

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 Governors' Office of Strategic Planning and Budgeting compiles *The Master List of State Government Programs and State Agencies' Five Year Strategic Plans* with information provided by state agencies in September of each year. In the interest of faithfully communicating the intentions of the agencies, OSPB only edits content to the extent necessary for clarity and makes no changes to the provided funding or performance data. Funding amounts for current and future years include all monies the agency is requesting, or plans to request, and is not related to the recommendations made in the Executive Budget.

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Program Budgeting – About This Publication

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

Program budgeting in Arizona provides transparency and understanding of the 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 the strategic issues, and resource assumptions for the five-year period. *Five-Year Strategic Plans* are presented here unedited, as they were submitted by each agency.

The *Master List of State Government Programs* includes a detailed look at each mandated function of state government, organized as programs and subprograms. Each program and subprogram contains a mission, description, the main goals and performance measures, funding, and staffing.

On the pages that follow for each agency, the *Five-Year Plan* is displayed first, followed by detailed information for each of an agency's programs and subprograms. The *Five Year Plan* contains projections through fiscal year 2021. Detailed program information contains information through fiscal year 2018.

State Agencies submitted their Five Year Plan and program information on September 1, 2016, prior to the creation of the Governor's Executive Budget that was released in January 2017.

When first developed in 1994, each mandated function of state government was isolated within a discrete program or subprogram, to the extent possible. At that time, the Master List contained 1,267 programs. Shortly thereafter, the number of programs was consolidated to 528, the effect being that any single program may now contain several related functions. Currently, *The Master List* is the most complete list of State government programs available.

OSPB is required to publish the *Master List of State Government Programs* and the *Five-Year Strategic Plans* by A.R.S. § 35-122.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,569.6	1,937.0	2,022.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,569.6	1,937.0	2,022.2
FTE Positions	13.0	13.0	13.0

Issue 1 Office Modernization

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

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

Solutions:

Strategies:

1. Business Requirements/Analysis

- 1.1. Analyze existing AIMS data fields – what they truly represent and possible values
- 1.2. Identify AIMS predefined queries and reports used for the examination module
- 1.3. Identify AIMS data used for various mail merges and where they're customized
- 1.4. Define aspects of examination, re-examination, grade review and appeal business processes
- 1.5. Define how transactions should be recorded (e.g. Pre-exam and Other Fee)
- 1.6. Identify additional critical data fields that are needed for examination (e.g. contact preference for test results)
- 1.7. Design screen mock-ups for each business processes to track important dates and milestones in the process, that are needed for management reporting

2. Data Development

- 2.1. Design tables/indexes in the database to represent the examination business functions
- 2.2. Verify the existing data entered in AIMS for accuracy and correct mistakes
- 2.3. Expand the database design to automatically archive/track changes made in the database
- 2.4. Define the required data fields and data validation rules
- 2.5. Map and translate data from AIMS where possible to the new database structure
- 2.6. Merge the exam people in AIMS with the contacts already loaded in ARMS due to them being added as part of Phase 1

3. Application Development

- 3.1. Activate search on examination candidate name or number
- 3.2. Create add/edit screens for initial exam applications
- 3.3. Create add/edit screens for re-exam applications
- 3.4. Create add/edit screens for grade review/appeal requests
- 3.5. Create add/edit screens for grade transcript and grade transfer requests
- 3.6. Create add/edit screens for remaining minor business functions
- 3.7. Redesign and create new reports that replace the reports and queries in AIMS
- 3.8. Create data files for upload to NASBA

4. Testing

- 4.1. Write a comprehensive user guide for the examination module of ARMS
- 4.2. Confirm AIMS examination data was extracted and translated to ARMS correctly

-
- 4.3. Enter data in new fields that couldn't be converted from AIMS
 - 4.4. Test adds, edits, deletes, saves and lookup of information using the various screens
 - 4.5. Confirm that the security feature on various examination screens is enforced
 - 4.6. Confirm that required fields are enforced and data validation rules are followed
 - 4.7. Test the accuracy of examination reports and user's access to them
 - 4.8. Test searching of examination contacts by name and number
 - 4.9. Test screen navigation in relation to business processes and workflows
 - 4.10. Confirm the archive tables properly reflect every type of change in data
 - 4.11. System test end-to-end ARMS in parallel with AIMS functions

5. System Deployment

- 5.1. Document the new examination module for IT maintenance
- 5.2. Migrate the AIMS examination data to ARMS
- 5.3. Manually enter key data into new fields (embedded in notes in AIMS or kept separately)
- 5.4. Remove rights for users to access the old examination data in AIMS
- 5.5. IT Systems benchmarks and monitors performance
- 5.6. Train staff to use the system and understand the new & translated data
- 5.7. Stop changes and evaluate the live system for a period of time after each Phase

Issue 2 Security

Description The State's Security, Privacy & Risk (SPR) Office has required every agency to have a security program that addresses federal laws and follows best practices. SPR created the State's template policies and standards, which complies with regulations. SPR recognizes small agencies and has promised resources to help create a program. A security program basically consists of the following:

- Security and Privacy Policies and Standards
- Annual Year-end Audit
- Annual Mitigation Plan

Security isn't just for IT. Policies are determined by the type of data we hold. We'll work with SPR to decide on appropriate policies and standards based on the State template. Our policies must be approved by SPR and exceptions are possible with justification. For example, a network closet may be locked but can't track individual access. Our policies describe our required security level, not our current security level.

Annual self-audit findings are matched to our policies to identify our security gaps. This is a master list of all outstanding issues not just new issues for the year. Gaps are reported to SPR to see if they can get legislative support for statewide issues; it's more cost effective.

A mitigation plan begins with defining the selection criteria used to choose the security gaps we can address during the year. We likely can't address all of the gaps from the audit so we need to be selective. Criteria may be based on a weighting of cost, probable risk, available resources, time involved and the fact that it's required. Requirements include security training and vulnerability. A combination of staff, our network vendor, SPR, and security specialists can be used to address gaps. Services available from SPR will be leveraged, like training. Our mitigation plan and progress is reported to SPR.

At the end of every year we need to reevaluate our security program. This includes a possible revision to our policies and another year-end audit so mitigation can be scheduled on a calendar year basis.

Solutions:**1. Define Security and Privacy Policies and Standards**

- 1.1. Work with SPR to identify where our security and privacy related data ranks in the predefined security levels
- 1.2. Determined by the type of data we hold, have SPR identify the parts of the State's security & privacy template that we must adopt
- 1.3. Working with SPR and our network vendor, review the template policies that apply and write justifications for any exceptions that exist
- 1.4. Have SPR approve our security & privacy policies so we can officially adopt them

2. Identify Gaps

- 2.1. Have a qualified organization conduct a detailed security audit
- 2.2. Compare audit findings to our policies to create the 2015 Security Gaps (2015 not 2016); report gaps to SPR
- 2.3. With our network vendor, develop the 2016 Gap Selection Criteria used to pick the gaps that can be addressed in 2016 due to limited resources; report justification to SPR
- 2.4. Identify the gaps that meet the selection criteria to create the 2016 Security Mitigation Plan; report plan to SPR

3. Mitigate Gaps

- 3.1. Schedule agency-wide security training by leveraging services from SPR
- 3.2. Schedule specialized security training for IT staff as needed
- 3.3. Contract with security specialists as needed to mitigate issues that staff or our network vendor can't address themselves
- 3.4. Update IT procedures and architecture documentation to reflect security changes
- 3.5. Report mitigation progress to SPR

4. Year-end Evaluation

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- 4.1. Review any revisions to the State's template (based on new best practices and federal regulations) to decide if revisions are needed in our Security Program
 - 4.2. Audit ourselves to identify any possible new security gaps. These gaps will be added to any unresolved 2015 Security Gaps, creating the 2016 Security Gaps. This list will be reported to SPR and used for the following year's security mitigation
 - 4.3. Inquire with SPR on any 2017 statewide security resources that we can leverage

Issue 3 Records Retention

Description To simplify the Board's retention schedule and ensure consistent adherence for all public records regardless of medium. The Board's retention schedule is onerous, not properly followed and requires archiving of records longer than they are of administrative value which comes at an unnecessary expense.

The records maintained by the Board as well as other state and local governments are among the most valuable resources in their care. They are essential for the conduct of ongoing operations and the official documentation of legally binding decisions and actions of the government. Records allow the public to understand civic issues and they are the community's memory. Records need to be adequately preserved because:

- Officials use them to administer and monitor government operations
- Records document the conduct of public business
- Records ensure and measure government accountability
- Records contain information that is used by researchers from within and from outside government
- Historians and other researchers use government records for information on individuals, groups and the communication, on the development of the government and its operations, and on the life of the community itself.

Solutions:

1.Perform analysis on existing records retention schedule and determine business need for both onsite and offsite retention and revise retention accordingly and submit to Library and Archives for approval

- 1.1.Exam files
- 1.2.Certification files
- 1.3.Registrant (CPA) files
- 1.4.Registrant (firm) files
- 1.5.Compliance Files
- 1.6.Disciplinary Actions
- 1.7.Board and Committee Meetings

2.Evaluate the following general records retention schedules that apply to all public bodies and determine current compliance/noncompliance.

- 2.1.Administrative records
- 2.2.Audit records
- 2.3.Bond records
- 2.4.Copy center and mail room records
- 2.5.Election records
- 2.6.Electronic Communications, Social Networking and Website Records
- 2.7.Environmental Quality Management and Sustainability Records
- 2.8.Equipment/Vehicle Services Records
- 2.9.Facilities/Grounds Management Records
- 2.10.Financial Records
- 2.11.Human Resources/ Personnel Records
- 2.12.Information Technology (IT) Records
- 2.13.Law Enforcement Records
- 2.14.Library Records
- 2.15.Management Records
- 2.16.Medical Records
- 2.17.Official Records
- 2.18.Public Health Records
- 2.19.Public Information and Marketing Records
- 2.20.Purchasing/Procurement Records
- 2.21.Warehouse/Supply Records
- 2.22.Historic Preservation Records
- 2.23.Civic, Convention, and Cultural Facilities and Visitors' Bureau Records
- 2.24.Parks and Recreation Records

3. Develop records retention policies and procedures

4. Train staff on records retention policies and procedures

5. Archive or dispose of records as necessary to ensure compliance with:

6.1. New records retention schedule approved by Library and Archives for Board specific records

6.2. Areas of non-compliance identified in strategy 2.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	13.0	13.0	13.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	2,022.2	2,022.2	2,022.2
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of exam candidates approved by Board to sit for the Uniform CPA exam	414	433	704	700	700

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of certificates issued	397	415	408	412	412
Biennial renewal of certificates	5817	5665	5625	5481	5450
Number of firms registered	79	100	148	116	116
Number of firms renewed (excluding sole practitioners)	786	813	818	802	802
Percent of applicants reporting very good or excellent service	89	92	85	87	87

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of revocations and relinquishments	6	8	0	8	0
Number of compliance files established	120	109	177	194.7	194.7
Number of compliance files that resulted in discipline	35	33	37	56	56
Number of compliance files that resulted in administrative letters of concern	27	30	25	26	26

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, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	141.9	178.5	228.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	141.9	178.5	228.5
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 submitting a Project Request, Statewide E-Licensing Project, to achieve this strategic goal.

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, on July 1, 2016 now requires all new acupuncture license applicants to submit fingerprints to the Board for the purpose of obtaining a state and federal criminal records check and authorize the Department of Public Safety to exchange data with the Federal Bureau of Investigations.

In addition, the Board not requires 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.

Lastly, the Board will be implementing statutory and rule changes as proposed by the Office of the Auditor General as a result of the Board's performance audit.

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

	FY2019 Estimate	FY2020 Estimate	FY2021 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 handle consumer complaints in an efficient manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of complaints received.	3	10	7	10	10
Unlicensed individuals or institutions identified.	1	3	0	3	3
Total complaints.	3	10	7	10	10
Average time from receipt of complaint until resolution	116	100	76	100	100
Number of complaints resolved from prior year.	0	2	0	2	2

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of investigations conducted	1	10	0	10	0
Licensees with greater than one investigation.	0	0	1	1	1
Percent of unlicensed practitioners brought into compliance.	100	100	100	100	100
Percent of investigations resulting in disciplinary enforcement	1	1	1	1	1

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of applications received	89	95	66	75	85
Explanation: FY12: 60 acupuncture license applications, 7 auricular acupuncture certificate applications and 33 continuing education applications.					
Number of renewals issued	557	570	595	605	625
Auricular Acupuncture Certificates Issued	11	15	7	15	15
Total number of licensees	593	605	599	610	620
Total number of auricular acupuncture certificate holders	37	40	37	45	55

Agency Summary

DEPARTMENT OF ADMINISTRATION

Craig Brown, Director
 Phone: (602) 542-1500
 A.R.S. §§ 41-701,41-1051,41-2501

Mission:

To deliver results that matter by providing best in class support services.

ADOA Vision: Become the partner of choice for all state agencies

Agency Values: Solving Problems; Building Trust; Keeping Commitments; Embracing Change

Description:

The Arizona Department of Administration (ADOA) was established by the Arizona State Legislature in 1973 to support the operation of state government. As the administrative and business operations hub of state government, ADOA provides medical and other health benefits to state employees, processing claims when employees get injured, maintaining office buildings for employees to work in, purchasing goods and services needed to conduct business, providing information technology and telecommunication services for employees, and much more. These centralized support services enable state agencies to focus their efforts on their own unique missions. The divisions within ADOA include:

- General Accounting Office
- General Services Division
- State Procurement Office
- Benefit Services Division
- Human Resources Division
- Arizona Strategic Enterprise Technology
- Risk Management Division
- Governor's Regulatory Review Council

Agency Summary: (\$ Thousands)

Program	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
➤ ADMINISTRATION	7,599.0	5,026.2	5,902.1
➤ GENERAL ACCOUNTING	277,071.2	285,933.7	287,078.3
➤ STATE PROCUREMENT	6,356.1	6,401.2	6,401.2
➤ BENEFITS SERVICES DIVISION	887,776.0	935,011.4	962,706.4
➤ HUMAN RESOURCES DIVISION	12,842.4	14,320.2	14,320.2
➤ ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY OFFICE	55,708.4	101,605.1	98,301.2
➤ RISK MANAGEMENT	85,540.3	97,869.1	130,437.1
➤ GENERAL SERVICES DIVISION	35,123.6	39,940.0	110,075.8
Agency Total:	1,368,017.0	1,486,106.9	1,615,222.3
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	106,696.8	108,382.4	198,094.1
Other Appropriated Funds	178,493.0	235,999.7	244,842.7
Other Non Appropriated Funds	1,082,827.2	1,141,724.8	1,172,285.5
Total Funding	1,368,017.0	1,486,106.9	1,615,222.3
FTE Positions	611.2	600.4	600.4

Issue 1 People Retention

Description The Arizona State Personnel System has over 35,000 state employees. This workforce is comprised of very broad and diverse career fields such as, 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 needs to have the right expertise is more critical today than ever. Demographic shifts and competition for talent are expected to be the biggest influence on our workforce over the next five years, as increasing numbers of experienced employees leave or retire. We will continue to focus on implementing strategies to mitigate anticipated departures of our valuable employees, implementing recruitment measures to attract top talent, and ensuring our compensation system includes salary ranges consistent with market pricing of jobs.

