4	2,492.0	2,492.0
FTE Positions	29.0	29.0	29.0

Agency Summary

LEGISLATIVE - LEGISLATIVE COUNCIL

Michael Braun, Executive Director
 Phone: (602) 926-4236
 A.R.S. §§ 41-1301 to 41-1307

Mission:

To provide quality legal, research, computer and administrative services to the Arizona Legislature.

Description:

The Legislative Council staff performs the following core functions: drafting of legislative bills, memorials, resolutions, and amendments; review and possible revision of each legislative enactment for technical corrections prior to publication of the Arizona Revised Statutes; enrolling and engrossing of bills and processing of legislative journals; conducting legal research; and operating the legislative computer system.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	5,566.1	8,046.5	8,046.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,566.1	8,046.5	8,046.5
FTE Positions	42.8	47.0	47.0

Program Summary

LEGISLATIVE COUNCIL

Michael Braun, Executive Director
 Phone: (602) 926-4236
 A.R.S. §§ 41-1301 to 41-1307

Mission:

To provide quality legal, research, computer and administrative services to the Arizona Legislature.

Description:

The Legislative Council staff performs the following core functions: drafting of legislative bills, memorials, resolutions, and amendments; review and possible revision of each legislative enactment for technical corrections prior to publication of the Arizona Revised Statutes; enrolling and engrossing of bills and processing of legislative journals; conducting legal and public policy research; and operation of the legislative computer system.

◆ **Goal 1** To provide timely and accurate processing of all work products.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of positive survey ratings regarding accuracy of bill drafting	99	100	96	97	98
Percent of positive survey ratings regarding timeliness of bill drafting	97	98	96	97	98
Percent of positive survey ratings regarding accuracy of legal research	98	99	98	99	100
Percent of positive survey ratings regarding timeliness of legal research	98	94	98	99	100

◆ **Goal 2** To increase awareness of Legislative Council's functions among legislators, legislative staff, state agencies and lobbyists.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of survey respondents indicating awareness of Legislative Council's bill drafting function	100	100	99	100	100
Percent of survey respondents indicating awareness of Legislative Council's legal research function	96	97	96	97	98

◆ **Goal 3** To increase the comfort level of all legislative computer users through training and support.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of positive survey ratings regarding accuracy of computer help desk	98	99	96	97	98
Percent of positive survey ratings regarding timeliness of computer help desk	99	100	96	97	98

Program Summary

OMBUDSMAN CITIZENS AIDE OFFICE

Dennis Wells, Ombudsman-Citizens' Aide

Phone: (602) 277-7292

A.R.S. § 41-1371 et. seq.

Mission:

To improve the effectiveness, efficiency and responsiveness of government by receiving public complaints, investigating the administrative acts of state agencies, recommending fair and appropriate remedies and investigating matters relating to public access to government records and meetings throughout Arizona.

Description:

The Office of the Ombudsman-Citizens' Aide is a seven person (actually, 6 person, after 2010 funding cut) independent agency in the legislative branch of Arizona State Government. The Office receives citizen complaints about the administrative acts of state agencies. The Office investigates citizen complaints and, when they are justified, works with the complainant and agency to help them resolve the problem in a mutually agreeable manner. Although the Office cannot change an agency's decision nor direct it to take action, it can make findings and offer recommendations to the agency. The Office also helps citizens by coaching them on how they can best resolve their problem on their own and providing other forms of assistance when the problem can be resolved without going through the time and expense of an investigation. In addition, the office investigates complaints about public access to records and meetings at all levels of government throughout Arizona. The Office provides reports of its activities to the legislature, governor and public.

◆ **Goal 1** To help more citizens redress their legitimate grievances with state agencies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of individuals assisted	4,067	4,000	5,099	5,000	5,000

◆ **Goal 2** To respond to citizen complainants in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of initial responses to citizen inquiries made within two business days	100	98	99	98	98
Percent of notices of investigation sent within 30 days	98	97	99	98	98
Percent of investigations completed within 3 months	93	94	98	96	96
Percent of citizens responding "strongly agree" or "agree" to timeliness question on customer satisfaction survey	94	92	98	96	96

◆ **Goal 3** To prevent recurrence of similar complaints by identifying and correcting patterns of undesirable administrative practices.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of recommendations accepted by agencies	88	87	99	95	95

◆ **Goal 4** To provide courteous and impartial service to citizens.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of citizens responding "agree" or "strongly agree" to courtesy question on survey	100	98	100	98	98
Percent of citizens responding "strongly agree" or "agree" to impartially question on the customer satisfaction survey	97	98	99	98	98

Agency Summary

SENATE

Steve Pierce, President
Phone: (602) 926-5584
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	7,893.7	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
Total Funding	7,893.7	8,283.8	8,283.8
FTE Positions	0.0	0.0	0.0

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	1,014.9	975.0	1,603.8
➤ INVESTIGATIONS	2,111.5	2,037.8	2,270.5
➤ LICENSING	911.0	894.7	896.7
Agency Total:	4,037.4	3,907.5	4,771.0
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,911.3	2,932.3	3,795.8
Other Non Appropriated Funds	1,126.1	975.2	975.2
Total Funding	4,037.4	3,907.5	4,771.0
FTE Positions	39.0	48.0	50.0

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

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	48.0	48.0	48.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	3,248.8	3,248.8	3,248.8
Non-Appropriated Funds	998.5	998.5	998.5
Federal Funds	113.5	113.5	113.5

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,014.9	975.0	1,603.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,014.9	975.0	1,603.8
FTE Positions	8.0	8.0	8.0

◆ **Goal 1** To ensure timely and accurate reporting of revenue and expenses

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	985.4	1,062.6	1,295.3
Other Non Appropriated Funds	1,126.1	975.2	975.2
Total Funding	2,111.5	2,037.8	2,270.5
FTE Positions	17.0	26.0	28.0

◆ **Goal1** To conduct routine liquor inspections and investigations of as many licensed establishments as possible to ensure compliance with Arizona Liquor Laws, Rules and Regulations.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of investigations completed resulting in compliance actions	948	950	750	800	800
Number of random liquor inspections completed	2,315	2,400	2,575	2,700	2,700

◆ **Goal2** To process investigative complaints quickly and efficiently.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of calendar days to complete an investigative complaint	30	35	35	35	35
Percentage of liquor law compliance cases processed in less than 90 calendar days	100	99	100	99	99

◆ **Goal3** To conduct Title 4 training to police officers as well as business associates

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of training classes conducted	4	4	18	15	15

◆ **Goal 4** To resolve compliance cases so that fewer cases go to hearing

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of compliance cases sent to hearing	7	10	5	10	10

Program Summary					
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:	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	911.0	894.7	896.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	911.0	894.7	896.7
FTE Positions	14.0	14.0	14.0

◆ **Goal 1** To track number of newly issued licenses, transferred licenses and renewal transactions to measure increase/decrease in annual license activity.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of new licenses, transferred licenses, and renewals issued	12,986	13,000	12,810	13,000	13,000
Percent of surveyed licensees reporting very good or excellent service	87	85	88	85	85

◆ **Goal 2** To maintain accurate document history on license files

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
CSRs maintain an 85% or better average in processing documents	87	85	86	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	65,519.4	99,360.2	99,600.8
Other Non Appropriated Funds	1,027,043.5	1,078,864.7	1,078,864.7
Total Funding	1,092,562.9	1,178,224.9	1,178,465.5
FTE Positions	97.8	98.8	101.8

Issue 1 Maximize Net Revenue to Support Programs for the Public Benefit

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 increased by \$17 million dollars in FY13, additional Speed Bonds were issued for university construction, Healthy Arizona's Implicit Price Deflator for Gross Domestic Product grew and Mass Transit fund demands grow by a formula without a cap. Total revenue demands increased by 11%

Funding for the beneficiaries established by the Legislature is derived from net revenue generated from Lottery game sales. Despite the state's economic environment, overall sales for FY13 were \$693 million, an increase of 7.1% over the prior year. This resulted in a record level of revenue distributions transferred to beneficiaries in FY13 totaling \$177 million dollars. While the Lottery experienced what most Arizona businesses would consider to be stellar year after year growth, the additional funds generated could not keep up with revenue demands as outlined in the paragraph above.

Therefore, increasing sales, and thus transferrable revenue, is the top priority for the Lottery.

Solutions:

To increase sales and beneficiaries transfers in FY14–18, 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 drawing games into and out of market is targeted to occur every 18 to 24 months barring programming or system changes that would limit the ability to do so.

The Lottery's two multi-state 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 FY12, the Multi-State Lottery Association (MUSL) implemented changes to the Powerball game. These changes resulted in an impressive 45% increase in sales over the past fiscal year. Since drawing games allow for a greater profit margin, their impact on transferrable revenues is magnified. This level of increase is not sustainable and therefore the Lottery is working with other states to optimize multi-state game revenue. The Mega Millions® game is scheduled for a make-over in second quarter of FY14.

Instant tickets (Scratchers™) continue to perform well, generating a 6.6% increase over FY12. This growth is largely due to the ability to dedicate a large percentage of gross sales dollars to player prizes, improved game design, targeted advertising, strategic alignment of marketing and sales efforts, varied market presence for higher price point games (\$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 FY14, the Lottery will conduct a robust General Market Segmentation Study. The study will be aimed at understanding player behavior and attitudes in Arizona. Ultimately, the results will guide the Lottery in growing our business, especially through the improved engagement of lighter and non-player groups.

Issue 2 Future Sales Growth Challenges

Description The Lottery has demonstrated significant sales gains over the past five 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 sales growth, as a percentage rate of change, is decreasing year over year. Instant ticket sales, the best predictor of baseline sales trends, shows a decreasing percentage from FY10 through FY13 with an expectation of further decline in FY14: FY10 = 20.80%, FY11 = 10.84%, FY12 = 9.73%, FY13 = 6.55%.

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, to grow the retail base it 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 have been reduced by seven positions. The agency lacks the capability to undertake a significant new initiative without the personnel and technological resources requested in its recent budget request for FY15.

The Lottery believes that the declining sales of instant games are largely the result of four years of declining investment into core business operations. Sales growth does not seem sustainable without increased appropriation for core lottery operations and resources.

Issue 3 Future Technology Challenges

Description The Lottery currently sells over 50 Scratcher games a year, two Multi-state drawing games and five drawing in-state games. The growth in sales also translates into a computer transaction for an aging system for every purchase. While the Lottery has experienced many additions and changes in games, and has experienced exciting sales growth, the Internal Control System (ICS), that monitors, balances, secures data, and verifies sales with vendors and the Multi-State Lottery Commission has remained unchanged since 1983 and has supported all sales and business transactions of the Arizona Lottery for the past 31 years.

Solutions:

For the lottery to maintain its current activity, let alone continue to grow revenues and develop a platform for the future technologies, conversion to a newer system is required. The Lottery is reaching a tipping point by depending on an end of life system along with the inability to find programmers that are competent with the antiquated language of COBOL. The resolution is for the Lottery to begin to move forward with a replacement solution to assure the continued integrity of the system and sustainability of revenues.

Issue 4 Expanding Marketing and Outreach

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 four 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 will seek Legislative approval of at least a 10% increase in the advertising and marketing component of the Lottery budget as an upcoming issue. This rate of growth would simply keep up with increasing costs as described above, allowing the lottery to maintain a consistent level of effort.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	108.0	108.0	108.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	101,212,700.0	103,240,600.0	104,691,500.0
Non-Appropriated Funds	456,578,400.0	464,118,000.0	471,781,200.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To increase revenue to the State.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Dollar amount of instant ticket sales (in millions)	413.0	434.5	440.5	462.9	472.1
Dollar amount of on-line sales (in millions)	233.6	225.5	252.5	252.1	254.6
Dollar amount of all game sales (in millions)	646.7	660.0	692.9	715.0	726.7
Increase/(decrease) in instant ticket sales from prior year (in millions)	38.5	21.5	27.5	22.4	9.2
Increase/(decrease) in on-line sales from prior year (in millions)	24.5	(8.1)	18.9	(.4)	2.5

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.	191,200	192,500	206,500	210,000	215,000
Out of stock percentage for ticket vending machines.	5.4	5.2	4.7	4.9	4.7
Total Lottery dollars distributed to State programs (in millions)	164.7	167.6	176.5	178.8	181.7
Percent of lottery ticket sales distributed to state beneficiaries	25.5	25.4	25.5	25.4	25.4

◆ **Goal 2** To increase agency efficiency.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of hours on-line game system available for processing transactions (6,022.5 total hours)	6,016	6,016	6,016	6,016	6,016
Number of hours instant ticket validation system available for processing transactions (6,022.5 total hours)	6,016	6,016	6,016	6,016	6,016
Percent of Lottery program expenditures outsourced	90.8	89.2	91.6	91.4	91.4
Administration as a percentage of total cost	6.0	5.4	5.6	5.2	5.2
Average number of days required to pay vendors	5	7	7	8	8
Percent of vendor invoices paid within 30 days	99.0	95.0	98.6	97.0	97.0

◆ **Goal 3** To maintain an effective retailer compliance program.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	99.0	99.9	99.9	99.9
Percent of routine retailer inspections resulting in discovery of a rule violation or criminal activity	1.0	1.0	.7	.7	.7
Number of "at risk" retailers requiring immediate investigation (2900 total retailers)	340	330	269	269	269

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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of general public indicating the Lottery is run honestly and with integrity	74	75	76	76	77
Percent of general public indicating the Lottery is a good way to raise money for the state of Arizona	68	69	70	70	71
Average number of calls received per month on automated winning numbers line	340,000	340,000	220,900	220,000	220,000
Average number of total visitors per month to the Lottery website and mobile website	1,005,300	1,200,000	1,358,900	1,500,000	1,650,000
Average "open" rate for Lottery product email blasts	25.4	25.9	15.1	15.5	16.0
Average page views per visit to the Lottery website	4.5	4.6	4.6	4.6	4.7

◆ **Goal 5** To enhance retailer relationships.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of retailers achieving additional .5% commission incentive	31.4	31.5	31.3	31.5	31.5
Total instant tab game commissions earned by charitable organizations	654,000	700,000	773,100	820,000	820,000
Percent of retailers expressing overall satisfaction with Lottery services	97	97	98	97	97

◆ **Goal 6** To attract and retain high quality employees.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of agency staff turnover	14	10	14	8	7

Explanation: In FY13, authorized FTE was reduced from 104 to 97.8.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	464.7	457.2	457.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	464.7	457.2	457.2
FTE Positions	5.0	5.0	5.0

5 Year Plan

Issue 1 License application process is not as efficient as it could be.

Description The Board would like to more efficiently process applications, starting with instituting an on-line renewal system. The Board renews approximately 300 licenses each month. Currently, the process for renewal requires paper filings, which may extend the time it takes to renew the 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 renewal system, which would require the information to be complete and correct upon the date of filing. The Board would like to decrease the turn-around time from no longer than 45 days to no longer than 30 days.

Solutions:

To create and implement an on-line application process, starting with renewals.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	5.0	5.0	5.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	457.2	457.2	457.2
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To efficiently process license applications.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Massage therapy applications received for initial licensure and biennial renewal.	4888	4800	4,816	4,850	4,850
Average number of days to process an application	39	45	42	40	40

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints received against massage therapists	8	15	43	30	30
Complaints resolved in the same fiscal year	6	5	25	15	15
Average number of days to resolve a massage therapy complaint	106	180	117	130	130

Agency Summary

ARIZONA MEDICAL BOARD

Lisa S. Wynn, B.S., Executive Director

Phone: (480) 551-2791

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 24,000 licensees.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,175.6	5,738.7	5,738.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,175.6	5,738.7	5,738.7
FTE Positions	36.0	58.5	58.5

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 five 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 agency successfully implemented the medical doctor verification through the VeriDoc web site. This process assists physicians by enabling them to request verifications for more than one state and have the verification sent directly to other state boards. 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:

- Improving upon prior year performance levels in license processing,
- Improving upon prior year performance levels in complaint investigation and case resolution, and
- Improving upon prior year performance levels in responding to public information requests.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	58.5	58.5	58.5
General Fund	0.0	0.0	0.0
Other Appropriated Funds	5,738.7	5,738.7	5,738.7
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of substantive policy statements, guidelines, rules, or rule revisions adopted	0	2	1	2	2
Number of staff members who attended one or more Board-funded trainings, seminars, or conferences	31	20	36	20	20
Number of press releases, health advisories, public awareness activities, and other notifications published on the Board website or transmitted to licensees via e-mail blasts	27	25	11	25	25

Explanation: Three measurements were combined into one in FY 2011 which allows the agency more flexibility in accomplishing the goal to utilize the best method of disseminating information to licensees, stakeholders, and the general public.

- ◆ **Goal 2** To improve efficiency of licensing, regulatory, and information dissemination processes

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average time to approve an MD license from receipt of application	15	30	13	30	30
Average time to approve a PA license from receipt of application	8	17	14	17	17
Average number of days to process an initial medical doctor license upon receipt of completed application	1	2	8	7	7
Average score of agency-wide customer service satisfaction surveys (scale of 1-8)	7.8	7.5	7.8	7.5	7.5
Average number of days to complete an medical doctor investigation	116	140	126	140	140
Average number of days to complete an physician assistant investigation	112	130	127	130	130
Average number of days to resolve a medical doctor case	138	180	150	180	180
Average number of days to resolve a physician assistant case	144	180	141	180	180
Medical doctor cases referred to formal hearing	15	20	15	20	20

Explanation: Efficient regulation requires that the Office of Administrative Hearings be utilized only when statutorily mandated or when all other options have been exhausted. The Board can maintain its level of disciplinary actions through consent agreements without referring cases to formal hearing.

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ MINING SAFETY ENFORCEMENT	1,001.8	1,028.8	1,112.1
➤ ABANDONED MINES	351.2	299.0	683.0
➤ EDUCATION AND TRAINING - FEDERAL GRANT	270.4	255.5	339.0
➤ MINED LAND RECLAMATION	11.4	112.5	215.9
Agency Total:	1,634.8	1,695.8	2,350.0
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,187.5	1,223.3	1,877.5
Other Appropriated Funds	11.4	112.5	112.5
Other Non Appropriated Funds	435.9	360.0	360.0
Total Funding	1,634.8	1,695.8	2,350.0
FTE Positions	20.0	20.0	25.0

5 Year Plan

Issue 1 Inspection Division

Description 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.

Solutions:

Request for additional funding for FTE during the Fifty-second Legislature (2014)

Issue 2 Education and Training Division

Description The State Grants program was substantially reduced, affecting 49 states and the Navajo Nation. For FY2013 the State Mine Inspector's office grant appropriation, due to the sequestration, was \$101,798. This is a 64% reduction in the state grants award to Arizona. The President's Proposed FY14 Budget details defunding 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 3 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 (3) vehicles that will meet these criteria in fiscal year 2015.

Solutions:

Notify the Governor's office that a minimum of two vehicles will need to be replaced by FY2015

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 for FY2009, FY2010, FY2011, FY2012 and FY2013 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 abandoend mine closures during the Fifty-second Legislature (2014).

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 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 ASMI Reclamation Division has previously relied upon spreadsheets for tracking information for the reclamation plans and activities. A converted or new tracking database is in the design phase for tracking of changes of file data such as ownerships and operators of all mines, financial assurance tracking and retention of data for the program's sustainable reasons. The initial approximate programming and implementation cost was estimated at \$16,000 for FY2012-2013, for the database tracking program. In order to begin the development of the tracking database the new costs for this have been estimated at \$24,000 and ASMI will be requesting that the legislature appropriate this one-time amount in order to move forward with the design and development of the tracking database in FY2015.

Solutions:

Request one-time amount for reclamation tracking purposes, from the Fifty-second Legislature (2014)

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	18.0	18.0	18.0
General Fund	1,877.5	1,877.5	1,877.5
Other Appropriated Funds	112.5	112.5	112.5
Non-Appropriated Funds	255.5	255.5	255.5
Federal Funds	0.0	0.0	0.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,001.8	1,028.8	1,112.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,001.8	1,028.8	1,112.1
FTE Positions	14.0	14.0	14.0

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent mandated inspections completed	75	75	89	75	75
Number of reportable (lost time) mine accidents	138	138	146	138	138

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	9	9	11	9	9
Number of safety inspections completed	662	662	683	662	662
Customer satisfaction rating for Mines (scale 1-8)	6.5	7	7	7	7

Explanation: Survey results will be recorded on or before October 1, 2011

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	185.7	194.5	578.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	165.5	104.5	104.5
Total Funding	351.2	299.0	683.0
FTE Positions	2.0	2.0	5.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of abandoned mine openings secured	108	70	24	70	70
Explanation: Secured on State Lands					
Number of abandoned mine complaints handled.	7	12	18	12	12
Number of prior abandoned mine closures reviewed	22	10	5	10	10
Explanation: 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	83.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	270.4	255.5	255.5
Total Funding	270.4	255.5	339.0
FTE Positions	4.0	4.0	5.0

◆ **Goal1** To eliminate fatal accidents and reduce the number and severity of lost time due to accidents.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Arizona miners and contractors trained	3197	4000	3,267	4,000	4,000
Average course content rating.	4.72	4.6	4.69	4.7	4.7

Explanation: A decrease in performance measures due to medical leave and one retirement during FY2011.

Average instructor rating	4.79	4.7	4.76	4.7	4.7
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Explanation: A decrease in performance measures due to medical leave and one retirement during FY2011.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	103.4
Other Appropriated Funds	11.4	112.5	112.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	11.4	112.5	215.9
FTE Positions	0.0	0.0	1.0

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of annual mined land reclamation compliance reviews	193	242	195	242	242

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 regulates physicians who engage in the practice of naturopathic medicine, including certification of those in specialty practice. Further, the Board certifies graduates and medical students to engage in internship, preceptorship, and postdoctoral training programs and certifies medical assistants and approves clinical training programs for medical students. Finally, the Naturopathic Board certifies naturopathic physicians to dispense natural substances, drugs, and devices and conducts investigations and hearings into allegations of medical incompetence and unprofessional conduct.

Agency Summary: (\$ Thousands)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS	115.9	158.9	158.9
Agency Total:	115.9	158.9	158.9
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	115.9	158.9	158.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	115.9	158.9	158.9
FTE Positions	2.0	2.0	2.0

5 Year Plan

Issue 1 Although the Board has instituted an efficient online process for licensure renewals, the process does not include renewals of certificates to dispense, clinical training certificates, preceptor certificates and medical assistant certificates. The Board would like to move forward with implementing an online renewal system that encompasses all license and certificate categories. Our licensees have expressed they would like the online renewal option available for all of the license and certificates issued by the Board.

Description The Naturopathic Physicians Medical Board (Board) was established pursuant to law Title 32, Chapter 14 (A.R.S. §32-1501, et. seq.), which regulates naturopathic physicians licensed in the State of Arizona. The Board also regulates naturopathic medical students certified for clinical training, graduates certified to participate in preceptorship training, and naturopathic medical assistants who work under the supervision of a licensed naturopathic physician. Further, the Board processes and issues certificates to dispense, and certificates to conduct preceptorship training to licensees. The Board functions to ensure the citizens of Arizona have a safe and dependable choice of healthcare providers when choosing a Naturopathic Physician.

In 2003, the State of Arizona Naturopathic Physicians Medical Board and the State of Arizona Massage Therapy Board were combined. The Massage Board laws were finalized in 2003 and began licensing in 2004. The Boards separated July 1, 2013. While combined, the boards shared the same office space and equipment. Appropriations and expenditures were combined and split by a percentage. In FY13, the total appropriation combined was \$587,500., with the naturopathic board receiving \$117,500. of the appropriation, approximately 20%. The total expenditures for FY13 was \$580,878. of which the naturopathic board paid \$118,660.

Since the separation of the Boards, the Naturopathic Board has moved into a separate office space. The combination of the boards allowed for the consistent lowering of fees. Because of the separation the Naturopathic Board has recently increased its fees by approximately 33%, which will take affect September 16, 2013. The modest increase in fees will allow the Board to once again function on its own. The Naturopathic Board's total appropriation of FY14 is \$172,000. Board staff consists of 1 Executive Director (FTE) and 1 part- time Administrative Assistant.

In October of 2012, the Naturopathic Board implemented an online renewal system for renewal of licenses. Licensees are required to renew their medical license each year. The response to the online system was very positive with 70% usage. The Board anticipates close to 100% usage of the online system within the next few years. Increased efficiency in processing applications is a Board goal. The need for viable technology is key to the ability to carry out the goal. Currently, set up for online renewal of only the medical license, the Board will focus on implementing a complete online renewal process.

The online renewal system allows the physicians to use a credit card as payment. Upon complete of the renewal process online, immediate processing and receipt of the license is available. Also, the physicians have the option to log onto our website 24/7 and print a copy of their license when needed.

Solutions:

Goal

To efficiently process license and certificate applications.

Strategy

Create and implement an online renewal process for all license and certificates issued by the Board.

Performance Measures

- Input: Total number of applications received
- Output: Total number of applications processed
- Outcome: Total number of applicants that renewed online during the FY13 renewal period
- Efficiency: Immediate receipt of renewed license upon submission of renewal online.
- Quality: Licensees can choose to print as many license copies as they like, at any time.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	2.0	2.0	2.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	172.0	172.0	172.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	115.9	158.9	158.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	115.9	158.9	158.9
FTE Positions	2.0	2.0	2.0

◆ **Goal 1** To process license and certificate applications efficiently.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Total Applications Received for Licensure and Certificates	1519	1250	1,453	1,500	1,5009
Total Licenses and Certificates issued	1519	1250	1,430	1,500	1,500
Average number of days to process licensing applications	21	25	25	25	25
Active physician licenses	702	725	744	750	750
Dispensing Certificates and Renewals Issued	456	450	420	450	450
Students engaged in Clinical Training	304	320	328	350	350

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints received against licensed or certified persons	26	28	27	28	28
Complaints resolved in same fiscal year	17	16	15	17	17
Average number of days to resolve complaints - same fiscal year	77	120	130	120	120
Complaints received against unlicensed individuals	1	3	2	2	2

◆ **Goal 3** To audit naturopathic physicians compliance with the annual continuing medical education requirements.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of physicians in compliance with continuing medical education requirement	95	95	95	98	98
Number of physicians audited for compliance with continuing medical education requirements	55	65	65	65	70

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 were navigable. In addition, the Commission must defend appeals and other legal actions that are filed in State Court, and 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 that was navigable at statehood is owned only by State Government. 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	116.4	129.2	279.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	116.4	129.2	279.2
FTE Positions	2.0	2.0	2.0

5 Year Plan

Issue 1 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.

Solutions:

Collect evidence, hold hearings and complete legal processes for six remand cases, plus include appeal times and defend appeals in court.

Issue 2 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.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	1.0	0.0	0.0
General Fund	140.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	200.0	0.0	0.0
Federal Funds	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Arizona rivers and streams adjudicated, including the necessity to alter and ratify remaining reports that comport with information requested by courts.	3	3	0	6	6
Explanation: 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	0	6	6	6	6
Cost per hearing to study watercourses (in thousands of dollars)	0	20,000	20,000	20,000	20,000
Customer satisfaction rating for hearing attendees (scale 1-8)	8	8	8	8	8
Number of final reports approved by Commission	3	6	4	6	6
Monitor and act on court cases and related reports that may require change pursuant to court instructions. As of June 30, 2010 there were six matters in State Court, two in Pima County Superior Court, three in Maricopa County Superior Court, and one between the Arizona Court of Appeals and the Arizona Supreme Court - a Petition for Review by the Supreme Court is currently pending. Perform additional hearings as mandated by the court and to record final reports in the appropriate counties.	9	9	1	6	6
Three Commission reports are pending appeal time and six cases returned by Arizona courts must be reconsidered by the Commission.	3	6	1	6	6
Continued legal work and report writing based on court cases and related reports that may require changes pursuant to court instructions. As of October 21, 2011 six cases have been remanded to the Commission, one case was remanded by the Arizona Court of Appeals and the other five cases which were already on hold/stayed pending the outcome of the case that was in the Court of Appeals were remanded by stipulation of the parties. Therefore, all six cases on appeal are currently back in the hands of the Commission to deal with.	6	6	0	6	6

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complete and ratify Commission final reports in appealed cases that may require additional Commission reports.	3	6	1	6	6

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
To defend any actions filed against the Commission regarding the six remand cases returned to the Commission on October 21, 2011 for the Commission's consideration; Gila River, Lower Salt River, San Pedro River, Santa Cruz River, Upper Salt River, and Verde River.	6	6	0	6	6

- ◆ **Goal 4** To defend all other legal actions filed against the Commission. Presently there are none.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
As a result of the return/remand of six court cases following return of the Lower Salt River case by the Arizona Court of Appeals.	6	6	0	6	6

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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.	3	6	4	6	6

- ◆ **Goal 6** To insure all legal proceedings are held correctly and thoroughly to comply the remand of Six appealed cases in court, the Gila River, Lower Salt River, San Pedro River, Santa Cruz River, Upper Salt River, and Verde River. Thus far the Commission has request legal memorandums that presently number more than 70 and are reviewing these to assess what it must do to complete these court cases. All six of these cases are presently in the Commission's hands for the Commission's Action.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of legal proceedings including public trust value hearings if necessary numbering as many as six each of the next four years including the current fiscal year.	6	6	0	6	6

◆ **Goal 7** To write and ratify additional Commission reports regarding the six remand cases as they are completed.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.	3	6	0	6	6

◆ **Goal 8** To respond to legal motions and to litigate any legal actions that are filed during any of the next four years.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.	6	6	0	6	6

◆ **Goal 9** To respond to court directives. Superior Courts as well as the Arizona Court of Appeals have given directions to the Commission regarding six specific cases and the Commission is presently planning to hold hearings to resolve each of these six cases.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
To take actions that will comport with court instructions and determinations, beginning with the Arizona Court of Appeals instructions on October 21, 2011 and including future instructions and determinations from any of the Superior Courts appeals are filed in.	6	6	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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ LICENSING AND REGULATION - RN/LPN	4,276.0	4,275.6	4,275.6
➤ NURSING ASSISTANT	479.0	414.7	414.7
Agency Total:	4,755.0	4,690.3	4,690.3
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,111.6	4,275.6	4,275.6
Other Non Appropriated Funds	643.4	414.7	414.7
Total Funding	4,755.0	4,690.3	4,690.3
FTE Positions	51.5	55.1	55.1

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	55.1	55.1	55.1
General Fund	0.0	0.0	0.0
Other Appropriated Funds	4,275.6	4,275.6	4,275.6
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,111.6	4,275.6	4,275.6
Other Non Appropriated Funds	164.4	0.0	0.0
Total Funding	4,276.0	4,275.6	4,275.6
FTE Positions	40.6	42.2	42.2

◆ **Goal 1** To reduce the cycle time needed to issue certificates and licenses for examinee, endorsement and renewal applicants.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average score on customer service survey (Scale of 1 - 8)	7.08	7.2	7.42	7.3	7.3
Average days from application received to RN/LPN renewal license issued	6	6	1.3	5	4
RN/LPN renewals issued (4-year cycle)	17,837	18,000	16,513	18,200	18,200
Total licensees Registered Nurses and Licensed Practical Nurses	84,732	86,000	86,628	86,500	87,000

- ◆ **Goal 2** To reduce the cycle time needed to investigate complaints, complete hearings and increase compliance with consent agreements and Board orders.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total complaints received	1,078	1,100	1,121	1,150	1,200
Percent of licensees with disciplinary action	.5	.5	.77	.6	.6
Average hours per investigation needed to complete a case	24.7	25.0	25.0	25.0	25.0
Average months needed to complete investigations and present cases to the Board	7.5	7.6	6.5	7.8	7.8
Average calendar days from receipt of RN/LPN complaint to resolution	217	220	199	215	215
Average calendar days per investigation from start to final adjudication	289	275	274	260	260
Percent of investigations resulting in disciplinary enforcement action	64	65	77	70	70

- ◆ **Goal 3** To effectively provide a non-disciplinary Chemically Addicted Nurse Diversion Option (CANDO) program.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Licensees in CANDO program	175	190	173	200	200
Licensees completing CANDO program (%)	61	60	63	63	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Nursing programs monitored for non-compliance	5	4	13	15	5
Examinees from program successfully passing NCLEX	3287	3375	3,127	3,450	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	479.0	414.7	414.7
Total Funding	479.0	414.7	414.7
FTE Positions	10.9	12.9	12.9

◆ **Goal 1** To operate the program efficiently and effectively.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of applicants or certificate holders reporting very good or excellent service	6.6	7.0	7.42	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	369	350	469	300	300
Total individuals certified as nursing assistants	27,056	27,500	27,713	27,800	28,500
Total complaints received	645	650	733	675	675
Average calendar days from receipt of CNA complaint to resolution	264	260	256	255	255
Percent of CNA's with disciplinary action	1.3	1.7	1.4	1.7	1.7
Total investigations conducted - status closed	636	675	517	700	700
Percent of investigations resulting in disciplinary enforcement action	55	60	52	60	60
Average calendar days per investigation from start to final adjudication	315	300	287	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 applications from individuals seeking nursing home administrator licenses and assisted living facility manager certificates. The Board investigates the credentials and backgrounds of applicants, conducts examinations, and processes the applications. The Board also evaluates and processes applications for renewal of administrator licenses and manager certificates. Both administrators and managers are required by law to meet continuing education requirements. The Board approves continuing education programs and ensures that the requirements are met. The Board investigates complaints against administrators and managers received from citizens or the Department of Health Services. The Board imposes appropriate disciplinary action and enforces compliance with such discipline. The Board provides information to the public concerning applicants, licensees and certificate holders, and regulatory actions taken. All of these Board functions are accomplished through a fee-financed program of examination, licensure, and regulation.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	337.5	420.2	420.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	337.5	420.2	420.2
FTE Positions	5.0	6.0	6.0

◆ **Goal1** To ensure consistent and timely investigations of complaints and enforcement action in accordance with statutes and rules.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints opened	172	130	109	140	150
Disciplinary actions	77	60	74	60	65
Fiscal Year Complaints resolved	156	120	84	120	125
Average number of days from open to close of complaint, within fiscal year	97	120	106	120	120
Number of complaint and application investigations conducted	166	115	121	120	125

◆ **Goal2** To ensure that licenses and certificates are granted or renewed to qualified administrators and managers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of existing licenses and certificates	2,690	3,025	2853	2,750	3,050
Number of new applications filed	351	365	447	370	375
Number of new licenses issued	301	320	312	330	340
Number of new and existing licenses	2,991	3,150	3,165	3,000	3,200
Number of renewal applications processed	499	1,900	1,800	520	1,920
Average calendar days to renew a license	2	4	4	3	4

◆ **Goal 3** To ensure that agency operations are effective and efficient.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction (scale of 1-8)	7.8	7.5	7.8	7.5	7.5
Administration as percent of total cost	5.3	5.4	5.3	5.4	5.4

◆ **Goal 4** To ensure quality continuing education is approved

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of CE sponsor applications approved	528	500	464	525	525
Average number of days to process CE sponsor applications	3	4	5	5	5

◆ **Goal 5** To ensure public information requests and license verifications are completed timely.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of days to process a public records request	3	4	2	4	4
Explanation: Implemented starting FY07					
Average number of days to process a license verification	2	3	3	3	3

Explanation: 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ BOARD OF OCCUPATIONAL THERAPY EXAMINERS	157.3	172.5	184.1
Agency Total:	157.3	172.5	184.1
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	157.3	172.5	184.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	157.3	172.5	184.1
FTE Positions	1.5	1.5	1.5

5 Year Plan

Issue 1 Current licensing renewal system lacks online capabilities

Description The Board members and the regulated community's main issue is the lack of ability to access license and licensee information on the web. The Occupational Therapy Board desires to update its 5 year old Access license database program. The current database is antiquated and can not be updated to allow for on-line license renewal, instant update of online practitioner searches, additional report writing and live access to data during board meetings. The new program would be hosted offsite on a SQL database for security reasons. Funding this project will require the Board to seek approval in the FY 2015 budget to increase its fund allocation.

Solutions:

The Board will work with ADOA and/or outside vendors to replace our outdated, on-site, Access data base program with an off-site SQL server to allow access from anywhere. By automating the Board's application process, applicants will be able to go on line and apply for licensure which will reduce the application processing time.

Issue 2 Inefficient document storage

Description The Board desires to convert all hard documents now held in file cabinets to digital images and housed in the database.

Solutions:

The Board will contract with an outside vendor to scan existing files contained on-site and turn them into digital images. The digital images will then be downloaded to the database. The Board will surplus the current file cabinets now holding the hard documents and archive the documents themselves.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	1.5	1.5	1.5
General Fund	0.0	0.0	0.0
Other Appropriated Funds	184.1	184.1	184.1
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	157.3	172.5	184.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	157.3	172.5	184.1
FTE Positions	1.5	1.5	1.5

◆ **Goal 1** To investigate and adjudicate complaints within 120 days

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of occupational therapy complaints received	10	10	9	10	10
Number of complaints resulting in disciplinary action	4	5	6	5	5
Complaints resolved within 120 days	9	10	9	10	10
Percent of complaints resolved within 120 days	90	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of license renewal applications received and renewed (OTs and OTAs)	1293	750	868	1300	750
Number of Licensees (OTs and OTAs)	3174	3500	2792	3000	3100
Number of initial license applications received (OTs and OTAs)	269	300	354	325	350
Number of Initial Licenses Issued (OTs and OTAs)	269	300	354	350	375
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

◆ **Goal 3** To continually improve customer satisfaction by providing consistency in carrying out the Board's policies and procedures.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of licenses issued within 10 days of approval	100	100	100	100	100
Number of individuals licensed as occupational therapists	1848	2000	1937	2100	2500
Customer Satisfaction rating (scale 1-8)	7.9	7.9	7.8	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, investigates, and adjudicates.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	130.0	135.8	135.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	130.0	135.8	135.8
FTE Positions	1.0	1.0	1.0

5 Year Plan

Issue 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.

Description 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.

Solutions:

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.

Issue 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.

Description 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.

Solutions:

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.

Issue 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.

Description 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.

Solutions:

Existing funds will be used to initiate action to attain goals and accomplish objective.

Issue 4 To maintain consistency in opticianry licensure and regulation with other states through membership in governmental and industry associations (FARB, CLEAR, AADO, OAA, and ABO) and to interact with the optical industry on a statewide basis.

Description 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.

Solutions:

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.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	1.0	1.0	1.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	140.0	142.0	144.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Optician licenses issued	69	65	70	70	70
Optician renewal applications processed	766	780	787	830	860
Establishment licenses issued	33	15	7	70	15

Explanation: The board has been informed that 64 locations are being sold and will be required to obtain new licenses in fiscal year 2014.

Establishment renewal applications processed	361	370	317	370	375
Average number of days from receipt of application for establishment license to granting of license	13.4	15	17	15	15
Percentage of renewals within 3 days	98	98	100	98	98
Customer satisfaction rating (Scale 1-8)	8	8	8	8	8
Number of licensees (new and existing)	1,188	1,200	1,207	1,220	1,240

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints about licensees received and investigated	6	5	5	5	5
Complaints resolved	6	5	4	5	5
Disciplinary action	1	5	0	5	5
Number of days from receipt of complaint until completion	73	80	34	80	80

Explanation: Number of days is an average of all complaints

Establishment Inspections	110	180	110	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of licensees fulfilling continuing education requirement	100	100	100	100	100
Number of licensees fulfilling requirement	130	436	425	166	193

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	201.8	206.0	206.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	201.8	206.0	206.0
FTE Positions	2.0	2.0	2.0

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	2.0	2.0	2.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	208,000.0	208,000.0	208,000.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal1** To ensure that licenses are granted or renewed to qualified optometrists.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New licenses issued	43	50	53	55	55
License applications received	45	50	73	60	60
Active licensees	1049	1060	1084	1075	1075
Average time to process an initial license application (in days)	2.5	20	20	20	20
Average calendar days to renew a license	1.6	2	1.5	2	2

◆ **Goal 2** To effectively investigate and adjudicate complaints pursuant to statutes and rules.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of complaints received	28	32	32	35	35
Total number of complaints resolved	25	32	29	35	35
Average number of days from receipt of complaint to resolution	54	60	76	70	70
Total number of disciplinary actions	0	3	0	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of written public information requests	318	325	262	325	325

◆ **Goal 4** To ensure agency policies and procedures are effective and efficient (including testing, renewal, initial licensing, and certificates of special qualification).

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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

Vacant, Chair
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1.0	0.0	1.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1.0	0.0	1.0
FTE Positions	0.0	0.0	0.0

◆ **Goal1** To hear and rule on OSHA appeal cases.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Cases heard and ruled upon	0	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	700.4	775.5	826.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	700.4	775.5	826.4
FTE Positions	6.7	6.7	6.7

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 Last year, as a result of the hiring of a new director, we identified a backlog of complaint cases that were over six months old. The Auditor General sets a guideline of six months. As of March 2013, we had 239 pending complaints. We do not have the accurate numbers for what the outstanding pending that was identified in June 2012. As of March, 2013, we had 53 complaints pending which dated back to 2008 through 2011. 132 complaints were from 2012 and 52 complaints were received in 2013. This is a critical issue to our Board and to a number of parties (stakeholders) that we are current with out complaint caseload. As we prepare for the sunset review in a few years, this will be of concern to the legislature.

We have spent the past twelve months working very diligently to address these old cases all while trying to keep up with an increasing number of newly reported complaints. As of September, 2013, we had a pending of 163 complaints. A reduction of 73 cases in six months. We have completed the investigations on the older cases; however, eight cases from the 2008-2011 time period are going through the hearing process and have not been resolved yet. Therefore, we have resolved 45 of the 53 oldest, outstanding cases in the past six months. We can go back and extrapolate the exact number of closed case files between Sept. 2012 and Sept 2013 but the FY 13 closure rate also gives an expanded view. The FY12 complaints have been investigated and a great deal of the 2013 have also been completed. As these cases move through the resolution process by the Board, we anticipate our pending to drop but not as significantly as it has in the past 6 months.

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. 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. We do not have the long term funding necessary to carry this through FY14 and into the future. We need to consider a permanent increase option of her hours as a long term solution for wrapping up the backlog and keeping on top of the large number of newly received complaints. As a result of the medical consultant working 30 hours per week, we have been successful in resolving 233 complaints in FY13, a 59% increase in resolved cases over FY12. If we move the medical consultant to a 30 hour work week on a permanent basis, we would need to increase our appropriation by \$36,926 for her current salary plus an additional ERE of \$14,000 for a total of \$50,926.

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.

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 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.

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.

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 are planning eight meetings in FY14. 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.

We will also continue to look at our processes to determine if there are methods or processes available to us to increase our complaint closure 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 believe that continue the downward trend on time to resolve complaints is directly related and reflective of the number of pending complaints.

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 was to consider a national licensing model.

Many agencies are utilizing more online processes application 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 but we are also open to customer suggestions or requests. Currently, applicants for licensure and dispensing registrations must send the forms into our office. We must explore moving to an online application submission while still assuring compliance with the statutes and rules.

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 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 20 days, we hope to reduce this figure by 10-20% over the next two years. Thus far, in the past year we have taken an average of over 60 days and reduced it to 20.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	6.7	6.7	6.7
General Fund	0.0	0.0	0.0
Other Appropriated Funds	790.5	805.5	810.5
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To issue and renew licenses promptly and in an effective manner

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of new and existing licenses	2589	2,700	2676	2750	2850
Number of applications for new license received	212	165	212	175	175
Number of new license applications issued	206	185	184	185	185
Average days to issue new license	60	54	20.5	21	21
Percentage of renewals done online vs. paper/manually	70	75	85	80	83

◆ **Goal 2** To investigate and resolve complaints in a timely manner

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Complaints received	176	185	217	220	220
Complaints investigated	152	165	258	200	210
Licensees who had disciplinary action taken	10	6	11	8	8
Average calendar days to resolve a complaint	474	380	412	300	225
Average calendar days to investigate a complaint	334	250	303	200	150
Number of complaints closed/resolved	146	200	233	260	220

◆ **Goal 3** To administer the agency efficiently and provide customer service to the public

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Administration as percent of total cost	17	16	10.8	11	11
Customer satisfaction rating (1-8)	7	7.0	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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of individuals impacted directly and indirectly by programs and/or efforts funded by the Parents Commission, evidenced by program reports.	580,206	600,000	3,891,862	1,000,000	1,000,000

◆ **Goal 2** To increase public awareness through outreach and effective partnerships.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of public education and awareness events sponsored by the Parents Commission.	642	700	2,819	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 2.2 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ PARK DEVELOPMENT AND OPERATION	12,881.5	18,436.0	21,436.0
➤ PARTNERSHIPS AND GRANTS	28,109.2	24,512.6	24,512.6
➤ ADMINISTRATION	3,646.8	4,409.7	4,409.7
Agency Total:	44,637.5	47,358.3	50,358.3
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	11,582.2	13,821.1	16,821.1
Other Non Appropriated Funds	33,055.3	33,537.2	33,537.2
Total Funding	44,637.5	47,358.3	50,358.3
FTE Positions	152.5	169.0	169.0

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

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	245.0	245.0	245.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	13,821,000.0	13,821,000.0	13,821,000.0
Non-Appropriated Funds	10,750,000.0	10,750,000.0	10,750,000.0
Federal Funds	3,880,000.0	3,880,000.0	3,880,000.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	11,104.2	13,736.4	16,736.4
Other Non Appropriated Funds	1,777.3	4,699.6	4,699.6
Total Funding	12,881.5	18,436.0	21,436.0
FTE Positions	109.0	120.5	120.5

◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic, and human resources.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	29	29	22	22	22
Number of Non-Paid Hours Provided by Volunteers and Site Stewards (000)	260	260	191.5	200	200

◆ **Goal 2** To provide safe, meaningful, and unique experiences for our visitors, volunteers, and citizens

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of parks completing facility upgrades	19	17		17	17

◆ **Goal 3** To build lasting public and private partnerships, to promote local economies, good neighbors, recreation, conservation, tourism, and establish sustainable agency funding.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of private concessionaire agreements	7	7	8	8	8

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: cultural and natural resource grants, research and marketing, 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 acquiring, planning, developing, managing and maintaining natural, cultural, and recreational resources within the State Parks system for public use, education, enjoyment and safe visitor experiences. Responsibilities include master planning, real estate management, historical preservation, protection of historical and cultural sites, 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 managing over \$20 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. A portion of these revenues was utilized by the agency for pass through grants. Funded programs 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 is responsible for developing and maintaining 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.

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 (HPAC) 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	28,109.2	24,512.6	24,512.6
Total Funding	28,109.2	24,512.6	24,512.6
FTE Positions	23.0	25.0	25.0

◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic and human resources.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of SHPO correspondence processed	2,453	2,500	2000	2000	2000

◆ **Goal 2** To provide safe, meaningful and unique experiences for our visitors, volunteers and citizens

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Attendance at Special Events (in thousands)	76	76	25	25	25
Number of Special Events	46	46	37	40	40

◆ **Goal 3** To document our progress through planning, analysis and research.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of new or renewed partnership agreements.	18	13		13	13

◆ **Goal 5** To effectively communicate with the public, policy makers, our partners, peers, and ourselves.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Public visits to agency web site (000)	1,726	1,800	1900	1900	1900

Explanation: Public visits to agency web site

Number of Facebook fans	7,050	8,000	9,000	9,000	9,000
Number of Twitter followers	5,990	6,000	8,500	8,500	8,500
Number of media exposures (millions)	600	650	520	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	478.0	84.7	84.7
Other Non Appropriated Funds	3,168.8	4,325.0	4,325.0
Total Funding	3,646.8	4,409.7	4,409.7
FTE Positions	20.5	23.5	23.5

◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic and human resources.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of information technology infrastructure upgrades/systems deployed	40	30	30	30	30
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	1.5		1.5	1.5

◆ **Goal 2** To provide safe, meaningful and unique experiences for our visitors, volunteers and citizens.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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 million visitors in FY 2013, a 2.6% increase over FY 2012.	13	15	23	15	15

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	315.2	374.9	374.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	315.2	374.9	374.9
FTE Positions	3.0	3.0	3.0

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. Thus, fewer appeals have been filed; in FY12 72 appealable actions were filed versus 46 filed in FY13 (keeping in mind the Department of Administration put a moratorium on imposing disciplinary actions for approximately 3 months, from July through September, the implementation of personnel reform) which would further limit the number of appeals filed. Although appealable actions have decreased, whistleblower filings have increased slightly, 13 were filed in FY13 while 11 were filed in FY12.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	384.2	393.8	403.6
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of appeals/complaints filed	82	85	59	75	75
Hearing days	39	72	37	75	75
Average days from receipt of an appeal/complaint until the Board issues a final order	123	115	133	115	115
Average cost of an appeal/complaint (dollars)	1,300	1,300	1300	1,300	1,300

◆ **Goal 2** To ensure customer/client satisfaction with process.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of cases appealed to Superior Court	1	2	3	2	2
Number of cases remanded from court	2	0	0	0	0
Percent of customers rating overall hearing process as good to excellent	100	100	50	100	100

Explanation: Rec'd only 2 surveys; 1 rated excellent; 1 rated average

◆ **Goal 3** To continuously implement changes that will increase effectiveness and internal capacity to deliver services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of training classes attended by staff	10	1	16	5	1

◆ **Goal 4** To strengthen relationships with stakeholders (agencies and constituents).

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of meetings/input from stakeholders	5	5	5	5	5
Number of pamphlets distributed (approximate)	95	85	65	85	85

Agency Summary

OFFICE OF PEST MANAGEMENT

Jack Peterson, Acting Director
Phone: (602) 542-3575
A.R.S. §§ 32-2301 et. seq.

Mission:

To advocate and promote 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,368.8	2,039.0	1,700.0
Other Non Appropriated Funds	96.6	113.5	113.5
Total Funding	1,465.4	2,152.5	1,813.5
FTE Positions	30.0	30.0	30.0

5 Year Plan

Issue 1 Protect Arizonans Through Responsible Legislation and Education

Description Protect all people in Arizona through reasonable regulation, by having appropriate laws and rules; and providing information to consumers and education, training and appropriate enforcement to the pest management industry.

Solutions:

Implement revised statutes and related rules effective September 13, 2013.

Conduct outreach efforts to inform industry of new requirements.

Issue 2 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 updated testing and study materials, fair and thorough inspections and investigations, using web resources for on-line continuing education reporting, on-line license renewals, integrated data bases and web postings 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 on-line 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	30.0	30.0	30.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,700.0	1,700.0	1,700.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	107.8	107.8	107.8

- ◆ **Goal 1** To provide accurate and efficient service to prospective and licensed businesses, applicators and qualifying parties in obtaining and maintaining licenses.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total of all licensing applications received.	11,448	11,000	11,324	11,000	11,000
Average calendar days from receipt of completed application to ruling on application for Applicator testing.	0	7	6	7	7
Average calendar days from receipt of completed application to ruling on application for Qualifying Party testing.	1	7	6	7	7
Qualifying Party License renewals issued.	1,451	1,200	1,489	1,200	1,200
Total of all licenses issued.	9,824	9,500	10,332	9,500	9,500
Applicator License renewals issued.	6,434	6,000	6,608	6,000	6,000
Percentage of licenses processed within overall time frame.	100	100	100	100	100
Percentage of Applicator License renewals processed on line of those that did renew.	77	75	80	75	75
Percentage of Qualifying Party License renewals processed on line of those that did renew.	77	75	78	75	75
Percentage of Business License renewals processed on line of those that did renew.	75	75	76	75	75
Business License and Branch Office renewals issued.	1,140	1,000	1,214	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of contact hours for Initial License Training taken annually from the OPM.	1,098	1,000	1,000	1,000	1,000
Number of CE contact hours taken annually from the OPM.	984	960	966	960	960
Number of Education and Training staff hours provided to the Public by the OPM (not including ILT and CE training).	74	50	322	50	50

- ◆ **Goal 3** To Monitor pesticide applications and ensure compliance with OPM Laws and Rules.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total inspections conducted (use and non-use).	3,808	3,000	2,753	3,000	3,000

◆ **Goal 4** To efficiently and professionally investigate inquiries and complaints to protect and maximize the safety of the general public.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total Inquiry investigations conducted and completed.	129	100	151	100	100
Total Complaint investigations conducted and completed.	70	80	65	80	80
Number of Consent agreements reached/orders finalized.	95	90	88	90	90
Number of formal hearings held.	0	1	1	1	1
Percent of investigations resulting in disciplinary action.	87	85	95	85	85
Number of licenses Revoked.	0	1	3	1	1
Total consumer and agency generated complaints.	55	50	55	50	50
Average calendar days from receipt of complaint to resolution	214	180	204	180	180

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,893.8	2,103.7	2,255.7
Other Non Appropriated Funds	1,751.1	832.3	832.3
Total Funding	3,644.9	2,936.0	3,088.0
FTE Positions	18.0	18.0	18.0

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

	<u>FY2016 Estimate</u>	<u>FY2017 Estimate</u>	<u>FY2018 Estimate</u>
Full-Time Equivalent Positions	20.0	20.0	20.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	2,500.0	2,500.0	2,500.0
Non-Appropriated Funds	395.0	395.0	395.0
Federal Funds	2.0	2.0	2.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Disciplinary actions/100 Registered Pharmacists & Technicians	0.16	0.15	0.11	0.16	0.16
Complaints per 100 practitioners (Pharmacists & Technicians)	0.67	0.8	0.36	0.7	0.8
Continuing education seminars conducted for pharmacists	3	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
Board Meetings	7	6	6	6	6
Miles Driven-Inspections	106,977	110,000	95,831	110,000	110,000
Pharmacies-Inspections	894	1050	865	1,000	1,100
Explanation: reduced staff for 1/2 of the fiscal year					
Compressed medical gas suppliers & distributors-Inspections	6	5	4	5	5
Manufacturer-Inspections	13	10	7	10	10
Non-Prescription Drug Permit-Inspections	3046	32000	2,148	3,200	3,200
Wholesaler-Inspections	33	50	41	50	50
Re-inspections	10	10	9	12	12
Total number of inspections conducted	4002	4000	3,074	4,000	4,000

◆ **Goal 2** To maintain a comprehensive electronic Controlled Substance Prescription Monitoring Program.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Use prescription monitoring program fund to maintain and improve prescription monitoring program approved by legislature in 2007.	236,100	300,000	546,597	400,000	420,000
Explanation: 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).	560	600	600	700	800
About how many licensed PRESCRIBERS were there?	24,219	25,400	25,259	26,520	27,850
About how many licensed/permitted DISPENSERS were there?	10,064	10,250	7,316	8,050	8,900
for PRESCRIBERS: How many solicited reports were produced?	775,000	800,000	736,000	810,000	891,000
For PRESCRIBERS: How many unsolicited reports were produced?	1581	1,625	1,392	1,530	1,685
for DISPENSERS: How many solicited reports were produced?	63,484	65,500	321,887	350,000	385,000
for DISPENSERS: How many unsolicited reports were produced?	0	100	0	50	50
For Law Enforcement INVESTIGATIONS OR COMPLAINTS: How many solicited reports were produced?	1,012	1,150	1,118	1,230	1,350
For Law Enforcement INVESTIGATIONS OR COMPLAINTS: How many unsolicited reports were produced?	374	450	10	20	30
For Professional Licensing Board INVESTIGATION OR COMPLAINTS: How many solicited reports were produced?	374	400	590	650	720
For Professional Licensing Board INVESTIGATIONS OR COMPLAINTS: How many unsolicited reports were produced?	19	25	16	25	30

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 qualified physical therapists, certifies qualified 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	335.8	432.6	432.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	335.8	432.6	432.6
FTE Positions	3.5	4.0	4.0

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 2013 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 2016 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 .5 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 begins September 1, 2013.

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, 2013 162 applicants tested before graduation with two 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	428.7	441.6	454.8
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To efficiently process licensure and certification applications.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of physical therapist licenses or physical therapist assistant certificates issued within the required time frames to eligible applicants.	99.9	100	100	100	100
Explanation: Agency complies with A.A.C. R4-24-209, Time Frames for applications.					
Number of new licenses or certificates issued	420	330	507	360	360
Average time, in calendar days, between receipt of completed application to issuance or denial of licensure or certification.	8.1	17	6.4	12	12
Explanation: 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.	0	2	2	2	2
Explanation: Agency tracks and reports number of applications denied.					
Number of licenses/certificates renewed	640	4200	4073	700	4300
Explanation: FY 2014 estimate reflects that renewals will not begin until FY 2015 begins.					
Number of applications received	699	520	710	520	520
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of complaints investigated	100	100	100	100	100
Explanation: 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
Explanation: Percent of unlawful practice investigations over which the Board has jurisdiction investigated.					
Total number of complaints received	53	70	77	70	70
Explanation: Total number of complaints received.					
Total number of disciplinary actions issued	29	30	36	30	30
Explanation: Total number of disciplinary actions issued.					
Number of licenses suspended/revoked/voluntarily surrendered	12	5	6	5	5
Explanation: Number of licenses suspended/revoked/voluntarily revoked					
Total number of unlawful practice investigations received by the Board for investigation	4	10	12	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of requests for license verifications processed and issued within 15 days of receipt	100	100	100	100	100
Explanation: 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.	525	500	528	500	500
Explanation: Board staff tracks and reports the number of requests received.					
Number of written requests for public records received.	60	75	57	75	75
Explanation: Agency tracks and reports the number of public records requests filed.					
Average number of business days to process written requests for public records	2.2	7	2	7	7
Explanation: 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.	7.1	7.0	7.4	7	7
Explanation: 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of physical therapist licensees whose continuing competence records were successfully audited by the Board for compliance.	0	10	10	0	10

Explanation: 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.	NA	100	100	NA	100
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Explanation: 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 108 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,158.7	1,602.8	1,602.8
Other Appropriated Funds	4,553.2	4,656.6	4,656.6
Other Non Appropriated Funds	24.1	26.8	26.8
Total Funding	5,736.0	6,286.2	6,286.2
FTE Positions	106.0	106.0	106.0

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, and safer flooring had been placed in much of the common areas of the Home; much of the parking lot has been resurfaced and drainage improved through the same process. Lighting has been updated to aid in energy conservation and new boilers have been placed which provide the Home's heating and hot water supply. Insulation has been added to the attic area to improve energy conservation. Training and moderate changes in staffing within the maintenance and grounds keeping departments have and will continue which will improve the staff's ability to properly maintain the Home. The Home is seeking additional funds to improve pavement and drainage at the Pioneers' Home cemetery, lead paint abatement and improve the look and functioning of many of the windows in the Home.

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	106.0	106.0	106.0
General Fund	1,602.8	1,602.8	1,602.8
Other Appropriated Funds	4,656.6	4,656.6	4,656.6
Non-Appropriated Funds	15.3	16.0	16.5
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To increase the visibility and awareness of the Arizona Pioneers' Home outside Yavapai County.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
No decrease of daily census.	0	5	-1	0	0

Explanation: To maintain current census levels.

Number of residents from counties other than Yavapai and Maricopa.	30	20	16	15	15
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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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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Number of citations from inspections	4	4	0	4	4
Percent of deficiencies will be resolved in 60 days	100	100	100	100	100
Residents rating of good or excellent (percent)	99	98	100	98	98

◆ **Goal 4** To maintain the efficiencies of services provided in the most cost conscious manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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Average census	105	108	101	105	105
Daily cost per resident (in dollars)	156.73	158.5	150.32	160.5	163

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 Board 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 did not submit updated performance measure data for FY 2012, FY 2014 or FY 2015.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	124.3	147.3	147.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	124.3	147.3	147.3
FTE Positions	1.0	1.0	1.0

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 Arizona citizens.

Description:

The Arizona Commission for Postsecondary Education (ACPE), is comprised of 16 Commissioners representing all sectors (public and private) of postsecondary education constituencies. Core responsibilities of the ACPE are related to student financial assistance. ACPE administers federal and state financial aid programs as well as the Arizona Family College Savings (529) Program. The Commission provides information to students and families to plan for, transition into, and succeed in postsecondary education through a variety of educational programs and publications. The Commission also provides a forum for all sectors of higher education to dialogue, partner, and resolve issues of mutual interest.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,396.8	1,396.8	7,696.8
Other Appropriated Funds	1,324.3	1,535.3	1,535.3
Other Non Appropriated Funds	2,615.4	3,094.8	1,901.2
Total Funding	5,336.5	6,026.9	11,133.3
FTE Positions	6.6	8.5	12.5

Issue 1 Student financial assistance dollars are scarce and should be maximized for students and families

Description

Solutions:

Strategy 1.1: Provide effective and efficient administration of the Arizona Leveraging Educational Assistance Partnership (AzLEAP)

1. Pattern the grant program administration after state and federal guidelines for the benefit of consistency for both institutions and students
2. Solicit input from stakeholders regarding the overall program 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
6. Survey postsecondary institutions regarding effectiveness of administration

Strategy 1.2: Provide effective and efficient administration of the College Access Challenge Last Stretch Scholarship program

1. Follow College Access Challenge Grant application program requirements, develop program, and ensure fair access to funds to all Arizona students
2. Learn about and compare administration to similar programs in other states
3. Solicit input from stakeholders, i.e. students, postsecondary institutions, Governor's Office, regarding the overall program administration
4. Develop specifications for CACG Last Stretch Scholarship to be programmed and integrated into AzGrants website providing students a simple, single web portal to learn about and apply for State student aid
5. Develop a marketing plan and promote to all Arizona baccalaureate degree-granting institutions for maximum exposure to eligible students
6. Prepare annual Scholarship report describing student and institutional participants as well as the barriers and incentives to retention they experience

Strategy 1.3: 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, and procedures implemented by the Arizona Board of Regents in the previous administration, in order to meet both student and the State's needs
2. Solicit input from stakeholders, i.e. students, ADE, college and university teacher education programs, and policy makers regarding the overall program goals and subsequent administration
3. The MSSE Teacher Loan Forgiveness Program integrates into the AzGrants website providing a simple, single application for student aid
4. Develop a marketing plan and promote to all Arizona students enrolled in a teacher education program for maximum exposure to eligible students
5. Prepare an annual report describing student and institutional participants as well as teacher retention, loan forgiveness, and loan repayments

Strategy 1.4: Provide one secure web portal providing access to state student grants, scholarships, forgivable loans, and loan repayments

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 the single place 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 tool 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 also provides links to financial aid options and resources
6. Data is collected regarding students and institutions to be used for policy decisions

Strategy 1.5: 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, Trustees (Commissioners), and Oversight Committee members improve Arizona 529 plan administration and offerings based upon knowledge of best practices and successes of other state programs
3. Processes to ensure the interest of the state and the needs of Arizona residents are being met and are in place
4. ACPE seeks advice when appropriate from an experienced consultant regarding investment offerings, program operating procedures, and 529 plan industry trends
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 comparison to program mission and goals

Strategy 1.6: Offer a quality college savings (529) program by maximizing the contribution of the AFCSP Oversight Committee

1. OS Committee proposes mission and goals to Trustees for approval
2. OS Committee member expertise is maximized in areas of evaluation of program and investment offerings, as well as operations and marketing
3. Effective OS Committee meetings take place at least five times per year to make recommendations; Trustees meet 4 times a year to make decisions
4. Staff provide 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 and investment products

Strategy 1.7: Meet the burgeoning 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) and to meet the Maintenance of Effort (MOE) criterion 2 for years 4 and 5 of the College Access Challenge Grant

See submitted Justification for Proposed Funding Issues for FY 2015 in the FY 2015 & FY 2016 Budget Request

Strategy 1.8: 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

Strategy 1.9: Establishment of the Special Postsecondary Education Grant program to ensure the continued ability of the State to meet Maintenance of Effort (MOE) requirements for the College Access Challenge Grant (CACG) and to provide much needed student financial assistance

See submitted Justification for Proposed Funding Issues for FY 2015 in the FY 2015 & FY 2016 Budget Request

Issue 2 Students and families are uninformed and need assistance to set and achieve their postsecondary goals

Description

Solutions:

Strategy 2.1: Coordinate the statewide Arizona College Goal Sunday (CGS) Financial Literacy Initiative

1. Secure external funding sources to implement program elements
2. Coordinate and execute the on-going statewide CGS weekend effort to assist college-bound seniors, their families and returning adults in filing the Free Application for Federal Student Aid (FAFSA)
3. Recruit more than 300 financial aid professionals to staff CGS weekend
4. Seek partnerships and collaborations to extend the financial literacy program year round, making available to students and families age-specific, appropriate and timely communication regarding student financial assistance
5. Implement the year round financial literacy program

Strategy 2.2: Fully develop and implement the Arizona College Access Network (AzCAN)

1. Implement a customized strategic plan developed by the AzCAN Steering Committee to grow the organization and support the needs of Arizona's college access programs and the students they serve
2. Use the AzCAN website to build a learning community, promote and deliver professional development, and disseminate best practices and research
3. Identify college access programs and build relationships with college access professionals statewide with an emphasis on rural areas and target populations
4. Provide benefits to the Network membership which will improve their performance

Strategy 2.3: Increase the capacity of organizations served by AzCAN and establish expected standards of performance and effective evaluation

1. Survey the state to catalog programs and practitioners in college access
2. Provide professional development with an emphasis on evaluation and capacity building
3. Create metrics of expected standards of performance for member organizations
4. Provide resources, tools and expertise to assist program evaluation efforts

Strategy 2.4: 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), Rapid Guide to Financial Aid, and ACPE websites including collegegoalsunday.com, ACPE website, azgrants.gov, Pay4collegeArizona.gov, AZ529.gov, and azcan.gov

Issue 3 Private and public postsecondary higher education can enhance student success and leverage resources by working together

Description

Solutions:

Strategy 3.1: Use the ACPE meetings and conferences to both 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 structure 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

Strategy 3.2: Encourage and participate in collaboration/partnerships to promote college access and success

1. Seek avenues to encourage collaboration/partnerships that contribute to ACPE mission
2. Review the effectiveness of existing initiative investments
3. Share resources to assist in sustaining or initiating appropriate efforts
4. Complete an annual review of these efforts and re-allocate

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

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	9.0	9.0	9.0
General Fund	7,696.8	7,696.8	7,696.8
Other Appropriated Funds	1,535.3	1,535.3	1,535.3
Non-Appropriated Funds	650.0	650.0	650.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To maximize student financial assistance available to students and families

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of LEAP student awardees	3,183	2,800	3,151	2,800	2,800
Percent of good or excellent service via evaluation surveys	88	90	95	90	90
Number of Arizona Education Loan Program student borrowers	N/A	N/A	N/A	N/A	N/A

Explanation: Please remove. 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	64,171	66,000	68,000	70,500	73,500
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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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Arizona College & Career Guides distributed	14565	15,000	1,786	15,000	15,000
Number of Arizona College & Career Guide (ACCG) on-line visits	7,267	7,000	7,627	7,000	7,000
Attendees at College Goal Sunday	1,706	2,000	1,645	1,800	1,800
Think College and Parent materials distributed (Spanish)	1,174	2,500	0	0	0

Explanation: *The Rapid Guide to Financial Aid is a grant-supported publication that is distributed to students/families through high schools and college access programs.