Solutions:**Objectives:**

The Arizona Department of Administrations' Human Resources Division's (HRD) priority is to professionally support effective employee performance activities that drive a 21st century education system, a strong innovative economy, safe communities, and an efficient accountable government.

Strategies:

- Partner with leadership in Agencies and Departments to improve the quality of retention and promotion practices, including the effective use of the stay interviews and check-ins.
- Implement a statewide program to build workforce planning into the agency strategic planning process, ensuring that each Agency has a workforce plan by end of calendar year 2019.
- Expand outreach activities to reach diverse candidate pools that meet particular job needs in State Government.
- Implement a program of employee exit survey for purposes of future recruitment and retention planning.
- Implement a human capital management modernization solution (HRIS) and incorporate leading-edge technologies to enable faster decisions and better employee performance measurement and accountability.
- Use the Human Resources Information System (HRIS) upgrade to feed workforce planning by identifying trends in turnover, leave use, and other human resources related matrices.
- Perform a comprehensive analysis of the current salary structures, including salaries governed by statute. Develop recommendations that are consistent with the spirit of an accountable public service system.

Performance Measures:

- Ensure that every agency has a workforce plan by end of calendar year 2019.
- Assess employee satisfaction from recruitment, hiring and retention perspectives, and establish a baseline measure by the end of FY 2017. Establish targets for improvement in each succeeding year.
- Establish a baseline for regrettable attrition by end of FY 17. Decrease baseline number by 10% through the end of FY 18.
- Establish the baseline of timely performance evaluations by end of calendar year 2017. An increase of 25% over the calendar year 2016 baseline will be realized by the end of calendar year 2019.

Issue 2 Benefits Cost Containment

Description The Benefit Services Division manages the Health Insurance Trust Fund and is responsible for the benefits provided to its 130,000+ members. Programs administered include self-funded medical, pharmacy and dental plans; fully insured dental HMO, vision, basic life, supplemental life, dependent life, short-term disability, long term-disability, flex spending accounts, home-owners and auto insurance plans, computer purchase and employee discount programs. In addition, the Division manages the statewide wellness program, as well as, an Employee Assistance Program.

Benefit costs are projected to continue to rise. Application of strong performance guarantees, on-going management of vendors and audit controls have aided efforts to maintain costs. In addition, the introduction of a health incentive program in 2014 and its continuation should assist in managing costs. Also, the purchase of a health care analytics tool will provide additional information to make better decisions regarding expenditures.

Solutions:

- Increase knowledge of employees, agencies and legislature regarding self-insurance.
- Improve health of members.
- Reduce costs through plan design changes.

Solutions:

Objectives:

- Contain per member per month medical/pharmacy costs to \leq 3.5% year over year, based on Plan Year 2015 per member/per month cost.

Strategies:

- Educate employees, agencies and legislature on plan design and self-insurance.
- Increase participation in Health Impact Program (HIP).
- Plan design changes.

Performance Measures:

- Year over year per member/per month costs \leq 3.5% by 2019
- HIP participation increased by 20% by 2019

Issue 3 Improved Procurement Results

Description The Arizona Department of Administration (ADOA) State Procurement Office (SPO) is responsible for negotiating rates and terms for more than \$1 billion in statewide contracts. The SPO team will utilize a number of proven tools in order to maximize the value the state receives for every dollar spent. A new negotiation focused strategy launched in November 2015. This method employs private-sector practices and is already generating significant negotiated savings.

Cost control is an important shared responsibility between SPO and the state agencies that utilize these contracts. Many factors impact how the state realizes savings, especially the increase or decrease in demand/volume for goods or services measured on a year-over-year basis. This complexity aside, SPO's goal is to negotiate the lowest total cost on behalf of the contract user that will ultimately translate into a reduction of expenses incurred by the state.

Statewide procurement tools are inadequate to support the new mission and are being review for upgrade.

Solutions:

- Data driven analysis of spend and competitive benchmarks by category/major contracts to define and prioritize saving opportunities
- Develop and deploy a Strategic Sourcing Process (SSP) to set cost reduction goals as well as monitor progress
- Accomplish goals set and proliferate process throughout the State Procurement Network (SPN)
- Automate the processes to facilitate usage as part of operations and continuously improve
- Supply base optimization and segmented procurement decisions aligned with the state budget

Solutions:

Objectives:

- Accomplish annual rate of Year Over Year (YOY) contract cost savings across the SPN
- Increase Co-op usage of statewide contracts annually.
- Develop and proliferate capabilities and tools for Supply Chain Management across the SPN
- Upskill SPN employees through advanced training and define create competency level menus
- Source advanced procurement platform for improved data quality and speed of decision making.

Strategies:

- Develop best in class negotiation tools
- Train other state agency procurement employees to become proficient in negotiation strategies
- Leverage technology to provide better data analysis
- Continuously improve SPN capabilities and reduce the number of suppliers in each category while expanding portfolios
- Develop and maintain healthy partnerships with State Agencies and key external organizations
- Assess and implement improved procurement tools to improve supplier payments and RFQ speed and quality.

Performance Measures:

- Year-Over-Year Negotiated Contract Savings - \$50 million Goal in 2017
- Year-Over-Year Co-op Contract Utilization

Issue 4 Capital Mall Building and Infrastructure Management

Description ADOA manages or supports operational services for 3.8 million square feet (GSF) in the Governmental Mall, Phoenix Metro, Tucson, and Kingman, including office space, parking garages, mechanical structures, labs, and data centers. The Legislature fully funded the Building System's Building Renewal Formula (for annual major maintenance) in only two of the last 31 fiscal years. Full funding of the Formula is a reference to the cumulative amount of annual appropriation required to sustain a given year's current facilities conditions, assuming all prior annual major maintenance requirements are completed. The 30+ years of funding shortfalls has resulted in an \$504.7M of accumulated deferred capital maintenance of the ADOA Building System. The postponed major maintenance requirements have created expensive utility, repair, maintenance, and replacement expenditures in deteriorating and poorly performing facilities.

In January 2009, a Facility Condition Assessment (FCA) of 3 million GSF of ADOA owned and/or managed buildings in the Governmental Mall and Tucson indicated that over 36% of the structures assessed were in "below average," "poor," or "replacement" condition. In FY 2016, ADOA procured the services of a consultant to perform an updated FCA on the structures previously assessed. The analysis of the overall conditions shows a higher than normal percentage of buildings in a below average condition. Most, if not all, renewable building system components have exceeded their statistical life cycle of 20-30 years of service. Some buildings are in such poor condition that the FCA recommends total replacement. Arizona is facing the inevitable long-term consequences of under investment in major maintenance requirements.

Solutions:**Objectives:**

- Achieve savings and general GF revenues to offset cost of renovations and new capital
- Reduce ADOA operating costs
- Improve preventative maintenance performance
- Make highest and best use of facilities
- Renovate facilities to improve employee morale and increase retention

Strategies:

- Increase the COSF rental rate from ___ to 90% of market to facilitate increased funding for building renewal and large scale capital maintenance and renovations to outdated and aging work spaces;
- Sell underutilized ADOA managed buildings
- Use FCA's to make targeted improvements to salvageable capital infrastructure to improve energy consumption, prolong useful lives of building systems, and improve working environments for state employees.
- Procure and implement unique financing opportunities for new capital outlay with private/public partners;
- Apply space standards to renovated spaces to improve efficiency of space utilization;

Performance Measures:

- By June 30, 2017 complete 1500 preventative maintenance work orders annually to proactively reduce the number of trouble calls and prolong the life of major building systems;
- By June 30, 2018 complete 90% of facilities maintenance work orders within the Service Level Agreement (SLA) timeframe;
- By June 30, 2018 reduce the cost/sq. ft. of energy in ADOA buildings by 32%; and
- By June 30, 2019 effect average 90% occupancy of Governmental Mall

Issue 5 Boards & Commissions Consolidation

Description HB 2613 requires the Arizona Department of Administration (ADOA) to conduct a study relating to the transfer of all non-health regulatory boards and occupational licenses issued by state agencies to a new division within ADOA. The report, which is to be delivered to Governor and Legislature by September 1, 2016, will include the costs and benefits associated with the transfer. ADOA has partnered with Beacon Information Designs and Elliott D. Pollack & Co. to provide outside validation of the data. Areas that will be addressed include:

The Governor and Legislature's response to the study will help determine what the next steps on this issue may be.

- Current Licensing & Regulatory Practices
- Current Staffing & Facilities Requirements
- Current Policies, Procedures & Protocols
- Disciplinary & Investigative Practices
- Potential for Consolation of Resources
- Economic Impact Potential
- Potential Opportunities to Eliminate Redundancy, Duplication & Waste
- Comparison of Arizona Regulatory Board & Occupational Licensing Practices to Other States

Solutions:

Objectives:

- Conduct interviews and data analysis to identify efficiency opportunities
- Assist in budgeting for any consolidation efforts that will be part of the 2017 legislative session
- Establish a new non-health licensing and regulatory division within ADOA as directed by law

Strategies:

- Apply lean principles to create more efficiencies while maintaining the core deliverables of each entity
- Leverage technology and the shared services model to provide improved administrative support
- Maximize Capitol Mall space allocation by creating shared facility and meeting space resources

Performance Measures:

- Deliver report and recommendations to Governor and Legislature by September 1, 2016
- Establish savings baseline goals by July 1, 2017
- Execute transition based on effective date
- Track and report year-over-year savings annually

Issue 6 Arizona On Line Services**Description** Description:

The State of Arizona delivers hundreds of services to citizens each year, but the majority of those services are being requested, processed and completed the same way they were 30 years ago – through paper forms, walk-up windows and postal mail. We want to move many more state’s services online, enabling Arizona to move at the speed of business. The goal of this project is to migrate agency services to an online experience for the citizen where they can request services without a pen, paper or stamp. Instead, the desired citizen experience will be on an internet-connected device of their choice where they can fill out online forms, use electronic signatures and submit directly from their laptop, tablet or smartphone. By giving citizens the ability to request any service, at anytime from anywhere, we will move Arizona’s government to be more in line with what our customers expect in 2016 and beyond. There is potential for Arizona to show \$100M+ savings after the services are modernized and broadly adopted by agency customers.

Solutions:

•ADOA-ASET has previewed a variety of software solutions that can help with this initiative, depending on readiness of the service, complexity and budget. Some services have already been migrated online by agencies themselves, as well as ADOA-ASET, so we will seek to learn from the processes that have already been automated, and use that to inform us about what works and doesn’t work for the future services.

Solutions:**Objectives:**

- Identify agencies with citizen-facing services.
- Work with agencies who are ready and willing to participate.
- Document the process workflow, and make sure it’s been optimized using Lean methods.
- Identify the best software solution(s) to automate the process.
- Determine the cost to modernize the service.
- Identify funding sources to pay for the modernization.
- Modernize 3-6 services (up to 2 per quarter) beginning FY17-Q3.
- Identify cost savings by service after implementation.
- Track progress on services automated and deliver regular reports to EAG5 and stakeholders.

Strategies:

•The Business Engineering team, along with members of our Web Portal and Web Design teams will work directly with the agencies who choose to participate, to determine the size and scope of modernizing their processes to an online experience.

Performance Measures:

- Number of services currently online, according to new definition: citizen needs no printer, pen or stamp to request the service.
- Average net cost reduction to take a service from current delivery method to online
- Number of services taken on-line over time
- Adoption rates by agencies

Issue 7 Statewide Cybersecurity Strategy

Description The State of Arizona is experiencing substantial levels of cyber attack attempts to compromise our systems and our data. Many of the agencies, boards and commissions do not have the level of expertise to identify and stop sophisticated attacks. The agencies, boards and commissions also do not have the budget to invest in and maintain separate security systems to ensure the integrity and availability of their data.

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

In addition to education and outreach, ADOA will continue to invest in multiple layers of security to detect potential vulnerabilities in state technology systems and implement solutions to prevent intrusions. Through the adoption of security policies and standards, such as those outlined by the National Institute of Standards and Technology (NIST), ADOA will strive for the highest level of recommended technology security and privacy controls across all systems and drive those standards statewide.

Solutions:

- We are recommending the State of Arizona should standardize on 16 security products that establish a risk profile for the state and help to defend the state from the latest cyber-attack tactics. These 16 controls cover 14 of the top 20 CIS critical security controls for effective cyber defense.
- The CIS Critical Security Controls are a recommended set of actions for cyber defense that provide specific and actionable ways to stop today's most pervasive and dangerous attacks. The Controls are effective because they are derived from the most common attack patterns highlighted in the leading threat reports and vetted across a very broad community of government and industry practitioners.

Solutions:

Objectives:

- Build business requirements and create standardized product contracts for the following 16 security controls: Data Loss Prevention, Distributed Denial of Service, Application Penetration Testing, Vulnerability Assessments, Security Information Event Management, Vulnerability Management, Directory Auditing, Spam Filter, Web Application Firewall, Web Content Filtering, Advanced Endpoint Protection, File Integrity Monitoring, Security Monitoring, Device Hardening, Security Awareness, Multi Factor Authentication
- Implement stds. in 80% of the executive branch agencies boards and commissions by July 1 2017
- Save money with economies of scale of implementation.

Strategies:

- Enterprise contracts for 16 security controls, and implement those controls or have a plan to replace those controls into 80% of the state agencies, boards and commissions by July 1, 2017.

Performance Measures:

- Number of agencies using CSC framework
- Number of attacks identified by CSC framework
- Number of attacks not captured by CSC framework

Issue 8 Arizona Management System (AMS)

Description The Arizona Management System is a statewide intentional, results-driven system of management that engages employees, focuses on customers and drives continuous improvement in pursuit of desired results. There will be three phases to the journey: Setting the Foundation, Building the Muscle to Improve and Delivering Transformative Results.

Employee responsibilities will include understanding customer needs, identify problems, improve processes and measure results in order to do more good. Three core values held by employees are: Do the Right Thing, Commit to Excellence and Care About One Another. The intention is to demonstrate through measurable results that Arizona is the best state in the nation!