Think College and Parent materials distributed (English)	8,469	25,000	0	0	0
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Explanation: *The Rapid Guide to Financial Aid is a grant-supported publication that is distributed 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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of statewide committees or task forces collaboratively seeking solutions to issues in postsecondary education	3	3	4	3	3
Numbers of research studies published to examine issues of postsecondary access and success	1	1	1	0	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	36,429.0	36,499.1	36,499.1
Total Funding	36,429.0	36,499.1	36,499.1
FTE Positions	6.0	8.0	8.0

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	8.0	8.0	8.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	28,000,000.0	28,000,000.0	28,000,000.0
Federal Funds	6,541,563.0	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Hoover annual revenue requirements (in thousands).	79798.1	86218.0	73,615.6	76,108.0	90,697.9

- ◆ **Goal 2** To analyze and critically review the transmission system costs and other factors associated with the delivery of Hoover power.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Cost of Intertie Transmission (\$/kW-year)	15.24	15.24	15.24	19.68	19.68
Cost of Parker-Davis Transmission (\$/kW-year)	12.96	14.88	14.88	14.88	14.88

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customers purchasing power from Arizona Power Authority	30	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 255 private postsecondary educational institutions who serve approximately 711,097 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ LICENSING AND REGULATION	335.3	641.2	395.6
➤ STUDENT TUITION RECOVERY FUND	72.2	-142.5	103.1
Agency Total:	407.5	498.7	498.7
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	335.3	641.2	395.6
Other Non Appropriated Funds	72.2	-142.5	103.1
Total Funding	407.5	498.7	498.7
FTE Positions	4.0	4.0	4.0

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 255 private postsecondary educational institutions, serving approximately 711,09750,000 students annually. The Board acts on license applications, determines compliance, investigates complaints and violations, and takes disciplinary action.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	335.3	641.2	395.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	335.3	641.2	395.6
FTE Positions	4.0	4.0	4.0

◆ **Goal 1** To ensure legal operations, ethical practices, and quality education in the private postsecondary sector.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of institutions licensed	247	246	255	256	257
Total number of renewal licenses approved	233	236	235	236	237
Total number of Supplemental Licenses approved	178	315	346	320	320
Number of adverse actions taken (Higher bonds, reporting/monitoring required, C&D issued)	43	45	50	45	45
Number of annual inspections conducted	23	25	26	25	25
Number of students enrolled	847,331	875,000	711,097	750,000	775,000
Number of licenses denied	0	1	0	1	1
Number of institutional closures	28	10	19	15	15

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of annual student complaints investigated	19	15	19	15	15
Number of student complaints resolved/dismissed	9	10	15	10	10
Number of student complaints resulting in disciplinary action	5	5	0	5	5
Number of Student Complaints Pending	5	0	4	0	0
Number of non-student complaints investigated	8	10	4	10	10
Number of non-student complaints resolved	4	12	4	5	5
Number of non-student complaints resulting in disciplinary action	0	3	0	5	5
Number of non-student Complaints Pending	4	0	0	0	0
Number of written inquiries (Letter of Intent, Inquiries, State Authorization Letters and student questions)	387	250	407	350	350

◆ **Goal 3** To efficiently and effectively administer the licensing and regulation program of the Board.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer Satisfaction Survey (scale of 1-8)	7.5	7.5	7.5	7.5	7.5
Administration as a percentage of total cost	4.0	4.3	4.7	4.7	4.7

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	72.2	-142.5	103.1
Total Funding	72.2	-142.5	103.1
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide equitable financial restitution, in a timely manner, to students financially injured as a result of a school closure.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of claims filed	1	10	0	10	10
Number of claims rejected	1	0	0	0	0
Number of claims paid/settled/closed	0	10	0	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of institutions billed	0	1	0	1	1
Amount of assessments collected (in thousands)	0	0	0	.1	.1
Amount available to students (in thousands)	550.2	442.8	486.0	636.8	542.0
Amount paid in Student Claims	0	25,000.	0	31.0	31.0

◆ **Goal 3** To provide students access to their educational records in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of student record requests processed.	1981	2350	2096	2000	2000
Average number of days to process requests	9	10	12	10	10

Agency Summary

BOARD OF PSYCHOLOGIST EXAMINERS

Cindy Ovey, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	343.2	375.5	456.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	343.2	375.5	456.6
FTE Positions	4.0	4.0	4.0

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:

Most of the agency's revenue comes from fees charged for licensing psychologists and behavior analysts. The agency recently implemented a fee increase for active and inactive license renewals, as well as initial licenses, which provided an increase in revenue for the agency. The agency is requesting an increase in appropriation, beginning in FY 2015, 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.

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 application 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:

Most of the agency's revenue comes from fees charged for licensing psychologists and behavior analysts. The agency recently implemented a fee increase for active and inactive license renewals, as well as initial licenses, which provided an increase in revenue for the agency. The agency is requesting an increase in appropriation, beginning in FY 2015, to begin development of an online application for license renewal.

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:

The agency is requesting additional appropriation to fund an existing vacant position at least half-time in order to assist in bringing staffing levels more in line with agency responsibilities and workload.

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 convene in FY 2014 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.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of applications received	25	20	18	20	20

Explanation: FY 2011 Was first year Behavior Analysis license was available

Number of new licenses issued	24	20	16	20	20
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Explanation: FY 2011 Was first year Behavior Analysis license was available

- ◆ **Goal 2** To protect the public from incompetent practitioners of behavior analysis and unprofessional/unethical conduct through timely investigation and adjudication of complaints against licensees.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of investigations received	0	1	1	1	1
Average number of days to resolve complaints	0	50	N/A	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of applications received	136	108	153	140	140
New licenses issued	112	84	105	97	97
Number of licensees (active/inactive)	1942	1925	1898	1975	1968
Average number of days to administratively process an application for licensure (from receipt to substantive review)	3	5	2	5	5
Average number of days to substantively process an application for licensure (from administrative completion to Board adjudication and/or issuance of license)	25	35	23	35	35

- ◆ **Goal 4** To protect the public from incompetent practitioners of psychology and unprofessional/unethical conduct through timely investigation and adjudication of complaints against licensees.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of investigations	54	43	40	43	43
Explanation: Raw number of RFIs received between 07/01/FYA and 06/30/FYB					
Number of complaints opened regarding licensees	34	31	27	30	30
Number of investigations received involving unlicensed practitioners/title violators/non-jurisdictional issues	21	17	16	17	17
Number of investigations resolved at the Complaint Screening Committee level	21	15	22	17	17
Average calendar days from date investigation is opened to resolution at Complaint Screening Committee	43	38	41	39	39
Number of investigations resolved/dismissed at the Board level through Board actions	13	14	13	14	14
Average calendar days from date investigation referred to Board to Board resolution/Board action	68	70	95	75	75
Total number of disciplinary actions taken	2	2	5	3	3
Total number of non-disciplinary/rehabilitative actions taken by the Board	5	2	6	3	3

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of licensees in compliance with continuing education requirements	n/a	75	75	n/a	75

- ◆ **Goal 6** To encourage public input regarding the Board's performance through customer surveys.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction rating (scale 1-8)	7.2	7.5	7.5	7.5	7.5

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ DIRECTOR'S OFFICE	23,353.5	26,573.0	27,232.6
➤ HIGHWAY PATROL	120,002.9	131,964.8	134,348.6
➤ CRIMINAL INVESTIGATIONS	54,229.5	57,722.0	57,636.4
➤ TECHNICAL SERVICES	80,312.2	82,015.4	84,935.6
➤ ARIZONA PEACE OFFICER STANDARDS AND TRAINING	6,722.2	7,918.0	7,618.0
Agency Total:	284,620.3	306,193.2	311,771.2
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	16,878.8	51,560.8	67,140.0
Other Appropriated Funds	207,088.6	183,375.0	184,675.6
Other Non Appropriated Funds	60,652.9	71,257.4	59,955.6
Total Funding	284,620.3	306,193.2	311,771.2
FTE Positions	2,167.7	2,163.7	2,171.7

5 Year Plan

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	1,931.8	1,951.1	1,970.7
General Fund	71,643,300.0	75,225,500.0	78,986,800.0
Other Appropriated Funds	193,029,100.0	202,680,600.0	212,814,600.0
Non-Appropriated Funds	40,315,300.0	42,331,100.0	44,447,700.0
Federal Funds	22,503,400.0	22,728,400.0	22,955,700.0

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 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	4,430.1	5,114.7
Other Appropriated Funds	14,444.7	12,576.3	12,576.3
Other Non Appropriated Funds	8,908.8	9,566.6	9,541.6
Total Funding	23,353.5	26,573.0	27,232.6
FTE Positions	147.5	144.0	144.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of multi-agency emergency-management meetings, exercises, or training scenarios attended or coordinated.	13	12	17	6	6
Number of DPS and/or multiagency emergency management functional or full-scale exercises.	0	0	0	2	2
Explanation: New Measure for FY2014					
Number of planning meetings.	0	0	0	6	6
Explanation: New Measure for FY2014.					
Number of Emergency Management Training Classes.	0	0	0	4	4
Explanation: New Measure for FY2014.					
Number of persons cross trained in emergency management.	0	0	0	4	4
Explanation: New Measure for FY2014. Includes State EOC, WebEOC, FLOP					

◆ **Goal 2** To deliver exemplary service

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of customers satisfied with agency services.	90	85	100	85	85
Explanation: Note: Based on annual survey.					
Number of business days to process public record requests upon receipt of documents.	17	18	12	18	20
Number of advanced training courses conducted with a minimum of ten students.	40	20	10	20	20
Explanation: Moved from Highway Patrol to the Office of the Director in FY13.					
Percent of civilian selection files processed by Human Resources within 5 weeks from date of polygraph to job offer.	77	75	92	90	90
Percent of sworn selection files processed by Human Resources within 13 weeks from date of polygraph to job offer.	44	75	78	80	80
Percent of DPS newly hired employees (sworn and civilian) successfully completing probation.	N/A	75	100	100	100
Explanation: Previously this measure only targeted sworn employees.					
Percent of employees terminating employment (excludes non- Department of Public Safety task force members and retirements)	4	5	7	7	7
Explanation: Percent of employees terminating employment (excludes non-Department of Public Safety task force members).					
Percent of human resource processes reviewed or streamlined.	0	0	0	50	50
Explanation: New measure for FY2014.					
Percent of Department job descriptions revised.	0	0	0	75	75
Explanation: New measure for FY2014.					
Automation of human resource applications processes.	0	0	0	100	100
Explanation: New measure for FY2014.					
Update Administrative Code Title 13 Chapter 5 to comply with state personnel reform laws.	0	0	0	1	0
Explanation: New Measure for FY2014. Law Enforcement Merit System Council responsibility.					
Number of Administrative Code Title 13 Chapter 5 articles reviewed annually.	0	0	0	1	1
Explanation: New Measure for FY2014. Law Enforcement Merit System Council responsibility.					
Percent of the Performance Appraisal Manual reviewed and updated annually.	0	0	0	33	33
Explanation: New Measure for FY2014. Law Enforcement Merit System Council responsibility.					

◆ **Goal 3** To embody the highest standards of integrity and professionalism

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Director's communiqués to agency to ensure internal communication and employees are kept informed.	31	18	35	18	18
Agency indirect cost rate to deliver services (percent).	11.7	10	12.3	12.1	11.9

Explanation: Note: Beginning with the FY2011 Actual figure, the methodology for calculating the indirect cost rate was changed from the negotiated federal indirect cost rate to OSPB's administrative cost formula.

Make available and annually maintain training information on employee misconduct.	0	0	0	1	1
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Explanation: New measure for FY2014

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

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	8,583.5	16,707.1
Other Appropriated Funds	104,461.8	98,670.8	99,070.8
Other Non Appropriated Funds	15,541.1	24,710.5	18,570.7
Total Funding	120,002.9	131,964.8	134,348.6
FTE Positions	997.5	1,000.5	1,000.5

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 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	2,040.4	8,991.8
Other Appropriated Funds	89,089.3	87,762.3	88,162.3
Other Non Appropriated Funds	6,374.8	11,475.2	9,099.1
Total Funding	95,464.1	101,277.9	106,253.2
FTE Positions	792.0	798.0	798.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Fatal highway collisions on Department of Public Safety patrolled roads	260	257	235	255	252
Number of fatal collisions on DPS patrolled roadways relating to impaired drivers.	33	33	33	32	32
Number of fatal collisions on DPS patrolled roadways related to a contributing cause of "inattention" or distracted driving.	46	46	42	45	45
Number of collisions on DPS patrolled roadways relating to impaired drivers.	896	887	799	878	869
Number of speed related collisions on DPS patrolled roadways.	15,024	14,874	15,579	14,725	14,578
Percent of fatal collisions that are secondary collisions.	2.29	2.27	5	2.24	2.22
Percent of total collisions that are secondary collisions.	5.7	5.6	6	5.55	5.5
Number of secondary collisions that involve a first responder.	81	77	43	73	69
Average number of citations for restraint use per officer.	32	38.0	42	46	55
Average number of citations for speed related violations per officer.	178.0	196	146	215	237
Average number of citations for hazardous violations per officer.	68	75	60	82	90
Percent of highway interdiction consent searches resulting in detection of contraband.	N/A	17	26	18	19
Average number of driving under the influence (DUI) arrests per officer.	7	8	6	9	9
Number of Uniform Crime Reporting (UCR) part one crimes occurring within the Capitol Mall Complex.	45	45	42	44	44

◆ **Goal 2** To deliver exemplary service

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of capitol mall stakeholder meetings attended.	N/A	4	16	4	4
Number of public outreach events supporting highway safety.	18	36	20	36	36

◆ **Goal 3** To embody the highest standards of integrity and professionalism

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of new highway patrol and canine officers attending NHTSA-based traffic stop training course.	99	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	839.7
Other Appropriated Funds	8,522.5	10,009.3	10,009.3
Other Non Appropriated Funds	9,155.4	13,235.3	9,471.6
Total Funding	17,677.9	23,244.6	20,320.6
FTE Positions	155.5	150.5	150.5

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of fatal commercial vehicle involved collisions on DPS patrolled roadways.	42	41.58	25	41	40
Number of commercial vehicle involved collisions on DPS patrolled roadways.	1,951	1,931	1,699	1,912	1,893
Number of fatal commercial vehicle involved and responsible collisions on DPS patrolled roadways.	21	21	11	21	20
Number of commercial vehicle involved and responsible collisions on DPS patrolled roadways.	1,211	1,199	1,186	1,187	1,175
Total number of Driver Vehicle Examination Reports.	52,405	55,025	52,564	57,776	60,665
Percent of school buses inspected which are placed out of service.	10	10	34	10	10
Percent of Arizona commercial vehicle crashes entered into SafetyNet within 90 days.	95	100	94	100	100
Percent of Arizona commercial vehicle inspections entered into SafetyNet within 20 days of inspection.	88	100	93	100	100

◆ **Goal 2** To deliver exemplary service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of proactive public outreach events related to commercial vehicle highway safety.	18	40	17	40	40
Number of industry stakeholder events attended which are directed toward commercial vehicle highway safety.	10	10	31	10	10

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	6,543.1	6,875.6
Other Appropriated Funds	6,850.0	899.2	899.2
Other Non Appropriated Funds	10.9	0.0	0.0
Total Funding	6,860.9	7,442.3	7,774.8
FTE Positions	50.0	52.0	52.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of helicopter calls for service resulting in an aviation mission.	93	100	95	100	100
Percent of fixed wing calls for service resulting in a law enforcement emergency transport mission.	99	100	99	100	100
Average percent time helicopter(s) available for service.	N/A	40	41	40	40
Average percent of time twin-engine aircraft available for service.	N/A	75	71	75	75
Average percent of time single-engine aircraft available for service.	N/A	75	56	75	75
Number of enforcement details supported by the fixed-wing unit.	N/A	12	3	12	12

◆ **Goal 2** To provide exemplary service

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of public outreach events participated in.	N/A	24	58	24	24
Number of training classes provided to first responders.	N/A	12	15	12	12
Number of internal stakeholder meetings attended by aviation personnel.	N/A	6	16	6	6

◆ **Goal 3** To embody the highest standards of integrity and professionalism.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of helicopter pilots meeting proficiency standards.	N/A	100	100	100	100
Percent of paramedics meeting proficiency standards.	N/A	100	94	100	100
Percent of helicopter mechanics meeting proficiency standards.	N/A	100	0	100	100
Percent of fixed-wing pilots meeting proficiency standards.	N/A	100	100	100	100
Percent of fixed-wing mechanics meeting proficiency standards.	N/A	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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	16,556.1	30,246.1	31,830.0
Other Appropriated Funds	26,713.1	17,002.4	17,620.8
Other Non Appropriated Funds	10,960.3	10,473.5	8,185.6
Total Funding	54,229.5	57,722.0	57,636.4
FTE Positions	385.7	386.7	386.7

◆ **Goal 1** To promote public safety in Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of ACTIC tips and leads assigned to DPS resolved within 30 days. Explanation: Measure revised in FY2014 to remove the word "investigated."	50	90	79	90	90
Conduct multi-agency/multi-bureau gang enforcement operations targeting specific gangs, affected neighborhoods, or fugitive gang members.	57	12	61	48	48
Conduct intra-bureau gang enforcement operations targeting specific gangs, affected neighborhoods, or fugitive gang members.	45	48	52	48	48
Percent of administrative investigations completed within original projected timelines.	100	85	100	90	90
Inspection of auto salvage, storage, and auction yards. Explanation: Number of inspections.	87	40	73	50	50
Identify and prosecute illegal gang enterprises. Explanation: Number of.	32	11	18	24	24
Financial investigations conducted. Explanation: Measure revised for FY2014 to broaden the scope.	12	1	3	1	1
Identify, dismantly, and prosecute chop shop operators. Explanation: Number of.	52	25	23	30	30
Identify and prosecute drug trafficking organizations. Explanation: Number of.	14	20	7	10	10
Law enforcement information submitted to ARIES. Explanation: Measure revised in FY2014 to reflect a new records management system.	1,961	2,550	1,614	N/A	N/A
Prepare and submit 28CFR intelligence reports. Explanation: Number of.	508	425	512	425	425
Prepare and submit Gang Member Identification Cards. Explanation: Number of.	2,160	2,200	1,900	2,200	2,200
Prepare and distribute crime information bulletins. Explanation: Number of.	276	324	98	300	300
Produce counter-drug assessments. Explanation: Note: These assessments define the drug trafficking environment. Number of.	1	1	2	1	1
Produce statewide threat-assessments. Explanation: Number of.	2	2	3	2	2

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Initiate cases from intelligence analytical products.	12	12	7	12	12
Explanation: Number of.					
Produce Border Violence Reports.	1	4	6	12	12
Explanation: Number of.					
Produce intelligence products.	1,333	50	974	300	300
Explanation: Number of. Measure revised in FY2014 to remove "distributed".					

◆ **Goal2** To provide exemplary service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Requests for computer forensic examinations.	146	150	126	144	144
Explanation: Number of.					
SWAT response ratio percentage.	102	100	89	100	100
Explanation: SWAT actual responses divided by total requests. Revised for FY2014.					
Explosive Ordnance Detail response ratio percentage.	370	300	431	100	100
Explanation: EOD actual response divided by requests to respond. Revised for FY2014.					
Participate in community alliance coalitions or community groups.	22	5	16	20	20
Explanation: Note: At least one coalition or group in each county where DPS CID is present.					
Public awareness programs presented.	128	105	118	120	120
Explanation: Number of. Revised for FY2014 to consolidate all programs into one measure.					
Provide training sessions to other agencies.	45	24	68	24	24
Explanation: Revised in FY2014 to be comprehensive of all training programs. Number of.					
Provide training conferences to other agencies.	9	2	3	4	4
Explanation: Revised in FY2014 to be comprehensive of all training conferences. Number of.					
Facilitate/conduct multi-agency intelligence sharing meetings.	49	22	66	24	24
Explanation: Number of.					

◆ **Goal3** To embody the highest standards of integrity and professionalism.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
CID personnel attending relevant training, beyond mandated training.	405	195	420	195	195
Explanation: Number of. 8-hour minimum.					

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	322.7	8,301.1	13,488.2
Other Appropriated Funds	61,469.0	55,125.5	55,407.7
Other Non Appropriated Funds	18,520.5	18,588.8	16,039.7
Total Funding	80,312.2	82,015.4	84,935.6
FTE Positions	615.0	610.5	618.5

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	1,428.5
Other Appropriated Funds	16,990.6	17,293.0	17,293.0
Other Non Appropriated Funds	3,840.1	4,100.7	2,276.8
Total Funding	20,830.7	21,393.7	20,998.3
FTE Positions	166.0	161.0	166.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of crime lab cases over 30 days old	6.3	5.5	11	5.5	5.0
Number of scientific analysis cases submitted.	0	0	61,160	63,354	64,304
Average number of days required to analyze a blood alcohol submission from evidence receipt to result delivery.	31	24	52	24	24
Average number of days required to screen a sex assault case from evidence receipt to result delivery.	0	0	0	30	30

Explanation: New measure for FY2014.

◆ **Goal 2** To provide exemplary service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Presentations given by regional crime laboratories.	59	40	60	40	40

◆ **Goal 3** To embody the highest standards of integrity and professionalism.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of scientific analysis employees receiving one job-specific training session.	99	100	97	100	100
Percent of scientific analysis employees receiving two job-specific training sessions.	71	75	67	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	1,127.4	4,194.6
Other Appropriated Funds	14,900.0	13,823.9	13,916.5
Other Non Appropriated Funds	1,637.5	769.1	569.1
Total Funding	16,537.5	15,720.4	18,680.2
FTE Positions	158.0	158.0	158.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Develop a plan and replace the Department's aging computer-aided dispatch system with an updated system.	0	0	0	20	50

Explanation: New measure for FY2014. Percentage of project complete by year.

◆ **Goal 2** To embody the highest standards of integrity and professionalism

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Provide eight hours of advanced dispatcher training to each Operational Communications Bureau employee.	108	95	0	50	90
Digital microwave paths installed and activated.	4	3	4	2	2
Number of microwave sites upgraded.	3	1	0	1	1

Explanation: Revised measure for FY2014. 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	322.7	7,173.7	7,680.4
Other Appropriated Funds	22,906.4	15,678.5	15,678.5
Other Non Appropriated Funds	1,530.9	1,100.6	1,100.6
Total Funding	24,760.0	23,952.8	24,459.5
FTE Positions	129.0	128.0	128.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent ACJIS system availability.	99.2	99.8	99.7	99.8	99.8

◆ **Goal 2** To deliver exemplary service

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Annual dollar amount spent toward ADOA recommended building renewal maintenance system (in millions).	.649	.720	.900	.250	.500
Develop and implement a facilities maintenance plan.	1	0	0	1	1

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	184.7
Other Appropriated Funds	6,672.0	8,330.1	8,519.7
Other Non Appropriated Funds	11,512.0	12,618.4	12,093.2
Total Funding	18,184.0	20,948.5	20,797.6
FTE Positions	162.0	163.5	166.5

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	2	1	2	2
Percent of identities verified through fingerprint searches using the MetaMorpho system upgrade.	93	90	95	90	90
Number of security guard agencies audited annually.	40	44	35	40	40
Number of open security guard and private investigator complaints exceeding 90 days from receipt to final disposition.	81	0	33	0	0
Explanation: Note: calculated based on the average of four quarters per fiscal year.					
Number of noncriminal justice agency audits conducted annually.	3	25	6	50	60
Explanation: New measure in FY13.					
Number of private investigator agencies audited annually.	0	0	0	40	40
Explanation: New measure for FY2014.					

◆ **Goal 2** To provide exemplary service

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Automated Fingerprint Identification System (AFIS) reliability.	100	99	100	99	99
Average number of days to process a clearance card when applicant has NO criminal record.	32	25	30	20	15
Average number of days to process a clearance card when applicant HAS a criminal record.	61	50	72	45	40
Average number of days to process a criminal records check and provide the results.	15	12	11	8	6
Average number of days to process a concealed weapons permit when research IS required.	26	26	51	26	26
Average number of days to process a concealed weapons permit when NO research is required.	21	21	33	21	21
Number of criminal justice agencies transitioned to the Arizona Disposition Reporting System.	8	10	12	10	15
Number of criminal history record review audits conducted annually.	162	124	73	113	111
Number of Arizona Criminal Justice Information System (AJCIS) audits conducted annually.	124	90	45	96	93

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,722.2	7,918.0	7,618.0
Total Funding	6,722.2	7,918.0	7,618.0
FTE Positions	22.0	22.0	22.0

- ◆ **Goal 1** To develop, implement, and update standards for the selection, retention, and training of peace officers and corrections officers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New hires.	843	925	946	950	950
Peace officers requiring basic training.	560	614	689	600	700
Peace officers via waiver testing.	48	53	48	70	70
Agencies to be audited.	170	171	164	164	164
Certified peace officers.	14,736	14,900	14,622	14,900	15,200
Corrections officers.	6,129	6,200	6,525	6,550	6,550
New hire minimum qualification compliance audits conducted.	949	1,025	1,023	950	950

Explanation: Note: Includes officers moving from one agency to another.

Days required to conduct new hire audits.	33	30	48	45	45
Percent of agencies in non-compliance.	11	10	10	10	10
Academy audits completed.	1	4	4	4	4
Average number of days to review and complete investigations.	173	165	151	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.	733	733	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Inter-governmental agreements and partnerships.	24	30	24	25	27
Revenues received from public sources (\$ thousands).	0	0	0	0	0
Efficiency review ideas received.	25	25	12	15	15
Efficiency review ideas considered for implementation.	25	25	12	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Qualified new instructors teaching POST programs.	300	300	398	300	300
Explanation: Measure changed slightly in FY2014 to include the word "new".					
Train-the-trainer programs provided.	18	20	18	20	20
In-service programs presented by POST.	110	110	122	100	100
Explanation: Measure changed for FY2014. Previous measure was: Calendar School Programs presented by POST and the Community Policing Institute.					
Attendees of in-service programs.	3,503	3,600	4,992	4,000	4,000
Explanation: Measure changed for FY2014. Previous measure was: Attendees of Calendar Schools.					
DVD training programs produced.	6	6	6	7	7
Percent of participants in DVD training programs.	60	60	100	100	100
Number of students participating in interactive web-based training program.	25,126	26,013	21,191	23,000	24,000
Percent high-risk, high liability topics reviewed.	100	100	100	100	100
Percent of train-the-trainer, specialty, and regional training programs reviewed.	66	66	50	50	66
Percent of in-service programs achieving an overall evaluation of 8.0 or better.	96	95	88	90	90
Percent of Agency CEOs rating overall POST services as 7.0 or greater.	N/A	N/A	N/A	N/A	N/A

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	39,120.0	39,559.0	39,559.0
Total Funding	39,120.0	39,559.0	39,559.0
FTE Positions	36,825.0	39,559.0	39,559.0

5 Year Plan

Issue 1 New SI

Description

Solutions:

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	43.0	43.0	43.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	104,584,790.0	10,458,479.0	10,458,479.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To provide timely services to the System's members, both active and retired.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Active Members in PSPRS	18,542	18,912	18,436	19,101	19,292
Active Members of CORP	14,991	15,140	14,582	15,292	15,444
Active Members of EORP	845	853	839	862	870
Retirees from PSPRS	9,802	9,900	10,167	9,999	10,999
Retirees from CORP	3,476	3,511	3,814	3,545	3,581
Retirees from EORP	992	1,001	1,059	1,011	1,022

◆ **Goal 2** To provide high quality investment management of the System's assets.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of investment returns	0	8.0	10.98	8.0	8.0
3 year rolling rate of return	0	8.0	8.93	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 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ COMMERCIAL RACING	250.0	250.0	250.0
➤ COUNTY FAIR RACING	1,779.5	2,020.2	2,020.2
➤ BOXING	72.6	205.5	205.5
Agency Total:	2,102.1	2,475.7	2,475.7
Funding:			
	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,029.5	2,029.5	2,029.5
Other Appropriated Funds	0.0	379.6	379.6
Other Non Appropriated Funds	72.6	66.6	66.6
Total Funding	2,102.1	2,475.7	2,475.7
FTE Positions	2.0	5.4	5.4

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. In August 2007, the Commission endorsed the proposed Equine Animal Medication Model Rules with exceptions preferable for Arizona racing. The Commission approved an Interim Policy to become effective October 1, 2007. In September 2007, ARCI endorsed the Model Rules section (ARCI-011-020(J)) pertaining to the regulation of anabolic steroids. The Commission approved the addition of the anabolic steroids prohibition section to the Department Interim Policy. In September 2011, these policies were dropped because they may have been in conflict with statute and rules. This made it imperative that the Department implement a new rule that would fully adopt the Model Rules.

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 has been approved by the Arizona Racing Commission and has been submitted to the Governor's Regulatory Review Council for final approval. It is anticipated that following GRRC approval, the new rules will take 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 plans to increase 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 the 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 received a waiver from the 2009 rulemaking requirements of Title 41. Once the new rules take effect, Jockeys and Apprentice Jockeys will be required to pass a physical examination to include blood or urine sample for analysis. 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. 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 designated as "Drug Free Zones" with appropriate signage being displayed.

Issue 3 License Application Process

Description The Department has revised the licensing process by computerizing the license application and license issuing process. This automation has reduced customer wait time, and made the licensing process more user friendly and efficient, while still obtaining the information necessary to determine eligibility for licensure. The Department continues to refine the background investigation process that has reduced false applications by 90%.

Solutions:

The Department's website continues to be an avenue to access the license application with instructions for completion, a list of license fees, and a 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 Increased Efficiency

Description On January 14, 2010, Governor Brewer signed an Executive Order creating the Commission on Privatization and Efficiency (COPE). COPE's mission is to streamline governmental operations through consolidation and outsourcing.

Solutions:

Beginning in FY 11, the Department has participated in interagency service agreements with other state agencies such as the Department of Administration and the Office of the Attorney General. The Department has also outsourced functions such as rule writing, forensic investigations, animal certification, drug testing and software development. Contracting with professionals in these areas provide superior results and free up staff for other assignments.

Issue 5 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 which becomes effective September 12, 2013. 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, there will be training sessions for boxing and MMA officials. In the past, there has been no formal training of the industry's officials. Additional training and knowledge will enhance 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	40.5	40.5	40.5
General Fund	2,029.5	2,029.5	2,029.5
Other Appropriated Funds	2,895.9	2,895.9	2,895.9
Non-Appropriated Funds	35.0	35.0	35.0
Federal Funds	0.0	0.0	0.0

Program Summary

COMMERCIAL RACING

Joyce Cozby, Deputy Director
Phone: (602) 364-1726
A.R.S. §§ 5-101 to 5-115

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:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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
Total Funding	250.0	250.0	250.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

HORSE RACING

Joyce Cozby, Deputy Director
Phone: (602) 364-1726
A.R.S. §§ 5-101 to 5-115

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,565.3	1,814.5	1,814.5
Other Non Appropriated Funds	90.1	14.5	14.5
Total Funding	2,655.3	1,829.0	1,829.0
FTE Positions	24.5	25.7	25.7

- ◆ **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	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Stewards' rulings issued	164	200	171	200	200
Explanation: Stewards are the first-line enforcers of the statutes and rules and protectors of the racing participants and animals. They monitor every aspect of the race meet.					
Percent of original Stewards' actions upheld on appeal	89.0	85.0	100	85.0	85.0
Percent of positive equine drug tests	4.0	4.0	2.5	4.0	4.0
Number of horse racing investigations conducted regarding compliance with rules	25	30	176	30	30
Number of equine drug tests conducted	1,998	2,200	1,924	2,200	2,200

- ◆ **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	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of licenses issued	1,374	2,000	3,042	2,000	2,000
Number of licenses denied	1	2	0	2	2
Number of background investigations conducted regarding licensing	957	1,200	3,042	1,200	1,200
Percent of license denials upheld on appeal	N/A	95.0	N/A	95.0	95.0
Percent of total horse racing licensees with disciplinary action	2.25	3.0	5.2	3.0	3.0
Average number of calendar days to complete fingerprint reviews from time taken to receipt of criminal history report	44	40	35	40	40

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of active horse breeders	79	80	138	138	138
Percent of active breeders winning awards	N/A	84.0	33.0	35.0	35.0
Average number of days that awards were processed before the deadline	N/A	3	7.0	7.0	7.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Employee turnover rate	18.5	15.0	19.3	15.0	15.0
Number of employees who completed formal work-related training	11	11	18.1	11	11

- ◆ **Goal 5** To educate all licensees and racing participants in Arizona regarding violations involving the use of illegal substances.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of human drug tests conducted	11	15	33	15	15
Number of positive human drug test results	6	5	5	5	5
Number of refusals to test	1	2	1	2	2
Number of investigations regarding positive drug tests and refusals to test	11	10	6	10	10

Subprogram Summary

GREYHOUND RACING

Joyce Cozby, Deputy Director

Phone: (602) 364-1726

A.R.S. §§ 5-101 to 5-115

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.