Solutions:**Objectives:**

- By February 2017 Leaders trained and Standard Work version one routinely occurring
- By January 2017 tiered performance meetings in place and audited
- By June 2017 there is visible evidence in all functional areas that visual performance management is in place
- By July 2018 Hoshin Planning established and utilized for annual planning cycle
- By July 2019 there are at least two deep practitioners of Lean principles embedded in each division

Strategies:

- Communication Cascading Measures in place to share learning and expectations.
- Problem Solving skill building is provided to all levels of employees
- Standard Work is in place for all levels of employees
- Recognition Plan established for improvement activities
- People Systems designed and in alignment with AMS
- Agency Scorecard established
- Business Reviews launched
- Leader Standard Work Routines established and audited
- Huddle Boards implemented, HB meetings scheduled, held, and audited
- Breakthrough projects completed
- Daily Kaizen activity increased

Performance Measures: By EOY 2017

- 95% of all Leaders and Managers completed training in Lean principles
- 85% frontline employees completed training in Lean principles
- 100% of new hire leaders and employees on-boarded within 90 days to operate within the AMS
- 90% of incentive dollars assigned to employees involved in continuous improvement activities
- 25% annual increase in breakthrough, mini-kaizen, just do it, and kaizen level projects completed
- 1.5 % improvement annually in Employee Engagement Survey scores (for the 6 lean related questions) until reach the 9:1 ratio

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	535.1	535.1	535.1
General Fund	10,264,500.0	10,264,500.0	10,264,500.0
Other Appropriated Funds	188,225,000.0	188,225,000.0	188,225,000.0
Non-Appropriated Funds	1,012,832,300.0	1,012,832,300.0	1,012,832,300.0
Federal Funds	5,978,500.0	5,978,500.0	5,978,500.0

Program Summary

ADMINISTRATION

Craig Brown, Director
Phone: (602) 542-1500
A.R.S. §§ 41-701, 41-1051, 41-2501

Mission:

To deliver results that matter by providing best in class support services.

Description:

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. Additionally, the Director's Office also includes the Communications Office, Budget Office, Government Transformation Office, Arizona Office for Grants and Federal Resources, Office of the General Counsel, and the Governor's Regulatory Review Council.

This Program Contains the following Subprograms:

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,546.1	2,341.3	3,717.2
Other Appropriated Funds	0.0	500.0	0.0
Other Non Appropriated Funds	4,052.9	2,184.9	2,184.9
Total Funding	7,599.0	5,026.2	5,902.1
FTE Positions	47.0	22.2	22.2

Subprogram Summary

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Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,132.3	985.8	1,361.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,365.3	2,184.9	2,184.9
Total Funding	4,497.6	3,170.7	3,546.6
FTE Positions	20.0	13.2	13.2

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of ADOA's services with a minimum customer satisfaction rating of 6.0	0	0	0	N/A	N/A
Percentage response rate to public information and legislative constituent requests within ten business days	84.2	88	0	N/A	N/A

Subprogram Summary

GOVERNOR'S REGULATORY REVIEW COUNCIL (GRRC)

Nicole A. Ong, ADOA General Counsel
 Phone: (602) 542-2181
 A.R.S. § 41-1001

Mission:

To deliver results that matter by providing best in class support services.

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: With regards to new rules, the agencies determine whether to complete a rulemaking action, and if not exempt from the rulemaking moratorium, must request an exception from the Governor's Office before beginning the process.)

Funding:

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	295.7	355.5	355.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	295.7	355.5	355.5
FTE Positions	3.0	3.0	3.0

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Agency satisfaction with staff services (Rulemakings and five-year reviews)	7.95	7.9	8.0	N/A	N/A
Council satisfaction with staff services	7.97	7.9	8.0	N/A	N/A
Agency satisfaction with staff services (Seminars)	7.57	7.8	7.8	N/A	N/A

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Improve customer satisfaction to 7.0 or better on the annual customer satisfaction survey	6.44	7.0	NA/	N/A	N/A
Improve customer satisfaction to 7.5 or better on the "Voice of the Customer" survey cards	7.95	7.9	8.0	N/A	N/A
Increase participation percentage of attendees in GRRC Seminars	31	30	75	N/A	N/A

Subprogram Summary	
EMPLOYMENT AND POPULATION STATISTICS	
Phone: (602) 542-1500	
ARS §§ 41-1504, 41-1505	

Mission:

to

Description:

The Office of Employment and Population Statistics (EPS) merged with the Office of Economic Opportunity in August 2016 and is no longer a function of ADOA.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	293.5	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,687.6	0.0	0.0
Total Funding	1,981.1	0.0	0.0
FTE Positions	18.0	0.0	0.0

Subprogram Summary	
GOVERNMENT TRANSFORMATION OFFICE	
Robert Woods, Administrator	
Phone: (602) 692-5896	
EO 2012-07	

Mission:

To deliver results that matter by providing best in class support services.

Description:

The Government Transformation Office (GTO) provides consulting services in support of an enterprise wide lean management system. GTO leads high impact projects that improve service, cost, and quality,

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	824.6	1,000.0	2,000.0
Other Appropriated Funds	0.0	500.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	824.6	1,500.0	2,000.0
FTE Positions	6.0	6.0	6.0

◆ **Goal 1** To lead high impact projects that improve service, cost, and quality.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Process hours redirected	77,000	200,000	62,239	N/A	N/A
Percent of average lead time improvement per project	74.2	50	65.7	N/A	N/A
Number of employees trained as lean champions	185	200	214	N/A	N/A

Program Summary

GENERAL ACCOUNTING

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

Mission:

To deliver results that matter by providing best in class support services.

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 appropriate financial management information;
- enhancing the State’s financial systems to reduce cost, increase efficiency, and meet new needs and requirements of the State;
- providing adequate AFIS system security;
- maintaining and monitoring budgetary controls;
- resolving systems-related problems and other financial and accounting issues in a timely, cost-effective manner;
- providing statewide accounting policies and procedures;
- reconciling and distributing State warrants;
- preparing cash basis (AFR) and accrual basis (CAFR) financial reports designed to provide an accurate recording of the financial condition of the State;
- performing internal audits, reviews, and investigations;
- providing a variety of accounting and financial processing services for ADOA divisions and other State agencies;
- providing various types of technical assistance on governmental accounting and financial matters.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	99,667.2	103,045.8	103,045.8
Other Appropriated Funds	7,063.1	9,998.5	10,216.2
Other Non Appropriated Funds	170,340.9	172,889.4	173,816.3
Total Funding	277,071.2	285,933.7	287,078.3
FTE Positions	117.7	117.2	117.2

◆ **Goal 1** To Increase Quality (Compliance/Customer Satisfaction)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of Scheduled Up time that AFIS is available	0	0	n/a	99.5	99.5
Average number of days to process payments (ADOA only; paid directly thru AFIS)	0	0	13.74	10	10
Percentage of payroll payments processed as direct deposits	0	0	99.9	99.9	99.9
Number of Days after fiscal year end to issue the AFR	0	0	n/a	138	138
Number of Days after fiscal year end to issue the CAFR	0	0	n/a	243	215

- ◆ **Goal 2** 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with accounting policies and procedures	6.33	6.0	N/A	N/A	N/A
Percentage of warrants available for distribution by 1:00 PM following the day of processing on Arizona Financial Information System (AFIS)	99.9	99.9	99.9	N/A	N/A
Percentage of security requests for financial applications processed within three business days	98	95	99.9	N/A	N/A
Customer satisfaction with the administration of AFIS	6.58	6.0	N/A	N/A	N/A
Customer satisfaction with administration of payroll process	6.82	6.0	N/A	N/A	N/A
Percentage of warrants distributed to correct agency	99.5	99.5	100	N/A	N/A

- ◆ **Goal 3** To improve efficient delivery of government services in the Office of the Controller.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with fixed assets accounting (internal)	7.9	7.0	8	N/A	N/A
Customer satisfaction with payroll adjustments and travel form processing (internal)	7.51	7.0	8	N/A	N/A
Customer satisfaction with financial and management reporting (internal)	7.85	7.0	8	N/A	N/A
Customer satisfaction with the payment of vendors (internal)	7.86	7.0	6.25	N/A	N/A
Number of days to process invoices (Accounts Payable)	14.85	15	8.81	N/A	N/A
Customer satisfaction with Central Services Bureau	7.87	7.5	N/A	N/A	N/A
Overall customer satisfaction with the State Boards Office	7.85	7.6	N/A	N/A	N/A

Program Summary

STATE PROCUREMENT

Ashoke Seth, State Procurement Administrator
 Phone: (602) 542-1268
 A.R.S. §§ 41-2501 et. seq.

Mission:

To deliver results that matter by providing best in class support services.

Description:

The State Procurement Office (SPO) serves as the central procurement authority for the State of Arizona. In doing so, SPO focuses on providing procurement leadership, procurement delegation, policy development, technical assistance, and maximizing strategic sourcing opportunities. The SPO conducts strategic sourcing for statewide non-programmatic specific contracts including: office supplies and equipment, temporary services, information technology equipment, software and telecommunication equipment and services. SPO also conducts specialized procurements for a large number of small agencies with limited procurement authority. Additionally, SPO provides and supports a central e-procurement system for state agencies and cooperative members (ie., counties, cities, schools) to use in conducting their procurements.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,447.9	2,163.4	2,163.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,908.2	4,237.8	4,237.8
Total Funding	6,356.1	6,401.2	6,401.2
FTE Positions	35.3	43.8	43.8

◆ **Goal 1** To Go Faster (Respond/Decide/Resolve)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of RFPs completed within 35 days	0	0	0	80	0

Explanation: Solicitation to award

◆ **Goal 2** To Increase Quality (Compliance/Customer Satisfaction)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Age of contracts vs. Co-op usage	0	0	0	0	0

◆ **Goal 3** To Save Dollars

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Annual 3% YOY hard dollar savings on spend	0	0	0	50,000,000	0

Program Summary

BENEFITS SERVICES DIVISION

Marie Isaacson, Assistant Director
 Phone: (602) 542-7367
 A.R.S. §§ 41-702, 38-651 to 38-654

Mission:

To deliver results that matter by providing best in class support services.

Description:

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.

The Benefit Services Division manages the Health Insurance Trust Fund and is responsible for the benefits provided to its 130,000+ members. Members include active state and university employees, retirees, COBRA members and qualified dependents. Programs administered include self-funded medical, pharmacy and dental plans; fully insured dental HMO, vision, basic life, supplemental life, dependent life, short-term disability, long term-disability, flex spending accounts, home-owners and auto insurance plans, and computer purchase and employee discount programs. The Division manages the statewide wellness program offering numerous health enhancement and preventive services, as well as, an Employee Assistance Program. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to COBRA members, state retirees, and their qualified dependents.

This Program Contains the following Subprograms:

- ▶ Benefits Services Operations
- ▶ Benefits Vendor Payments

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,934.1	5,256.1	5,256.1
Other Non Appropriated Funds	882,841.9	929,755.3	957,450.3
Total Funding	887,776.0	935,011.4	962,706.4
FTE Positions	33.5	33.5	33.5

Subprogram Summary

BENEFITS SERVICES OPERATIONS

Marie Isaacson, Assistant Director
 Phone: (602) 542-7367
 A.R.S. §§ 41-702, 38-651 to 38-671

Mission:

To deliver results that matter by providing best in class support services.

Description:

The Benefit Services Division manages the Health Insurance Trust Fund and is responsible for the benefits provided to its 130,000+ members. Members include active state and university employees, retirees, COBRA members and qualified dependents. Programs administered include self-funded medical, pharmacy and dental plans; fully insured dental HMO, vision, basic life, supplemental life, dependent life, short-term disability, long term-disability, flex spending accounts, home-owners and auto insurance plans, and computer purchase and employee discount programs. The Division manages the statewide wellness program offering numerous health enhancement and preventive services, as well as, an Employee Assistance Program. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to COBRA members, state retirees, and their qualified dependents.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,934.1	5,256.1	5,256.1
Other Non Appropriated Funds	232.1	250.0	250.0
Total Funding	5,166.2	5,506.1	5,506.1
FTE Positions	33.5	33.5	33.5

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with benefit plans FY2016 is percent	6.84	7.0	95.86	N/A	N/A
Number of state employees attending a Benefit Options Wellness Event	38325	35,000	23,475	N/A	N/A
Percentage of benefits eligible employees enrolled	88.6	88	89	N/A	N/A
Percentage of customers satisfied with health plan provider-Annual Member Satisfaction	95	95	94.59	N/A	N/A
Percentage of AZ providers/facilities available in networks	95	95	88.7	N/A	N/A
Total lives covered under self-funded health plan	131,339	128,000	133,155	N/A	N/A
Number of calls/walk-ins assisted by member services	37,512	35,000	31,195	N/A	N/A
Percent of performance guarantees met	96.99	97	95.79	N/A	N/A

Explanation: This number is subject to adjustment based on additional info that will be available in August 2015.

Subprogram Summary
BENEFITS VENDOR PAYMENTS
Marie Isaacson, Assistant Director Phone: (602) 542-7367 A.R.S. §§ 41-702, 38-651 to 38-671

Mission:

To deliver results that matter by providing best in class support services.

Description:

The Benefit Services Division manages the Health Insurance Trust Fund and is responsible for the benefits provided to its 130,000+ members. Members include active state and university employees, retirees, COBRA members and qualified dependents. Programs administered include self-funded medical, pharmacy and dental plans; fully insured dental HMO, vision, basic life, supplemental life, dependent life, short-term disability, long term-disability, flex spending accounts, home-owners and auto insurance plans, and computer purchase and employee discount programs. The Division manages the statewide wellness program offering numerous health enhancement and preventive services, as well as, an Employee Assistance Program. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to COBRA members, state retirees, and their qualified dependents.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	882,609.8	929,505.3	957,200.3
Total Funding	882,609.8	929,505.3	957,200.3
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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percentage of medical plan loss ratio	91	92	90	N/A	N/A
Percentage of administrative costs of medical plan	3.8	4.5	3.5	N/A	N/A
Medical claims processing accuracy percentage	98	99	99.36	N/A	N/A
Percent of reserves funded	100	100	100	N/A	N/A
Average annual medical cost per covered life	5314	5696	5,315	N/A	N/A

Explanation: The results are based on applying a completion factor. Data will be fully mature in October 2015.

Percentage of health care costs compared to national trend	93	97	82	N/A	N/A
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Program Summary

HUMAN RESOURCES DIVISION

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

Mission:

To deliver results that matter by providing best in class support services.

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:

- 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 (Talent Acquisition), 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 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

This Program Contains the following Subprograms:

- ▶ Human Resource Operations
- ▶ Travel Reduction

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	12,403.4	13,785.2	13,785.2
Other Non Appropriated Funds	439.0	535.0	535.0
Total Funding	12,842.4	14,320.2	14,320.2
FTE Positions	66.0	69.0	69.0

Subprogram Summary

HUMAN RESOURCE OPERATIONS

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

Mission:

To deliver results that matter by providing best in class support services.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	11,915.1	12,857.9	12,857.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	11,915.1	12,857.9	12,857.9
FTE Positions	62.0	65.0	65.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of services earning a satisfaction rating of 6.5 or higher (based on annual survey of customer agencies)	52	60	N/A	N/A	N/A
Customer Satisfaction – Voice of Customer Survey	7.57	7.57	7	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
HR costs per employee (in dollars)	310.1	326.6	N/A	N/A	N/A
Productivity savings through the use of efficient use of automation-HRIS (cumulative savings in millions of dollars)	77	90	N/A	N/A	N/A
Percent of employees with performance evaluations	90	100	N/A	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of the workforce that is uncovered (excluding CO, FAPO)	90	92	75	N/A	N/A
Percent of workforce eligible to retire	14	14.4	17.5	N/A	N/A
Employee absenteeism (avg number of days of sick leave used)	7.4	7.2	12.2	N/A	N/A
Employee engagement ratio (annual statewide survey)	2.2	2.3	2.3	N/A	N/A
Percentage difference in average salaries between state employees and labor market	TBD	TBD	-18.9	N/A	N/A
Percentage of poor quality hires (employee leaves within first six months)	14.9	14	14	N/A	N/A
Number of supervisors trained	4703	4150	1094	N/A	N/A
Overall satisfaction with supervisor training	7.46	7.25	7.61	N/A	N/A

Subprogram Summary

TRAVEL REDUCTION

David Oihus, Acting Program Manager
 Phone: (602) 542-3630
 A.R.S. § 49-588

Mission:

To deliver results that matter by providing best in class support services.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	488.3	927.3	927.3
Other Non Appropriated Funds	439.0	535.0	535.0
Total Funding	927.3	1,462.3	1,462.3
FTE Positions	4.0	4.0	4.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with all Travel Reduction services	6.52	6.5	N/A	N/A	N/A
Customer satisfaction of capitol rideshare customers (monthly)	7.55	7.0	N/A	N/A	N/A
Customer satisfaction of travel reduction coordinators (bi-annual)	7.6	7.0	N/A	N/A	N/A

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of commuter club members (carpoolers, transit riders, walkers, bicyclists)	4,513	4,549	4557	N/A	N/A
Percentage increase in transit riders	-7.7	2	-19.6	N/A	N/A
Agency sites that achieved their travel reduction goals	35	39	29	N/A	N/A
Percentage of all state employee commute trips that are drive-alone	66.8	63	67.9	N/A	N/A
Percentage of ADOA employee commute trips that are drive-alone	63.9	60	66.2	N/A	N/A
Number of employees spoken to at agency meetings and information tables	3,828	1,950	3978	N/A	N/A

Program Summary

ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY OFFICE

Morgan Reed, Assistant Director, State CIO
 Phone: (602) 364-4770
 A.R.S. §§ 41-711, 41-712, 41-713, 41-704

Mission:

To deliver results that matter by providing best in class support services.

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

This Program Contains the following Subprograms:

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	18,200.0
Other Appropriated Funds	40,357.5	81,210.8	59,758.1
Other Non Appropriated Funds	15,350.9	20,394.3	20,343.1
Total Funding	55,708.4	101,605.1	98,301.2
FTE Positions	142.0	162.0	162.0

Subprogram Summary

ASET OPERATIONS

Gary Hensley, Chief Operations Officer
 Phone: (602) 771-6401
 A.R.S. §§ 41-711, 41-712, 41-713, 41-704

Mission:

To deliver results that matter by providing best in class support services.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	19,278.5	24,112.6	23,937.6
Other Non Appropriated Funds	347.9	232.3	232.3
Total Funding	19,626.4	24,344.9	24,169.9
FTE Positions	100.0	119.0	119.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with information and data security services	6.32	6.5	N/A	N/A	N/A
Customer satisfaction with mainframe processing	6.29	7.0	N/A	N/A	N/A
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	5.5	7.0	N/A	N/A	N/A
Customer satisfaction with shared services	5.93	7.0	N/A	N/A	N/A
Customer satisfaction with application development	4.67	5.5	N/A	N/A	N/A
Customer satisfaction with end user support	6.04	7.0	N/A	N/A	N/A
Percentage of time mainframe batch systems are available	99.8	99.9	N/A	N/A	N/A
Percentage mainframe scheduled batch jobs completed on time	99.62	99.9	N/A	N/A	N/A

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 deliver results that matter by providing best in class support services.

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 each FY are necessary to meet the operational requirements of more than eighty five 9-1-1 centers statewide and to continue deployment of location-based technology through Next Generation 911 (NG911) Managed Services.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	15,003.0	20,162.0	20,110.8
Total Funding	15,003.0	20,162.0	20,110.8
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of State PSAPs converted to Wireless Phase II	91.01	100	100	N/A	N/A
Percentage of Phase II based on systems available	91.01	100	100	N/A	N/A
Number of PSAPs Upgraded	5	5	12	N/A	N/A
State and local funds spent for equipment, network, maintenance and administration (in millions).	20.14	20.4	15.7	N/A	N/A

Subprogram Summary

ENTERPRISE INFRASTRUCTURE AND COMMUNICATIONS

Suzan Tasvibi-Tanha, Chief of Managed Services Operations
 Phone: (602) 542-1111
 A.R.S. §§ 41-712, 41-713

Mission:

To deliver results that matter by providing best in class support services.

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)

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,529.5	1,845.1	1,845.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,529.5	1,845.1	1,845.1
FTE Positions	8.0	8.0	8.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with voice telecommunications services	6.26	6.7	6.26	N/A	N/A
Customer satisfaction with State's Level 1 Help Desk	6.32	6.5	6.34	N/A	N/A
Customer satisfaction with Statewide Telecommunications Contract services (AZNET II)	5.93	6.0	6.0	N/A	N/A
Customer satisfaction with connectivity to the Wide Area Network (MAGNET)	6.58	6.7	6.6	N/A	N/A
Customer satisfaction with carrier services	6.46	6.7	6.46	N/A	N/A
Customer satisfaction with Telecommunications Expense Management services	5.81	6.5	5.91	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of time primary components of Network are available and accessible	99.99	99	99.99	N/A	N/A
Customer satisfaction with support for new or upgraded telecommunications	6.22	6.5	6.24	N/A	N/A

Subprogram Summary

STRATEGIC TRANSFORMATION AND INNOVATION

Doug Lange, Chief Strategy Officer

Phone: (602) 542-8947

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

Mission:

To deliver results that matter by providing best in class support services.

Description:

Strategic Transformation and 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 Digital Government.

The Arizona Statewide Strategic Plan for fiscal year 2018 is built upon the Governor’s Fundamentals Map, Winning Priorities and Lean methodologies.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,588.5	7,478.4	7,478.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,588.5	7,478.4	7,478.4
FTE Positions	20.0	16.0	16.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of state entities engaged in Enterprise Architecture initiatives	19	20	24	N/A	N/A
Enterprise Architecture training sessions completed	6	6	12	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of agencies using modern website technology platform	82	100	100	N/A	N/A
Increase visits to AZ.gov (% over prior year)	10	10	10	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of FY ERP milestones implemented on schedule	95	100	100	N/A	N/A

Program Summary

RISK MANAGEMENT

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

Mission:

To deliver results that matter by providing best in class support services

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	89,127.6	93,046.3	123,624.3
Other Non Appropriated Funds	-3,587.3	4,822.8	6,812.8
Total Funding	85,540.3	97,869.1	130,437.1
FTE Positions	55.0	55.0	55.0

◆ **Goal 1** To Increase Quality (Compliance/Customer Satisfaction)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Injury Frequency – Top 33 non-university agencies	0	0	1951	1860	1860

◆ **Goal 2** To Save Dollars

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
WC Claim Payments Savings from 2015 (Inflation adjusted)	0	0	441,000	960,000	1,440,000

- ◆ **Goal 3** 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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)	100	95	98	N/A	N/A
Workers' Compensation compensable disability payment processing time two business days after adjuster approval (based on 100% scale)	99	95	94	N/A	N/A
Investigative contact time for property and liability claims within four business days of claim notification (based on 100% scale)	95	95	100	N/A	N/A
Property and liability settlement payment processing time within four business days after adjuster approval (based on 100% scale)	93	95	99	N/A	N/A
Agency corrective action plan (not subject to an administrative process) responses for third party liability settlements and judgments in excess of \$150,000 completed within 60 days of payment (based on 100% scale)	100	95	100	N/A	N/A
Participant satisfaction survey with Loss Prevention training courses (based on a scale of 1-8 with 8 being the best rating)	7.3	7.0	7.8	N/A	N/A
Voice of the Customer satisfaction survey with Loss Prevention consultative services (based on a scale of 1-8 with 8 being the best rating)	7.6	7.0	7.6	N/A	N/A

- ◆ **Goal 4** To aggressively pursue innovative solutions and/or opportunities in the Risk Management program.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Statewide incident rate per 100 Full Time Equivalent (FTE) positions (accepted Risk Management claims)	3.8	4.0	3.64	N/A	N/A

Program Summary

GENERAL SERVICES DIVISION

Nola Barnes, Assistant Director

Phone: (602) 542-1954

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

Mission:

To deliver results that matter by providing best in class support services.

Description:

The General Services Division (GSD) is responsible for the ADOA Building System, which includes 4,211 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, Metro Phoenix area, and Kingman. In addition, the division is responsible for the allocation of the Building System’s building renewal appropriations, capital construction and tenant improvement project management, real property disposals and acquisitions, private sector office space leasing, capital and space allocation planning and management, fleet services, surplus property management, and mail services to state agencies.

This Program Contains the following Subprograms:

Building, Planning, and Facilities Operations and Maintenance (FOAM)

Construction Services

Other Support Services (Mailroom)

Surplus Property

Motor Pool

This Program Contains the following Subprograms:

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,035.6	831.9	70,967.7
Other Appropriated Funds	24,607.3	32,202.8	32,202.8
Other Non Appropriated Funds	8,480.7	6,905.3	6,905.3
Total Funding	35,123.6	39,940.0	110,075.8
FTE Positions	114.7	97.7	97.7

Subprogram Summary

BUILDING, PLANNING, AND FOAM

John Hauptman, General Manager
 Phone: (602) 542-1768
 A.R.S. § 41-701

Mission:

To deliver results that matter by providing best in class support services.

Description:

The Building, Planning, and Facilities Operations and Maintenance (FOAM) subprogram provides facility management services for state-owned buildings in the ADOA Building System including capital planning, new construction and quadrennial building inspections, review of capital construction plans and specifications, land acquisition, space allocations, and tenant improvements. The FOAM subprogram provides routine repair and maintenance of ADOA owned and managed facilities in the Governmental Mall, Tucson State Office Complex, Metro Phoenix, and Kingman. This subprogram prepares the annual ADOA Building System Capital Improvement Plan (CIP) for 22 State agencies that includes recommendations to the Executive and the Legislature for capital spending, including land acquisitions, building renewal, and new capital construction. Additionally, the subprogram plans and manages state-owned office space allocations for the efficient and effective use of state-owned buildings. This subprogram also reviews, approves and maintains all agency private sector leases of office space; plans and administers agency relocations for orderly transitions to maximize efficiency; directs and regulates parking, and provides physical security services (locks and badge access).

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,845.3	627.2	70,763.0
Other Appropriated Funds	15,375.2	18,640.0	18,640.0
Other Non Appropriated Funds	4,906.4	5,769.4	5,769.4
Total Funding	22,126.9	25,036.6	95,172.4
FTE Positions	77.1	77.6	77.6

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with agency relocation process	6.13	6.5	N/A	N/A	N/A
Customer satisfaction with tenant improvement process	5.68	6.5	N/A	N/A	N/A
Customer satisfaction with review of office leases	6.4	6.5	N/A	N/A	N/A
Customer satisfaction with building maintenance	5.85	6.5	N/A	N/A	N/A
Customer satisfaction with custodial services	5.62	6.5	N/A	N/A	N/A
Customer satisfaction with landscaping/grounds maintenance	6.85	6.5	N/A	N/A	N/A

Subprogram Summary

CONSTRUCTION SERVICES

John Hauptman, General Manager
 Phone: (602) 542-1768
 A.R.S. §§ 41-791, 31-253

Mission:

To deliver results that matter by providing best in class support services.

Description:

The Construction Services subprogram contracts for and project manages design and construction of new capital and building renewal major maintenance projects for ADOA Building System agencies.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	365.2	0.0	0.0
Other Non Appropriated Funds	2,396.0	0.0	0.0
Total Funding	2,761.2	0.0	0.0
FTE Positions	11.5	0.0	0.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with general construction projects	6.9	6.5	N/A	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of General Construction projects completed on schedule	95.3	96.5	81.8	N/A	N/A
Percentage of project contingency utilized for non-planned scope	0.0	5.0	N/A	N/A	N/A

Subprogram Summary

OTHER SUPPORT SERVICES

Michael Beller, Administrator
 Phone: (602) 542-0796
 A.R.S. §§ 41-101.03, 41-701

Mission:

To deliver results that matter by providing best in class support services.

Description:

The Other Support Services subprogram is responsible for the ADOA Interagency Mail Room which provides mail service including interagency route service, U.S. mail processing, and parcel mail service.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	190.3	204.7	204.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	782.5	785.9	785.9
Total Funding	972.8	990.6	990.6
FTE Positions	4.1	4.1	4.1

Subprogram Summary

SURPLUS PROPERTY

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

Mission:

To deliver results that matter by providing best in class support services.

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.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,995.4	3,411.5	3,411.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,995.4	3,411.5	3,411.5
FTE Positions	10.0	10.0	10.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with the effectiveness of on-site customer assistance	7.94	7.95	7.9	N/A	N/A
Customer satisfaction with the efficiency of in-field operations	7.95	7.96	7.9	N/A	N/A
Customer satisfaction with Surplus Property	6.69	6.5	6.69	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer requests picked up on date committed/agreed upon (1-8 scale).	7.93	7.94	7.9	N/A	N/A

Subprogram Summary

MOTOR POOL

Michael Beller, Administrator
 Phone: (602) 542-4375
 A.R.S. § 41-803

Mission:

To deliver results that matter by providing best in class support services.

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.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,871.5	10,151.3	10,151.3
Other Non Appropriated Funds	395.8	350.0	350.0
Total Funding	7,267.3	10,501.3	10,501.3
FTE Positions	12.0	6.0	6.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction with short-term (day use) vehicle rental	7.98	7.99	N/A	N/A	N/A
Customer satisfaction with long-term vehicle use	7.98	7.9	N/A	N/A	N/A
Average percentage of taxi fleet utilization	51.92	75	77.4	N/A	N/A

Agency Summary

OFFICE OF ADMINISTRATIVE HEARINGS

Greg Hanchett, Interim 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	861.6	860.5	860.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	709.6	749.5	749.5
Total Funding	1,571.2	1,610.0	1,610.0
FTE Positions	14.0	13.0	13.0

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: To have all agencies exchange documents electronically.

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 continue to assist agencies who have not yet converted to electronic documentation to accomplish that goal.
- b. OAH will continue to foster relationships among client agencies with differing technological capabilities.

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

Statement: To provide parties with options for mediation and other means of alternative dispute resolution.

Description Discussion: Within the last ten years, alternative dispute resolution, and in particular, mediation, has become widespread as an alternative to expensive litigation. Mediation has been used not only to resolve judicial matters but administrative matters as well and has seen widespread acceptance among administrative agencies in several states. Mediation offers parties the ability to settle their disputes at a fraction of the cost that administrative litigation would otherwise entail. In addition, mediation offers state agencies the ability to reduce demands on already overburdened state resources which in turn reduces agency expenditures.

Solutions:

Strategies:

- a. OAH has implemented a pilot mediation program through two state agencies which send cases to OAH wherein OAH offers mediation services to parties. In addition, as a result of legislative changes, OAH will begin in August of FY2017 to adjudicate Arizona Division of Occupational Safety and Health (ADOSH) cases. ADOSH has historically relied on mediation in order to resolve contested cases and OAH is offering mediation services to parties in ADOSH matters.
- b. OAH will continue to educate agencies and the public about the benefits of mediation. OAH will continue to encourage agencies and the public to explore mediation and alternative dispute resolution alternatives to litigation.
- c. OAH now has four trained mediators, three of whom are full time OAH administrative law judges, to assist in mediating cases. In addition, as time and resources permit, all other all OAH administrative law judges will become trained mediators. As OAH's mediation resources increase, OAH will be able to expand the availability of mediation services to additional agencies.