Funding:

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	701.8	701.8
Other Non Appropriated Funds	0.9	8.5	8.5
Total Funding	0.9	710.3	710.3
FTE Positions	0.0	9.9	9.9

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Stewards' rulings Issued	97	100	63	100	100
Percent of positive canine drug tests	0.47	0.50	0.38	0.50	0.50
Number of greyhound racing investigations conducted regarding compliance with rules	16	20	43	20	20
Percent of greyhound racing licensees with disciplinary action	14.5	10.0	3.65	10.0	10.0
Number of canine drug tests conducted	2,130	2,200	2,116	2,200	2,200

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of licenses issued	152	300	579	300	300
Number of licenses denied	N/A	1	0	1	1
Number of background investigations conducted	110	130	579	130	130
Percent of background investigations resulting in disciplinary or enforcement action	0.01	0.01	0	0.01	0.01
Percent of license denials upheld on appeal	100.0	90.0	N/A	90.0	90.0
Number of background investigations resulting in disciplinary action	6	7	5	7	7

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of facilities licensed	2	2	2	2	2
Number of inspections conducted at facilities	24	24	24	24	24
Number of inspections resulting in violations and disciplinary action	N/A	1	0	1	1
Number of greyhound hauling vehicle inspections conducted	1	1	0	1	1
Number of greyhound hauling vehicle inspections resulting in violations	N/A	1	0	1	1
Number of inspections of greyhound puppy litters	8	10	0	3	3

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of greyhound breeders winning awards	N/A	69.0	67	67	67
Average number of days that awards were processed before the deadline	N/A	3.0	7	7	7
Number of active greyhound breeders	4	6	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Employee turnover rate	18.1	15.0	21.4	15.0	15.0
Number of employees who completed formal work-related training	4	4	5.8	4	4

Program Summary

COUNTY FAIR RACING

Joyce Cozby, Deputy Director
 Phone: (602) 364-1726
 A.R.S. §§ 5-101 to 5-115

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,779.5	1,779.5	1,779.5
Other Appropriated Funds	0.0	240.7	240.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,779.5	2,020.2	2,020.2
FTE Positions	0.0	3.4	3.4

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of races supervised	258	250	237	250	250
Number of Stewards' rulings issued	4	5	14	5	5
Percent of original actions upheld on appeal	N/A	95.0	100	95	95
Number of investigations conducted	110	100	310	100	100
Number of county fair racing investigations resulting in disciplinary action	1	2	10	2	2
Number of county fair race days regulated	32	32	27	30	30
Number of county fair races supervised - including simulcasting	5,084	5,100	5,084	5,084	5,084
Number of equine drug tests conducted	158	160	45	160	160

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of licenses issued	103	150	300	150	150
Number of licenses denied	N/A	1	0	1	1
Number of background investigations conducted	108	100	300	100	100
Percent of license denials upheld on appeal	N/A	90.0	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Amount of betterment monies distributed (thousands)	N/A	N/A	N/A	N/A	N/A

Explanation: No monies appropriated in FY 13

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Employee turnover rate	42.8	40.0	12.5	12.5	12.5
Number of employees who completed formal work-related training	0	0	2	0	0

Program Summary

BOXING

Dennis O'Connell, Executive Director/Boxing
 Phone: (602) 364-1727
 A.R.S. §§ 5-221 et seq.

Mission:

To regulate and supervise boxing 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	138.9	138.9
Other Non Appropriated Funds	72.6	66.6	66.6
Total Funding	72.6	205.5	205.5
FTE Positions	2.0	2.0	2.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of boxing & MMA licenses issued	753	750	875	750	750
Number of bouts	276	250	202	250	250
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	2/276	2/250	2/202	2/250	2/250

Explanation: Effective FY 10: Reflects number of boxing & MMA investigations

Number of events sanctioned	32	30	23	30	30
Number of license applications received	770	770	893	770	770
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of boxing & MMA investigations resulting in disciplinary action	1.0	1.0	2.0	1.0	1.0

Explanation: Effective FY 10: Reflects boxing & MMA investigations resulting in discip. Action

Number of boxing investigations versus number of bouts	1/276	1/250	2/202	1/250	1/250
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Explanation: Effective FY 10: Reflects both boxing & MMA investigations vs. number of bouts

Number of boxing & MMA investigations	1	1	2	1	1
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Explanation: Effective FY 10: Reflects both boxing & MMA investigations

◆ **Goal 3** To ensure that all participants comply with all health requirements for their safety and the public safety.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Boxing & MMA -related medical exams submitted	2,300	2,250	2,300	2,250	2,250
Explanation: Effective FY 10: Reflects both boxing & MMA related medical exams					
Percent of Boxing & MMA -related medical exams accepted	99	99	98	99	99
Explanation: Effective FY 10: Reflects both boxing & MMA related medical exams					
Percent of Boxing & MMA -related medical exams received the day of the event	5-10	0-5	5-10	0-2	0
Explanation: Effective FY 10: Reflects both boxing & MMA related medical exams					

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of boxing employees who completed formal work-related training	2	2	2	2	2
Explanation: Effective FY 10: Reflects both boxing & MMA employees					
Employee turnover rate	16.7	15.0	0	0	0
Explanation: Effective FY 10: Reflects both boxing & MMA employees					

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ RADIOACTIVE MATERIALS/NON-IONIZING RADIATION	568.9	576.5	576.5
➤ X-RAY COMPLIANCE	846.8	853.6	1,108.5
➤ EMERGENCY RESPONSE	1,058.4	1,097.2	1,138.3
➤ RADIATION MEASUREMENT LABORATORY	488.5	488.5	549.5
➤ MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS	252.0	273.3	273.3
Agency Total:	3,214.6	3,289.1	3,646.1
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,433.8	1,468.6	1,825.6
Other Appropriated Funds	827.6	852.9	852.9
Other Non Appropriated Funds	953.2	967.6	967.6
Total Funding	3,214.6	3,289.1	3,646.1
FTE Positions	38.0	38.0	44.0

5 Year Plan

Issue 1 New 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 the growth rate was 2.5%, 0.3%, and 1.8% and 1.7%. 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 loss of staff means Agency will continue to increase in overdue inspections until replacement staff can be trained.

Solutions:

Improvement strategy: Assuming a 3% growth rate for FY 2014—2015 and 4%, the historical growth rate for FY2016 and 2017, we will have to add resources, both staff and equipment, to have our inspections to not being more than 5% overdue. Possible increased efficiencies will help reduce the resource needs, they will not eliminate these needs. To inspect the 15,462 x-ray tubes at the scheduled re-inspection rate, of 4210 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 New 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 these wastes, then this corridor is likely to be utilized. In the meantime, I-40 is being utilized to ship high level of irradiation sources to China-Japan areas of the world. During FY2013, 61 shipments of route controlled quantities 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. The budget will show this additional position for FYs 2015 through 2018. 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 Issue 3: 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 those the licensees would pay the NRC resulting in a savings to the industry.

Issue 4 New SI Issue 4: Non-ionizing radiation sources increasingly is a public concern.

Description Legislation adopted in 2008, required certification of technologists performing cosmetic laser applications. In addition, the World Health Organization has recommended restrictions on tanning bed usage by individuals under the age of 18. The funding from the certification of technologists currently pays the cost of that program. If additional restrictions are adopted by the legislature, there may be some cost in enforcing them. At present the Agency is late in inspecting 62% of the facilities.

Solutions:

Improvement strategy: The Agency will continue to respond to public inquiries and concerns. By 2016, 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.

Issue 5 New SI Issue 5: 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 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 these events adequately. This may be important since the federal response may be as long as 24 hours in arriving in AZ.

Issue 6 New SI Issue 6: 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 monitoring system in Arizona. After then 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.

Solutions:

Improvement strategy:By FY 2016, the Agency would need to add 2 FTE and acquire additional monitoring equipment to provide this information to the public.

Issue 7 New SI Issue 7: 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 certified 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 and random background checks.

Issue 8 New SI Issue 8: 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	34.5	36.5	37.5
General Fund	2,006,600.0	2,156,500.0	2,236,500.0
Other Appropriated Funds	882,800.0	892,800.0	902,800.0
Non-Appropriated Funds	740,600.0	740,600.0	745,600.0
Federal Funds	234,000.0	234,000.0	234,000.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	323.8	331.4	331.4
Other Appropriated Funds	245.1	245.1	245.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	568.9	576.5	576.5
FTE Positions	7.0	7.0	7.0

◆ **Goal 1** To identify and license or register all users of radioactive materials or particle accelerators in Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New licenses and renewals	70	75	66	75	75
Accelerator registrations	69	75	67	75	80
Accelerator registration actions	49	45	55	50	55
Customer satisfaction rating	7.6	7.6	7.2	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Non-ionizing radiation registrations, active.	999	1,050	1,327	1,500	1,600
Non-ionizing radiation registration actions.	637	650	955	800	850

◆ **Goal 3** To inspect all users of radioactive materials or particle accelerators according to Agency regulations.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of radioactive materials inspections	172	150	144	150	150
Accelerator inspections	14	35	43	35	35

◆ **Goal 4** To inspect NIR users to assure conformance with radiation safety regulations

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Non-ionizing radiation licenses inspected	73	75	219	250	300

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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Administration as a per cent of total expenditures	11.95	11.9	11.6	10.7	10.5
Customer satisfaction rating	0	0	7.2	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	366.9	374.7	629.6
Other Appropriated Funds	292.2	296.2	296.2
Other Non Appropriated Funds	187.7	182.7	182.7
Total Funding	846.8	853.6	1,108.5
FTE Positions	14.0	14.0	18.0

◆ **Goal 1** To register all x-ray tubes within the State of Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
X-Ray tubes registered	15,135	15,200	15,462	15,500	15,500

◆ **Goal 2** To inspect all x-ray tubes to ensure continuous compliance with health and safety standards.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of x-ray tubes inspected	11.5	14	14.4	15	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	1,695	1,800	2,063	1,800	2,000
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Explanation: The number of available inspectors limits the number of inspections.

Percent of x-ray tubes overdue for inspection	39	38	47.3	49	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of mammography facilities certified	156	160	155	160	160

◆ **Goal 4** To improve efficiency of subprogram database changes and tracking of applications.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Database changes	2,294	2,800	1,722	1,800	1,800

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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	680.8	700.2	741.3
Other Appropriated Funds	38.3	38.3	38.3
Other Non Appropriated Funds	339.3	358.7	358.7
Total Funding	1,058.4	1,097.2	1,138.3
FTE Positions	5.0	5.0	6.0

◆ **Goal 1** To respond effectively to any radiological incidents or accidents within Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Radiological incidents (non-Palo Verde related)	22	20	26	30	25

Explanation: May include reactor events outside of Arizona if the Agency has to respond to public inquiries.

Radiological incidents (Palo Verde related)	1	1	0	1	1
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◆ **Goal 2** To promote Agency radiological incident response capabilities within the State's HAZMAT community.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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)	20	20	24	25	25
Number of Spent Nuclear Fuel or Large Quantity Radioactive Material Shipments	69	60	58	60	60

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of monitoring team members	84	85	65	85	85

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of instrument kits distributed to qualified teams	80	20	15	25	25

Explanation: WIPP terminated their support of a shipment route in AZ.

Number of response team members trained	350	325	615	600	600
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Explanation: WIPP closed AZ shipping route.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	62.3	62.3	123.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	426.2	426.2	426.2
Total Funding	488.5	488.5	549.5
FTE Positions	7.0	7.0	8.0

- ◆ **Goal 1** To analyze environmental samples to ensure that no radioactivity beyond natural background is present.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of environmental sample analyses	1,500	2,000	1,096	1,200	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).

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Radon canisters analyzed	1,200	1,000	900	1,000	1,000

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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
TLD monitoring sites	51	51	51	50	100

Explanation: Statewide monitoring program stopped in 2009 due to budget restraints. Only monitoring PVNGS at present.

Air sampling stations throughout Arizona	8	8	8	8	16
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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 primacy laboratory for valid data.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Designated	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of water samples analyzed	50	60	92	90	90

- ◆ **Goal 6** To participate in training and respond to incidents involving radioactive material that may also be an act of terrorism.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of practices/responses	4	3	0	3	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	252.0	273.3	273.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	252.0	273.3	273.3
FTE Positions	5.0	5.0	5.0

◆ **Goal 1** To assure qualifications and issue certificates to qualified applicants.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Qualified technologists certified, total	7,741	7,900	7,659	7,700	7,800
Certificates issued within 60 days	4,598	4,600	3,976	4,200	4,500
Number of active medical radiologic technologist certificates	8,506	8,700	8,506	8,600	8,700

◆ **Goal 2** To enforce A.R.S. § 32-2801 et seq.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of complaints	39	50	46	50	55
Number of complaints resolved	12	30	34	30	35

◆ **Goal 3** To conduct investigations required by A.R.S. § 32-2821(B).

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of investigations	31	40	46	50	60

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,661.0	2,988.7	3,513.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	90.5	234.0	234.0
Total Funding	2,751.5	3,222.7	3,747.5
FTE Positions	37.0	37.0	43.0

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 see the effects of the real estate market downturn that began in 2008. Some of the more prevalent and ongoing harmful effects of the real estate market collapse are seen in the following:

- Fraudulent real estate and subdivision schemes – i.e. short sale and distressed properties;
- Property management mishandling and/or depletion of trust accounts by licensed individuals;
- Property management schemes/violations conducted by unlicensed individuals;
- Mortgage fraud involving licensed 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;
- Advertising violations, where misleading false and deceptive marketing is used.

Solutions:

As a regulatory agency charged with protecting the public, the Arizona Department of Real Estate’s 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 to 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 shift to a 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 the 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.

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 three years, many current agency procedures for processing complaints and providing financial restitution through the Recovery Fund are labor-intensive and lengthy in duration. To the extent possible, while still adhering to statutory mandates, and with respect for the legal requirements to ensure due process, the agency will 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 its accountability to the citizens of Arizona is 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 new ways to deliver services. The Department continues to review every internal process, constantly asking the question "is there a more efficient way of achieving the same result?" The Department must also review and revise the many forms used by the real estate industry and the public as they interact with the services provided. These forms must become 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 31 FTE), technology is the catalyst that will allow the Department to continue to improve its excellent service delivery.

Solutions:**Issue 5** Strategic Issue #5: Promote Committed, Skilled and Accountable ADRE Team

Description As of June 30 2013, the Arizona Department of Real Estate employs 31.5 FTE. The ADRE has adjusted to leaner staffing levels, tighter budgets, and realizes the need to have Department staff that has expertise in the industry.

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. 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 In response to the fiscal crisis that began in FY08, the Department successfully accommodated the Budget cuts, the downsizing of staff, and survived with less than sufficient annual appropriations.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	45.0	45.0	45.0
General Fund	3.7	3.9	3.9
Other Appropriated Funds			
Non-Appropriated Funds	100.0	100.0	100.0
Federal Funds			

◆ **Goal1** To provide excellent customer service to licensees.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of department customer service surveys indicating good to excellent service	99	99	99	99	99

◆ **Goal2** To review and approve new courses quickly and thoroughly.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average days from receipt to approval of school, course and instructor.	10	10	11	10	10

◆ **Goal3** To improve the quality of class offerings and instructors by monitoring and auditing more classes.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Classes monitored	17	25	168	240	375

◆ **Goal4** To create and maintain procedures to process licenses in an efficient and timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average days from receipt of application to issuance of real estate license	1	1	1	1	1
Total real estate applications received	30298	32466	35140	34145	30186

Explanation: New Applicants & Renewals

Number of real estate licensees	79980	79500	71544	69967	66426
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Explanation: Number reflects actual count of licensees. This includes individuals, brokers, and entities.

◆ **Goal5** To maintain the timeliness of the investigative process.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average calendar days from receipt of real estate or subdivision complaint to resolution	118	100	110	90	90
Total real estate or subdivision complaints investigated	852	1000	1153	1258	1398

◆ **Goal 6** To maintain excellent customer service through the timely issuance of public reports.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of calendar days to issue deficiency letter on subdivision applications received	25	25	48	48	27
Number of subdivision filings received	173	200	360	400	440
Explanation: Includes amendments					
Average number of days to issue an improved lot public report.	20	20	20	20	20

◆ **Goal 7** To maintain an appropriate ratio of administrative costs in relation to the Department's appropriation.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of administrative costs	11.1	7.4	7.5	8.0	9.7
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of in-field broker audits performed.	60	208	67	250	325
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.	68	300	116	375	550

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,170.6	1,334.4	1,334.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,170.6	1,334.4	1,334.4
FTE Positions	11.0	11.0	11.0

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 filed. We are becoming active in the National Association of State Regulatory 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	11.0	11.0	11.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,334.4	1,334.4	1,334.4
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of cases analyzed	26	30	27	30	30
RUCO interventions in rate making	2	5	7	5	3

◆ **Goal 2** To secure for residential utility ratepayers the lowest reasonable rates.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of utility rate hearings	9	7	5	12	12
Number of utility hearings	13	12	7	12	12
Average rate increase requested by utilities (millions)	28.8	33.0	33.7	4.2	10.0
Average rate increase recommended by RUCO (millions)	6.9	8.0	7.7	1.9	4.0
Average rate increase approved by ACC (millions)	10.9	12.5	20.2	2.8	6.0
Percent variance between utilities' request for rate increases and the actual ACC authorized rates	62	62	40	33	40

◆ **Goal 3** To protect residential consumer interests in matters involving competitive issues before the Arizona Corporation Commission.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
RUCO interventions in cases involving competitive issues	1	0	1	1	1
Administration as a percentage of total cost	4.0	4.0	4.0	4.0	4.0
Customer satisfaction rating for residential utility customers (scale 1-8)	7	7	7	7	7

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	288.0	297.1	297.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	288.0	297.1	297.1
FTE Positions	4.0	4.0	4.0

5 Year Plan

Issue 1 Effectively and efficiently administer the provisions of A.R.S. § 32-3501

Description The Board looks for ways to more effectively and efficiently regulate the practice of respiratory care in Arizona.

Solutions:

To reduce the time for reviewing and issuing initial and renewal licenses to qualified respiratory care professionals and to increase efficiencies in the day to day operations of the agency.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	297.1	297.1	297.1
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To process licensing and renewal tasks in a timely, accurate manner while increasing efficiency and utilizing electronic tools.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New and temporary licenses issued	417	520	408	500	500
Explanation: Total number of licenses issued					
Average number of days from receipt to granting a temporary license	2	1.5	2	2	2
Explanation: Average number of days from receipt to granting a temporary license					
Total number of applications for permanent licenses	1710	1810	1,407	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total number of complaints received	112	130	123	145	155
Explanation: Total number of complaints received					
Average days from receipt of complaint to resolution	143	160	150	90	90
Explanation: Average number of day to close a complaint					
Average monthly backlog of complaints not yet resolved	12	10	20	15	13
Explanation: Total number of complaints pending from month to month					
Number of licenses revoked or suspended	9	10	6	5	5
Explanation: Total number of licenses revoked or suspended					
Total number of practitioners investigated	112	130	98	100	100
Percent of investigations resulting in disciplinary or enforcement action	18	20	18	15	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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ MEMBER SERVICES	19,468.3	21,961.8	21,936.8
➤ ADMINISTRATION AND SUPPORT	8,779.0	8,568.9	8,558.9
➤ INVESTMENT MANAGEMENT	139,955.6	159,232.8	170,951.8
Agency Total:	168,202.9	189,763.5	201,447.5
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	24,420.9	26,973.5	26,868.5
Other Non Appropriated Funds	143,782.0	162,790.0	174,579.0
Total Funding	168,202.9	189,763.5	201,447.5
FTE Positions	233.9	246.9	246.9

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	246.9	246.9	246.9
General Fund	0.0	0.0	0.0
Other Appropriated Funds	26,900,000.0	26,900,000.0	26,900,000.0
Non-Appropriated Funds	174,600,000.0	18,500,000.0	197,000,000.0
Federal Funds	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	15,713.2	18,251.7	18,146.7
Other Non Appropriated Funds	3,755.1	3,710.1	3,790.1
Total Funding	19,468.3	21,961.8	21,936.8
FTE Positions	184.0	197.0	197.0

◆ **Goal 1** To ensure that members receive calculations and disbursements timely, consistently, and accurately.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of new retirees receiving initial payments within 10 business days of retirement (objective 90%)	94	90	94	90	90
Percent of overall member satisfaction with the retirement application process for new retirees (objective 90%)	96	90	97	90	90
Number of new retirements processed	8,698	8,940	8,718	8,800	8,900
Percentage of monthly pension payments disbursed on the first day of the month (objective 98%)	99.9	98	99.9	98	98
Number of monthly pension payments issued (June payroll)	113,372	120,314	119,395	126,559	134,152
Number of pension adjustments completed	786	1,050	648	700	700
Percentage of pension adjustments processed within 20 business days of identification (objective 90%)	98	90	100	90	90
Percentage of refunds disbursed within 10 business days of request (objective 90%)	99	90	97	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%)	95	90	97	90	90
Number of refund requests received	19,935	19,900	16,962	17,500	18,500
Percentage of service purchase cost invoices distributed within 10 business days of receipt (objective 90%)	96	90	95	90	90
Percentage of service purchase payroll deduction agreements processed within 5 business days of receipt (objective 90%)	96	90	96	90	90
Percentage of service purchase cost invoices processed accurately (objective 98%)	99	98	100	98	98
Percent of overall member satisfaction with the service purchase process (objective 90%)	90	90	90	90	90
Number of service purchase cost invoices requested	4,872	6,400	5,166	5,200	5,200
Number of service purchase lump sum payments completed	3,697	4,700	3,214	3,200	3,200
Number of service purchase payroll deduction agreements completed	161	230	415	400	400
Percentage of service purchase lump sum payments processed within 10 business days of receipt (objective 90%)	96	90	97	90	90
Total number of deaths reported (retired members)	2,327	2,230	2,727	2,700	2,700
Total number of deaths reported (non-retired members)	982	1,370	2,682	1,400	1,400
Percent of overall member satisfaction with the survivor benefit process (objective 90%)	92	90	94	90	90

- ◆ **Goal 2** To offer retired and disabled members access to affordable, competitive and efficiently run health insurance and disability programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of enrollments and declines processed	15,976	16,000	9,793	10,000	10,000
Number of retirees receiving a premium benefit	64,883	68,000	69,823	70,000	71,000
Total amount disbursed for premium benefit (in thousands)	93,790	99,417	95,670	100,000	105,000
Number of months needed to determine eligibility for LTD	6	6	2.2	2.5	2.5
Number of open LTD claims	4,678	4,700	4,735	4,700	4,700
Number of new LTD claims	932	890	894	900	900
Number of late LTD claims	24	25	15	25	25
Percentage of overall member satisfaction with Long Term Disability program (objective 90%)	92	90	89.7	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of checks (including contributions and service purchase) deposited within 24 hours of receipt (objective 95%).	100	95	100	95	95
Percentage of valid invoices paid within 30 days of receipt (objective 100%).	100	100	99.8	100	100
Percentage of all invoices with a discount paid within the discount period (objective 99%).	99	99	100	99	99
Percentage of collected outstanding accounts receivable balance each month (objective 5%).	12	5	8.95	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of calls answered within 20 seconds (objective 80%)	61	80	57	80	80
Percent of telephone inquiries answered accurately (objective 95%)	98	95	99	95	95
Percentage of overall member satisfaction with Telephone Service at the Arizona State Retirement System (objective 90%)	95	90	90.4	90	90
Number of calls received	223,617	215,000	212,755	210,000	205,000
Percent of calls abandoned by caller (objective 5% or fewer)	7	5	6.5	5	5
Percentage of overall member satisfaction with Planning for Retirement meetings (objective 90%)	99.5	90	99.7	90	90
Percentage of overall member satisfaction with Retire Now meetings (objective 90%)	99.7	90	99.8	90	90
Total number of Planning for Retirement meetings (statewide)	46	48	199	200	200
Total number of Retire Now meetings (statewide)	302	320	202	200	200
Total number of Planning for Retirement meeting attendees (statewide)	0	0	4,139	4,000	4,000
Total number of Reite Now meeting attendees (statewide)	0	0	1,984	2,000	2,000
Percentage of overall member satisfaction with walk-in counseling (objective 90%)	97	90	100	90	90
Percentage of appointments customers served within 5 minutes of arrival (Phoenix and Tucson offices) (objective 80%)	88	80	97.2	80	80
Total number of walk-ins (Phoenix and Tucson)	0	0	6,075	6,000	6,000
Percentage of walk-in customers served within 30 minutes of arrival (Phoenix and Tucson offices) (objective 80%)	0	0	92.4	80	80
Total number of pre-scheduled appointments (Phoenix and Tucson)	0	0	8,011	8,000	8,000

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	7,209.5	7,018.4	7,018.4
Other Non Appropriated Funds	1,569.5	1,550.5	1,540.5
Total Funding	8,779.0	8,568.9	8,558.9
FTE Positions	38.9	38.9	38.9

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of employers enrolled with the ASRS	707	710	718	720	720
Number of employer conferences/workshops held	27	25	36	35	35
Number of individual employer meetings held	16	25	40	25	25
Percentage of members who "agree" or "strongly agree" that ASRS employees provide good service to members (objective 90%)	98	90	98	90	90
Percentage of members who "agree" or "strongly agree" that the ASRS keeps its members informed of matters that affect them (objective 90%)	95	90	96	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	98	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of months in which permanent staffing levels were 90 percent or higher (objective 6)	2	6	12	6	6

Explanation: Includes consultant and temporary workers

Program Summary

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,498.2	1,703.4	1,703.4
Other Non Appropriated Funds	138,457.4	157,529.4	169,248.4
Total Funding	139,955.6	159,232.8	170,951.8
FTE Positions	11.0	11.0	11.0

◆ **Goal 1** To achieve a total fund rate of return equal to or greater than the actuarial assumed interest rate.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of investment returns	1.3	8.0	13.1	8.0	8.0

Explanation: one-year return figure

10-Year rolling annual rate of return on total fund assets (%)	6.3	8.0	7.4	8.0	8.0
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◆ **Goal 2** To achieve a total fund rate of return equal to or greater than the Asset Allocation Benchmark.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Annualized rate of return	1.3	8.0	13.1	8.0	8.0
Excess return measured against strategic asset allocation benchmark	-0.1	n/a	0.5	n/a	n/a
3-year rolling annual rate of return	13.2	8.0	12.6	8.0	8.0
3-Year excess return measured against strategic asset allocation benchmark	0.6	n/a	0.3	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
5-Year rolling annual rate of return	1.8	8.0	5.9	8.0	8.0
5-Year excess return measured against strategic asset allocation benchmark	-7.1	n/a	0.5	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Annualized rate of return for domestic equity	2.8	n/a	22.2	n/a	n/a
Excess domestic equity return measured against benchmark	-0.9	n/a	0.2	n/a	n/a
Annualized rate of return for international equity	-13.1	n/a	14.0	n/a	n/a
Excess international equity return measured against benchmark	0.8	n/a	-1.1	n/a	n/a
Annualized rate of return for fixed income	8.1	n/a	-0.3	n/a	n/a
Excess fixed income return measured against benchmark	0.6	n/a	0.1	n/a	n/a
Annualized rate of return for GTAA	2.4	n/a	12.7	n/a	n/a
Excess GTAA return measured against benchmark	0.3	n/a	-0.1	n/a	n/a
Annualized rate of return for real estate	12.3	n/a	12.8	n/a	n/a
Excess real estate return measured against benchmark	-2.4	n/a	2.0	n/a	n/a
Annualized rate of return for private equity	15.4	n/a	12.6	n/a	n/a
Excess private equity return measured against benchmark	15.6	n/a	-3.7	n/a	n/a
Annualized rate of return for opportunistic investments	2.9	n/a	41.1	n/a	n/a
3-year rolling annual rate of return for domestic equity	17.5	n/a	18.9	n/a	n/a
3-year rolling annual excess domestic equity return measured against benchmark	0.3	n/a	0.1	n/a	n/a
3-year rolling annual rate of return for international equity	7.3	n/a	8.6	n/a	n/a
3-year rolling annual excess international equity return measured against benchmark	-0.4	n/a	-0.5	n/a	n/a
3-year rolling annual rate of return for fixed income	8.0	n/a	4.2	n/a	n/a
3-year rolling annual excess fixed income return measured against benchmark	0.8	n/a	0.2	n/a	n/a
3-year rolling annual rate of return for GTAA	15.8	n/a	14.1	n/a	n/a
3-year rolling annual excess GTAA return measured against benchmark	3.8	n/a	1.8	n/a	n/a
3-year rolling annual rate of return for real estate	9.8	n/a	13.9	n/a	n/a
3-year rolling annual excess real estate return measured against benchmark	5.7	n/a	-1.2	n/a	n/a
3-year rolling annual rate of return for private equity	16.8	n/a	15.0	n/a	n/a
3-year rolling annual excess private equity return measured against benchmark	-10.1	n/a	1.5	n/a	n/a

◆ **Goal 5** To ensure sufficient monies are available to meet cash flow requirements.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total market value of ASRS fund assets (in billions)	27.9	n/a	30.4	n/a	n/a
Total annual benefit payments (in billions)	2.6	n/a	2.4	n/a	n/a
Percentage of liability funded	75.7	n/a	74.8	n/a	n/a

Agency Summary

DEPARTMENT OF REVENUE

John A. Greene, 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ SERVICE	8,069.0	8,538.4	9,087.4
➤ PROCESSING	7,632.1	7,585.6	7,745.6
➤ EDUCATION AND COMPLIANCE	21,365.4	24,592.2	29,051.6
➤ AGENCY SUPPORT	34,276.2	33,205.8	33,846.8
Agency Total:	71,342.7	73,922.0	79,731.4
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	44,998.1	47,025.3	52,834.7
Other Appropriated Funds	25,815.1	26,746.7	26,746.7
Other Non Appropriated Funds	529.5	150.0	150.0
Total Funding	71,342.7	73,922.0	79,731.4
FTE Positions	862.0	863.8	914.3

5 Year Plan

Issue 1 ADOR continues to face the challenges of ever changing technology 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. 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. Antiquated technology, supporting software and applications continue to threaten our core operations.

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 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. 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

Issue 3 ADOR is losing a high percentage of knowledgeable employees to retirement.

Description This issue is important because it is estimated that at least 30% of the current workforce on the national level will be eligible for retirement in the next five years. Here at the Department, more than 13% of our employees will be eligible for retirement. Most of those employees have worked at the Department for over 20 years. The amount of knowledge that resides with those employees cannot be measured. Policies, procedures and institutional knowledge must be captured to ensure continuity of services. The negative impact of this factor on our workforce is compounded by other non-aging employees leaving the Department to work for other jobs with higher salaries. A succession or workforce planning program must be implemented.

Solutions:

ADOR will establish a workforce planning program to ensure continuity of knowledge and services due to an aging workforce. Our strategies to address this problem are:

- 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)

Issue 4 ADOR lacks a formal internal training program to educate employees in a consistent manner; from basics to continuing education opportunities.

Description This issue is important because it is central to the development and satisfaction of our biggest asset; our employees. The reduction in force of 2009 gutted the training section of the Department as all of the employees in that section were laid off. With no formal, centralized training section, employees have since been trained in their working units through on-the-job training. What is lacking is the overarching, consistent training offerings as once offered by the training section. Employees continue to give the Department low marks on how training basics and continuing educational opportunities are missing from the ADOR work life.

Solutions:

ADOR will establish a formal, consistent training program for its employees from basics to continuing education opportunities. Our strategies to address this problem are:

- Address continuing education
- Establish ADOR 101/overview training for new and current employees
- Designate office space for training
- Establish Tax Type and TAS/AzTaxes training
- Redesign Intranet website platforms
- Upgrade or replace Registrar training database
- Establish software applications training

Issue 5 ADOR lacks a formal educational program for taxpayers to assist them in meeting their tax obligations.

Description This issue is important to the Department as it addresses an area important to our taxpayers. It is critical to assist the public in meeting its tax obligations. One of the best ways to achieve this mission is through education. With the reduction in force of 2009, the Department's Community OutReach and Education section was dismantled. All of the employees were laid off or redeployed. Since that time, there have been no formal, consistent training offerings to taxpayers. There has been no official Department presence at local tax seminars or conferences. Taxpayers relied on our employees to educate them in completing their business tax returns and inform them of changes. It was proven that an educated taxpayer base resulted in a lower error rate in their tax filings. We plan to bring this function back to get back into this much needed service.

Solutions:

Our strategies to address this problem are:

- Increase staffing in Taxpayer Assistance area to meet increased demands
- Reclassify in-house attorneys to increase responsibilities
- Reestablish a community outreach section
- Create an e-commerce section
- Internet outreach capability
- Create on-line CBT for external training
- Develop a plan to use social media
- Expand e-file opportunities for taxpayers
- Increase TPT on-line to 95%
- Add/buy Corporate e-file and finish Withholding e-file

Issue 6 Outside hackers are posing serious security threats to all areas of government. Recent highly publicized hacker events to government agencies highlight the need to be on guard to security threats.

Description This issue is important because due to recent and ongoing elevated security risks, the Department Network needs to be protected from viruses and Spam. We, as an agency, need to take precautions to keep our Network secure and safe. While there are many things that employees can do that do not cost any money, such as not visiting any un-trusted web sites or follow links provided by unknown or un-trusted sources, there are some issues that do require additional resources. The IRS requirement that calls for data encryption is one. An external requirement such as this one also calls the shots for when we as an agency must address the issue.

ADOR will be proactive in identifying, addressing and averting security threats to the Department.

Solutions:

Our strategies to address this problem are:

- Implement LAN encryption for IRS data
- Increase ADOR user awareness

Issue 7 ADOR does not know the exact number of taxpayers that are not filing and/or paying their tax obligations. A program must be in place to ensure that everyone pays their share.