Expected Outcome: OAH will implement mediation incrementally over the next few years, as resources become available, saving parties time, effort, money and anxiety and conserving precious state resources with the ultimate outcome of ultimately reducing state expenditures associated with protracted litigation in administrative proceedings.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	14.0	14.0	14.0
General Fund	860,500.0	860,500.0	860,500.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	749,500.0	749,500.0	749,500.0
Federal Funds	0.0	0.0	0.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of days from hearing request to hearing scheduling	1.04	1.04	.61	.61	.61
Average number of days from hearing scheduling to first scheduled hearing	48.48	48.48	52.86	52.86	52.86
Average number of days from the first scheduled hearing to the conclusion of the hearing	11.62	11.62	10.60	10.60	10.60
Average number of days from the conclusion of the hearing to transmission of the decision to the agency	11.17	11.17	10.85	10.85	10.85
Average length of delay (in days) from first hearing date to conclusion of the case due to continuances	47.68	47.68	51.82	51.82	51.82
Average length of a single continuance [measured by first continuances only] (in days)	42.57	42.57	43.87	43.87	43.87
Cases docketed	4469	4469	5,152	5,152	5,152
Number of hearings held	1,421	1,421	1,776	1,776	1,776
New cases docketed to cases concluded	1:105	1:105	1:92.7	1:92.7	1:92.7
Hearings conducted by contract administrative law judges	0	0	2	2	2
Average days from request for hearing to first date of hearing	49.51	49.51	53.48	53.48	53.48

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of agency acceptance of findings of fact and conclusions of law (excluding recommended order) without modification	85.28	85.28	84.17	84.17	84.17
Percent of agency acceptance of findings of fact and conclusions of law (including recommended order) without modification	81.74	81.74	79.49	79.49	79.49
Percent of OAH decisions contrary to original agency position	9.36	9.36	12.11	12.11	12.11
Percent of agency acceptance of contrary Office of Administrative Hearings decision	79.25	79.25	84.93	84.93	84.93
Percent of agency rejection of OAH decisions	3.82	3.82	5.9	5.9	5.9
Percent of cases reheard	.68	.68	2.02	2.02	2.02
Percent of cases appealed to Superior Court	3.05	3.05	3.53	3.53	3.53
Percent of evaluations rating the administrative law judge excellent or good in	92.17	92.17	97.78	97.78	97.78
Percent of evaluations rating the administrative law judge excellent or good in explaining the hearing process	93.98	93.98	97.74	97.74	97.74
Percent of evaluations rating the administrative law judge excellent or good in the use of clear and neutral language	93.98	93.98	97.29	97.29	97.29
Percent of evaluations rating the administrative law judge excellent or good in	90.36	90.36	94.95	94.95	94.95
Percent of evaluations rating the administrative law judge excellent or good in dealing with the issues of the case	92.17	92.17	96.33	96.33	96.33
Percent of evaluations rating the office excellent or good in sufficient space	90.18	90.18	95.02	95.02	95.02
Percent of evaluations rating the office excellent or good in providing freedom from distractions	93.13	93.13	96.73	96.73	96.73
Percent of evaluations rating the staff excellent or good in responding promptly and completely to questions	92.45	92.45	96.33	96.33	96.33
Percent of evaluations rating the staff excellent or good in courteous treatment	91.19	91.19	97.13	97.13	97.13

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of monthly hits to website.	14541	14541	41,860	41,860	41,860
Average number of unique visitors accessing the website per month.	957	957	1,903	1,903	1,903
Average number of daily visits.	0	0	931.2	931.2	931.2
Average number of monthly hits on information page to enter agency portal.	225.02	225.02	852.16	852.16	852.16
Average number of text searches of administrative law judge decisions per month.	1311	1311	278.5	278.5	278.5

Agency Summary

AFRICAN-AMERICAN AFFAIRS

Cloves Campbell, Director
 Phone: (602) 542-5484
 41-531

Mission:

To address challenges facing the African-American community.

Description:

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	121.5	125.0	219.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5.2	12.3	12.3
Total Funding	126.7	137.3	231.7
FTE Positions	3.0	3.0	3.0

◆ **Goal 1** To facilitate communication between the African-American community with elected officials and other state agencies.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Participation in the African-American Legislative Days and 3 additional town hall meetings throughout the State of Arizona.	1	4	4	10	10

Agency Summary

ARIZONA DEPARTMENT OF AGRICULTURE

Mark W. Killian, Director
 Phone: (602) 542-5729
 A.R.S. §§ 3-101 et seq.

Mission:

To support and promote Arizona agriculture in a manner that encourages farming, ranching and agribusiness, protects the well-being of people, plants, animals and the environment while safeguarding commerce, 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 plants; guards against the risks associated with the entry, establishment and spread of plant pests, diseases and noxious weeds; licenses produce packers, dealers and shippers; provides education on pesticide safety and air quality; provides forensic, product quality, food safety and other agricultural laboratory analysis, identification, certification and training services; provides administrative support for the citrus, lettuce and grain commodity councils and the Agricultural Employment Relations Board; inspects, tests and licenses commercial weighing and measuring devices; and regulates pest management and pest management services.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ FOOD SAFETY AND QUALITY ASSURANCE	6,912.9	7,332.4	7,502.4
➤ NON-FOOD PRODUCT QUALITY ASSURANCE	947.9	803.9	803.9
➤ ANIMAL DISEASE, OWNERSHIP AND WELFARE PROTECTION	2,756.1	3,164.9	3,414.9
➤ PEST EXCLUSION AND EXPORT SERVICES	4,360.9	4,218.7	4,218.7
➤ NATIVE PLANT AND CULTURAL RESOURCES PROTECTION	155.4	163.3	163.3
➤ PESTICIDE COMPLIANCE AND WORKER SAFETY	586.0	503.1	623.1
➤ ADMINISTRATIVE SERVICES	1,661.9	1,746.6	1,746.6
➤ STATE AGRICULTURAL LABORATORY	1,099.2	1,193.4	1,193.4
➤ AGRICULTURAL CONSULTATION AND TRAINING	2,673.1	2,594.3	2,594.3
➤ COMMODITY DEVELOPMENT AND PROMOTION	2,776.2	3,140.0	3,140.0
➤ WEIGHTS AND MEASURES	1,461.7	2,337.5	2,337.5
➤ PEST MANAGEMENT	0.0	1,693.5	1,693.5
Agency Total:	25,391.3	28,891.6	29,431.6
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,160.3	9,162.7	9,702.7
Other Appropriated Funds	0.0	1,434.4	1,434.4
Other Non Appropriated Funds	17,231.0	18,294.5	18,294.5
Total Funding	25,391.3	28,891.6	29,431.6
FTE Positions	310.9	330.4	334.4

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

Description Arizona agriculture is a \$17.1 billion industry that benefits major metropolitan areas of the State as well as significantly contributes to the economic well-being of rural communities. The Arizona Department of Agriculture serves to protect the food supply, the public and the environment. The Department is responsible for safeguarding citizens and the agricultural industry from pests and diseases and assuring the safety of production, processing and delivery of our food supply including milk, eggs, meat, vegetables, fruits and nuts. Increased execution of various trade agreements has resulted in a higher incidence of trade into and out of the United States and, subsequently, Arizona. Many pests common to foreign countries present a significant threat to Arizona's agricultural industry, public well-being and associated quality of life. As more commerce enters Arizona, and significant weather events continue, the risk of introducing plant pests or diseases from other states or foreign countries increases. Emerging animal diseases, some of which affect humans such as Avian Influenza, demand Department emergency preparedness and strengthened bio-security activities. The Department's regulation of the feed, fertilizer, pesticide, meat, dairy and egg industries protects public health and ensures consumer safety. The Department's Divisions require a well-staffed and equipped laboratory to provide the scientific data necessary for meeting the Department's mission.

General Fund budget reductions since FY 2002 have challenged the Department to successfully reengineer itself. The Department's FY 2017 General Fund budget, excluding Weights and Measures which became part of the agency on July 1, 2016, of \$8.3 million is lower than the agency's first budget of \$9.8 million in FY 1991 and 34% less than the agency's biggest budget, the original FY 2008 budget of \$12.5 million. 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 FY 2016 budget relied on the General Fund for only 32% of its funding. Service fees to the agricultural industry provide 52% and federal funds provide the remaining 16% 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. Industry has made it clear that when government oversight is desired or required, it would rather work with the State than the federal government.

The federal funds the Department receives are not unrestricted grants and must be used for the specific purposes for which they were awarded. 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's growth continues, additional funds will be needed to meet the challenges of not only a growing population but also scrutiny of the increasing food sources produced within the State..

Solutions:

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

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

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

Align the organizational structure to optimize effectiveness and reduce costs.

Issue 2 Employee Development

Description In response to budget reductions since FY 2002, the Arizona Department of Agriculture is operating with 30% fewer staff. Consequently, the need to have employees with the right expertise is more critical today. Furthermore, 38.4% 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:

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

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

Develop an ability to recruit talented, highly qualified employees.

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

Issue 3 State and Federal Cooperation Required

Description Federal agencies have reduced their presence in Arizona. For example, USDA Animal and Plant Health Inspection Service (APHIS) Veterinary Services closed its Arizona office and consolidated 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's agricultural industry to receive required federal assistance in a timely manner and it deemphasizes Arizona's specific issues.

As federal staff and funding reductions continue, USDA and other federal agencies will increase their reliance on state agency partners. As the Department continues to search out federal funding, there is an increasing challenge to be able to provide the necessary matching funds required by an increasing number of agreements. Required state matching funds for agreements range from 15% to 50% of the grant award. 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 economic 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 4 Maintain an Information Technology (IT) System that is Customer Centric

Description Every person within the Department is dependent on Information Technology (IT) to carry out legislative mandates, proactively communicate to the public, perform numerous job functions, and offer various services to licensees and stakeholders of the Agency. IT is a critical support structure for the Department's regulatory and customer service delivery efforts. In order to achieve its primary mission, the Department must have the ability to keep its IT systems in line with technology advancements that improve availability, security, privacy, employee productivity and stakeholder access. There also must be adequate salary structures, commensurate with the open market, to retain qualified and competent IT staff to maintain, develop and improve those advanced systems. Key to the Department's mission is the timely dissemination of accurate information through various electronic means to the regulated community, the public, and to our employees. The technology must support up to 264 Department employees including four outlying Department offices and 22 animal health and welfare field staff. Furthermore, the technology must provide more 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:

Provide online access to apply for, renew, and pay for all licenses and permits issued by the Department.

Leverage IT resources to provide web-based services to the regulated community, which industry stated the Department needs to make a top priority.

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

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

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

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

Ensure IT staff members receive necessary training.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	334.4	334.4	334.4
General Fund	9,582,700.0	9,582,700.0	9,582,700.0
Other Appropriated Funds	1,434,400.0	1,434,400.0	1,434,400.0
Non-Appropriated Funds	13,707,200.0	13,707,200.0	13,707,200.0
Federal Funds	4,587,300.0	4,587,300.0	4,587,300.0

Program Summary

FOOD SAFETY AND QUALITY ASSURANCE

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

Mission:

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

Description:

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

This Program Contains the following Subprograms:

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,299.4	1,286.5	1,456.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5,613.5	6,045.9	6,045.9
Total Funding	6,912.9	7,332.4	7,502.4
FTE Positions	73.2	77.2	79.2

Subprogram Summary

ANIMAL PRODUCTS FOOD SAFETY AND QUALITY INSPECTION

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

Mission:

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

Description:

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,299.4	1,286.5	1,456.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,961.9	1,995.5	1,995.5
Total Funding	3,261.3	3,282.0	3,452.0
FTE Positions	41.2	45.2	47.2

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of pounds of fluid milk removed from sale by inspectors due to non-compliance with regulations	377,306	400,000	327,688	N/A	N/A
Number of documented food-borne bacteria outbreaks linked to Arizona state-inspected dairy facilities	0	0	0	N/A	N/A
Total number of dairy-related inspections	1,128	1,200	1,118	N/A	N/A
Total number of wholesale and retail egg inspections	2,087	2,000	1,541	N/A	N/A
Total number of individual shell eggs inspected under State inspection	519,998	550,000	469,034	N/A	N/A
Number of egg dozens retained by inspectors for non-compliance with State standards	310,226	50,000	23,986	N/A	N/A
Number of documented food-borne bacteria outbreaks linked to eggs or egg products sold within Arizona	0	0	0	N/A	N/A
Number of documented food-borne bacteria outbreaks linked to Arizona state-inspected processing or slaughter plants	0	0	0	N/A	N/A
Number of State meat and poultry facilities	77	79	71	N/A	N/A
Percent of meat and poultry product tests in compliance with bacteria, drug and chemical residue requirements	99.8	100	100	100	0

Subprogram Summary

FRESH PRODUCE STANDARDIZATION AND INSPECTION

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

Mission:

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

Description:

This subprogram inspects the quality of fresh produce in accordance with standards established by the United States Department of Agriculture (USDA) and provides food safety audits under the Arizona Leafy Green Products Shipper Marketing Agreement (AZ LGMA). Under a cooperative agreement, USDA inspections are given by federal/state inspectors and take place primarily at the shipping point (point of origin), port of entry (Arizona-Mexico border), or the terminal market (point of destination). Inspections encompass several areas, including quality, maturity, processing, labeling, storage, handling, and refrigeration of products. USDA grade inspections are fee-based and given at the request of industry desiring either to market their produce under USDA quality grade standards, or to fulfill requirements for United States imports, exports, marketing orders, or military shipments. Food Safety Audits consist of an official review conducted by an auditor to verify and document that the best practices are adhered to and includes a physical visit to the farm or facility subject to audit while it is in operation, where practical. 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,651.6	4,050.4	4,050.4
Total Funding	3,651.6	4,050.4	4,050.4
FTE Positions	32.0	32.0	32.0

◆ **Goal 1** To maintain an effective system of fresh produce inspections and food safety auditing.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of federal-state inspections	20,051	20,000	20,821	N/A	N/A
Citrus, Fruit and Vegetable (CFV) Commodity Shipment Reporting (in millions)	85.4	85.4	101.2	100	0
Number of food safety audits	134	140	115	N/A	N/A
Number of federal-state inspections and food safety audits	20,185	20,140	20,956	N/A	N/A

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	947.9	803.9	803.9
Total Funding	947.9	803.9	803.9
FTE Positions	9.0	9.0	9.0

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

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Total number of all ESD applications received	21,738	22,000	27,083	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of regulatory actions taken	92	80	52	N/A	N/A
Total number of inspections conducted	142	165	164	N/A	N/A
Environmental Services Division (ESD) Market Place Inspections	8,550	6,800	31,000	19,900	0
Number of feed, fertilizer, pesticide and seed samples collected	522	500	397	N/A	N/A
Number of samples found deficient through laboratory analysis	30	15	29	N/A	N/A