Description This issue is important because it is known that a significant amount of non-compliant taxpayers exist. While it is not known exactly how many there are, we do know of tax schemes and other fraudulent activities that are out there. We do not have the resources now to address all of the strategies but we plan to methodically tackle them as funding and resources become available.

Solutions:

ADOR will establish a program to address non-compliance issues of those taxpayers who chose to evade their tax obligations. Our strategies to address this problem are:

- Increase licensing staff to increase compliance opportunities
- Increase corporate staff to increase compliance opportunities
- Increase criminal investigator staff/technology to prevent fraud
- Address issues of Master Settlement Agreement
- Create Audit selection routines
- Data capture and automated analysis
- Data matching with other agencies
- Develop strategic solution for Tobacco
- Develop strategic solution for Not-for-Profits
- Develop strategic solution for Partnerships
- Develop strategic solution for Liquor
- Develop strategic solution for Waste Tire
- Audit Platform to make Audit more efficient
- Replace Collections system
- Buy a Collector's application
- Electronic fraud detection

Issue 8 ADOR must focus on the budget process on an ongoing basis.

Description This issue is important because it is in our best interests and those of the taxpayers if we approach the budget process more timely in the future. By working more closely with the legislature we can assist in impact studies of pending legislation as well as advocate for those bills which would impact our budget in a favorable way.

Solutions:

ADOR will be more proactive in administering its budget planning process. Our strategies to address this problem are:

- Proactive earlier contact with Governor's Office and Legislature
- Begin FY14 Decision Request
- Brace for potential loss of revenue/budget cuts (w/out temporary tax)
- Develop technology lifecycle roadmap

Issue 9 ADOR has not taken advantage of as many benefits from collaboration with others outside of the Department as well as it could have.

Description This issue is important because it opens the door for learning best practices from other peers and potential partners. The Department has already worked with the newly formed Government Transformation Office. Process improvements are a mainstay of a highly evolved business. We intend to work with and learn from as many local government partners as possible.

Solutions:

ADOR will seek out strategic partnerships to improve processes and increase efficiencies. Our strategies to address this problem are:

- Partner with the Government Transformation Office for process improvements.
- Partner with other agencies.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	914.0	914.0	914.0
General Fund	52,834.7	52,834.7	52,834.7
Other Appropriated Funds	26,746.7	26,746.7	26,746.7
Non-Appropriated Funds	150.0	150.0	150.0
Federal Funds	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

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,572.6	4,652.1	5,201.1
Other Appropriated Funds	3,496.4	3,886.3	3,886.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	8,069.0	8,538.4	9,087.4
FTE Positions	143.0	143.0	153.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,762.0	2,825.8	3,374.8
Other Appropriated Funds	2,705.9	2,939.0	2,939.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,467.9	5,764.8	6,313.8
FTE Positions	104.0	104.0	114.0

◆ **Goal1** To ensure prompt response to taxpayers' immediate inquiries.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average wait time for all phone calls (in minutes) in the Taxpayer Information and Assistance section call center.	9:48	15:00	9:23	45:00	45:00

Explanation: Future estimates are based on current staffing levels.

Percent of written inquiries answered within 30 calendar days in Taxpayer Information and Assistance section	82	80	88	75	75
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◆ **Goal2** To improve the processing of business license applications.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average transaction privilege tax license turnaround time (in business days).	7.9	8.0	5.0	8.0	8.0
Percent of transaction privilege tax license applications completed on-line.	47	45	46	50	50

◆ **Goal3** To attain favorable customer service levels as evidenced by aggregate customer survey scores.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction rating for Taxpayer Information and Assistance section (scale 1-5)	4.62	4.50	4.44	4.50	4.60
Customer satisfaction rating for the entire Department (scale 1-5).	4.07	4.10	3.97	4.10	4.20

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,235.5	1,255.4	1,255.4
Other Appropriated Funds	497.4	651.6	651.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,732.9	1,907.0	1,907.0
FTE Positions	30.0	30.0	30.0

◆ **Goal 1** To improve the equity and uniformity of values for centrally valued properties.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of tax area code reviews and/or site inspections.	0	0	55	55	55

Explanation: Centrally valued properties include water/sewer, mines, railroads, telecommunications and electric companies.

Number of tax area codes changed as a result of reviews.	0	0	30	30	30
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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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	575.1	570.9	570.9
Other Appropriated Funds	293.1	295.7	295.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	868.2	866.6	866.6
FTE Positions	9.0	9.0	9.0

◆ **Goal 1** To provide timely and accurate information to the Governor's Office, legislature, and the public.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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	100	100	100
Percent of taxpayer referrals responded to by the Problem Resolution Officer within 24 hours from the time the referral was received.	85.7	65.0	94.5	75.0	80.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,261.2	4,337.4	4,497.4
Other Appropriated Funds	3,370.9	3,248.2	3,248.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	7,632.1	7,585.6	7,745.6
FTE Positions	113.0	113.0	113.0

◆ **Goal 1** To improve the timeliness of payment processing.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of payments deposited within five business days.	97	95	97	95	95
Explanation: This measure tracks payments deposited for all four tax types.					
Average turnaround time for deposits (in business days).	.69	2.0	.74	1.5	1.5

◆ **Goal 2** To process Individual Income and Transaction Privilege Tax (TPT) returns in a timely manner.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of calendar days to process an Individual Income tax return.	4.0	4.0	4.5	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	5.6	5.5	5.5
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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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average calendar days to refund total Individual Income tax checks (paper warrants and electronic deposits)	9.2	7.0	7.4	9.0	9.0

Explanation: Due to system difficulties, the FY13 number is based upon 10 months of activity rather than the full 12 month period.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	12,604.2	14,677.2	19,136.6
Other Appropriated Funds	8,565.1	9,765.0	9,765.0
Other Non Appropriated Funds	196.1	150.0	150.0
Total Funding	21,365.4	24,592.2	29,051.6
FTE Positions	347.0	348.8	389.3

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	103.4	103.4
Other Appropriated Funds	0.0	54.8	54.8
Other Non Appropriated Funds	17.6	0.0	0.0
Total Funding	17.6	158.2	158.2
FTE Positions	2.0	2.0	2.0

◆ **Goal 1** To increase taxpayer transactions conducted electronically.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of all tax dollars received electronically.	79.0	75.0	78.0	75.0	75.0
To increase taxpayer income filings conducted electronically by 5% annually.	8.4	5.0	12.9	5.0	5.0

◆ **Goal 2** To improve voluntary compliance in the filing of tax returns.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of money remitted voluntarily as a percentage of total receipts.	96.30	96.40	96.20	96.40	96.50

Explanation: The FY2013 actual result is calculated using a preliminary gross revenue number; the actual FY2013 gross revenue data will not be available until the publication of DOR's 2013 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	6,164.3	8,545.7	13,005.1
Other Appropriated Funds	6,395.7	6,254.8	6,254.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	12,560.0	14,800.5	19,259.9
FTE Positions	185.0	186.8	227.3

◆ **Goal 1** To increase the quality of the audit programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of final Individual Income tax audit assessment amounts compared to the initial assessment amounts.	87.8	87.9	89.5	88.0	89.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	6,093.5	5,627.3	5,627.3
Other Appropriated Funds	1,681.8	2,921.1	2,921.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	7,775.3	8,548.4	8,548.4
FTE Positions	144.0	144.0	144.0

◆ **Goal 1** To improve the quality of collection activities.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of non-audit revenue to total revenue	99.1	98.5	99.0	98.7	98.8

Explanation: The FY2013 result was calculated using a preliminary gross revenue number; FY2013 gross revenue data will not be available until the publication of DOR's 2013 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: With BRITS automation, 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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Ratio of net enforcement revenue collected per total Department general fund dollar spent.	6.69	6.75	7.10	6.95	7.00

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	346.4	400.8	400.8
Other Appropriated Funds	487.6	534.3	534.3
Other Non Appropriated Funds	178.5	150.0	150.0
Total Funding	1,012.5	1,085.1	1,085.1
FTE Positions	16.0	16.0	16.0

◆ **Goal 1** To promote and enforce the legal sale and distribution of tobacco products.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of retailer and distributor tobacco inspection visits completed.	3,092	2,500	3,682	3,000	3,000

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	23,560.1	23,358.6	23,999.6
Other Appropriated Funds	10,382.7	9,847.2	9,847.2
Other Non Appropriated Funds	333.4	0.0	0.0
Total Funding	34,276.2	33,205.8	33,846.8
FTE Positions	259.0	259.0	259.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	251.7	336.1	336.1
Other Appropriated Funds	90.6	140.2	140.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	342.3	476.3	476.3
FTE Positions	6.0	6.0	6.0

◆ **Goal 1** To increase the level of employee satisfaction.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average annual turnover rate for employees	16.05	14.00	13.70	15.00	16.00

◆ **Goal 2** To increase cost effectiveness of administrative services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Administration as a percentage of total operational expenses.	5.00	5.00	5.10	5.00	5.00

Explanation: Administrative costs compared to only operation expenses, does not include pass through funds to other agencies.

Subprogram Summary
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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	11,576.3	10,831.3	11,472.3
Other Appropriated Funds	3,135.7	3,497.3	3,497.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	14,712.0	14,328.6	14,969.6
FTE Positions	94.0	94.0	94.0

◆ **Goal 1** To ensure the local and wide area network (LAN/WAN) is available 99.8% of the time.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of time the LAN/WAN is available.	100.00	99.98	100.00	99.98	99.98

◆ **Goal 2** To resolve 99% of all problem calls identified as "critical" within 4 hours.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of critical problem calls completed within the 4 hour target.	98.50	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	11,732.1	12,191.2	12,191.2
Other Appropriated Funds	7,156.4	6,209.7	6,209.7
Other Non Appropriated Funds	333.4	0.0	0.0
Total Funding	19,221.9	18,400.9	18,400.9
FTE Positions	159.0	159.0	159.0

◆ **Goal 1** To pay all invoices in a timely manner within 30 calendar days of receipt.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of invoices paid within 30 calendar days.	99.8	95	94	95	95

◆ **Goal 2** To respond to 90% of all building maintenance calls within 24 hours of receipt.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of building maintenance calls responded to within 24 hours of receipt of the call.	98.6	97.0	99.0	99.0	99.0

◆ **Goal 3** To process Payroll accurately by the end of each payroll cycle.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of payroll records processed error free by the close of the payroll cycle.	99.40	99.99	99.99	100.00	100.00

◆ **Goal 4** To process purchase orders within two business days of receipt of requisition.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of business days to process requisitions.	2.00	3.00	1.00	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	173,724.2	193,181.4	193,190.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	282,220.6	293,850.3	295,330.5
Total Funding	455,944.8	487,031.7	488,521.1
FTE Positions	14.0	14.0	14.0

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.

Outlook

The School Facilities Board's five-year outlook for new construction shows a continued need for new schools.

The chart below shows the number of residential housing permits and population growth in Arizona by year. For calendar years 2005 through 2011, actual numbers of residential permits and population estimates on July 1 by the Arizona State Demographer's Office are used; for 2012 and later years, housing permit numbers and population growth are projected by the University of Arizona in the March and September 2012 issues of Arizona's Economy. The decline in residential construction started in the fall of 2005 and continued through 2010. The trend did not reverse until 2011. The population growth rate exhibits a close relationship with residential construction. The rate dropped to 0.2% in 2010, and is projected to gradually rebound to more than 2% by 2017.

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	16.0	16.0	18.0
General Fund	227,428,004.0	213,475,833.0	199,568,988.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	95,399,429.0	89,046,963.0	89,041,421.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To secure funding for new construction.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 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).	5	5	4	4	4
Number of new school construction projects completed	2	6	5	3	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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of schools	1530	1530	1530	1530	1530
Percent of all school district schools inspected to ensure minimum adequacy guidelines	9	13	5	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	3	10	4	5	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	63	50	23	20	20
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◆ **Goal 3** To strengthen relationship and communication with school districts.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of all school districts rating the Boards' services as satisfactory, good, or excellent in annual survey	96	98	86	90	90
Percent of school districts that responded to customer satisfaction survey	43	69	34	48	57

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 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
➤ ADMINISTRATION	1,491.3	1,648.4	1,648.4
➤ BUSINESS SERVICES	949.1	949.1	949.1
➤ PUBLIC SERVICES	305.5	305.6	305.6
➤ ELECTION SERVICES	6,193.4	4,116.0	7,987.3
➤ ARIZONA STATE LIBRARY, ARCHIVES, AND PUBLIC RECORDS	13,490.8	12,777.0	13,769.6
Agency Total:	22,430.1	19,796.1	24,660.0
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	14,457.2	11,635.5	16,528.1
Other Appropriated Funds	2,647.7	3,682.0	3,828.3
Other Non Appropriated Funds	5,325.2	4,478.6	4,303.6
Total Funding	22,430.1	19,796.1	24,660.0
FTE Positions	167.0	168.0	175.0

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 Address current staffing shortfall and lack of resources.

Description Strategic planning is a cyclical process that requires feedback on customer satisfaction as compared with the results the Department is achieving. This cycle is important to the Office in trying to achieve all of its goals in an efficient manner.

Solutions:

By addressing the lack of resources and staffing shortfalls, the Office hopes to be able to (1) reduce staff overtime to meet mandated deadlines, (2) decrease the response time in delivering service to customers, (3) help accurately process filings and applications within a time frame that meets the public's expectations, and (4) adequately conduct all certifications and testing as required in administering statewide elections.

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 Fully implement newly required federal and statewide election reforms.

Description The Secretary of State intends to continue the strategies laid out in the Arizona Help America Vote Act State Plan.

Solutions:

Along with local election officials, the Secretary of State will maintain the military and overseas voter system and the voter fraud hotline. The Agency will also increase voter education and voter outreach while specifically working to better teach the importance of voting to younger citizens and military members, work directly with all 15 counties to improve physical accessibility to polling places, provide more training of poll workers and election officials, and continue to lobby the federal government for monetary assistance to meet these new federal mandates. Additionally, the office intends to develop procedures for implementing the Gonzalez decision in concert with the protections afforded by Proposition 200 (2004).

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.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	147.0	147.0	147.0
General Fund	15,683.5	15,691.3	15,686.3
Other Appropriated Funds	3,650.5	3,650.5	3,650.5
Non-Appropriated Funds	1,139.7	1,139.7	1,139.7
Federal Funds	3,577.1	3,577.1	3,577.1

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,326.1	1,483.2	1,483.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	165.2	165.2	165.2
Total Funding	1,491.3	1,648.4	1,648.4
FTE Positions	13.0	13.0	13.0

- ◆ **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 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percentage of project completion to enhance Secretary of State's website by integrating with other government services for e-government approaches.	0	0	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 support and provide resources to the business community through efficient and accurate filings. To provide public information in an easily accessible format. To process public filings and maintain a complete and accurate database and record of all filed documents and to provide timely access to those records while providing a high level of customer service.

Description:

The Business Services Division exists to centralize statewide registration of trademarks, trade names, limited partnerships, and foreign limited partnerships; to perfect Uniform Commercial Code (UCC) filings for the general public; to register charities, telemarketers and fundraisers for charities; to commission notaries public and to register advanced directives.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	851.7	851.7	851.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	97.4	97.4	97.4
Total Funding	949.1	949.1	949.1
FTE Positions	16.0	16.0	16.0

◆ **Goal 1** To serve the public by providing public records requests information accurately and expeditiously.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average number of business days to process charitable organizations registrations	7	7	5	N/A	N/A
Average number of business days to process trade name applications	5	5	5	4	4
Average number of business days to process trademark applications	5	5	5	4	4
Average number of business days to process Uniform Commercial Code filings	3	3	3	3	2
Average number of business days to process athlete agents registrations	1	1	1	1	1
Average number of business days to process telephone solicitors registrations	7	7	3	6	5
Average number of business days to process limited/limited liability partnerships and foreign limited liability partnerships filings	3	3	3	3	3

◆ **Goal 2** To provide public disclosure through easy, accessible information and public documents, and on-line database search capabilities on the Secretary of State's website.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Trade names and Trademarks filed per month	2,600	3,100	2,200	3,000	3,000
Number of partnerships on file per month	89	75	99	100	100
Number of UCC records filed per month	5,640	4,000	6,000	5,500	5,500
Number of Advanced Directives filed per month	397	300	438	400	400

◆ **Goal 3** To provide service to allow Notaries Public to perform their duties accurately and efficiently in the state.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of notaries commissioned	18,724	18,000	18,100	18,000	18,000
Number of notary seminars	53	50	36	50	50
Notary applications turn-around time (# of business days)	6	5	4	4	3
Number of notary handbooks printed and distributed	7,003	1,500	3,100	3,000	3,000

◆ **Goal 4** To serve the public with Telemarketing filing.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Telemarketing filings per year	60	50	67	70	70

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	305.5	305.6	305.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	305.5	305.6	305.6
FTE Positions	3.0	3.0	3.0

◆ **Goal 1** To serve the public by providing printed materials accurately and expeditiously.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	40,000	50,465	50,000	50,000
Percentage of information printed and ready for distribution within 5 days	98	95	95	95	95
Number of Arizona Administrative Code subscribers	106	100	53	50	50
Number of Arizona Administrative Register subscribers	54	50	103	110	110
Number of Executive Orders (EO) filed	7	15	7	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Chapter Laws publications distributed; misc. legislative filings, veto letters	421	350	295	300	300

◆ **Goal 3** To provide service that allows agencies, boards and commissions to develop rules accurately and efficiently.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of rules and rule-related items filed	716	650	258	300	300

◆ **Goal 4** To serve the public by providing materials on-line accurately and expeditiously.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of customers indicating they found the public information they were seeking	100	100	95	100	100
Percent of statutory publications provided	100	100	100	100	100

Program Summary

ELECTION SERVICES

Amy Chan, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,132.5	1,000.0	4,900.0
Other Appropriated Funds	2,060.9	2,941.0	3,087.3
Other Non Appropriated Funds	0.0	175.0	0.0
Total Funding	6,193.4	4,116.0	7,987.3
FTE Positions	13.0	13.0	15.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	5,716	8,000	7,530	6,000	7,500
Number of Political Committees registered	1,006	1,000	979	1,000	1,000
Number of Standing Political Committees registered	62	60	70	70	70

◆ **Goal 2** To coordinate statewide voter registration as provided under the National Voter Registration Act of 1993.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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)	0	2,000.0	1,823.0	0	2,000.0
Number of registered voters (in thousands)	3,151.0	3,300.0	3,125.0	3,150.0	3,200.0
Number of Town Hall meetings per year for explanation of initiatives	0	25	25	0	25

◆ **Goal 3** To provide statewide voter registration election, voter outreach, and HAVA.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total voter registration	3,151,000	3,300,000	3,125,000	3,200,000	3,200,000
Percent of delinquent campaign finance filings	10.31	9.0	8.9	9.0	9.0
Percent of delinquent elected official financial disclosure statements	2.7	2.0	3.0	2.0	2.0

◆ **Goal 4** To train and certify election officers in accordance with A.R.S. § 16-407.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of election officers certified	342	0	0	350	0
Total combined hours of classroom training	153	35	0	150	35

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	7,841.4	7,995.0	8,987.6
Other Appropriated Funds	586.8	741.0	741.0
Other Non Appropriated Funds	5,062.6	4,041.0	4,041.0
Total Funding	13,490.8	12,777.0	13,769.6
FTE Positions	122.0	123.0	128.0

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction (1=low to 8=high)	7	7	7	7	7
Museum visitors (total number)	72,955	70,000	56,740	60,000	60,000
Student Education Hours	37,853	37,853	37,763	37,853	37,853
Collection (total items)	8,022	8,022	8,070	8,070	8,070

- ◆ **Goal 2** To play the material for those who have difficulty reading standard print because of blindness, visual impairment or a physical disability through the Braille and Talking Book Library provide at no charge, Braille books, online access, audio books and magazines along with machines.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Holdings (Total Audio and Braille books, audio described movies, talking book machines and accessories)	342,518	342,518	372,188	375,000	380,000
Materials Provided (Items circulated and downloaded)	558,988	558,988	601,014	615,000	620,000
Patrons and Institutions Served	10,087	10,087	9,410	9,700	10,000
Volunteer Hours Donated	21,765	21,765	20,107	20,500	21,000

Explanation: FY 13 value = \$445,169

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Permanent records ingested, processed, preserved and catalogued	198,685	198,685	200,835	200,835	200,835
Records accessed for research (boxes, volumes, maps, photographs, microfilm, books)	19,075	19,075	17,847	17,847	17,847
Records and preservation consults (government agencies and public)	324	324	479	479	479
Workshop and Tour attendees	1,224	1,224	1,591	1,591	1,591

- ◆ **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).

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Education programs (number of training hours)	8,604	8,604	15,180	9,000	9,000
Explanation: One-time increase in FY13 due to greater number of new employees and conference presentations.					
Arizona Memory Project usage, includes state agency publications	2,074,732	2,050,000	388,105	400,000	400,000
Collection usage by all users (e.g., circulation, Interlibrary Loan, full-text downloads)	52,983	52,983	52,983	52,983	61,000
State Publications Collection	0	0	103,384	112,384	121,384

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Participants in statewide projects	23,647,825	23,647,825	38,008,374	23,647,825	23,647,825
Explanation: The Big Read was a one-time substitute for ONEBOOK. We'll keep projections for the future, as a new ONEBOOK format is under development.					
Training hours offered in continuing education programs	9,872	9,872	32,489	9,872	9,872
Explanation: BTOP 2 (ARRA grant ended in FY13) Training hours in FY2013 caused the large increase.					
Sub-grants awarded	60	60	63	60	60
Carnegie Center usage	10,177	10,177	7,609	8,500	8,500

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Attendees for training classes	624	624	3,099	2,000	2,000
Explanation: Attendance has been spectacular for first round of web-based training. Numbers may not be sustainable for repeat offerings of training.					
Records added or updated to retention schedule	3,968	3,968	75	300	300
Explanation: The Director left the RMC in July 2013 and the focus shifted to training and web content along with a comprehensive analysis of General and Custom Retention Schedule needs.					
Rolls of microfilm processed	981	981	485	388	388
Explanation: Reduction in staff resulted in decline in ability to process film.					
Monthly average of boxes stored at the Records Center	220,231	220,231	227,418	194,000	200,000

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	256.5	264.7	264.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	256.5	264.7	264.7
FTE Positions	4.0	4.0	4.0

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. Recent budget constraints have forced the Board to compress the number of appeals heard into fewer scheduled hearing days. The 2011 budget for the Department of Revenue included an increase of \$4,352,200 and 71 FTE positions to increase audit 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. Legislative changes and court decisions may also impact the appeals process.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	270,300.0	272,800.0	275,300.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To receive and process tax appeals expeditiously to avoid any delays in the appeals process.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Caseload processing (and number of issues)	47(101)	60(140)	31(72)	50(125)	60(140)
Number of tax appeals resolved	27	40	19	35	40
Number backlogged requiring written decision	6	10	8	10	13
Number of months to process appeal	12	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 clandestine drug laboratory remediation program receives supplemental funds from a \$15 court assessment placed on every person convicted of a drug or narcotic violation in the state.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,767.1	2,119.5	2,119.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,767.1	2,119.5	2,119.5
FTE Positions	25.0	1,079.0	1,079.0

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.

The \$15 court assessment the Board receives has brought in approximately \$16,000 in FY 2013. That revenue, by statute, is designated for a non-reverting, un-appropriated fund that may only be used by the Board to pay expenses for drug lab related enforcement activity and for advancement of remediation funds to cities and towns for certain unremediated drug lab cleanups.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	25.0	25.0	25.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	2,119.5	2,119.5	2,119.5
Non-Appropriated Funds	30.0	30.0	30.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To rapidly and accurately process applications for registration.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of denial decisions accepted without appeal by applicants as satisfactory	100	100	50	50	50
Percent of new registrants grading application processing as good or better	95	100	70	75	80
Percent of applications transmitted to Board Members for action within five days of receipt of last needed item	97	100	100	100	100
Applications processed	1,272	5,652	1,516	3,272	3,272
Applications received	1,272	5,652	1,516	3,272	3,272
Professional applications received	1,038	1,428	1,233	1,250	1,300
Total number of In-Training Certificate holders	9,553	9,065	9,748	9,553	9,553
In-Training applications received	234	224	265	234	234
Licensing Renewals	8,217	9,586	9,544	8,217	8,500
Average number of days to process an application	105	90	90	80	75
Total number of professional licensees	36,920	40,920	43,505	44,000	45,000

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of persons grading response to request for information as good or better	100	100	100	100	100
Number of information requests	63750	110,00	53,000	55,000	57,000

◆ **Goal 3** To actively investigate all instances of possible illegal conduct related to professional practice.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of complainants grading complaint processing as good or higher	99	99	90	100	100
Percent of complaints resolved by informal methods	100	100	99	100	100
Number of investigations completed	146	109	170	146	150
Number of complaints received	102	154	98	154	160
Complaints against non-registrants determined to warrant investigation	29	38	37	38	38
Complaints against non-registrants resulting in enforcement action (percent)	28	50	51	50	50
Complaints filed against licensees	63	101	61	80	101
Average time in calendar days from receipt of complaint to resolution	372	300	709	250	180
Percent of complaints against registrants resulting in disciplinary action (percent)	17	20	29	25	20
Complaints against registrants determined to warrant investigation	46	50	61	50	50
Total number of complaints closed	147	108	170	108	108

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	6,008.3	7,102.6	12,102.6
➤ TOURISM PROMOTION	12,096.3	13,904.9	13,904.9
Agency Total:	18,104.6	21,007.5	26,007.5
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	6,008.3	7,102.6	12,102.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,096.3	13,904.9	13,904.9
Total Funding	18,104.6	21,007.5	26,007.5
FTE Positions	25.0	28.0	30.0

Issue 1 Global Market Competitiveness

Description The global travel market has become increasingly competitive. Not only other states, but also many countries actively market themselves to attract travelers all competing for market share.

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 city consumer campaigns and that it enters the international consumer campaign via Brand USA to rebuild its global brand presence.

Solutions:

1. Request additional funding to recover from Arizona's loss of market share and to ultimately gain new market share.
2. Expand the Arizona brand through effective mediums at the regional, national and international levels to attract and retain visitors. Specifically:
 - Expand target city (regional) reach from two to five markets and extend the target city campaign from one to three months.
 - Extend Arizona's national advertising campaign from five to nine months.
 - Procure a national public relations firm to assist AOT with increased earned media coverage in the USA.
 - Leverage Arizona's marketing dollars by increasing our international advertising cooperative partnership with Brand USA.
 - Restore limited trade efforts in Europe by attending the largest trade shows in the world.
 - Per directive of Governor Jan Brewer, continue to expand international trade and media relations efforts in China and Brazil to include trade, sales and media missions as well as host travel agents, tour operators and travel journalists on familiarization tours of Arizona.
3. Increase the Marketing Cooperative program, which brings greater visibility to Arizona's rural communities, from \$500,000 to \$1 million.

Issue 2 Research

Description Research has served as the foundation of all that we do to market Arizona since AOT's 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.

While AOT continues to provide annual research on advertising effectiveness, economic impact of the travel industry and tourism indicators, much needed consumer research related to our marketing efforts needs to be done on a consistent and annual basis. Quality research such as consumer focus groups, behavioral research, conversion studies and niche audience surveys need to be conducted to better understand how to reach our visitors and guide our marketing decisions.

Solutions:

1. Conduct a conversion study to evaluate the effectiveness of AOT's new FY14 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).

2. International travel to the USA is set to grow faster than domestic. Utilizing research and a proven market allocation platform, AOT will contract for studies and reports such as International Travel Trade Forecasts, in-depth reports on overseas visitors, and profiles and trip characteristics for travel to Arizona from key primary and secondary International markets.

3. Procure a research study project to better understand the characteristics and habits of winter visitors in Arizona including the five tourism regions of the state. Determine winter visitors' demographic characteristics such as age, income, region of origin, etc.; clarify their behaviors such as their lengths of stays in the state and spending patterns; and, ascertain the seasonal population of winter visitors and their economic impact on the state.

4. Procure a research study project to better understand the outdoor adventure traveler. Based on current research, AOT knows that the differentiators setting Arizona apart from its competitor states are American Indian culture, Old West culture and outdoor adventure. Having a better understanding of the outdoor adventure traveler will better inform and prepare our communities for this growing and lucrative travel segment.

5. Procure a research study project to assess direct spending by Mexican visitors and their total economic impact on Arizona. This year long intercept study will interview overnight and day Mexican visitors as they are returning to Mexico through one of the six Arizona border ports of entry and two international airports in Phoenix and Tucson.

Issue 3 Technology

Description Rapidly evolving technologies are changing the way consumers access information and ultimately make their travel decisions. In addition, new ways to communicate continue to change how people get and share information. The proliferation of mobile devices, smart phones, tablets, apps and social networking has redefined the way people plan for and experience travel.

It is critical that AOT continually develops meaningful mobile strategies, applications and services that provide real time information to travelers and recreationists as well as continuously update and meet the needs of our consumer website arizonaguide.com.

Solutions:

1. Redevelop AOT's consumer website and significantly expand web content initiatives from search engine optimization to strategic partnerships with travel portals.

2. Create an enhanced email communications program that delivers personalized information to those inquiring about travel to Arizona. This would include developing new data base resources.

3. Utilize an aggressive, digital marketing and social media outreach program including search engine optimization, search engine marketing, Facebook, Pinterest, and Twitter.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	32.0	34.0	36.0
General Fund	15,000.0	17,000.0	19,000.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	14,902.0	15,433.0	15,982.0
Federal Funds	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	6,008.3	7,102.6	12,102.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,008.3	7,102.6	12,102.6
FTE Positions	25.0	28.0	30.0

◆ **Goal 1** To ensure the efficient, timely, and accurate administration of AOT's financial and business affairs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of invoices paid within 30 days	92	92	92	92	92
Average number of days for processing invoices received	13	13	13	13	13

◆ **Goal 2** To ensure all AOT operating activities comply with State Procurement Code and provide and maintain centralized records accessible for review.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,096.3	13,904.9	13,904.9
Total Funding	12,096.3	13,904.9	13,904.9
FTE Positions	0.0	0.0	0.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5,456.5	6,694.0	6,694.0
Total Funding	5,456.5	6,694.0	6,694.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To expand the volume of tourism activity through tourism promotion and development.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of domestic tourists (in millions)	32.8	33.0	38.1	38.5	38.9

◆ **Goal 2** To efficiently use advertising resources (both online and offline) to generate demand for Arizona tourism information.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Cost per inquiry for advertising-generated requests for Arizona travel planning information (in dollars)	20.8	28.9	29.4	29.4	29.4
Number of inquiries for Arizona travel packet (in thousands)	154.0	243.0	202.1	243.0	243.0
Number of visitors to AOT's consumer web sites for Arizona travel planning information (in thousands)	1,575	2,433	2,394	2,490	2,589
Customer satisfaction rating for travel kits program (scale 1-5, 5=very satisfied)	0	0	0	0	0

◆ **Goal 3** To offer the Arizona tourism industry the opportunity to participate in cost-efficient and effective advertising programs with AOT.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of partners who participate in the Marketing Cooperative Program with AOT.	3	19	19	25	28

◆ **Goal 4** To work with the travel trade and media to generate increased interest in Arizona amongst target consumers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Contacts at trade shows and on sales missions	1,669	1,700	1,363	1,600	1,650
Participants on familiarization tours and site inspections	50	54	33	50	45
Participants on group press trips and individual media visits	101	107	107	115	110
Advertising value of domestic and international coverage generated by AOT efforts for every \$1 expended on media promotions (ROI in dollars)	54.00	55.00	52	50	52

◆ **Goal 5** To generate positive media coverage for the Arizona Office of Tourism and the tourism industry.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Circulation of print, TV, radio and online coverage about AOT and the tourism industry (in millions)	273	300	133	225	250
Advertising value of print, TV, radio and online coverage about AOT and the tourism industry (in dollars)	190,902	200,000	118,600	120,000	125,000

◆ **Goal 6** To provide tourism-related technical assistance to communities and Native American tribes throughout Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of constituents participating in workshops and meetings	406	320	141	200	220

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of visitors to the Welcome Center	114,000	118,000	111,649	112,000	115,000

Subprogram Summary					
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Increase the number of gross impressions (in millions)	397	388	403	435	470

- ◆ **Goal 2** To expand the reach and frequency in select target markets and/or in select target audiences.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Increase the number of gross impressions in select target cities (in millions)	0	237	238	248	257

Subprogram Summary					
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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,639.8	7,210.9	7,210.9
Total Funding	6,639.8	7,210.9	7,210.9
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To distribute Proposition 302 money in a timely manner

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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 the state agency responsible for collecting transportation revenues and for planning, constructing, and maintaining Arizona's highway infrastructure for the safe and efficient movement of people and products throughout the state. The transportation system, with more than 21,000 travel-lane miles, supports the state's economy and quality of life. In addition, ADOT issues development grants to public airports for improvement projects, and owns and maintains the Grand Canyon National Park Airport.

ADOT works with various customers and stakeholders to identify significant transportation issues in Arizona and improve existing systems and practices. 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 Five-Year Transportation Facilities Construction Program and the collection of the maximum amount of transportation revenue are critical to the delivery of major state transportation projects by assisting decision makers in prioritizing projects and allocating corresponding funds.

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. The health of these revenues directly impacts ADOT's ability to successfully deliver a range of transportation projects that will help create jobs and deliver economic and quality-of-life benefits for Arizona residents and businesses.