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, poultry, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,831.4	1,923.3	2,173.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	924.7	1,241.6	1,241.6
Total Funding	2,756.1	3,164.9	3,414.9
FTE Positions	42.5	42.5	44.5

◆ **Goal 1** To maintain an effective system of livestock ownership oversight.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of strays - animal at large investigations	898	900	968	N/A	N/A
Number of animal welfare investigations	992	1,000	731	N/A	N/A
Number of theft investigations	55	50	39	N/A	N/A
Number of livestock movement inspections	4,546	4,500	8,960	N/A	N/A
Number of self-inspection certificates and seasonal passes processed	20,363	20,000	17,223	N/A	N/A
Livestock Brands lag time (days)	0	0	N/A	65	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of quarantine sites in Arizona for all potentially diseased livestock and fish	95	50	26	N/A	N/A
Number of cases of secondary spread from quarantine sites of diseased livestock and fish	0	0	0	N/A	N/A
Number of cases of equine infectious anemia	0	0	0	N/A	N/A
USDA disease status for Arizona for bovine brucellosis and tuberculosis, and swine pseudo rabies	Free	Free	Free	N/A	N/A
Animal Services Division (ASD) Quarantine Containment (percent)	0	0	N/A	100	0

Program Summary

PEST EXCLUSION AND EXPORT SERVICES

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 Export Services 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,518.4	2,504.3	2,504.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,842.5	1,714.4	1,714.4
Total Funding	4,360.9	4,218.7	4,218.7
FTE Positions	79.0	79.0	79.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of pest interceptions within the state interior	6,993	7,000	7,138	N/A	N/A
Number of interceptions resulting in enforcement actions	472	500	3,089	N/A	N/A
Percent of inspections resulting in pest interceptions	69	70	21.66	N/A	N/A
Number of inspections conducted	10,202	10,000	10,533	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
USDA rating on Federal pest status of the Fruit Fly in Arizona	Pest-free	Pest-free	Pest-free	N/A	N/A
USDA rating on Federal pest status of the Gypsy Moth in Arizona	Pest-free	Pest-free	Pest-free	N/A	N/A
USDA rating on Federal pest status of the Red Imported Fire Ant in Arizona	Pest-free	Pest-free	Pest-free	N/A	N/A
USDA rating on Federal pest status of Khapra beetle in Arizona	Pest-free	Pest-free	Pest-free	N/A	N/A
USDA rating on Federal pest status of Japanese beetle in Arizona	Pest-free	Pest-free	Pest-free	N/A	N/A
Plant Services Division (PSD) Quarantine Containment (percent)	0	0	N/A	100	0
First Time Compliance Nursery Certifications (percent)	0	0	N/A	85	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of international export certificates issued	1,380	1,500	1,055	N/A	N/A
Nursery Certification Timeframe Compliance (percent)	0	0	N/A	100	0

Program Summary

NATIVE PLANT AND CULTURAL RESOURCES PROTECTION

Leatta McLaughlin, Associate Director
 Phone: (602) 542-7186
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	155.4	163.3	163.3
Total Funding	155.4	163.3	163.3
FTE Positions	1.0	1.0	1.0

◆ **Goal 1** To serve the public and the agricultural community by protecting native plants.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of criminal referrals received	25	25	9	N/A	N/A
Number of civil referrals received	7	10	3	N/A	N/A
Number of investigations opened	31	30	12	N/A	N/A
Percent of investigations completed	72	75	85	N/A	N/A
Number of native plant cases with successful compliance	26	20	11	N/A	N/A
Native Plant Tags Issued	0	0	N/A	42,840	0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	121.7	135.2	255.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	464.3	367.9	367.9
Total Funding	586.0	503.1	623.1
FTE Positions	5.8	5.8	5.8

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

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of worker safety issues addressed during inspections	6,232	6,000	6,090	N/A	N/A
Number of worker safety issues identified as being out of compliance	155	150	95	N/A	N/A

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

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of pesticide use inspections	104	125	189	N/A	N/A
Number of inspection issues identified as pesticide misuse	20	15	2	N/A	N/A
Environmental Services Division (ESD) Rate of Compliance (percent)	0	0	N/A	90.82	0

Program Summary

ADMINISTRATIVE SERVICES

Jeffrey Grant, Deputy Director
 Phone: (602) 542-0997
 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, public information, rules, legal services, and human resources. Administrative Services serves each departmental program with accounting, payroll, information technology, strategic planning, and budgeting.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,189.7	1,230.5	1,230.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	472.2	516.1	516.1
Total Funding	1,661.9	1,746.6	1,746.6
FTE Positions	14.0	14.0	14.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of employee travel claims correctly processed within ten days	100	100	100	N/A	N/A
Percent of vendor invoices paid within 30 days	99.58	100	99.73	N/A	N/A
Administration as a percent of total cost	6.0	6.7	6.6	N/A	N/A
Percent of industry stakeholders rating the Department's quality of communications excellent or good	97	98	96	N/A	N/A

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
System uptime as a percentage of total monthly hours as measured by industry standard monitoring software	99.68	99.99	99.39	N/A	N/A
Percent of IT staff certified in their areas of emphasis, i.e. Microsoft MCSE, MCDBA,	50	50	50	N/A	N/A
Percent of total license renewals completed through the Department's website	26.1	30	32.1	N/A	N/A
Percent of issues reported by the Customer Service Tracking System closed within 8 working hours of submission	99.71	99	98.6	N/A	N/A
Online License Applications and Renewals	0	0	N/A	150	0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	932.9	915.0	915.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	166.3	278.4	278.4
Total Funding	1,099.2	1,193.4	1,193.4
FTE Positions	19.5	19.5	19.5

◆ **Goal 1** To provide quality purchasing services to all divisions of the Department utilizing the State's new purchasing software system, ProcureAZ.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of purchasing requisitions approved	1,016	1,100	935	N/A	N/A
Average number of days taken to complete all levels of approvals for requisitions	0.57	0.8	0.48	N/A	N/A
Percent of requisitions completing the entire approval process within 24 hours	93	90	95	N/A	N/A

◆ **Goal 2** To provide timely scientific analyses of regulatory samples.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Feed Samples Processed Within 28 Days (percent)	0	0	N/A	100	0

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 (ACT) 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. The ACT Program oversees administrative support for the Arizona Citrus Research Council, Arizona Grain Research and Promotion Council, Arizona Iceberg Lettuce Research Council, and Agricultural Employment Relations Board.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	266.8	264.8	264.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,406.3	2,329.5	2,329.5
Total Funding	2,673.1	2,594.3	2,594.3
FTE Positions	6.5	6.5	6.5

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of agricultural consultation and training compliance issues addressed	804	1,000	1,071	N/A	N/A
Number of compliance issues needing correction or clarification	56	60	61	N/A	N/A
Number of on-site visits or individual consultations	360	400	352	N/A	N/A
Number of pesticide resources, materials, or contacts provided upon request.	722	700	933	N/A	N/A
Number of agricultural operations that received training	99	100	214	N/A	N/A
Number of individuals who received pesticide safety training in English	452	350	278	N/A	N/A
Number of individuals who received pesticide safety training in Spanish	416	350	394	N/A	N/A
Number of outreach and education seminars and workshops (including Train-the-Trainer Workshops)	65	65	85	N/A	N/A
Number of outreach and education seminar and workshop participants (including Train-the-Trainer Workshops)	5,256	5,090	4,951	N/A	N/A
Number of new outreach and educational materials developed (includes new PPT presentations, training resources, curricula, articles and interviews)	55	52	65	N/A	N/A
Number of people reached through outreach and education materials (new and existing)	49,292	35,000	39,849	N/A	N/A
Industry Outreach/Education (individuals trained)	0	0	N/A	6,425	0
Number of operations receiving assistance	175	184	127	N/A	N/A
Number of follow-up on-site visits	41	44	36	N/A	N/A
Number of individuals receiving assistance training	378	397	181	N/A	N/A
Number of individuals reached through food safety outreach and education materials	6,682	7,000	3,636	N/A	N/A

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of grant applications	29	52	68	N/A	N/A
Number of grants awarded	18	30	34	N/A	N/A
Amount of grant funds disbursed (in millions of dollars)	1.43	2.48	1.53	N/A	N/A
Amount of grant funds disbursed as Match to NRCS agreements (in millions of dollars)	.2	NA	.02	N/A	N/A

Program Summary

COMMODITY DEVELOPMENT AND PROMOTION

Jack Peterson, Associate Director
 Phone: (602) 542-3575
 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 provides programs to stimulate, educate, encourage and foster the consumption of Arizona agricultural products. The Environmental Services Division oversees the issuance of certificates of free sale and the sale of merchandise with the Arizona Grown trademark. The funding provided to the Arizona Cotton Research and Protection Council through self-assessed fees paid by growers/producers is reflected in this Program.

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,776.2	3,140.0	3,140.0
Total Funding	2,776.2	3,140.0	3,140.0
FTE Positions	27.0	22.5	22.5

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of free sale certificates issued	187	150	182	N/A	N/A
Free Sale Products	1,306	1,300	2,249	2,249	0

Program Summary

WEIGHTS AND MEASURES

Michelle Wison, Associate Director
 Phone: (602) 771-4933
 A.R.S. §§ 3-101 et seq.

Mission:

To promote equity and fairness of Arizona commerce involving weighing or measuring for commercial purposes by regulating and supporting businesses in a manner that protects both the buyers and sellers interests.

Description:

This program carries out its mission by maintaining the State standards of weight and measure based on national standards maintained by the Federal government, licensing weighing and measuring devices used in Arizona, conducting a wide variety of inspection programs to protect the marketplace, and auditing measuring devices and enforcing the statutes, rules, and regulations governing their use.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	903.1	903.1
Other Appropriated Funds	0.0	1,434.4	1,434.4
Other Non Appropriated Funds	1,461.7	0.0	0.0
Total Funding	1,461.7	2,337.5	2,337.5
FTE Positions	33.4	33.4	33.4

◆ **Goal 1** To meet targeted compliance rates for all major inspection programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Weights and Measures Services Division (WMSD) Rate of Compliance (percent)	0	0	N/A	88.03	0

Program Summary

PEST MANAGEMENT

Vince Craig, Associate Director
 Phone: (602) 255-3663
 A.R.S. §§ 3-101 et seq.

Mission:

To help ensure the safe application of pest control technologies, through education, training and enforcement. This results in the maximization of the health and safety of all Arizonans while at the same time ensuring the protection of property and the environment.

Description:

The Office of Pest Management (OPM) licenses and regulates pest control companies, qualifying parties, and applicators. The OPM provides education and training to applicants and licensees. The Office also provides education and information to the public regarding pest control activities in non-agricultural settings.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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	1,693.5	1,693.5
Total Funding	0.0	1,693.5	1,693.5
FTE Positions	0.0	20.0	20.0

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total of all licenses issued.	9,265	9,000	9,496	N/A	N/A

◆ **Goal 2** To Monitor pesticide applications and ensure compliance with OPM Laws and Rules.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total inspections conducted (use and non-use).	2,016	2,000	1,491	N/A	N/A
Pest Management Division (PMD) Unlicensed Case Writing (days to complete unlicensed cases)	0	0	N/A	90	0

◆ **Goal 3** To efficiently and professionally investigate inquiries and complaints to protect and maximize the safety of the general public.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total consumer and agency generated complaints.	55	50	82	N/A	N/A
Average calendar days from receipt of complaint to resolution	122.47	120	104	N/A	N/A
Pest Management Division (PMD) Rate of Compliance (percent)	0	0	N/A	92.19	0

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.

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	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
➤ ADMINISTRATION	162,425.7	158,096.7	206,831.7
➤ AZ LONG TERM CARE SYSTEM (ALTCs)	2,467,447.0	2,568,141.9	2,958,401.0
➤ ACUTE CARE	4,946,302.7	4,956,134.7	5,535,631.5
➤ PROPOSITION 204 - SENATOR ANDREW NICHOLS COMPREHENSIVE HEALTH INSURANCE COVERAGE ACT	3,112,474.5	3,442,810.2	3,725,408.8
➤ NON-TITLE XIX BEHAVIORAL HEALTH	0.0	212,879.8	212,879.8
➤ CHILDREN'S HEALTH INSURANCE (CHIP)	2,192.2	2,289.3	111,996.0
➤ DIRECT SERVICE CLAIMING (DSC)	44,315.7	45,826.1	47,202.8
➤ CHILDREN'S REHABILITATIVE SERVICES	250,423.1	275,375.7	290,829.9
➤ ACA ADULT EXPANSION	403,212.0	539,986.9	599,827.2
Agency Total:	11,388,792.9	12,201,541.3	13,689,008.7
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,144,448.6	1,750,941.4	1,784,905.6
Other Appropriated Funds	163,415.2	215,012.7	371,148.4
Other Non Appropriated Funds	10,080,929.1	10,235,587.2	11,532,954.7
Total Funding	11,388,792.9	12,201,541.3	13,689,008.7
FTE Positions	2,214.3	2,326.4	2,332.4

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 often not aligned for providers and payers. Even with significant managed care penetration in Arizona Medicaid, many providers still are reimbursed through fee-for-service mechanisms that reward volume over value.

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 value based approaches with varying degrees of breadth and depth within Medicaid, Medicare and commercial coverage. Reforms include outcome based care models, risk bearing models, population based payments and episodic payments that can lead to improved health and overall program savings. Many AHCCCS stakeholders are engaged in developing initiatives and arrangements that embrace the key features of alternative payment models.

AHCCCS remains committed to maximizing the efficiencies within its program as demonstrated by the multi-year contractual requirements for Managed Care contractors. AHCCCS has supported a market based approach that incentivizes payers and providers to establish new value based arrangements that align incentives to improve efficiency and member outcomes.

Additionally, AHCCCS has pursued adjustments in the fee-for-service payment schedule to incentivize certain value measures for providers. For example, AHCCCS recently created a program for first responders to provide for treatment and referrals instead of requiring transportation to an emergency room to receive payment. AHCCCS also created a model to incentivize providers to offer integrated care of both physical and behavioral health services.

Finally, as part of the efforts to bend the cost curve and ensure overall fiduciary oversight, AHCCCS continues to dedicate significant agency resources to Program Integrity efforts. The agency develops an annual strategic plan focused entirely on efforts to reduce fraud, waste and abuse along with improving coordination of benefits and other important initiatives.

Solutions:

STRATEGY 1.1

Increase use of alternative payment models for all lines of business

PERFORMANCE MEASURE 1.1.1

47% of Health Plan spend in alternative payment models by 10/1/18

STRATEGY 1.2

Increase use of value based AHCCCS Fee Schedule differentiation

PERFORMANCE MEASURE 1.2.1

Value based differentiations available for 50% of FFS spend exclusive of IHS/638 reimbursement

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

Begin and implement quality based APR-DRG adjustments by 10/1/18

STRATEGY 1.4

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

PERFORMANCE MEASURE 1.4.1

Percent of Program Integrity goals met

STRATEGY 1.5

Reduce administrative burden on providers while expanding access to care

PERFORMANCE MEASURE 1.5.1

Implement three strategies in 2017 to reduce administrative burden on providers

Issue 2 AHCCCS must pursue continuous quality improvement

Description AHCCCS has built its quality structure over time by continual review of applicable national standards and regional trends, collaboration with partners, and its own experiences. The Quality Strategy includes both the Medicaid and CHIP programs and encompasses all AHCCCS contractors. It also incorporates measures to improve the Agency's internal processes involving enrollee information, monitoring and evaluation.