Agency Summary: (\$ Thousands)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	144,303.6	86,050.2	86,050.2
➤ INTERMODAL TRANSPORTATION	2,541,773.3	2,927,041.5	2,922,003.4
➤ MOTOR VEHICLE	91,731.0	86,528.6	86,528.6
Agency Total:	2,777,807.9	3,099,620.3	3,094,582.2
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	50.4	50.4	50.4
Other Appropriated Funds	351,041.2	371,260.2	366,222.1
Other Non Appropriated Funds	2,426,716.3	2,728,309.7	2,728,309.7
Total Funding	2,777,807.9	3,099,620.3	3,094,582.2
FTE Positions	4,422.0	4,611.0	4,611.0

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	4,611.0	4,611.0	4,611.0
General Fund	50,000.0	50,000.0	50,000.0
Other Appropriated Funds	371,260,600.0	37,126,060.0	37,126,060.0
Non-Appropriated Funds	161,382,200.0	161,382,200.0	161,382,200.0
Federal Funds	0.0	0.0	0.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	83,493.1	81,020.2	81,020.2
Other Non Appropriated Funds	60,810.5	5,030.0	5,030.0
Total Funding	144,303.6	86,050.2	86,050.2
FTE Positions	574.0	585.0	585.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	980.9	945.0	945.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	980.9	945.0	945.0
FTE Positions	6.0	6.0	6.0

◆ **Goal 1** To increase the quality, timeliness and cost effectiveness of our products and services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Highway User Revenue Fund revenue forecast range (percent)	-0.5	+2.0/-1.0	-0.7	+2.0/-1.0	+2.0/-1.0
Regional Area Revolving Fund revenue forecast range (percent)	0.8	+2.0/-1.0	0.3	+2.0/-1.0	+2.0/-1.0
Administrative expenses as percentage of total budget	0.6	1.0	1.2	1.0	1.0

◆ **Goal 2** To develop a high performing and successful workforce.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Agency turnover rate (percentage)	12.0	10.0	13.6	10.0	10.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	82,512.2	80,075.2	80,075.2
Other Non Appropriated Funds	56,406.7	20.0	20.0
Total Funding	138,918.9	80,095.2	80,095.2
FTE Positions	548.0	561.0	561.0

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 130,000 and includes subscribers from every state and 87 foreign countries. Fifty-seven 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,403.8	5,010.0	5,010.0
Total Funding	4,403.8	5,010.0	5,010.0
FTE Positions	20.0	18.0	18.0

◆ **Goal 1** To remain financially self-sufficient while promoting travel and tourism to and through the state of Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average paid subscriptions	117,000	115,000	115,436	113,627	111,355
Average monthly newsstand sales	12,000	10,000	9,813	8,668	8,700

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	50.4	50.4	50.4
Other Appropriated Funds	182,114.5	205,662.3	200,624.2
Other Non Appropriated Funds	2,359,608.4	2,721,328.8	2,721,328.8
Total Funding	2,541,773.3	2,927,041.5	2,922,003.4
FTE Positions	2,479.0	2,583.0	2,583.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	131,795.4	132,716.5	136,178.4
Other Non Appropriated Funds	18,867.8	0.0	0.0
Total Funding	150,663.2	132,716.5	136,178.4
FTE Positions	902.0	942.0	942.0

◆ **Goal 1** To improve the movement of people and products throughout Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total maintenance lane miles	28,823	28,960	29,048	29,309	29,400

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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of highway system with pavement smoothness rating <171	96	95	95	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	31,807.7	45,000.0	45,000.0
Other Non Appropriated Funds	2,304,528.6	2,678,508.8	2,678,508.8
Total Funding	2,336,336.3	2,723,508.8	2,723,508.8
FTE Positions	1,300.0	1,338.0	1,338.0

◆ **Goal 1** To enhance the movement of people and products throughout Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of dollars awarded vs. planned	100	100	100	100	100
Total travel lane miles	21,155	21,200	21,229	21,250	21,300
Percent of highway construction projects completed on schedule	95	95	91	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	50.4	50.4	50.4
Other Appropriated Funds	594.5	944.3	944.3
Other Non Appropriated Funds	36,195.0	42,820.0	42,820.0
Total Funding	36,839.9	43,814.7	43,814.7
FTE Positions	73.0	78.0	78.0

◆ **Goal 1** To increase the quality, timeliness and cost effectiveness of our aviation services.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	17,916.9	27,001.5	18,501.5
Other Non Appropriated Funds	17.0	0.0	0.0
Total Funding	17,933.9	27,001.5	18,501.5
FTE Positions	204.0	225.0	225.0

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

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	85,433.6	84,577.7	84,577.7
Other Non Appropriated Funds	6,297.4	1,950.9	1,950.9
Total Funding	91,731.0	86,528.6	86,528.6
FTE Positions	1,369.0	1,443.0	1,443.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	61,415.2	60,121.6	60,121.6
Other Non Appropriated Funds	5,015.1	1,950.9	1,950.9
Total Funding	66,430.3	62,072.5	62,072.5
FTE Positions	1,006.0	1,054.0	1,054.0

◆ **Goal 1** To improve customer service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of all vehicle registration renewals completed through alternate methods	82.9	82.5	84.4	84.5	84.5
Average Level II telephone wait time (minutes)	22.3	23.4	27.5	23.4	23.4
Average customer visit time in MVD field offices	30.8	30.0	31.9	30.0	30.0
Percent of office customers rating service as good or excellent	60	85	71	85	85

◆ **Goal 2** To increase the use of electronic service delivery.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total Internet transactions and activities (in thousands)	8,477	8,420	8,965	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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	24,018.4	24,456.1	24,456.1
Other Non Appropriated Funds	1,282.3	0.0	0.0
Total Funding	25,300.7	24,456.1	24,456.1
FTE Positions	363.0	389.0	389.0

◆ **Goal 1** To promote public safety and protection through regulation, licensing, and the administration of transportation laws.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of commercial vehicles processing activities at Fixed Ports of Entry (in thousands)	2,400	2,500	0	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,231.9	1,205.1	1,205.1
Other Appropriated Funds	4,742.1	5,004.7	5,004.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,974.0	6,209.8	6,209.8
FTE Positions	30.4	30.4	30.4

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 (PASE).
- 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.

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 should 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.

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. Modify the current distribution formula for Endowment Beneficiaries to provide consistent, reliable funding annually.

Objectives:

a. Ask the Arizona Legislature to refer a measure to the ballot in 2012 so voters can approve necessary changes.

b. Educate beneficiaries and stakeholders on the reasons for the changes and gain their support

c. Educate the public on the benefits of the change in distribution formula.

3. 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.

4. 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.

5. 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.

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- b. Provide a mix of investment funds that meet the daily, monthly, and yearly investment needs for local governments across the state.
 - c. Provide risk-adjusted returns on an annual basis that are no less than 25 basis points below the appropriate benchmark's annual return.
 - d. Explore new investment services for local governments to meet changing regulatory and investment environments such as separately managed accounts or external management of funds.
6. Ensure the appropriate level of staffing and technology to ensure the safety of all investments.

Objectives:

- a. Evaluate operations on annual basis to ensure proper utilization and maximization of existing resources.
- b. Utilize services of existing vendor's resources for research and analysis to assist in monitoring investments.
- c. Ensure employees are up to date on training of resources to better utilize existing tools.
- d. Provide for periodic outside review by a national organization to examine current investment division structure to determine if resources are properly deployed.

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 \$11 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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	30.4	30.4	30.4
General Fund	0.0	0.0	0.0
Other Appropriated Funds	2,583,400.0	2,583,400.0	2,583,400.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction rating for State Agency depositors (scale 1-8).	7.86	7.10	7.68	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Customer satisfaction rating for State Agency banking customers (scale 1-8).	7.45	7.10	7.20	7.10	7.10
Customer satisfaction rating for distribution recipients (scale 1-8).	7.54	7.10	7.20	7.10	7.10
Percent of distributions sent successfully and accurately.	100	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.	99	99	98	99	99

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- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of non-compliant trades.	0	3	0	3	3
Average days to correct non-compliant trades.	0	1	0	1	1

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ GOVERNANCE	116,092.1	139,684.4	120,662.8
➤ STUDENT ASSISTANCE	17,074.8	15,944.4	28,851.7
Agency Total:	133,166.9	155,628.8	149,514.5
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	36,916.0	21,925.5	35,309.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	96,250.9	133,703.3	114,205.5
Total Funding	133,166.9	155,628.8	149,514.5
FTE Positions	26.4	27.1	27.1

Program Summary

GOVERNANCE

Lorenzo Martinez, Associate VP for Finance & Administration
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	22,350.6	7,349.6	7,349.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	93,741.5	132,334.8	113,313.2
Total Funding	116,092.1	139,684.4	120,662.8
FTE Positions	26.1	26.9	26.9

◆ **Goal 1** To raise the educational attainment level of Arizona to national competitiveness by 2020.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Bachelor's degrees produced annually in the system.	23,783	23,456	23,456	24,147	25,279

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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of projects funded	17	19	26	28	28
Performance measures monitored	86	86	77	80	82

◆ **Goal 3** To communicate with universities and their constituents and stakeholders on Board policies and initiatives.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of media/individual/group briefings conducted	250	310	1787	1800	2000
Number of stakeholder briefings conducted	240	300	425	550	600

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 63,000 Tempe campus and over 20,000 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ INSTRUCTION	594,368.7	663,971.0	724,166.8
➤ ORGANIZED RESEARCH	180,123.3	201,033.7	207,630.7
➤ PUBLIC SERVICE	39,717.0	42,464.1	43,662.9
➤ ACADEMIC SUPPORT	173,254.2	167,274.0	172,554.8
➤ STUDENT SERVICES	305,283.3	313,687.5	352,773.1
➤ INSTITUTIONAL SUPPORT	452,266.6	489,265.6	494,908.4
Agency Total:	1,745,013.1	1,877,695.9	1,995,696.7
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	257,927.2	272,577.0	310,799.8
Other Appropriated Funds	428,119.3	453,068.7	453,068.7
Other Non Appropriated Funds	1,058,966.6	1,152,050.2	1,231,828.2
Total Funding	1,745,013.1	1,877,695.9	1,995,696.7
FTE Positions	10,569.7	10,627.3	10,912.6

5 Year Plan

Issue 1 Increase participation in postsecondary education and ultimately increase baccalaureate degree production

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: 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.

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.

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 2006 to 2011, ASU was one of the fastest growing research enterprises, among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to grow 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 systems, light-inspired energy, personalized learning, security and defense systems, and complex adaptive systems.

Strategy 2: Pursue a national research laboratory on the scale of \$50-\$100 million per year, in energy, aerospace, homeland 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, 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 taking a global approach to solving local problems such as climate change. 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 2015. 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 Labs, 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

Issue 6 Maintain quality and breadth of baccalaureate degree programs in an environment of diminished resources and plans for cost constraints

Description Since the beginning of FY 2008, with the emergence of the fiscal crisis in Arizona and nationally, Arizona State University has seen a decrease in funding from the State of \$167.3 million or 34% of base funding, while at the same time, enrollment increased by 26%. In addressing the sudden and significant funding decline and the need to support expanded enrollment, the focus of resource reduction has been to protect to the greatest extent possible the educational mission of the university, and to reduce the administrative and to a lesser extent student services functions rather than academic activities. Colleges and departments have been consolidated, eliminating duplicate administrative structures. A portion of the revenue loss was temporarily and partially offset by stimulus funds in FY 2010 and FY 2011. Increases in tuition permanently fill a part of the lost revenue, but most of the reduction was taken through efficiency measures and reductions in cost.

Over the past several years, the Arizona Board of Regents (ABOR) evaluated the state funding per full-time equivalent student at each of the three Arizona universities, and recommended that the disparity in funding be addressed. ASU requested and received \$12 million for each of the first and second phases of what initially was envisioned as a five-phase core investment towards eliminating that disparity gap. ASU's FY 2015 budget request includes \$25.1 million for Parity Funding. Because the university system is moving rapidly into a performance-based funding strategy ABOR decided to request the remaining three phases of funding, at a discounted rate, to address the remaining inequity immediately to support the achievements of the performance goals and create an equitable base from which to start.

In addition to addressing disparity funding and providing equitable competitive funding structures, ABOR has endorsed a new funding model that calls for performance funding based on metrics and goals set for each of the universities. ASU metrics focus on degree completion, class enrollments, and research growth. Funding would be based on increases in each of these metrics following setting base year activity. ASU's FY 2015 request includes \$19.3 million for performance funding based on its performance on the ABOR approved metrics in FY 2013.

Funding reductions in 2008 to 2012 budgets necessitated adjustments to spending patterns at ASU. The focus of the cost reduction efforts was to maintain the quality of the degrees programs and the size of the full-time faculty while reducing administrative support costs. ASU 's success in that strategy was supplemented by increasing the pace of using innovations in educational delivery. The use of innovations, analysis of their effectiveness in learning outcomes, and monitoring of their costs advantages has continued and accelerated since the budget reductions. They will be a key element in maintaining quality and keeping the pressure off of tuition increases.

Solutions:

Strategy 1: Provide equitable funding per student for ASU students in the next fiscal year.

Strategy 2: Restructure funding mechanisms to fund performance based upon achieving specific metrics and deliverables.

Strategy 3: Continue to introduce innovative curricula structures and student advising programs to improve outcomes within an efficient cost structure

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	274.0	290.0	310.0
General Fund	17,486.7	18,030.1	18,200.3
Other Appropriated Funds	33,980.0	36,529.0	26,179.0
Non-Appropriated Funds	25,318.0	26,078.0	26,861.0
Federal Funds	10,356.0	10,977.0	11,635.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	30,089.3
Other Appropriated Funds	408,481.1	439,599.9	439,599.9
Other Non Appropriated Funds	185,887.6	224,371.1	254,477.6
Total Funding	594,368.7	663,971.0	724,166.8
FTE Positions	5,074.4	5,167.7	5,349.0

◆ **Goal 1** To improve the quality of undergraduate education.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average years taken by freshman students to complete a baccalaureate degree program	4.6	4.5	4.5	4.4	4.4
Percentage of undergraduate degree recipients participating in research related or capstone (case study) experience	90	91	94	94	95
Percent of graduating seniors who rate their overall university experience as good or excellent	93	94	87	88	88

Explanation: -- FY13 FIGURES REFLECT CHANGES TO THE SURVEY METRIC--

Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	81	81	79	80	81
Number of Bachelors degrees granted	11,279	11,674	12,065	12,487	12,924

◆ **Goal 2** To enhance the number and diversity of the most highly qualified students entering Arizona State University and the Barrett Honors College.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Honors undergraduate headcount students	4,197	4,500	4,281	5,000	5,700
BHC degree recipients (i.e., with honors)	535	600	730	800	850
Courses offered for honors credit	2,800	3,000	3,000	3,200	3,400

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of tutorials conducted by University Academic Success Programs	144,034	150,000	117,498	122,200	127,200
Number of students enrolled in UNI Academic Success courses to transition successfully to college and achieve academic success	1,400	2,000	1,497	2,359	2,500
Major and Career Exploration (UNI and ASU 101) course sections for exploratory students	175	200	145	186	200
Number of degree program course audits run by students and staff	3,117,360	3,600,000	2,801,344	2,941,411	3,088,482
Number of eAdvisor tracking audits run by students and staff	1,579,348	1,800,000	867,079	910,433	955,955

- ◆ **Goal 4** To provide enriched educational opportunities to students by expanding accessibility and delivery of courses.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Summer sessions headcount students	20,511	22,151	22,787	23,698	24,646
Explanation: --REFLECTS TOTAL UNIVERSITY--					
Internet course registrations during the fall semester (duplicated enrollments)	64,817	75,000	74,618	80,939	85,000
Explanation: --REFLECTS TOTAL UNIVERSITY--					
Internet course sections offered during the fall semester	1,625	1,975	1,854	2,022	2,120
Explanation: --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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students enrolled in interdisciplinary degree programs	950	975	1,140	1,250	1,300
Masters degrees granted	3,486	3,573	3,663	3,755	3,848
Doctorate degrees granted	594	606	619	631	644
First professional degrees granted	217	221	204	208	212
Minority graduate enrollment as percentage of total enrollment	21.5	21.5	21.3	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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	15,515.7	14,670.4	15,094.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	164,607.6	186,363.3	192,536.6
Total Funding	180,123.3	201,033.7	207,630.7
FTE Positions	1,756.6	1,699.4	1,755.2

◆ **Goal 1** To maintain and enhance the University's status as a major research institution.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Dollar value of proposals submitted (in millions)	1,156.3	1,499.1	1,142.1	1,618.0	1,787.9
External dollars received for research and creative activity (in millions of dollars)	259.1	329.2	292.4	315.8	341.7
Dollar value of total research expenditures (in millions)	368.8	378.5	389.6	399.1	428.0
Dollar value of externally funded, non-research expenditures (in millions)	36.8	39.8	32.1	32.8	35.7

◆ **Goal 2** To continue and improve University efforts to provide opportunities for undergraduate and graduate students to participate in research and creative activity.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Undergraduate students supported by sponsored funds	2,175	2,250	2,254	2,275	2,300

Explanation: --REFLECTS TOTAL UNIVERSITY--

Graduate students supported by sponsored funds	1,599	1,650	1,529	1,600	1,650
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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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,168.5	995.2	995.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	38,548.5	41,468.9	42,667.7
Total Funding	39,717.0	42,464.1	43,662.9
FTE Positions	293.1	311.6	319.8

◆ **Goal 1** To provide quality educational and informative television programs and improve services provided to the community, especially in rural areas.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Persons viewing KAET-TV on a weekly basis (in thousands)	1,229	1,232	1,056	1,087	1,120
Teachers served through educational support programming	60,623	69,025	60,626	62,141	64,105
Students served through educational support programming	1,065,146	1,311,475	1,115,894	1,180,679	1,217,995

◆ **Goal 2** To continue to stage excellent cultural and other nonathletic special events for various diverse constituents.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Persons attending University sponsored cultural events (in thousands)	505	498	409	488	513
Special events coordinated	147	140	404	440	460

Explanation: - FY13 Now includes special events at Gammage.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	65,140.9	77,639.1	81,514.0
Other Appropriated Funds	19,638.2	13,468.8	13,468.8
Other Non Appropriated Funds	88,475.1	76,166.1	77,572.0
Total Funding	173,254.2	167,274.0	172,554.8
FTE Positions	1,062.6	855.4	878.4

- ◆ **Goal 1** To maintain the number of books and periodical subscriptions owned by the university libraries, and increase access to these items.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Periodical subscriptions	53,524	54,500	58,547	61,500	64,500
Virtual/remote reference transactions	10,071	11,000	10,175	10,500	11,000
Visits to Libraries web site	4,584,003	5,100,000	4,826,043	4,900,000	5,000,000
Online catalog use (pageviews)	5,249,720	5,500,000	4,324,117	4,100,000	3,900,000
Online databases use (searches)	12,564,542	13,000,000	11,576,208	12,000,000	12,500,000

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Annual attendance at university art collections	200,000	200,000	200,000	220,000	240,000
Annual attendees of lectures and special events	18,000	20,000	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of mediated classrooms	381	390	410	421	427
Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	551	551	845	840	835

Explanation: - FY13 now includes ASU Library common computing workstations.

Percentage of site equipment out dated (>4 years old)	27	18	6	10	15
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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:

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	34,675.4	37,420.8	41,255.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	270,607.9	276,266.7	311,517.4
Total Funding	305,283.3	313,687.5	352,773.1
FTE Positions	1,044.7	1,160.1	1,186.9

- ◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students receiving health care at the Campus Health Service	42,936	43,000	46,307	48,300	50,300
Disabled students served	2,425	2,525	2,503	2,625	2,700

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Registered campus clubs and organizations	825	850	817	830	850
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	62,900	64,800	64,300	66,300	67,500
Organizations recruiting on campus	1,628	1,700	1,600	1,680	1,760

- ◆ **Goal 3** To provide services that enhance the likelihood of students' academic success.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students participating in orientation	8,390	8,500	8,520	8,750	9,000
Students living in first-year residential communities	6,600	6,800	6,940	7,600	8,000
Students receiving financial assistance in an academic year	63,585	65,493	66,551	68,548	70,604

Explanation: --REFLECTS TOTAL UNIVERSITY--

Dollar volume for all financial assistance programs (dollars in thousands)	971,992	1,001,152	1,007,793	1,038,027	1,069,168
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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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average GPA of student athletes (4.0 highest)	2.96	3.0	3.02	3.00	3.05
Percent of student athletes graduating in six years based on NCAA Graduation Success Rate	80	80	80	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	141,426.7	141,851.5	141,851.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	310,839.9	347,414.1	353,056.9
Total Funding	452,266.6	489,265.6	494,908.4
FTE Positions	1,338.3	1,433.1	1,423.3

◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Accounting documents processed (in thousands)	1,608	1,610	1,625	1,641	1,657
Administration as a percentage of total cost	1.30	1.47	1.38	1.24	1.18
Job applications processed	68,134	71,561	76,711	84,382	92,820
Positions filled	1,448	1,491	1,480	1,554	1,632
Percent of agency staff turnover (classified staff only)	21.8	19.9	16.6	15.8	15.0

◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Maintenance work order man-hours on buildings/tunnels/structures	212,469	216,458	205,143	209,245	213,430
Number of faculty, staff, and students participating in fire and safety training classes	8,100	8,500	8,333	9,000	9,300
Annual Parking Permit Sales to students and staff	19,141	22,500	20,086	20,000	20,000
Community-based police assignments	315	345	335	345	355

◆ **Goal 3** To maintain support for all telecommunications systems throughout the University.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Centrally supported Ethernet connections	115,099	110,000	119,000	117,000	117,000
Explanation: --REFLECTS TOTAL UNIVERSITY--					
Internet bandwidth available (in Gigabits)	11.5	13.5	11.5	13.5	13.5
Internet bandwidth burstable (in Gigabits)	15	17	15	17	20
Wireless hours (in millions)	35.8	38.6	39.0	43.0	45.0

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ INSTRUCTION	34,234.0	37,565.4	41,427.6
➤ ORGANIZED RESEARCH	6,516.6	5,323.0	5,493.0
➤ PUBLIC SERVICE	2,151.3	2,455.7	2,519.8
➤ ACADEMIC SUPPORT	6,562.8	13,964.0	14,878.4
➤ STUDENT SERVICES	4,850.8	4,963.5	3,065.1
➤ INSTITUTIONAL SUPPORT	39,950.4	37,644.1	41,073.8
Agency Total:	94,265.9	101,915.7	108,457.7
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	20,812.5	22,869.5	27,722.7
Other Appropriated Funds	33,547.5	35,691.7	35,691.7
Other Non Appropriated Funds	39,905.9	43,354.5	45,043.3
Total Funding	94,265.9	101,915.7	108,457.7
FTE Positions	563.1	597.5	628.9

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 increases approved by the Board of Regents in recent years and future increases 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.

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.

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 2006 to 2011, ASU was one of the fastest growing research enterprises, among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to grow 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 systems, light-inspired energy, personalized learning, security and defense systems, and complex adaptive systems.

Strategy 2: Pursue a national research laboratory on the scale of \$50-\$100 million per year, in energy, aerospace, homeland 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, 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 taking a global approach to solving local problems such as climate change. 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 2015. 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 Labs, 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

Issue 6 Maintain quality and breadth of baccalaureate degree programs in an environment of diminished resources and plans for cost constraints

Description Since the beginning of FY 2008, with the emergence of the fiscal crisis in Arizona and nationally, Arizona State University has seen a decrease in funding from the State of \$167.3 million or 34% of base funding, while at the same time, enrollment increased by 26%. In addressing the sudden and significant funding decline and the need to support expanded enrollment, the focus of resource reduction has been to protect to the greatest extent possible the educational mission of the university, and to reduce the administrative and to a lesser extent student services functions rather than academic activities. Colleges and departments have been consolidated, eliminating duplicate administrative structures. A portion of the revenue loss was temporarily and partially offset by stimulus funds in FY 2010 and FY 2011. Increases in tuition permanently fill a part of the lost revenue, but most of the reduction was taken through efficiency measures and reductions in cost.

Over the past several years, the Arizona Board of Regents (ABOR) evaluated the state funding per full-time equivalent student at each of the three Arizona universities, and recommended that the disparity in funding be addressed. ASU requested and received \$12 million for each of the first and second phases of what initially was envisioned as a five-phase core investment towards eliminating that disparity gap. ASU's FY 2015 budget request includes \$25.1 million for Parity Funding. Because the university system is moving rapidly into a performance-based funding strategy ABOR decided to request the remaining three phases of funding, at a discounted rate, to address the remaining inequity immediately to support the achievements of the performance goals and create an equitable base from which to start.

In addition to addressing disparity funding and providing equitable competitive funding structures, ABOR has endorsed a new funding model that calls for performance funding based on metrics and goals set for each of the universities. ASU metrics focus on degree completion, class enrollments, and research growth. Funding would be based on increases in each of these metrics following setting base year activity. ASU's FY 2015 request includes \$19.3 million for performance funding based on its performance on the ABOR approved metrics in FY 2013.

Funding reductions in 2008 to 2012 budgets necessitated adjustments to spending patterns at ASU. The focus of the cost reduction efforts was to maintain the quality of the degrees programs and the size of the full-time faculty while reducing administrative support costs. ASU 's success in that strategy was supplemented by increasing the pace of using innovations in educational delivery. The use of innovations, analysis of their effectiveness in learning outcomes, and monitoring of their costs advantages has continued and accelerated since the budget reductions. They will be a key element in maintaining quality and keeping the pressure off of tuition increases.

Solutions:

Strategy 1: Provide equitable funding per student for ASU students in the next fiscal year.

Strategy 2: Restructure funding mechanisms to fund performance based upon achieving specific metrics and deliverables.

Strategy 3: Continue to introduce innovative curricula structures and student advising programs to improve outcomes within an efficient cost structure

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	20.0	20.0	15.0
General Fund	1,228.9	1,267.1	1,279.0
Other Appropriated Funds	2,527.0	2,716.0	1,947.0
Non-Appropriated Funds	1,174.0	1,209.0	1,245.0
Federal Funds	295.0	313.0	332.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	3,694.8
Other Appropriated Funds	27,832.2	28,226.2	28,226.2
Other Non Appropriated Funds	6,401.8	9,339.2	9,506.6
Total Funding	34,234.0	37,565.4	41,427.6
FTE Positions	365.0	343.5	361.7

◆ **Goal 1** To improve undergraduate and graduate education.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of graduating students who rate their overall experience at ASU Polytechnic as good or excellent	93	93	83	84	84

Explanation: - FY13 FIGURES REFLECT CHANGES TO THE SURVEY METRIC.

Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	81	81	70	72	74
Number of degrees granted	1,003	1,036	947	977	1,010
Number of Bachelors degrees granted	809	837	758	785	812
Number of Masters degrees granted	194	199	188	193	198
Average number of years taken to graduate for student who began as freshmen	5.0	4.9	4.8	4.7	4.7
Fall semester enrollment (headcount)	10,521	11,164	11,164	11,302	11,403

◆ **Goal 2** To provide support services and courses that assist students in achieving academic success.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of graduating students who 'have done' or 'plan to do' a practicum, internship, co-op experience, or clinical assignment	54	54	53	54	55
Number of tutorials conducted by University Academic Success Programs	8,766	9,500	9,437	9,814	10,200

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:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,516.6	5,323.0	5,493.0
Total Funding	6,516.6	5,323.0	5,493.0
FTE Positions	33.2	30.9	32.0

◆ **Goal 1** To provide support mechanisms for ASU Polytechnic researchers in an effort to increase research and sponsored project activities.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Dollar value of sponsored project proposals submitted (in millions)	52.5	61.2	37.9	70.0	77.4
External dollars received for research and creative activity (in millions)	7.1	12.5	17.7	13.4	14.5
Dollar value of total research expenditures (in millions)	8.7	8.9	7.9	8.1	8.7
Dollar value of externally funded, non-research expenditures (in millions)	1.7	1.8	1.7	1.9	2.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,151.3	2,455.7	2,519.8
Total Funding	2,151.3	2,455.7	2,519.8
FTE Positions	13.1	14.2	14.6

◆ **Goal 1** To partner with industry and the community to develop innovative solutions and to provide high quality continuing education courses and training programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of people served in professional activities.	0	0	1,577	1,800	2,000
Number of iProject and external (non-agency) research sponsors.	0	0	30	60	100

◆ **Goal 2** To provide meaningful community engagement opportunities through education.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of attendees at K-12 outreach activities.	0	0	3,278	4,200	5,200

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,452.4	3,551.3	4,286.0
Other Appropriated Funds	3,715.3	5,465.5	5,465.5
Other Non Appropriated Funds	-604.9	4,947.2	5,126.9
Total Funding	6,562.8	13,964.0	14,878.4
FTE Positions	55.0	79.3	86.1

◆ **Goal 1** To provide Library Services as an integral and essential component in the academic success of students and faculty.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Library gate count	127,558	130,000	133,477	135,000	140,000
Workstations available for public use in library facilities	44	44	44	44	44
Number of hours the library is open each week	91	91	87	87	87

◆ **Goal 2** To provide students and faculty with the technological resources and services needed to support accomplishment of their academic goals.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of mediated classrooms	81	85	75	76	78

Explanation: - Six conference rooms were removed from the classroom list.

Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	48	48	83	83	83

Explanation: - FY13 now includes ASU Library common computing workstations.

Percentage of site equipment outdated (>4 years old)	0	0	22	0	10
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Explanation: - (VDI) Virtual Desktop Technology allows up-to-date software to run on >4yr old equipment. Estimate using VDI on 25% of site equipment by FY14.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,122.5	4,658.3	5,082.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	728.3	305.2	-2,016.9
Total Funding	4,850.8	4,963.5	3,065.1
FTE Positions	43.5	44.7	48.8

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students receiving health care at the Student Health Center (provider/nurse visits)	1,055	1,160	1,685	1,850	2,035

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Events and activities held for students each year	677	700	481	550	600

Explanation: - Events have been consolidated for greater impact resulting in higher participation

Registered campus clubs and organizations	53	60	73	80	88
Organizations recruiting on campus	58	65	70	77	85

◆ **Goal 3** To provide services that enhance the likelihood of students' academic success.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students participating in student advisement/registration workshops	333	365	453	500	550
Students living in first-year residential communities	255	280	241	320	350

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	13,237.6	14,659.9	14,659.9
Other Appropriated Funds	2,000.0	2,000.0	2,000.0
Other Non Appropriated Funds	24,712.8	20,984.2	24,413.9
Total Funding	39,950.4	37,644.1	41,073.8
FTE Positions	53.3	84.9	85.7

◆ **Goal 1** To provide comprehensive administrative and human resource services to the campus community.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Job applications processed	5,173	8,795	4,170	5,338	6,832
Positions filled	88	92	95	114	137
Percent of agency staff turnover (classified staff only)	18.2	16.8	15.4	14.6	13.9
Administration as a percentage of total cost	1.46	1.06	1.12	1.19	1.10

◆ **Goal 2** To provide a safe and secure environment that responds to the needs of students, faculty, and staff as the campus grows.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Crime reports	142	170	123	143	190
Calls for service	1,715	2,126	1,436	1,507	1,582

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 14,000 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ INSTRUCTION	39,760.8	46,142.6	47,401.2
➤ ORGANIZED RESEARCH	4,314.4	2,071.8	2,135.1
➤ PUBLIC SERVICE	10,181.4	11,461.8	11,842.7
➤ ACADEMIC SUPPORT	18,906.3	21,798.6	22,438.1
➤ STUDENT SERVICES	11,281.4	10,136.0	13,676.0
➤ INSTITUTIONAL SUPPORT	42,026.3	40,604.7	41,087.2
Agency Total:	126,470.6	132,215.5	138,580.3
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	33,133.9	33,519.0	34,880.9
Other Appropriated Funds	38,654.2	40,980.3	40,980.3
Other Non Appropriated Funds	54,682.5	57,716.2	62,719.1
Total Funding	126,470.6	132,215.5	138,580.3
FTE Positions	683.9	724.7	739.4

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 increases approved by the Board of Regents in recent years and future increases 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

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.

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 2006 to 2011, ASU was one of the fastest growing research enterprises, among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to grow 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 systems, light-inspired energy, personalized learning, security and defense systems, and complex adaptive systems.

Strategy 2: Pursue a national research laboratory on the scale of \$50-\$100 million per year, in energy, aerospace, homeland 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, 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 taking a global approach to solving local problems such as climate change. 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 2015. 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 Labs, 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

Issue 6 Maintain quality and breadth of baccalaureate degree programs in an environment of diminished resources and plans for cost constraints

Description Since the beginning of FY 2008, with the emergence of the fiscal crisis in Arizona and nationally, Arizona State University has seen a decrease in funding from the State of \$167.3 million or 34% of base funding, while at the same time, enrollment increased by 26%. In addressing the sudden and significant funding decline and the need to support expanded enrollment, the focus of resource reduction has been to protect to the greatest extent possible the educational mission of the university, and to reduce the administrative and to a lesser extent student services functions rather than academic activities. Colleges and departments have been consolidated, eliminating duplicate administrative structures. A portion of the revenue loss was temporarily and partially offset by stimulus funds in FY 2010 and FY 2011. Increases in tuition permanently fill a part of the lost revenue, but most of the reduction was taken through efficiency measures and reductions in cost.