AHCCCS regularly identifies 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.

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

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

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 on the individual Contractor level, as well as by other stratifications and for the program overall. In addition, Contractors are required to review their data and quality measures to determine Contractor-specific PIPs

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

Solutions:**STRATEGY 2.1**

Achieve statistically significant improvements on Contractor PIPs

PERFORMANCE MEASURE 2.1.1

Percent of AHCCCS Contractors that complete AHCCCS-mandated PIPs (improve and sustain performance) or demonstrate

statistically significant improvement on re-measurements

STRATEGY 2.2

Achieve and maintain improvements on quality performance measures

PERFORMANCE MEASURE 2.2.1

Percent of measures which exceed the NCQA mean

PERFORMANCE MEASURE 2.2.2

Improve quality measurement infrastructure and systems by 10/1/18

STRATEGY 2.3

Leverage American Indian care coordination initiative to improve health outcomes

PERFORMANCE MEASURE 2.3.1

Number of facilities achieving medical home status

PERFORMANCE MEASURE 2.3.2

Number of members in active care coordination

STRATEGY 2.4

Increase transparency in health plan performance to inform health plan selection

PERFORMANCE MEASURE 2.4.1

Update and improve Health Plan Scorecard by 10/1/17

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

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

AHCCCS has been engaged in a multi-year effort to reduce fragmentation at the provider, payer and policy level for AHCCCS members. Starting in 2013 AHCCCS has successfully integrated services for a number of populations. System design matters and AHCCCS has worked with a variety of important stakeholders to develop new delivery systems that are focused on whole person health integrating both physical and behavioral health services. These integration efforts include:

1.Children’s Rehabilitative Services – Previously 17,000 children with complex medical needs were served by three different payers. These included an acute plan, RBHA and CRS plan. These members are now served by a single Integrated Contractor.

2.Individuals with Serious Mental Illness – In 2014 and 2015 almost 40,000 individuals with Serious Mental Illness went from potentially up to 4 different payers involved in covering select services to a single organization that was responsible for all services for that member.

3.General Mental Health and Substance Abuse services for dual eligible members – In 2015, AHCCCS integrated services for 80,000 dual eligible members.

4.American Indian members –In 2016, as a result of the DBHS merger, AHCCCS was able to streamline the requirements for TRBHA organizations creating an opportunity to integrate services and work more closely with Tribes on the delivery and coordination of services.

5.Dual Eligible members – AHCCCS continues to pursue strategies to better align services for members that are enrolled in both Medicare and Medicaid. In 2016, AHCCCS had approximately 48% of the population aligned which is the highest percentage ever.

6.AHCCCS/DBHS merger – In 2016 AHCCCS completed a merger with the Department of Health Services Division of Behavioral Health. This merger brings behavioral health and physical health together at the policy level that will ensure behavioral health and physical health policies and system requirements are established with a focus on whole person health.

Looking ahead the work around transformation through integration and reducing fragmentation will continue. AHCCCS will continue to look at opportunities to support providers that want to integrate services for members. This includes continuing to focus on value based opportunities that align incentives and reducing the administrative burden. In addition there will be further efforts to integrate services for Individuals with Developmental Disabilities and other AHCCCS populations.

Solutions:

STRATEGY 3.1

Establish system of integrated care organizations which serve all AHCCCS members

PERFORMANCE MEASURE 3.1.1

Offer integrated contract for all AHCCCS members by 2019

PERFORMANCE MEASURE 3.1.2

Increase dual members aligned

STRATEGY 3.2

Establish policies and programs to support integrated providers

PERFORMANCE MEASURE 3.2.1

Increase the number of AHCCCS registered integrated clinics by 50% by 10/1/2018

STRATEGY 3.3

Leverage fully functioning integrated Health Information Exchange to create more data flow in healthcare delivery system

PERFORMANCE MEASURE 3.3.1

Number of providers registered in the HIE

PERFORMANCE MEASURE 3.3.2

Total Number of Data Users

STRATEGY 3.4

Develop strategies to strengthen the availability of behavioral health resources within the integrated delivery system

PERFORMANCE MEASURE 3.4.1

Percentage of children in foster care receiving at least one service per month for their first six months in foster care

PERFORMANCE MEASURE 3.4.2

Percentage of individuals with an ASD diagnosis on a claim in the last year who received a behavioral health service during the quarter

STRATEGY 3.5

Develop comprehensive strategies to curb opioid abuse and dependency

PERFORMANCE MEASURE 3.5.1

Quantity of opioids dispensed

STRATEGY 3.6

Improve access for individuals transitioning out of the justice system

PERFORMANCE MEASURE 3.6.1

Establish 2 clinics inside probation and parole offices by 10/1/18

PERFORMANCE MEASURE 3.6.2

Percent of AHCCCS eligible individuals enrolled upon release

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

Description If the agency is going to be successful in pursuing these important delivery system transformations then there are a number of other important infrastructure capabilities that must be addressed over the next several years.

Workforce

In order for AHCCCS to achieve the established operational and strategic objectives, the organization must have a dedicated, professional staff that is committed to the mission. Based on the most recent state survey AHCCCS had 9 staff engaged for every staff member not engaged. This compares to the state government rate of 2.2 to 1. A few other important metrics include the fact that 97% of the AHCCCS staff believe in the mission, 97% respect and value team members and 94% understand what is expected.

However, there are challenges to sustaining the high level performance of the AHCCCS workforce. AHCCCS continues to operate with approximately twenty five percent less staff than prior to the start of the Great Recession. Turnover rates are, on the average, in the 19% range, while approximately 15% of the current AHCCCS workforce is eligible to retire

AHCCCS is pursuing several strategies to address these challenges.

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

Approximately 22% 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.

Systems

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

Security

The AHCCCS Information Systems Division (ISD) must be ever vigilant regarding the security posture of the systems and important information contained within these systems. Proactive mitigation of security risks strengthens the ability to safeguard and protect Personally Identifiable Information (PII) and Protected Health Information (PHI) data entrusted to the Agency by our more than 1.9 million members. In addition to the AHCCCS mainframe system (PMMIS), ISD will continue to keep non-mainframe systems and applications running consistently and efficiently. This includes server based applications, network infrastructure, the data warehouse, and digital communication.

Leveraging Data Analytics

The availability of reliable and valid information and the capacity to make that information actionable is critical to the decision-making process. Data-driven decision-making is the best way for true reform to occur in the healthcare system. However, determining the most effective way to utilize data, and having the time and resources to effectively

review or explore data can produce challenges. As a result, there is an increased value and emphasis being placed on data analytics. The Office of Business Intelligence (OBI) is responsible for the AHCCCS Data Warehouse, which provides the Agency with information that is easily accessible and reliable. The information allows the organization to gain greater insight into its operations. AHCCCS will work with internal and external data analytics experts to develop the organization's capacity as a whole to turn solid information into effective actions.

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

PERFORMANCE MEASURE 4.1.2

Online provider application and renewal process created by 1/1/19

PERFORMANCE MEASURE 4.1.3

AHCCCS will develop the ability to accept provider appeals online by 2020

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

AHCCCS Overall Employee Engagement Score

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

Improve and maintain IT infrastructure, including server-based applications, ensuring business continuity

PERFORMANCE MEASURE 4.4.1

Network system availability

PERFORMANCE MEASURE 4.4.2

HEA Plus availability

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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

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

Mission:

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

Description:

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

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

This Program Contains the following Subprograms:

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	52,177.5	55,004.0	58,505.4
Other Appropriated Funds	801.0	1,918.0	6,219.9
Other Non Appropriated Funds	109,447.2	101,174.7	142,106.4
Total Funding	162,425.7	158,096.7	206,831.7
FTE Positions	1,786.2	1,898.3	1,902.9

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	10,710.4	14,001.6	14,213.9
Other Appropriated Funds	686.4	1,185.7	1,487.6
Other Non Appropriated Funds	29,885.7	36,489.1	36,701.1
Total Funding	41,282.5	51,676.4	52,402.6
FTE Positions	300.6	332.5	337.1

- ◆ **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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of employee turnover	19.24	17.86	20.53	0	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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Cost/benefit ratio (in dollars) of audits and investigations related to reports of fraud and abuse.	1/8.74	1/9.62	1/9.84	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of timely submissions and approval of rule packages	100	100	100	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of time the PMMIS is available to our users	99.49	99.0	99.98	0	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of administrative invoices paid within 30 days	95.8	95	N/A	0	0

Explanation: Data not available in system

Percent of total programmatic payments completed electronically	99	99	98.75	0	0
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- ◆ **Goal 6** To administer an effective and efficient informal grievance process.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of enrollees filing a grievance	.62	1	.60	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Advisory Council On Indian Health Care (ACOIHC): Number of meetings annually	14	10	10	0	0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	29,950.9	27,215.9	30,504.9
Other Appropriated Funds	0.0	0.0	4,000.0
Other Non Appropriated Funds	54,239.8	33,376.1	74,095.8
Total Funding	84,190.7	60,592.0	108,600.7
FTE Positions	885.0	885.0	885.0

Subprogram Summary

DIVISION OF HEALTH CARE MANAGEMENT

Shelli Silver, Assistant Director
 Phone: (602) 417-4647
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,403.5	3,980.2	3,980.2
Other Appropriated Funds	0.0	274.3	274.3
Other Non Appropriated Funds	3,256.4	6,130.8	6,130.8
Total Funding	5,659.9	10,385.3	10,385.3
FTE Positions	69.0	144.4	144.4

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of acute and ALTCS health plan operational and financial reviews completed on time	100	100	100	0	0
Percent of financial viability issues detected prior to an impact on contract.	100	100	100	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Rural counties with at least two competitive risk health plans available	100	100	100	0	0
Explanation: Revised measure as percent					
Member satisfaction: percent of choice exercised in moving from current health plan	.3	2.0	.3	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
The number of encounters per member month	4.99	4.5	4.69	0	0
Omission error percent	10.0	10.0	6.53	0	0
Correctness error percent	9.0	16.0	5.52	0	0

Subprogram Summary

DIVISION OF FEE-FOR-SERVICE MANAGEMENT

Elizabeth Carpio, Assistant Director
 Phone: (602) 417-4616
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,258.7	2,029.0	2,029.1
Other Appropriated Funds	38.3	160.8	160.8
Other Non Appropriated Funds	3,198.8	3,829.9	3,829.9
Total Funding	4,495.8	6,019.7	6,019.8
FTE Positions	74.8	79.6	79.6

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Fee-For-Service claims adjudicated within 30 days	97.09	97.0	94.8	0	0

Subprogram Summary

DIVISION OF MEMBER SERVICES

Penny Ellis, Assistant Director
 Phone: (602) 417-4512
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,854.0	7,777.3	7,777.3
Other Appropriated Funds	76.3	297.2	297.2
Other Non Appropriated Funds	18,866.5	21,348.8	21,348.8
Total Funding	26,796.8	29,423.3	29,423.3
FTE Positions	456.8	456.8	456.8

◆ **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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of applications processed on time	54	97	62	0	0

Explanation: 2014 and 2015 measures were impacted by system changes to conform eligibility threshold calculations pursuant to modified adjusted gross income requirements.

Percent of financial redeterminations processed on time	50	80	N/A	0	0
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Explanation: Information not yet available

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of ALTCS eligibility accuracy as measured by quality control sample	*NA	97	N/A	0	0

Explanation: *In FY 2016, based on the directive of CMS, the Agency only conducted targeted PERM pilots related to MAGI.

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Member File Integrity System: percent of timely reconciliation of AHCCCS data with other governmental data bases	*85	98	98	0	0

Explanation: *This measure was impacted by the Agency's decision to target reconciliation efforts based on the business needs identified related to transitioning between two eligibility computer systems. This will continue until DES is fully implemented in Healthy Arizona Plus and moves out of AZTECS.

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent accuracy of Communications Center for eligibility and enrollment verifications as measured by internal quality assurance.	NA	NA	N/A	0	0

Explanation: AHCCCS Closed its Call Center in 2013.

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
ALTCS eligibility case error percent	3.0	3.0	2.3	0	0
Cost avoidance from Predetermination Quality Control Program (in millions)	17.62	19.39	24.14	0	0

Program Summary

AZ LONG TERM CARE SYSTEM (ALTCS)

Virginia Rountree, Administrator
 Phone: (602) 417-4122
 A.R.S. Title 36; Title XIX, SSA

Mission:

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

Description:

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	162,985.6	167,946.0	178,958.9
Other Appropriated Funds	5,475.8	7,441.3	9,700.3
Other Non Appropriated Funds	2,298,985.6	2,392,754.6	2,769,741.8
Total Funding	2,467,447.0	2,568,141.9	2,958,401.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
ALTCS monthly enrollment	57,045	58,788	58,210	0	0
Percent of members utilizing home and community based services	86.2	87.02	83	0	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:

- ▶ Traditional Services
- ▶ Hospital Payments

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	840,221.4	1,213,425.5	1,234,446.6
Other Appropriated Funds	134,338.5	179,137.7	219,005.8
Other Non Appropriated Funds	3,971,742.8	3,563,571.5	4,082,179.1
Total Funding	4,946,302.7	4,956,134.7	5,535,631.5
FTE Positions	0.0	0.0	0.0

Subprogram Summary

TRADITIONAL SERVICES

Penny Ellis, Assistant Director
 Phone: (602) 417-4512
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	833,843.2	1,206,186.2	1,227,360.3
Other Appropriated Funds	134,338.5	179,137.7	219,005.8
Other Non Appropriated Funds	3,536,898.2	3,223,185.1	3,720,798.6
Total Funding	4,505,079.9	4,608,509.0	5,167,164.7
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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
1931 (b) Eligibility Family Assistance monthly enrollment	358,599	219,714	204,469	0	0

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	67.9	68	N/A	0	0
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Explanation: 2016 data not available until January '17

◆ **Goal 2** To ensure the management and delivery of quality acute care services to AHCCCS SSI-MAO eligibles.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Supplemental Security Income monthly enrollment	127,233	132,764	140,542	0	0

Explanation: Includes Freedom to Work population

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

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of women receiving cervical screening within a three year period	NA	55	N/A	0	0

Explanation: 2016 data not available until January '17

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

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
SOBRA children monthly enrollment	519,167	765,610	673,928	0	0
Percent of well child visits in the first 15 months of life - Early Periodic Screening, Diagnosis and Treatment	67.9	68.0	N/A	0	0

Explanation: 2016 data not available until January '17

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

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Federal Emergency Services monthly enrollment	83,095	92,925	115,834	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Members enrolled monthly in the Medicare Premiums programs	47,053	54,066	51,537	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Family Planning Services monthly enrollment	0	0	0	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Monthly Enrollment Figure	NA	NA	N/A	0	0

Explanation: Not identifiable

Subprogram Summary

HOSPITAL PAYMENTS

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

Mission:

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

Description:

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

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,378.2	7,239.3	7,086.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	434,844.6	340,386.4	361,380.5
Total Funding	441,222.8	347,625.7	368,466.8
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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of dollars recouped after distribution (DSH)	4	0	0	0	0

Explanation: May be adjusted after reconciliation

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of timely payments made to hospitals with GME programs	100	100	100	0	0

Program Summary
PROPOSITION 204 - SENATOR ANDREW NICHOLS COMPREHENSIVE HEALTH INSURANCE COVERAGE ACT
Penny Ellis, Assistant Director
Phone: (602) 417-4512
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	16,691.9	130,483.3	124,977.7
Other Appropriated Funds	20,774.4	22,310.5	22,310.5
Other Non Appropriated Funds	3,075,008.2	3,290,016.4	3,578,120.6
Total Funding	3,112,474.5	3,442,810.2	3,725,408.8
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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Senator Andrew Nichols Comprehensive Health Insurance Coverage Act monthly enrollment	440,150	425,253	491,871	0	0

Program Summary

NON-TITLE XIX BEHAVIORAL HEALTH

Virginia Rountree, Assistant Director
 Phone: (602) 417-4122
 A.R.S. § 36-2912

Mission:

To provide behavioral health services to individuals not enrolled in Title XIX Medicaid coverage.