Over the past several years, the Arizona Board of Regents (ABOR) evaluated the state funding per full-time equivalent student at each of the three Arizona universities, and recommended that the disparity in funding be addressed. ASU requested and received \$12 million for each of the first and second phases of what initially was envisioned as a five-phase core investment towards eliminating that disparity gap. ASU's FY 2015 budget request includes \$25.1 million for Parity Funding. Because the university system is moving rapidly into a performance-based funding strategy ABOR decided to request the remaining three phases of funding, at a discounted rate, to address the remaining inequity immediately to support the achievements of the performance goals and create an equitable base from which to start.

In addition to addressing disparity funding and providing equitable competitive funding structures, ABOR has endorsed a new funding model that calls for performance funding based on metrics and goals set for each of the universities. ASU metrics focus on degree completion, class enrollments, and research growth. Funding would be based on increases in each of these metrics following setting base year activity. ASU's FY 2015 request includes \$19.3 million for performance funding based on its performance on the ABOR approved metrics in FY 2013.

Funding reductions in 2008 to 2012 budgets necessitated adjustments to spending patterns at ASU. The focus of the cost reduction efforts was to maintain the quality of the degrees programs and the size of the full-time faculty while reducing administrative support costs. ASU 's success in that strategy was supplemented by increasing the pace of using innovations in educational delivery. The use of innovations, analysis of their effectiveness in learning outcomes, and monitoring of their costs advantages has continued and accelerated since the budget reductions. They will be a key element in maintaining quality and keeping the pressure off of tuition increases.

Solutions:

Strategy 1: Provide equitable funding per student for ASU students in the next fiscal year.

Strategy 2: Restructure funding mechanisms to fund performance based upon achieving specific metrics and deliverables.

Strategy 3: Continue to introduce innovative curricula structures and student advising programs to improve outcomes within an efficient cost structure

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	13.0	13.0	15.0
General Fund	1,430.4	1,474.8	1,488.7
Other Appropriated Funds	2,954.0	3,175.0	2,275.0
Non-Appropriated Funds	1,292.0	1,331.0	1,371.0
Federal Funds	547.0	580.0	615.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	885.6
Other Appropriated Funds	29,172.6	30,827.8	30,827.8
Other Non Appropriated Funds	10,588.2	15,314.8	15,687.8
Total Funding	39,760.8	46,142.6	47,401.2
FTE Positions	373.3	403.8	411.8

◆ **Goal 1** To improve undergraduate and graduate education.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percentage of undergraduate degree recipients participating in research related or capstone (case study) experience	79	80	97	97	97
Percent of graduating seniors who rate their overall university experience as good or excellent	94	94	88	89	89

Explanation: - FY13 FIGURES REFLECT CHANGES TO THE SURVEY METRIC.

Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	78	78	74	75	76
Fall semester enrollment (full-time equivalent)	5,916	6,202	6,202	6,364	6,891
Minority graduate students as a percentage of total enrollment	25.7	26.0	24.4	25.0	25.5

◆ **Goal 2** To provide support services and courses that assist students in achieving academic success.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of undergraduate students graduating with internships and field experiences	47	48	39	40	41
Number of tutorials offered by Academic Success Programs	6,882	8,000	7,410	7,710	8,000

◆ **Goal 3** To retain students and help them graduate.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of first-time, full-time freshman persisting after one year	85.5	86.0	78.1	80.0	82.0
Percent of first-time, full-time, upper-division, degree-seeking undergraduate students graduating in four years	83	84	82	83	83
Number of degrees granted	1,466	1,496	1,418	1,448	1,495
Number of Bachelors degrees granted	1,122	1,161	1,090	1,128	1,168
Number of Masters degrees granted	327	335	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:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,314.4	2,071.8	2,135.1
Total Funding	4,314.4	2,071.8	2,135.1
FTE Positions	11.8	10.7	11.0

◆ **Goal 1** To provide a variety of research related opportunities for faculty so that they can improve their teaching and research activity skills.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Dollar value of proposals submitted (in millions)	31.9	65.0	64.9	77.5	85.6
External dollars received for research and creative activity (in millions)	24.9	35.9	11.4	12.3	13.3
Dollar value of total research expenditures (in millions)	2.5	2.6	7.6	7.8	8.3
Dollar value of externally funded, non-research expenditures (in millions)	17.1	18.5	15.9	16.5	17.5

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,181.4	11,461.8	11,842.7
Total Funding	10,181.4	11,461.8	11,842.7
FTE Positions	43.6	40.6	42.0

◆ **Goal 1** To serve local businesses and communities through various partnerships, events, and activities.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of community/business participatory events both on and off campus.	0	0	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	8,820.9	9,098.3	9,574.6
Other Appropriated Funds	7,881.6	8,552.5	8,552.5
Other Non Appropriated Funds	2,203.8	4,147.8	4,311.0
Total Funding	18,906.3	21,798.6	22,438.1
FTE Positions	87.7	100.8	105.5

◆ **Goal 1** To develop a cohesive integrated tiered reference/research support service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Library volumes	338,711	313,700	327,520	327,800	328,000
Items checked out including renewals	21,702	22,000	18,617	18,000	17,000
Items borrowed from other ASU libraries	2,701	2,850	2,250	2,500	2,500
Items borrowed from libraries outside ASU	1,021	1,030	1,135	1,200	1,300

◆ **Goal 2** To improve technology equipment access, training, and support for students.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of mediated classrooms	45	46	45	46	48
Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	115	115	144	144	144

Explanation: - FY13 now includes ASU Library common computing workstations.

Percentage of site equipment out dated (>4 years old)	30	0	0	0	10
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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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	9,310.8	9,404.5	9,404.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,970.6	731.5	4,271.5
Total Funding	11,281.4	10,136.0	13,676.0
FTE Positions	81.0	84.0	84.3

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students receiving health care on campus	1,252	1,400	1,621	1,686	1,753
Disabled students served	274	300	180	215	250

Explanation: - FY13 Actual reflects data collection reconciliation.

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Registered campus clubs and organizations	55	60	48	55	60
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	3,466	3,600	5,496	5,596	5,700
Organizations recruiting on campus	145	155	199	209	220

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	15,002.2	15,016.2	15,016.2
Other Appropriated Funds	1,600.0	1,600.0	1,600.0
Other Non Appropriated Funds	25,424.1	23,988.5	24,471.0
Total Funding	42,026.3	40,604.7	41,087.2
FTE Positions	86.5	84.8	84.8

◆ **Goal 1** To provide comprehensive administrative and human resource services to the campus community.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Job applications processed	3,778	5,478	4,498	5,398	6,477
Positions filled	64	96	81	101	127
Percent of agency staff turnover (classified staff only)	12.8	13.2	15.0	14.3	13.5
Administration as a percent of total cost	1.58	1.69	1.75	1.66	1.63

◆ **Goal 2** To provide a safe and secure environment that responds to the needs of students, faculty, and staff.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Crime reports	101	108	107	114	118
Calls for Service	1,195	1,200	1,114	1,120	1,128

Program Summary

AUXILIARY PROGRAM

Phone:
 Not available

Mission:

Description:

Agency Summary

NORTHERN ARIZONA UNIVERSITY

Dr. John Haeger, 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 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 26,600 students from all states including the District of Columbia and 65 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)

Program	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
➤ INSTRUCTION	151,384.7	175,811.2	182,334.5
➤ ORGANIZED RESEARCH	24,818.6	29,079.8	28,005.4
➤ PUBLIC SERVICE	2,145.6	2,290.6	2,290.6
➤ ACADEMIC SUPPORT	27,787.2	32,032.6	34,765.1
➤ STUDENT SERVICES	132,402.9	130,318.1	132,993.6
➤ INSTITUTIONAL SUPPORT	62,820.0	81,139.5	78,751.7
➤ AUXILIARY PROGRAM	73,017.1	69,137.2	67,400.0
Agency Total:	474,376.1	519,809.0	526,540.9
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	104,021.7	107,964.6	122,891.0
Other Appropriated Funds	107,409.1	120,281.1	120,281.1
Other Non Appropriated Funds	262,945.3	291,563.3	283,368.8
Total Funding	474,376.1	519,809.0	526,540.9
FTE Positions	3,210.6	3,331.4	3,474.0

Issue 1 New SI

Description Performance Funding Model

Solutions:

Arizona’s 50th Legislature, 2nd regular session, 2012, through SB1530 required ABOR and the universities to adopt a performance funding model by July 1, 2012 and for future university budget requests to include amounts consistent with this formula. The performance funding formula to reward increases in degrees awards, completed student credit hours and research and public service expenditures. The performance funding formula is based on incremental growth over a three year average. The universities are requesting an approach that seeks 50% of state funding in years that the state is experiencing average growth, (4-8% state revenue growth). In years where state revenue growth is less than 4% the universities would seek 25% state funding, and in years where state revenue growth exceeds 8% the universities would seek 75% state funding. The budget assumptions associated with this budget request use a 50% level for fiscal years FY2015 – FY 2018.

Northern Arizona University performance funds will enable the university to make progress toward the Arizona University System Enterprise 2020 goals. The university will use these funds to expand health program offerings, increase course offerings to meet student demand, enhance instructional effectiveness and productivity, and reduce time to degree. Specifically NAU will be able to meet the needs of currently enrolled students as they progress to upper division courses, incorporate learning technologies into instruction and other retention efforts, and develop more effective and efficient analytics to facilitate student success. The funds will allow the university to modernize classroom and library learning facilities and to provide students with resources they require. These funds would be used to expand programming to address Arizona workforce needs, and they will permit NAU to continue to expand seamless joint admissions programming with Arizona community colleges and to offer new Personalized Learning degree programs. This funding also helps the university keep tuition as reasonable as possible and is important to maintaining NAU’s four-year tuition guarantee PLEDGE program.

Overall performance funding allows the university to make progress towards 2020 goals which translate into advancing Arizona’s workforce and economic development goals.

Note: Resource Assumptions are in Millions.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	3,983.0	4,029.0	4,068.0
General Fund	133.5	141.7	150.7
Other Appropriated Funds	100.0	105.0	108.0
Non-Appropriated Funds	312.0	315.0	317.0
Federal Funds	74.0	76.0	78.0

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 more than 19,000 at its main campus in Flagstaff and at more than 37 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	5,444.2	5,874.7	15,459.9
Other Appropriated Funds	106,409.1	111,781.1	111,781.1
Other Non Appropriated Funds	39,531.4	58,155.4	55,093.5
Total Funding	151,384.7	175,811.2	182,334.5
FTE Positions	1,318.3	1,368.6	1,449.4

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,154.0	3,428.2	13,013.4
Other Appropriated Funds	106,409.1	111,781.1	111,781.1
Other Non Appropriated Funds	39,435.8	58,014.3	54,991.5
Total Funding	148,998.9	173,223.6	179,786.0
FTE Positions	1,288.7	1,338.2	1,418.9

◆ **Goal 1** To provide access to educational opportunities for undergraduate and graduate students.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of students enrolling in study abroad programs.	3	3	3	3	3
Increase the number of historically underrepresented ethnic students.	7,621	7,500	8,213	8,250	8,250
Increase the number of International students.	1,118	1,100	1,158	1,170	1,170
Increase the number of Native American students.	1,311	1,300	1,250	1,275	1,275
Bachelor degrees granted to statewide students, (includes community campuses and online only).	1,217	1,225	1,303	1,305	1,305
Explanation: Bachelor degrees granted to statewide students, (includes community campuses and online only).					
Total degrees and certificates granted (includes all campuses).	6,418	6,420	6,525	6,575	6,575
Explanation: 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	74	74	73	73	74
Number of Bachelor degrees granted	4,216	4,220	4,417	4,450	4,450
Percent of graduating seniors who rate their overall university experience as good or excellent	9797	97	97	97	97
Explanation: FY12 should be 97, not 9797.					
Average number of years taken to graduate for students who began as first-time, full-time freshmen.	4.5	4.5	4.6	4.6	4.6
Explanation: First-time, full-time freshmen					
Graduate degrees awarded at the master's level	1,544	1,600	1,416	1,450	1,450
Graduate degrees awarded at the doctoral level	63	61	51	55	55
Doctorate degrees awarded in the DPT category.	50	51	47	49	49
Graduate degrees granted (Statewide and Online only)	1,103	1,105	979	990	990

Explanation: 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,290.2	2,446.5	2,446.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	95.6	141.1	102.0
Total Funding	2,385.8	2,587.6	2,548.5
FTE Positions	29.6	30.4	30.5

◆ **Goal 1** To provide access to higher education learning experiences for Yuma Arizona students.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Arizona residents enrolled in undergraduate programs.	568	595	521	575	575
Bachelor degrees granted to Yuma students.	157	158	157	160	160
Undergraduate degree programs offered.	13	14	14	14	14
Graduate degree programs offered.	13	13	15	15	15
Percent of students graduating (6-year for first time, freshmen.)	68	69	67	69	69
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.)	76	77	77	78	78

◆ **Goal 2** To provide a rich learning environment with exposure to diverse populations and cultures for all Yuma students.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent Hispanic graduate students enrolled at the Yuma campus.	56	55	58	59	59
Hispanic student degrees awarded at YUMA (includes certificates).	128	130	153	155	155
Percent of Hispanic undergraduate students at the Yuma campus.	68	68	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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,017.3	2,412.7	2,412.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	22,801.3	26,667.1	25,592.7
Total Funding	24,818.6	29,079.8	28,005.4
FTE Positions	227.1	229.6	232.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,017.3	2,412.7	2,412.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	22,801.3	26,667.1	25,592.7
Total Funding	24,818.6	29,079.8	28,005.4
FTE Positions	227.1	229.6	232.0

◆ **Goal 1** To offer graduate programs contributing to research and innovation in Arizona

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Graduate students enrolled in Flagstaff's Master's level programs.	1,501	1,500	1,330	1,400	1,400
Graduate students enrolled in Flagstaff's Doctoral level programs.	380	380	384	385	385
Graduate degrees granted to Flagstaff students, (masters and doctorates).	509	515	485	500	500

◆ **Goal 2** To offer graduate programs which meet needs for graduate level instruction, such as teacher education or advanced professional training.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Graduate students enrolled in statewide Master's level programs.	4,181	4,500	3,380	4,000	4,000
Graduate students enrolled in statewide Doctoral level programs.	146	150	172	175	175

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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Yuma Graduate students enrolled in Master's level programs.	132	150	127	130	130
Yuma Graduate students enrolled in Doctoral level programs	4	4	5	5	5

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,145.6	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
Total Funding	2,145.6	2,290.6	2,290.6
FTE Positions	7.2	7.3	7.3

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,901.1	2,370.4	2,370.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	24,339.6	25,518.2	25,048.2
Total Funding	26,240.7	27,888.6	27,418.6
FTE Positions	202.8	209.9	212.4

◆ **Goal 1** To be a partner in the cultural climate of Arizona and the Southwest region.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Department of Theater season performances.	36	38	38	38	38
Music concerts and film series scheduled.	35	35	55	55	55

◆ **Goal 2** To enhance the quality of life in Arizona and the Southwest region.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total Civic Service Institute Volunteer Hours To mobilize generations to give service assisting community agencies to meet critical community need.	442,633	425,000	397,760	400,000	400,000
Collaborating Agencies under the Civic Service Institute 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.	330	300	370	350	350
Number of participating volunteers 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.	3,343	3,000	2,438	2,500	2,500
Number of individuals benefited by CSI services. To make a difference in the lives of others by mobilizing volunteers to assist individuals via community agencies throughout Arizona.	42,512	45,000	76,259	45,000	50,000

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 Garth Stein's, "The Art of Racing in the Rain" book as the community pick for the academic year 2013. 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://74.54.78.115/~onebook/index.html](http://74.54.78.115/~onebook/index.html)

Sponsors include: NAU, AWC, Yuma County Library District, Yuma Reading Council, The Yuma Arizona Sun and Yuma Friends of Yuma County Libraries.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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	0.0	0.0
Total Funding	0.0	0.0	0.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the workforce development with local business and NAU-YUMA.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Arizona Town Hall series Meetings held in Yuma. http://www.aztownhall.org/Default.aspx?pageid=1499374	1	1	2	2	2
Number of undergraduate programs offered.	15	16	23	23	23
Number of Arizona Western College transfer students who attend NAU	424	435	376	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	24,343.9	19,326.2	21,692.4
Other Appropriated Funds	1,000.0	8,500.0	8,500.0
Other Non Appropriated Funds	2,443.3	4,206.4	4,572.7
Total Funding	27,787.2	32,032.6	34,765.1
FTE Positions	350.5	353.2	377.5

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	23,551.7	18,874.8	21,241.0
Other Appropriated Funds	1,000.0	8,500.0	8,500.0
Other Non Appropriated Funds	2,443.3	4,206.4	4,572.7
Total Funding	26,995.0	31,581.2	34,313.7
FTE Positions	346.5	349.2	373.5

◆ **Goal 1** To provide a physical and online environment that supports student and faculty learning, teaching and research.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of users in the library	594,133	680,000	460,193	500,000	525,000
Explanation: Reflects change in measure.					
Number of electronic journal titles available	59,911	62,000	63,276	63,500	63,500
Number of items provided for NAU students, faculty and staff via Document Delivery Services	28,825	29,500	31,814	32,500	33,000
Number of individual student research consultations completed by library staff	281	300	924	1,000	1,500
Explanation: Reflects change in measure.					
Number of laptop check outs by students	26,520	30,000	30,228	34,000	38,000
Number of items available to end users in the Colorado Plateau Digital Archives	94,658	110,000	101,324	106,000	111,000
Questions answered by Cline library staff	0	0	10,137	11,000	11,000
Explanation: New Measure					
Electronic books supplied by Cline library	0	0	139,925	160,000	175,000
Explanation: New Measure					
Study room and studio checkouts.	0	0	16,693	18,000	20,000
Explanation: New Measure					
Cline library hours open per week.	0	0	108.5	108.5	108.5
Explanation: New Measure					

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	792.2	451.4	451.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	792.2	451.4	451.4
FTE Positions	4.0	4.0	4.0

◆ **Goal 1** To improve statewide access to network services, general computing resources, and instructional technology for NAU YUMA faculty and students.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Computer lab internet hookups	190	190	186	190	190
NAU-YUMA and AWC academic libraries	2	2	2	2	2
Amount raised from the Yuma Chapter of the NAU Alumni Association for Scholarships. (The estimate of \$300,000 is the total amount raised since the inception of the Yuma Golf Tournament which supports the scholarships).	300,000	300,000	16,000	16,500	16,500

Explanation: Change in measure

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	18,975.3	21,972.4	23,751.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	113,427.6	108,345.7	109,242.2
Total Funding	132,402.9	130,318.1	132,993.6
FTE Positions	443.3	473.1	491.4

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 10 orientation sessions in May and June drew 4,017 students plus 5,601 parents and guests; a total of 1,950 were registered for August sessions. In all, 23,660 students and guests participated in daily campus visits, Discover NAU and group tours, up from 18,599 in fiscal year 2012.

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	18,818.2	21,803.6	23,582.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	113,414.1	108,228.6	109,199.2
Total Funding	132,232.3	130,032.2	132,781.8
FTE Positions	432.8	462.1	488.3

◆ **Goal 1** To assist Flagstaff students in cultural, physical, and social development/wellness by providing services, activities, and events.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students use/participation: Counseling Services visits	5,577	6,400	5,770	6,400	7,000
Inclusion and Multicultural Services (IMS) participants:	988	1100	1233	1275	1275
Total use of computer lab in Inclusion and Multicultural Services (IMS).	21,000	21,500	21,552	21,750	21,750
Number of Student Life registered organizations. https://nau.collegiatelink.net/organizations	286	286	312	315	315

- ◆ **Goal 2** To support Flagstaff student learning by providing financial support services to qualified students within the specific limitations of the financial aid system.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students receiving financial aid by categories: Scholarships	6731	6500	6,905	7,000	7,100
Students receiving financial aid by categories: Waivers	767	800	765	785	800
Students receiving financial aid by categories: Grants	7600	7500	7,655	7,800	7,800
Students receiving financial aid by categories: Employment	3488	3300	3,766	3,800	3,800
Students receiving financial aid by categories: Loans	9765	9500	9,930	10,000	10,100

- ◆ **Goal 3** To support Statewide student learning by providing financial support services to qualified students within the specific limitations of the financial aid system.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students receiving financial aid by categories: Scholarships	505	500	464	465	465
Students receiving financial aid by categories: Waivers	201	195	199	200	200
Students receiving financial aid by categories: Grants	2668	2500	2,826	2,900	2,900
Students receiving financial aid by categories: Employment	32	25	86	100	100
Students receiving financial aid by categories: Loans	3054	3000	3,240	3,300	3,400

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).

Funding:	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
General Funds	157.1	168.8	168.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	13.5	117.1	43.0
Total Funding	170.6	285.9	211.8
FTE Positions	10.5	11.0	3.1

◆ **Goal 1** To support NAU-Yuma student learning by providing financial support services to qualified students.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Students receiving financial aid by categories: Scholarships	155	150	147	150	150
Students receiving financial aid by categories: Waivers	5	8	6	10	10
Students receiving financial aid by categories: Grants	444	450	385	400	400
Students receiving financial aid by categories: Employment	19	20	24	25	25
Students receiving financial aid by categories: Loans	335	340	313	320	330

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	51,095.4	56,088.0	57,284.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	11,724.6	25,051.5	21,467.7
Total Funding	62,820.0	81,139.5	78,751.7
FTE Positions	530.9	541.3	546.0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	51,095.4	56,088.0	57,284.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	11,724.6	25,051.5	21,467.7
Total Funding	62,820.0	81,139.5	78,751.7
FTE Positions	530.9	541.3	546.0

◆ **Goal 1** To enhance the safety and the learning/working environment.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
NAU numbers of: Affirmative Action formal and informal complaints, consultations and ADA issue contacts.	422	400	325	400	400
People trained proactively by the Office of Affirmative Action and Equal Opportunity, on-line and in person.	3,625	3,900	3,367	3,900	4,000
People served by the Office of Employee Assistance and Wellness	3,982	4,320	4,352	4,320	4,320
Programs offered by the Office of Employee Assistance and Wellness	128	137	125	137	137
Internal audits conducted	13	14	14	9	11
Percent of agency staff turnover	13	12	11	10	10

◆ **Goal 2** To improve the physical living, working, and learning environment.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
State appropriations for building renewal (in millions.) No funds were received for FY12 or FY13.	0	0	0	0	12.0
Operation and maintenance of plant, (in millions.)	17.8	21.8	23.3	24.6	26.2

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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Calculated building renewal need.	18,800	20,000	71,475	116,465	120,000

Note: FY2012 Actual has been revised to 65,670 and, FY2013 Estimate and Actual have been revised to 71,475.

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 3.12 among its more than 300 student-athletes during the 2012-13 academic year. It was the second-best cumulative semester GPA in school history.

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	73,017.1	69,137.2	67,400.0
Total Funding	73,017.1	69,137.2	67,400.0
FTE Positions	333.3	358.3	370.4

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 2 new Housing Communities that opened fall 2012.

<http://nau.edu/Residence-Life/Housing-Options/Residence-Halls/>

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	73,017.1	69,137.2	67,400.0
Total Funding	73,017.1	69,137.2	67,400.0
FTE Positions	333.3	358.3	370.4

◆ **Goal 1** To provide an excellent residential living experience for students choosing to live on the Flagstaff Mountain Campus.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of new, first time, full-time students living in residence halls.	90	85	90	85	85
Percent of new freshmen utilizing one of the Student Learning Centers (tutoring) one or more times.	49	40	44	40	40
Total number of students who were housed by Residence Life.	8,400	8,400	7,558	7,000	7,000
Correction to previous year's data:					
FY 2012 Actual	7,355	FY 2013 Estimate	7,000		
Total number of students utilizing the Student Learning Centers (tutoring).	6,165	5,500	6,404	5,500	5,500
Percent of new first-time, full-time students who live in Freshmen Connections housing.	88	83	87	83	83

◆ **Goal 2** To assist Flagstaff students in cultural, physical and social development/wellness by providing services, activities and events.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total use/participation: Recreation Center visits	439,092	445,000	429,710	445,000	450,000
Students use/participation: Outdoor Recreation	15,053	15,000	15,376	15,800	15,800
Students use/participation: Wall Aquatic Center	38,854	39,000	44,604	45,000	45,900
Students use/participation: Intramural participants	3,863	3,900	3,979	4,000	4,100
Students use/participation: Campus Health Services/Medical Services visits.	59,338	63,000	61,844	65,000	70,000

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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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 40,000 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ INSTRUCTION	294,200.7	320,309.3	324,770.8
➤ ORGANIZED RESEARCH	353,956.8	355,883.4	377,147.9
➤ PUBLIC SERVICE	41,366.8	42,130.2	42,699.0
➤ ACADEMIC SUPPORT	94,560.0	94,527.6	94,981.8
➤ STUDENT SERVICES	90,883.2	92,552.0	93,233.7
➤ INSTITUTIONAL SUPPORT	498,874.2	494,267.4	498,024.6
➤ AUXILIARY PROGRAM	235,646.3	249,781.3	250,117.2
➤ COLLEGE OF AGRICULTURE AND LIFE SCIENCES	104,717.3	107,606.8	116,124.6
➤ UNIVERSITY OF ARIZONA SOUTH	6,923.4	8,496.2	8,511.1
Agency Total:	1,721,128.7	1,765,554.2	1,805,610.7
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	207,555.9	209,706.0	244,535.6
Other Appropriated Funds	267,677.3	271,507.7	271,507.7
Other Non Appropriated Funds	1,245,895.5	1,284,340.5	1,289,567.4
Total Funding	1,721,128.7	1,765,554.2	1,805,610.7
FTE Positions	10,954.3	11,179.6	11,418.6

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.

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.

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.

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	11,411.6	11,639.8	12,105.4
General Fund	244,535,600.0	249,426,300.0	259,403,400.0
Other Appropriated Funds	285,083,100.0	299,337,300.0	314,304,200.0
Non-Appropriated Funds	844,339,300.0	869,669,500.0	895,759,600.0
Federal Funds	358,258,500.0	376,171,400.0	394,980,000.0

Program Summary

INSTRUCTION

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	500.0	9,000.0
Other Appropriated Funds	194,095.5	211,162.6	211,162.6
Other Non Appropriated Funds	100,105.2	108,646.7	104,608.2
Total Funding	294,200.7	320,309.3	324,770.8
FTE Positions	3,225.1	3,335.6	3,405.9

◆ **Goal 1** To increase productivity, efficiency, and effectiveness

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Graduating seniors who rate their overall experience as good or excellent (percent)	96	96	95	96	96
Full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty (percentage)	75	76	75	76	77
Total number of degrees granted	7,892	7,816	8,011	7,962	8,199
Bachelors degrees granted	5,889	5,842	6,034	6,040	6,225
Masters degrees granted	1,451	1,364	1,420	1,306	1,349
First Professional degrees granted	149	162	147	162	165
Explanation: Perform. Measure Description change to reflect new IPEDS categories.					
Doctorate degrees granted	403	447	410	453	459
Explanation: Perform. Measure Description change to reflect new IPEDS categories.					
Average number of years taken to graduate for students who began as freshmen	4.4	4.3	4.3	4.3	4.2
Administration as a percent of total cost	2.1	1.9	2.0	2.3	2.2
Agency staff turnover (percent)	12.2	12.0	11.7	12.0	12.3
Gifts, grants, and contracts (millions)	381	396	339	342	346
Grants and contracts expenditures (millions)	326	339	329	333	336

◆ **Goal 2** To improve student persistence and graduation rates over time

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Freshmen returning for the second year (percent)	77.2	80.2	80.2	81.1	82.4
Four year graduation rate of Arizona community college transfers (percent)	66.9	67.2	65.7	66.7	67.2
Six-Year graduation rate (percent)	61.4	61.8	61.3	60.9	61.2

Program Summary

ORGANIZED RESEARCH

Rick Kroc, Associate Vice Provost
Phone: (520) 621-8543
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>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	25,649.4	25,579.8	43,909.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	328,307.4	330,303.6	333,238.5
Total Funding	353,956.8	355,883.4	377,147.9
FTE Positions	2,284.1	2,335.7	2,448.1

◆ **Goal 1** To increase external funding for organized research programs relative to peer institutions.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total Research & Development Expenditures in thousands	462,644	522,750	475,043	550,500	579,750
National Science Foundation Research ranking (publics)	N/A	17	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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New Companies Started	6	8	3	9	10

Program Summary

PUBLIC SERVICE

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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:

The Vice President for 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. The Outreach College facilitates 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, the Outreach College collaborates with the Vice Provost for Academic Initiatives and Student Success and academic departments to aid and promote collaborations with partners around the world.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,797.0	3,109.3	3,109.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	37,569.8	39,020.9	39,589.7
Total Funding	41,366.8	42,130.2	42,699.0
FTE Positions	204.7	211.8	213.6

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of students in Study Abroad and Exchange programs	1,138	1,410	1,165	1,200	1,236
Number of undergraduate international students	1,267	1,632	1,632	1,834	2,000
Number of graduate international students	1,396	1,443	1,445	1,450	1,450

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of people served by Cooperative Extension (in thousands)	438	450	479	500	500
Number of volunteer hours generated in Agriculture	178,000	180,000	213,871	225,000	250,000

Program Summary

ACADEMIC SUPPORT

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	11,882.3	11,882.3
Other Appropriated Funds	58,827.3	46,244.9	46,244.9
Other Non Appropriated Funds	35,732.7	36,400.4	36,854.6
Total Funding	94,560.0	94,527.6	94,981.8
FTE Positions	834.4	878.9	881.3

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Academic programs reviewed for quality and effectiveness	14	19	19	19	19
Dollars internally reallocated to priority academic units (in thousands of dollars)	6,883	5,250	6,880	12,184	8,216

- ◆ **Goal 2** To acquire and/or provide access to information resources and services appropriate to research university users via the most cost-effective means.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Resources (print and non-print) circulated from the collection	332,770	315,000	237,860	200,000	175,000
Resources (print and non-print) used in the library	102,102	97,000	79,231	70,000	60,000
Electronic Resources used on-site and remotely (in millions)	11	12	12	12	13

- ◆ **Goal 3** To support alternative delivery modes of education for Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Online Undergraduate Degrees	18	20	29	30	50
Number of Online Graduate Degrees	217	266	212	254	278
Number of Online Graduate Certificates	42	63	33	69	87

Program Summary

STUDENT SERVICES

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	10,200.8	12,927.8	12,927.8
Other Appropriated Funds	2,478.4	0.0	0.0
Other Non Appropriated Funds	78,204.0	79,624.2	80,305.9
Total Funding	90,883.2	92,552.0	93,233.7
FTE Positions	444.8	452.5	455.4

◆ **Goal 1** To admit a freshman class well-prepared for University work.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Quality of freshman class based on: High school grade point average	3.4	3.4	3.4	3.4	3.5
Quality of freshman class based on: SAT scores	1109	1116	1116	1116	1120

◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Students reporting binge drinking in last year (survey done biannually) (percent)	36	35	36	35	34
Students reporting tobacco use in the last 30 days (percent)	21	20	22	21	20

Program Summary

INSTITUTIONAL SUPPORT

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	125,212.9	113,148.1	113,148.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	373,661.3	381,119.3	384,876.5
Total Funding	498,874.2	494,267.4	498,024.6
FTE Positions	1,509.8	1,413.1	1,420.3

◆ **Goal1** To enhance community support for the work of the University in the larger community.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Endowment Assets (in thousands)	368,467	376,205	399,902	408,300	416,874
Annual Giving (in thousands)	134,409	105,873	101,903	104,960	108,109

◆ **Goal2** To attract and engage a diverse and high quality workforce

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Minority employees in administrative, faculty, professional and classified positions (percent)	28	28	28	28	29
UA Life & Work Connections contacts per year	16,978	17,500	21,982	21,000	25,000

Program Summary

AUXILIARY PROGRAM

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	235,646.3	249,781.3	250,117.2
Total Funding	235,646.3	249,781.3	250,117.2
FTE Positions	1,201.4	1,248.7	1,249.2

◆ **Goal 1** To provide affordable housing and a residential living experience conducive to academic success and social well-being.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of new freshmen living in residence halls	68	70	73	74	75
Total number of students living in residence halls	4,563	4,680	4,960	5,000	5,100

◆ **Goal 2** To promote health, wellness and safety by providing quality medical, mental health care, and health education to the student community.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of visits to Campus Health's Main and McKale clinics (medical and counseling and psychological services)	71,792	70,000	72,338	70,000	70,000
Percent who indicate they would refer a friend to Campus Health	99.0	98.0	99.7	99.0	99.0
Overall rating of Campus Health (0-10, with 10 high)	8.8	8.9	8.6	8.8	8.8

◆ **Goal 3** To serve students with learning disabilities.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of students served by the Strategic Alternative Learning Techniques (SALT) Center	605	599	582	597	643

Program Summary

COLLEGE OF AGRICULTURE AND LIFE SCIENCES

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 A.R.S. § 15-1601

Mission:
To improve life for the people of Arizona and beyond through education, research, creative expression, and community engagement.

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. Faculty members generally have joint appointments in a parallel Agricultural Experiment Station.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	39,788.4	39,788.4	47,788.4
Other Appropriated Funds	9,783.4	9,926.8	9,926.8
Other Non Appropriated Funds	55,145.5	57,891.6	58,409.4
Total Funding	104,717.3	107,606.8	116,124.6
FTE Positions	1,167.8	1,210.9	1,252.3

◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Degrees/FTE faculty (T/TE)	5.6	5.8	6.0	6.3	6.7
External funding obtained/FTE Faculty (T/TE)	326,940	340,000	323,911	327,150	330,422
SCH/Faculty FTE (T/TE)	453	476	487	500	525

◆ **Goal 2** To graduate as many well qualified students as possible.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of Undergraduate Degrees granted (Bachelors)	662	657	699	700	721
Number of Graduate degrees granted (Masters, Specialist, Ph.D)	122	119	103	97	98

◆ **Goal 3** To partner with and serve the people of Arizona.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of volunteer hours generated in Agriculture	178,000	180,000	213,871	225,000	250,000
Number of people served by Cooperative Extension	437,900	450,000	478,829	500,000	500,000

Program Summary

UNIVERSITY OF ARIZONA SOUTH

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,907.4	2,770.3	2,770.3
Other Appropriated Funds	2,492.7	4,173.4	4,173.4
Other Non Appropriated Funds	1,523.3	1,552.5	1,567.4
Total Funding	6,923.4	8,496.2	8,511.1
FTE Positions	82.2	92.4	92.5

◆ **Goal 1** To increase student FTE and retention.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Student FTE	540	566	527	553	581

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Degrees/FTE faculty (T/TE)	7.6	8.0	12.9	13.5	14.2
SCH/Faculty FTE (T/TE)	1,156	1,213	1,638	1,816	2,014

◆ **Goal 3** To graduate as many well-qualified students as possible.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Undergraduate Degrees granted (Bachelors)	59	59	84	84	87
Number of Graduate degrees granted (Masters, Specialist, Ph.D)	25	25	32	30	31

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ INSTRUCTION	83,923.5	82,521.9	82,912.1
➤ ORGANIZED RESEARCH	117,831.9	121,754.9	122,695.9
➤ PUBLIC SERVICE	23,566.2	24,338.1	24,542.6
➤ ACADEMIC SUPPORT	80,707.1	81,288.5	90,941.2
➤ STUDENT SERVICES	2,944.1	3,114.6	3,131.2
➤ INSTITUTIONAL SUPPORT	23,432.7	87,129.0	87,974.9
➤ AUXILIARY PROGRAM	10,512.4	13,503.3	13,601.0
➤ COLLEGE OF MEDICINE, PHOENIX CAMPUS	30,449.7	51,079.2	54,807.4
Agency Total:	373,367.6	464,729.5	480,606.3
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	61,351.6	69,585.3	69,585.3
Other Appropriated Funds	40,808.8	41,117.0	41,117.0
Other Non Appropriated Funds	271,207.2	354,027.2	369,904.0
Total Funding	373,367.6	464,729.5	480,606.3
FTE Positions	3,528.0	3,863.5	4,137.4

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.

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.

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.

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	4,323.4	4,409.9	4,586.3
General Fund	104,414,900.0	106,503,200.0	110,763,300.0
Other Appropriated Funds	43,172,900.0	45,331,500.0	47,598,100.0
Non-Appropriated Funds	219,800,600.0	226,394,600.0	233,186,400.0
Federal Funds	127,657,100.0	134,040,000.0	140,742,000.0

Program Summary

INSTRUCTION

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	8,168.4	7,621.4	7,621.4
Other Appropriated Funds	36,528.5	35,232.9	35,232.9
Other Non Appropriated Funds	39,226.6	39,667.6	40,057.8
Total Funding	83,923.5	82,521.9	82,912.1
FTE Positions	1,119.0	1,106.6	1,113.4

◆ **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. Were unable to delete measures 1 & 2. They are duplicates of Goal 2 measures 1,5,6)

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Degrees Granted BA/BS and MA/MS	585	574	703	684	705
Number of degrees granted-PhD	43	48	40	44	45
Explanation: Perform. Measure Description change to reflect new IPEDS categories.					
SCH/Faculty FTE (T/TE)	284	298	312	328	344
External funding obtained/FTE Faculty (T/TE)	575,773	598,800	558,667	564,253	569,896
Degrees/FTE faculty (T/TE)	2.9	3.1	3.2	3.4	3.6

◆ **Goal 2** To increase productivity, efficiency, and effectiveness.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of degrees granted MA/MS	123	116	243	224	231
Graduating seniors who rate their overall experience as good or excellent	98	98	96	98	98
Full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty (percentage)	74	75	75	76	77
Total number of degrees granted	883	899	1,000	1,012	1,038
Bachelor degrees granted	462	458	460	460	475
Doctoral Professional Practice Degrees granted	255	278	257	284	288
Explanation: Perform. Measure Description change to reflect new IPEDS categories.					
Doctoral Research/Scholarship Degrees granted	43	48	40	44	45
Explanation: Perform. Measure Description change to reflect new IPEDS categories.					
Average number of years taken to graduate for students who began as freshman	4.4	4.4	4.2	4.4	4.4
Administration as a percent of total cost	2.1	1.9	2.0	2.3	2.2
Agency staff turnover	15.5	15.5	13.1	14.0	15.0
Gifts, grants, and contracts (millions)	246	256	222	225	225
Grants and contracts expenditures (millions)	174	181	173	175	176

Program Summary

ORGANIZED RESEARCH

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,007.3	3,700.8	3,700.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	113,824.6	118,054.1	118,995.1
Total Funding	117,831.9	121,754.9	122,695.9
FTE Positions	1,020.2	1,080.0	1,090.5

◆ **Goal1** To promote excellence in basic and clinical research, patient care, education, and training.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Regional, national, and international awards, honors, and prizes received by students, alumni, faculty, and staff	526	536	764	767	763
Patients rating physician skill as excellent in satisfaction survey (percent)	90.8	90.4	91.1	91.5	92.0

◆ **Goal2** To establish a stable funding base to support research, education, and service activities

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total Research & Development Expenditures in thousands	157,356	174,250	156,585	213,500	253,250

◆ **Goal3** To provide education and training programs for regional, national, and international health care professionals, health care industry personnel, and the public.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Training programs/ workshops/lectures	472	495	1,577	1,601	1,592

Program Summary

PUBLIC SERVICE

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,723.6	2,637.1	2,637.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	20,842.6	21,701.0	21,905.5
Total Funding	23,566.2	24,338.1	24,542.6
FTE Positions	216.6	228.4	230.4

◆ **Goal1** To provide quality, accessible poison and medication-related emergency treatment assistance 24 hours a day.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Poison Control call volume per year (in thousands)	51	53	50	50	50
Accredited by the American Association for Poison Control Center Certification as a Regional Poison Control Center.	Yes	Yes	Yes	Yes	Yes

◆ **Goal2** To provide specialty patient care in rural communities and secure State institutions.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number served through Telemedicine (clinical consultations)	83,000	90,000	65,048	71,000	71,000

Program Summary

ACADEMIC SUPPORT

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8243
 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	28,590.1	28,185.5	28,185.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	52,117.0	53,103.0	62,755.7
Total Funding	80,707.1	81,288.5	90,941.2
FTE Positions	760.9	774.8	963.1

◆ **Goal1** To offer education programs that meet standards of excellence

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Percent of students passing Step I of the US Medical Licensing Exam on the first try	98	92	95	95	97
Percent of Students passing Step II of the US Medical Licensing Exam on the first try.	98	95	98	98	98

◆ **Goal2** To assure access to information resources in the health sciences on-site and off-site.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Resources (print and non-print) circulated from the collection.	4,417	3,816	5,297	4,500	4,000
Resources (print and non-print) used in the library (in thousands)	8.2	6.8	6.5	5.6	5.0

◆ **Goal3** To teach students and faculty the most effective methods of accessing and managing health sciences information

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of Classes/workshops taught	122	174	172	185	200
Number of participants classes/workshops	3,160	4,618	3,328	3,500	3,800

◆ **Goal4** To support alternative delivery modes of education for Arizona.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of Online Graduate Degrees	20	24	55	66	72
Number of Online Graduate Certificates	18	27	24	51	63

Program Summary

STUDENT SERVICES

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,309.5	1,447.4	1,447.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,634.6	1,667.2	1,683.8
Total Funding	2,944.1	3,114.6	3,131.2
FTE Positions	27.4	30.7	30.9

◆ **Goal1** To enroll students well prepared for AHSC work.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Number of students enrolled in pre-pharmacy	444	466	491	500	525
Number of students enrolled in pre-nursing	714	750	156	310	500

◆ **Goal2** To enroll diverse students using the diverse in its broadest meaning.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
% Undergraduate Minority Students	48	49	49	50	51
% Graduate & First Professional Minority Students	35	36	37	37	38

Program Summary

INSTITUTIONAL SUPPORT

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,279.3	2,532.9	2,532.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	22,153.4	84,596.1	85,442.0
Total Funding	23,432.7	87,129.0	87,974.9
FTE Positions	13.0	25.2	25.4

◆ **Goal1** To enhance community support for the work of the University in the larger community.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Endowment Assets (in thousands)	159,187	162,530	174,927	178,600	182,351
Annual Giving (in thousands)	42,803	44,087	39,583	40,770	41,994

◆ **Goal2** To attract and engage a diverse and high quality workforce

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Minority employees in administrative, faculty, professional and classified positions (percent)	26	26	26	26	27

Program Summary

AUXILIARY PROGRAM

Rick Kroc, Associate Vice Provost
 Phone: (520) 621-8543
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,512.4	13,503.3	13,601.0
Total Funding	10,512.4	13,503.3	13,601.0
FTE Positions	113.7	137.6	138.1

◆ **Goal 1** To provide affordable housing and a residential living experience conducive to academic success and social well-being.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of new freshmen living in residence halls	66	70	71	72	73
Total number of students living in residence halls	403	427	452	475	500

◆ **Goal 2** To promote health, wellness and safety by providing quality medical, mental health care, and health education to the student community.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of visits to Campus Health's AHSC satellite clinic (medical and counseling and psychological services)	264	300	338	100	100

◆ **Goal 3** To promote health, wellness and safety by providing quality medical care to rural Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number served through Telemedicine (clinical consultations)	83,000	90,000	65,048	71,000	71,000

◆ **Goal 4** To serve students with learning disabilities.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of students served by the Strategic Alternative Learning Techniques (SALT) Center	52	51	52	53	57

Program Summary

COLLEGE OF MEDICINE, PHOENIX CAMPUS

Rick Kroc, Associate Vice Provost
Phone: (520) 621-8543
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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	15,273.4	23,460.2	23,460.2
Other Appropriated Funds	4,280.3	5,884.1	5,884.1
Other Non Appropriated Funds	10,896.0	21,734.9	25,463.1
Total Funding	30,449.7	51,079.2	54,807.4
FTE Positions	257.2	480.2	545.6

◆ **Goal 1** To develop, maintain, and continuously evaluate the educational program leading to the M.D. degree.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of students passing Step I of the United States Medical Licensing Exam on the first try	100	95	96	95	95
Percent of students passing Step II of the United States Medical Licensing Exam on the first try	100	95	100	98	98

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Regional, national, and international awards, honors, and prizes received by students, alumni, faculty, and staff	42	44	14	16	18
Total Research & Development Expenditures in thousands	8,330	9,225	10,279	30,000	60,000

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Minority employees in administrative, faculty, professional and classified positions (percent)	26	26	26	26	27

- ◆ **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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Training programs/ workshops/lectures	84	88	162	160	160

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 core business of the Arizona Department of Veterans' Services (ADVS) is assisting veterans and their eligible dependents obtain federal entitlements, such as VA claims for disability, pension and insurance. All other agency services are derived from this central premise. Advocating for veterans to access their rightful benefits has a stabilizing effect on the Arizona economy. Federal funds entering into the Arizona economy as a direct result of its veteran population totaled \$2.85 billion in FFY ended 9/30/2012.

ADVS's largest Division is the Arizona State Veteran Home Program, 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 also serves as guardian and/or conservator to incapacitated veterans and their eligible dependents. ADVS operates a state veteran cemetery in Sierra Vista. 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ ADMINISTRATION	3,940.0	5,616.4	6,696.8
➤ VETERANS' CONSERVATORSHIP / GUARDIANSHIP	973.7	1,326.2	1,326.2
➤ VETERANS' SERVICES	2,703.7	2,848.1	2,848.1
➤ STATE VETERANS' HOMES	24,341.4	27,868.2	58,782.0
➤ STATE VETERANS' CEMETERIES	2,209.4	459.2	4,639.2
Agency Total:	34,168.2	38,118.1	74,292.3
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	5,215.0	5,436.3	33,315.3
Other Appropriated Funds	23,771.9	28,774.5	31,992.9
Other Non Appropriated Funds	5,181.3	3,907.3	8,984.1
Total Funding	34,168.2	38,118.1	74,292.3
FTE Positions	506.8	506.8	506.8

5 Year Plan

Issue 1 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 in north Phoenix and in Sierra Vista. Columbaria niches are available 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.

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).

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.

Issue 2 Veteran population estimates indicate that over 48% of all veterans living in the state 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:

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).

Goal: Increase the number of state veteran home beds available to 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 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 home and the subsequent submission of a VA State Veteran Home Grant application.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	500.3	500.3	500.3
General Fund	5,212.8	5,212.8	5,212.8
Other Appropriated Funds	28,498.8	28,498.8	24,498.8
Non-Appropriated Funds	1,482.5	1,482.5	1,482.5
Federal Funds	392.5	392.5	392.5

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).

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,760.3	1,892.7	1,892.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,179.7	3,723.7	4,804.1
Total Funding	3,940.0	5,616.4	6,696.8
FTE Positions	42.8	42.8	42.8

- ◆ **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.

Performance Measures

	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.	9.75	12.93	9.80	9.67	10.13
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)	2,768	2,795.7	2,845.6	2,823.6	2,851.2
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)	7410	7640	7871	7886	8142
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.)	3.7	3.74	4.2	3.77	3.81
Explanation: Reported federal funds are a direct result of veterans living in Arizona.					
Administration as a percentage of total agency budget	3.35	3.1	3.3	3.2	3.2

◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of agency staff turnover (covered positions) as reported by the Arizona Department of Administration	29.7	30	26.8	30	30
Explanation: Long-term care staff turnover has historically increased the agency's rate. The actual rate for FY 2013 is a combination of both covered and uncovered positions.					

Program Summary

VETERANS' CONSERVATORSHIP / GUARDIANSHIP

Clark Leuthold, 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, conservator, or custodian 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, custodian, 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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	476.2	419.9	419.9
Other Appropriated Funds	497.5	906.3	906.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	973.7	1,326.2	1,326.2
FTE Positions	20.0	20.0	20.0

◆ **Goal 1** To maximize our clients' quality of life through the delivery of fiduciary services to our clients.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of annual reports of guardian submitted by the due dates	100	100	100	100	100
Number of client visits and contacts	2500	2530	2480	2596	2772

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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Licensed fiduciary to client ratio.	1:45	1:34	1:28	1:32	1:30

Explanation: The division had 6 licensed fiduciaries at fiscal year end.

Human service specialist to client ratio	1:34	1:37	1:42	1:40	1:42
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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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of annual accountings submitted by the due dates	100	100	100	100	100
Percent of annual accountings approved on first submission	100	100	100	100	100

◆ **Goal 4** To meet clients' needs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Active caseload at end of fiscal year	204	220	205	236	252
Decedent caseload at end of fiscal year	20	18	33	17	16

◆ **Goal 5** To manage and protect clients' assets held by ADVS.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Aggregate amount of protected clients' assets at end of fiscal year (in millions).	20.93	20.23	20.89	21.51	22.78

Explanation: Assuming \$85,000 per client.

Program Summary	
VETERANS' SERVICES	
Mike Klier, Asst. Deputy Director	
Phone: (602) 255-3373	
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:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,703.7	2,848.1	2,848.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,703.7	2,848.1	2,848.1
FTE Positions	57.0	57.0	57.0

◆ **Goal 1** To increase the VA monetary awards generated by claims and appeals filed by Veterans Benefits Counselors.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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)	285.3	293.2	293.3	296.7	300.1

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- ◆ **Goal 2** To achieve the highest level of customer satisfaction in regards to services being offered and how those services are delivered.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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."	81	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 VA for the Tucson Home was received June 12, 2012.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	27,695.4
Other Appropriated Funds	23,274.4	27,868.2	31,086.6
Other Non Appropriated Funds	1,067.0	0.0	0.0
Total Funding	24,341.4	27,868.2	58,782.0
FTE Positions	380.0	380.0	380.0

◆ **Goal 1** To achieve recognition for excellence in long term care.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	4	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	0	0	5	5	5

◆ **Goal 2** To maintain financial self-sufficiency, operating the facility without the use of Arizona taxpayer funds.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Average annual occupancy rate (in percent)	83.7	80	82.7	80	80
Average cost per patient day (in dollars) for the Phoenix veteran home.	268.27	281.34	278.91	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.	0	0	388.29	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)	0	0	40.2	85	97
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Explanation: Average annual occupancy rate (in percent) for the Tucson Veteran's Home

Program Summary	
STATE VETERANS' CEMETERIES	
Mike Klier, Asst. Deputy Director	
Phone: (602) 255-3373	
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 30 years. ADVS is actively working with the VA to determine the most beneficial placements of future state veterans cemeteries.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	274.8	275.6	459.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,934.6	183.6	4,180.0
Total Funding	2,209.4	459.2	4,639.2
FTE Positions	7.0	7.0	7.0

◆ **Goal 1** To plan for cemetery construction required to meet the needs of Arizona veterans and their eligible dependents.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of casketed burials for both veterans and dependents (expressed as vets/dependents)	115/16	120/30	123/45	131/40	135/50
Number of columbarium inurnments (expressed as veterans/dependents)	187/26	215/50	215/76	220/60	225/70

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	420.6	483.4	557.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	420.6	483.4	557.1
FTE Positions	5.5	5.5	6.0

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.

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 FY13 to launch an online license renewal system to be operational by winter FY15 for the next renewal period. 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.

The system will be capable of producing reports to enable credit card tracking and reconciliation with bank deposits, AFIS, etc.

Issue 2 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. This portion of the project needs to be complete by fall 2014 prior to the next license renewal period.

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 3 Our ability to identify deficiencies and enforce premise licensing standards is limited by staff and budget constraints.

Description While statutorily required premise inspections are completed within defined timeframes, the agency could provide better oversight by completing additional random inspections throughout the state. Currently, the premise license fees (\$50 in odd year/\$100 in even year) do not cover the actual costs of providing the inspections, primarily due to travel costs and staff time to travel long distances statewide.

Funding a .5 FTE would assist in the agency's ability to increase the number of random inspections per year.

Solutions:

In order to better identify deficiencies in veterinary facilities statewide, an additional .5 FTE is needed to conduct additional random premise inspections. It is projected that the additional inspector could conduct approximately 150 additional inspections per year. The agency's goal is to inspect each premise at least every 4-5 years. The addition of an inspector will also provide the opportunity for more cost and time-effective scheduling overall. For example, one inspector could focus on one outlying part of the state for 2-3 days instead of needing to move from area to area to complete statutorily-defined inspections in a certain required timeframe.

Issue 4 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.

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 would 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.

Our plan is to research options in FY14, followed by procurement/impementation in FY15-FY16.

Issue 5 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 resouces 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 FY14 and FY15 to determine the most cost-effective and streamlined approach to providing news and information to our licencees 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.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	6.0	6.0	6.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	540,000.0	540,000.0	545,000.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

- ◆ **Goal 1** To license veterinarians, veterinary technicians, and premises in accordance with mandated timeframes.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Premises licensed	101	80	130	100	100
Veterinary applications processed	171	150	141	150	150
Veterinary technicians certified	63	75	70	65	65
Administration as a % of total cost	7	7	8	8	8
Total number of premise renewals	0	700	739	0	700
Total number of veterinarians licensed annually, including renewals	2118	1,750	2,047	2,000	2,000

Explanation: number of licensed veterinarians at end of FY

Total number of veterinary renewals in biennial renewal process. Reinstatements included.	4	1,800	1,955	5	1,855
Total number of technician renewals in biennial process. Reinstatements included.	29	700	881	5	855
Total certified technicians	958	900	902	900	900

- ◆ **Goal 2** To rapidly investigate complaints and provide enforcement to protect the public from incompetent service and unprofessional and unethical conduct.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of complaints docketed	126	125	125	140	140
Number of complaints resolved	96	115	93	95	100
Disciplinary actions	18	25	25	25	25
Average number of calendar days from receipt of complaint to resolution	129	140	124	130	130
Number of annual investigations conducted	108	120	122	130	130
Number of investigations resulting in enforcement action	18	30	25	25	25

- ◆ **Goal 3** To ensure that licenses are granted to competent professionals with high standards of professional and ethical conduct.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of Disciplinary actions to number of licensed veterinarians	1	1	1.2	1	1
Percent of customers responding excellent or good on customer satisfaction survey	97	90	98	98	98

- ◆ **Goal 4** To ensure that the rules developed to license pet crematory facilities are met when licensing and thereafter.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of licenses issued for pet crematory facilities	1	1	0	0	1

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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ WATER INFRASTRUCTURE FINANCE AUTHORITY	152,307.2	224,966.2	204,314.2
➤ GREATER ARIZONA DEVELOPMENT AUTHORITY	35.6	89.0	89.0
Agency Total:	152,342.8	225,055.2	204,403.2
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	152,342.8	225,055.2	204,403.2
Total Funding	152,342.8	225,055.2	204,403.2
FTE Positions	18.0	18.0	18.0

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 participated in a partial refunding of existing bond debt resulting in lower bond interest rates and an overall savings of approximately \$13.7M.

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. Senator McCain's office has offered language to correct the Clean Water Allocation by modeling it after the Drinking Water Act formula, which is based on a needs survey conducted every other year. Obviously, states with stable or decreasing populations are not interested in allowing this formula to change. WIFA's Executive Director meets with Arizona's delegation each year to discuss this issue.

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:

1. Made three new publications:
 - a. Tri-fold WIFA brochure (distributed 1,100)
 - b. Funding Stormwater The WIFA Way
 - c. Rural Water Infrastructure Committee Information Sheet
2. Attended 13 conferences and numerous outreach events. Reached approximately 500 people.
3. Created a Face Book page – (<https://www.facebook.com/pages/Water-Infrastructure-Finance-Authority-of-Arizona/131717917036823#!/pages/Water-Infrastructure-Finance-Authority-of-Arizona/131717917036823>).
4. Expanded community involvement by coordinating with other funding agencies through the Rural Water Infrastructure Committee, an informal partnership of various federal and state agencies that provides loans, grants and technical assistance to Arizona's rural communities. This year, WIFA developed a new website, resource matrix, information sheet and project information form, which provides a process for communities to request assistance from partners. Arizona is also holding regular quarterly meetings utilizing a new meeting format where small systems present about their project needs and Executive Committee members discuss and follow-up with how they can provide assistance.
5. Sent out a customer survey to approximately 400 contacts to obtain feedback to improve business operations
6. Created a Listserv with ~ 400 people. WIFA sends notices of upcoming events, trainings, resources and grant opportunities to their listserv on a regular basis.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	18.0	18.0	18.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	110,000.0	110,000.0	110,000.0
Federal Funds	25,000.0	25,000.0	25,000.0

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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	152,307.2	224,966.2	204,314.2
Total Funding	152,307.2	224,966.2	204,314.2
FTE Positions	17.7	17.7	17.7

◆ **Goal 1** To award WIFA's resources in accordance with the needs of Arizona's Citizens.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of projects addressing compliance	1.0	2.0	3	2.0	2.0

◆ **Goal 2** To maintain the fiscal integrity of the Funds administered by WIFA and ensure continuous enhancement for future generations.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of total available funds invested	90.6	99.5	96.57	95.0	95.0
Interest income from Investments	6,737.8	6,500.0	7,566.6	8,000.0	8000.0

◆ **Goal 3** To effectively and efficiently deliver financial and technical assistance.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of weeks to process a loan	1.45	2.5	.91	1.5	1.5

◆ **Goal 4** To coordinate with other funding sources, technical resources, and regulatory authorities

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of co-financings	8.0	4.0	5	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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	35.6	89.0	89.0
Total Funding	35.6	89.0	89.0
FTE Positions	0.3	0.3	0.3

◆ **Goal 1** To increase development of public infrastructure projects.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Amount of financial assistance (in millions) loaned to cities, towns, counties, and special districts.	0	0	0	0	0
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	0	0	0

GADA Fund has experienced budget sweeps and is close to an inability to pursue bonding.

Agency Summary

DEPARTMENT OF WATER RESOURCES

Sandy Fabritz-Whitney, 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ AGENCY SUPPORT	3,553.7	4,159.4	4,440.3
➤ WATER RESOURCES AND STATEWIDE PLANNING	0.0	500.0	500.0
➤ DAM SAFETY AND FLOOD WARNING	1,569.3	2,034.2	2,034.2
Agency Total:	5,123.0	6,693.6	6,974.5
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	4,561.6	4,642.8	4,923.7
Other Appropriated Funds	1.9	640.4	640.4
Other Non Appropriated Funds	559.5	1,410.4	1,410.4
Total Funding	5,123.0	6,693.6	6,974.5
FTE Positions	32.3	35.8	35.8

5 Year Plan

Issue 1 Possible Expansion of Work Efforts Due to Declaration of Shortage of Colorado River Water

Description A shortage has recently been declared. ADWR staff is drafting information regarding impacts to the Agency as a result of this declaration. Revisions to this document will be sent by the due date in October.

At the current time, the only increase shown is the contractual rent increase.

Solutions:

Issue 2 Court-Ordered Increase in Adjudication Activity

Description A new judge has recently been appointed for our adjudication efforts. We are working with this judge to determine the extent of increased activity requested and to develop time-lines and cost estimates. We will replace this information with our best estimates and explanations by the due date for revisions in October.

At the current time, the only increase shown is the contractual rent increase.

Solutions:

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	125.0	125.0	125.0
General Fund	12,828.7	12,864.4	12,864.4
Other Appropriated Funds	906.8	906.8	906.8
Non-Appropriated Funds	10,229.8	10,229.8	10,229.8
Federal Funds	284.9	284.9	284.9

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	3,551.9	3,019.0	3,299.9
Other Appropriated Funds	1.9	640.4	640.4
Other Non Appropriated Funds	-0.1	500.0	500.0
Total Funding	3,553.7	4,159.4	4,440.3
FTE Positions	20.3	22.0	22.0

◆ **Goal 1** To provide timely, accurate and courteous ancillary management services to all customers.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of managers and supervisors indicating satisfaction with the services provided	98	98	87	98	98

- ◆ **Goal 5** To provide employees with direction in recruitment, training and employee relations counseling.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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

Sandy Fabritz-Whitney, 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 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	0.0	0.0
Total Funding	0.0	500.0	500.0
FTE Positions	0.0	0.0	0.0

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.

Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,325.3	1,615.3	1,615.3
Other Appropriated Funds	0.3	0.0	0.0
Other Non Appropriated Funds	562.8	1,260.5	1,260.5
Total Funding	1,888.4	2,875.8	2,875.8
FTE Positions	16.0	18.6	18.6

- ◆ **Goal 1** To conduct special investigations of critical groundwater areas to ensure that management decisions have a sound technical justification.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Permits reviewed and issued for assured and adequate water supply within statutory deadlines	250	250	250	250	250

- ◆ **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).

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Per capita water use in the Active Management Areas (in acre feet)	2.74	2.74	2.74	2.74	2.74
Percent of water stored to groundwater pumped within the AMAs	25	25	25	25	25
Cumulative annual capacity of recharge projects permitted (in thousands)	1,700.00	1,700.00	1,700	1,700	1,700
Percent of surface water to total water used in CAP service area	75	75	75	75	75

- ◆ **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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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	7,100	7,100	7,100

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,625.3	1,816.3	1,816.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3.3	4.0	4.0
Total Funding	1,628.6	1,820.3	1,820.3
FTE Positions	19.3	21.0	21.0

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Applications processed to appropriate surface water	0	0	0	0	0
Percent of public and intra-agency information requests met within Agency time frames	0	0	0	0	0
Reduction of protested surface water permit applications	0	0	0	0	0

- ◆ **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 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of adjudication court assigned studies completed by established deadlines	0	0	0	0	0

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	598.5	683.2	683.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	17.4	15.6	15.6
Total Funding	615.9	698.8	698.8
FTE Positions	6.0	6.0	6.0

◆ **Goal 1** To recharge Arizona's unused Colorado River water entitlement as funding and facilities permit.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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.

Performance Measures	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	2,590.7	3,250.8	5,251.3
Other Appropriated Funds	8.0	266.4	266.4
Other Non Appropriated Funds	6,364.3	7,297.1	7,297.1
Total Funding	8,963.0	10,814.3	12,814.8
FTE Positions	33.6	40.6	50.6

◆ **Goal 1** To assess and report information on statewide water resource demands and supplies.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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	18	18	18

◆ **Goal 2** To develop strategies that address water resource issues statewide.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Technical assistance projects provided to areas outside AMAs that request support in quantifying and improving management of the area's water resources	12	12	12	12	12
Number of rural water studies initiated	4	4	4	4	4

◆ **Goal 3** To manage contaminated water at groundwater contamination sites in Arizona.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Permit applications reviewed	1,000	1,000	1,000	1,000	1,000
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
New projects funded and contracts written.	0	3	3	3	3
Percentage of grants that achieve the stated objectives of the Water Protection Fund Commission	0	100	100	100	100

Subprogram Summary
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.

Funding:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	425.1	318.0	318.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	203.9	505.5	505.5
Total Funding	629.0	823.5	823.5
FTE Positions	3.0	3.0	3.0

- ◆ **Goal 1** To ensure that the Agency and the general public have access to the most accurate and current water resources information available.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Hydrologic Map Series data and modeling reports generated with accurate and timely dissemination	8	8	8	8	8
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

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,009.7	1,123.8	1,123.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	559.6	910.4	910.4
Total Funding	1,569.3	2,034.2	2,034.2
FTE Positions	12.0	13.8	13.8

- ◆ **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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of community assistance visits completed	15	15	15	15	15

- ◆ **Goal 2** To design and construct a statewide high-speed data collection and dissemination network.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
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.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of dams classified in a non-emergency unsafe condition	13	13	13	13	13
Number of dams within jurisdiction	265	265	265	265	265
Determination of jurisdictional status of unregistered dams	5	5	5	5	5

- ◆ **Goal 4** To assure that dam design, construction, operation and maintenance are in compliance with State laws and current dam safety guidelines.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of High Hazard Potential Dam Inspections as a percent of standard	100	100	100	100	100
Number of Significant Hazard Potential Dam Inspections as a percent of standard	100	100	100	100	100
Number of Low Hazard Potential Dam Inspections as a percent of standard	100	100	100	100	100
Cost per O&M inspection (in dollars)	950	950	950	950	950
Number of Construction Inspections	100	100	100	100	100

Agency Summary

DEPARTMENT OF WEIGHTS AND MEASURES

Kevin Tyne, Director
 Phone: (602) 771-4923
 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; 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; collects samples of motor fuel that is stored, sold, exposed or offered for sale to determine if such motor fuel meets the required standards; 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)

Program	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
➤ GENERAL SERVICES	1,815.8	1,655.8	2,091.8
➤ AIR QUALITY OXYGENATED FUEL	772.2	810.6	810.6
➤ VAPOR RECOVERY	594.8	653.2	653.2
Agency Total:	3,182.8	3,119.6	3,555.6
Funding:	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,489.8	1,325.8	1,761.8
Other Appropriated Funds	1,693.0	1,793.8	1,793.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,182.8	3,119.6	3,555.6
FTE Positions	30.5	34.1	38.1

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.

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

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	40.4	40.4	40.4
General Fund	1,975.2	1,975.2	1,975.2
Other Appropriated Funds	1,440.0	1,440.0	1,440.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

Program Summary

GENERAL SERVICES

Liz Atkinson, Operations Manager
 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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	1,489.8	1,325.8	1,761.8
Other Appropriated Funds	326.0	330.0	330.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,815.8	1,655.8	2,091.8
FTE Positions	18.2	19.6	23.6

◆ **Goal 1** To meet targeted compliance rates for all major inspection programs.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of Fuel Dispensing device inspections.	25,695	25,000	27,838	28,000	28,000
Number of Fuel Dispensing device in compliance.	90	90	82.9	90	90

◆ **Goal 2** To license all retailers who use commercial weighing devices; all companies who install, service, or test weighing and measuring devices.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Total Devices.	123,246	124,000	123,506	124,000	124,000
Average number of days to process applications.	5	5	5	5	5

◆ **Goal 3** To improve customer service.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of days to respond to consumers that place a complaint with the Department.	8	10	8	10	10

Program Summary

AIR QUALITY OXYGENATED FUEL

Liz Atkinson, Operations Manager

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	772.2	810.6	810.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	772.2	810.6	810.6
FTE Positions	6.8	7.1	7.1

◆ **Goal1** To monitor the quality of gasoline and diesel products through the collection and analysis of fuel samples.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Non-CBG samples tested.	519	695	321	695	695
AzCBG samples tested.	318	550	429	550	550

◆ **Goal2** To expand the use of technology in the fuel sampling and testing process.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Number of samples sent to the laboratory for analysis.	332	345	352	370	345
Number of samples tested by Zeltex field instrument	505	900	1,648	1,700	1,700

Explanation: Number of samples tested using Zeltex field instrument

Program Summary

VAPOR RECOVERY

Liz Atkinson, Operations Manager

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 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	594.8	653.2	653.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	594.8	653.2	653.2
FTE Positions	5.5	7.4	7.4

◆ **Goal 1** To ensure that new vapor recovery systems meet equipment and performance requirements.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
At least 50% of all the vapor recovery annual test will be witnessed by the Department.	61	50	50	50	50

◆ **Goal 2** To ensure that existing vapor recovery systems meet operation and maintenance requirements.

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Percent of facilities inspected annually that are in compliance.	86	90	94.1	90	90