Description:

Effective July 1, 2016 the following Non-Title XIX behavioral health programs will transfer from the Arizona Department of Health Services (ADHS) to the Arizona Health Care Cost Containment System (AHCCCS):

The Seriously Mentally Ill (Non-Title XIX) program provides behavioral health services to adults with Serious Mental Illness (SMI) who are not eligible to received Medicaid Title XIX services. Specific covered services include mental health and substance abuse related treatment, rehabilitation, medical, support, crisis intervention, inpatient, residential, and day program services.

The Supported Housing program provides housing services that will enable individuals to live in the community. These funds may serve the Medicaid and 100% state funded recipients. Medicaid does not, however, provide federal matching funds for housing assistance.

The Crisis Services program provides emergency behavioral health assistance to persons in need, who are not eligible for the Medicaid Title XIX program. Services may include 24-hour crisis telephone lines, mobile crisis response teams, and facility-based crisis services.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	98,312.8	98,312.8
Other Appropriated Funds	0.0	2,250.2	2,250.2
Other Non Appropriated Funds	0.0	112,316.8	112,316.8
Total Funding	0.0	212,879.8	212,879.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide behavioral health services to individuals not enrolled in the Title XIX Medicaid program

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Non Title XIX Behavioral Health	NA	NA	19,683	0	0

Explanation: Information related to this performance measure will be available when Administrative Simplification is effective in FY 2017.

Program Summary

CHILDREN'S HEALTH INSURANCE (CHIP)

Penny Ellis, Assistant Director
 Phone: (602) 417-4512
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	25.3	0.0	0.0
Other Appropriated Funds	2,025.5	1,955.0	111,661.7
Other Non Appropriated Funds	141.4	334.3	334.3
Total Funding	2,192.2	2,289.3	111,996.0
FTE Positions	0.0	0.0	0.0

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
KidsCare monthly enrollment	1,053	861	595	0	0
Percent of children with access to primary care provider	*N/A	*N/A	N/A	0	0

Explanation: *Due to the small population size, this data is no longer generated for the KidsCare population.

Program Summary

DIRECT SERVICE CLAIMING (DSC)

Elizabeth Carpio, Assistant Director
 Phone: (602) 417-4616
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	44,315.7	45,826.1	47,202.8
Total Funding	44,315.7	45,826.1	47,202.8
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of participating Local Education Authorities (LEAs)	104	107	102	0	0

Program Summary

CHILDREN'S REHABILITATIVE SERVICES

Virgina Rountree, Assistant Director
 Phone: (602) 417-4122
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	72,346.9	84,937.9	85,410.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	178,076.2	190,437.8	205,419.6
Total Funding	250,423.1	275,375.7	290,829.9
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Operational Review Standards with which Contractor is in full or substantial compliance	*72	85	96	0	0

Explanation: *This percentage is lower due to increased AHCCCS expertise in reviewing claims standards, which has resulted in fewer full or substantial compliance results.

Program Summary

ACA ADULT EXPANSION

Penny Ellis, Assistant Director
 Phone: (602) 417-4512
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	831.9	4,293.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	403,212.0	539,155.0	595,533.3
Total Funding	403,212.0	539,986.9	599,827.2
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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
ACA Adult Expansion monthly enrollment	84,265	103,569	83,337	0	0

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

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:

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.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	1,500.0	2,000.0
Other Non Appropriated Funds	2,453.8	2,289.0	2,289.0
Total Funding	2,453.8	3,789.0	4,289.0
FTE Positions	11.5	10.5	10.5

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

Description PLAN METHODOLOGY:

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

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

Leadership and Partnerships – LP

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

Programs and Services – PS

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

Strategic Funding – SF

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

STRATEGIC ISSUE 1:

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

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

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

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

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

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

GOAL/DESIRED OUTCOME 1:

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

Solutions:

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

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

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

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

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

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

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

Description STRATEGIC ISSUE 2:

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

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

GOAL/DESIRED OUTCOME 2:

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

Solutions:

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

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

c. Introduce incentives within grantmaking processes to challenge Arizona arts organizations to meet regional benchmarks for artist and administrator pay and benefits. – LP, SF

d. Promote and provide visibility to individuals working in the arts; connect Arizona arts professionals to other professional sectors to encourage partnership, mutual benefit and employment. Example services: providing visibility through Teaching Artist Roster and myriad other communications vehicles; develop formal networking opportunities in FY2017 and FY2018. – LP, PS

e. Nurture existing arts service organizations based on artistic disciplines and cultural initiatives; support the development of independent arts service organizations in geographic and programmatic areas where service organizations are scarce, nonexistent or vulnerable. Example services: service organizations can be nurtured and incubated through strategic consulting services delivered by Arts Commission staff; funding required for statewide travel. – LP, PS

f. Implement and advance "The Choice is Art," a statewide promotional campaign for the arts in Arizona, to foster understanding about the scope of the arts sector and the contributions of Arizona arts professionals. – LP, PS, SF

Issue 3 Statewide investment in arts learning (lifelong learning in, through and about the arts) is inadequate and must be strengthened.

Description STRATEGIC ISSUE 3:

Because of increased financial pressures on education at all levels, access to quality arts education opportunities within Arizona's in-school and out-of-school settings is at considerable risk. In addition, though Arizona students are expected to meet the Department of Education's Academic Standards in the Arts for preK-12 Arizona students, a significant number of Arizona schools are not financially prepared to provide adequate instruction in arts-based learning, and/or instructors are not qualified/prepared to provide satisfactory arts-based learning opportunities to students. Finally, arts and culture organizations (which provide a substantial percentage of arts learning opportunities to both preK-12 students and lifelong learners) face a dearth of funding support for arts-based education programs.

The Arts Commission seeks to rebuild value for investment in lifelong learning in, through and about the arts; to educate, prepare and deliver critical funding to diverse statewide delivery agents of arts education programs and opportunities; and to incentivize engagement in innovative, current and sequential arts learning opportunities for all Arizonans.

GOAL/DESIRED OUTCOME 3:

Students have access to quality, robust arts education programs in Arizona schools. In-school arts opportunities are enhanced by meaningful opportunities in out-of-school and community settings.

Solutions:

- a. Develop and provide innovative, current and sequential learning opportunities to delivery agents of statewide arts learning programs. Offer practical training to diverse arts education stakeholders and cultivate the next generation of arts educators. Example services: continue to provide training to teaching artists affiliated with the Teaching Artist Roster; develop additional formal professional development offerings for classroom teachers and representatives of arts organizations in partnership with the Department of Education and other service groups. – LP, PS
- b. Activate and expand partnerships with local, state and federal arts education policymakers. Contribute as an expert conduit, providing research and information to policymakers, and then providing context to resources delivered to Arizona arts organizations, parents, classroom educators, art specialists, teaching artists, school administrators and school boards. Example services: partnerships nurtured through ongoing research and by leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, and related materials. – LP, PS
- c. Pursue opportunities to build a network of Arizona arts organizations, parents, classroom educators, art specialists, teaching artists, school administrators and school boards to integrate learning in, through and about the arts in school curricula as well as school district missions, policies, budgets and practices. Offer practical training and support to develop their ability and fluency in building public support for arts education. Example services: potential network(s) nurtured through ongoing research, counsel and leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, and related materials. – LP
- d. Continue to deliver grant funding to quality arts programming which supports lifelong learning in, through and about the arts, and to quality student-centered arts programming which supports the Arizona Department of Education's Academic Standards in the Arts for preK-12 Arizona students. Example grants: Arts Learning Grants, Strengthening Schools Through Arts Partnerships Grants. – SF
- e. Introduce incentives within grantmaking processes to challenge Arizona schools, arts organizations and community organizations to broaden, deepen and diversify their development and delivery of in school, out-of-school and community-based arts learning programs. Example initiatives: include the development of funding incentives within primary grants to arts organizations. – LP, SF
- f. Make focused financial and programmatic investments in both geographic and programmatic areas where demonstrable needs exist but where arts education programming is scarce, nonexistent or vulnerable. Example grants: Arts Learning Grants, Strengthening Schools Through Arts Partnerships Grants. – LP, PS, SF
- g. Implement and advance "The Choice is Art," a statewide promotional campaign for the arts in Arizona, to build broad public

support for programs which engage students in learning in, through and about the arts, in the pursuit of positive personal, educational and community outcomes. – LP, PS, SF

Issue 4 Community-focused arts and cultural partnerships across Arizona must be nurtured and fortified.

Description STRATEGIC ISSUE 4:

Arizona arts and culture organizations have long provided great value to neighborhoods in rural, urban and suburban communities, through increased civic engagement, improved community vitality, creative and aesthetic benefits, and increased local economic activity. Because of decreased financial investment from the public sector, local businesses, foundations and individuals, arts and culture organizations are seeking new partners, programmatic opportunities and sources of revenue to allow them to continue co-creating positive outcomes in Arizona communities.

The Arts Commission seeks to rebuild value for community-focused arts and cultural partnerships across Arizona; to demonstrate and showcase best practices; and to provide opportunities for intra- and cross-sector networking, resource-sharing and mutually-beneficial community outcomes.

GOAL/DESIRED OUTCOME 4:

Arts and cultural programs and organizations are considered societal cornerstones and are employed as partners in the revitalization and sustainability of streets, neighborhoods and communities.

Solutions:

- a. Conduct, aggregate and provide access to best-practices research related to partnerships between arts delivery agents and community-based initiatives, government agencies and other-sector local businesses. Counsel arts organizations, community organizations and artists to utilize resources to fullest advantage. Example services: partnerships nurtured through ongoing research and by counsel and leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, related materials; resources aggregated, contextualized and disseminated through communications vehicles. – LP, PS
- b. Activate and expand agency relationships with existing and nontraditional partners in order to facilitate collaborations between Arizona arts programs and other-sector initiatives. Example programs and services: partnerships nurtured by counsel and leadership provided by Arts Commission staff; funding required for statewide travel, and participation in sector-wide and other-sector initiatives. – LP
- c. Deliver grant funding to collaborative projects which employ quality arts and cultural programming in the pursuit of favorable community outcomes. Deliver funding for this purpose in every Arizona county. Example grant programs: Arts Learning Grants, Art Tank Grants, Festivals Project Grants, Community Catalyst Grants. – LP, SF
- d. Provide opportunities for arts leaders, in particular next-generation arts leaders, to network with community officials, diverse cultural leaders, faith leaders and local businesspeople. Example services: networking and integration opportunities provided through participation in other-sector initiatives and existing Arts Commission programs such as community workshops and trainings, Southwest Arts Conference, and partnerships related to Emerging Leaders in the Arts networks; Chamber and Tourism Membership Grants. – PS
- e. Implement and advance “The Choice is Art,” a statewide promotional campaign for the arts in Arizona, to broadly promote the arts industry’s role in community health and livability, as well as the industry’s potential to positively impact the fiscal position and sustainability of Arizona cities and towns. – LP, PS, SF

Issue 5 Statewide private investment in arts and culture is inadequate and must be strengthened.

Description STRATEGIC ISSUE 5:

Arizona arts organizations have long provided great value to Arizona corporate and small-business constituencies through individuals' and families' engagement in arts and cultural activities, improved quality of life indices, and measurable on-the-ground revenue-generating partnerships. However, statewide corporate and small-business support of arts and culture was significantly curtailed as a result of the recent recession, for several reasons:

-- Arizona lacks a critical mass of midsized and large corporate headquarters which might be inclined to support arts and culture sector programs and initiatives.

-- Prior to the recession, Arizona's business sector had become chronically under-diversified and largely dependent on new construction, which, coupled with the challenges within the real estate market, meant that developers and construction companies did not have funds to invest in quality of life ventures.

The Arts Commission seeks to rebuild value for arts and cultural investment among corporate and small-business constituencies; and to provide opportunities for intra- and cross-sector networking, resource-sharing and mutually-beneficial community and financial outcomes.

GOAL/DESIRED OUTCOME 5:

Recognizing the arts industry's role in economic viability and enhanced quality of life, Arizona's for-profit businesses invest in the arts as partners, supporters and champions.

Solutions:

- a. Serve as leading reliable resource for information and research related to cultural policy, emerging and hybrid business models, economic impact of the arts and culture industry, and public support for arts and culture. Promote opportunities to share research with Arizona's elected officials, small businesses and corporate leaders. Example services: partnerships nurtured through ongoing research and by counsel and leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, related materials; resources aggregated, contextualized and disseminated through communications vehicles. – LP, PS
- b. Introduce incentives within grantmaking processes to encourage Arizona arts organizations to develop mutually beneficial and mission-supported partnerships with for-profit entities. Example initiatives: include the development of funding incentives within primary grants to arts organizations; Art Tank Grants, Community Catalyst Grants. – LP, SF
- c. Facilitate opportunities for arts leaders to participate in other-sector policy forums, convenings and initiatives. Example services: networking and integration opportunities provided through participation in other-sector initiatives and existing Arts Commission programs such as community workshops and trainings, Southwest Arts Conference, and partnerships related to Emerging Leaders in the Arts networks; Chamber and Tourism Membership Grants. – LP, PS
- d. Develop communications strategies to focus and adapt agency messaging based on the needs and interests of diverse audiences and authorizers. Example services: Comprehensive website content and participatory social media efforts, newsletters, searchable website portals, interactive online technical assistance. – PS
- e. Implement and advance "The Choice is Art," a statewide promotional campaign for the arts in Arizona, to illuminate the for-profit sector's short- and long-term interest in supporting a vibrant, sustainable statewide arts industry. Employ Arizona small businesses and corporations as partners in the effort. – LP, PS, SF

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	13.0	13.0	13.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	2,250.0	2,500.0	2,750.0
Non-Appropriated Funds	1,500.0	1,600.0	1,700.0
Federal Funds	850.0	860.0	875.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Individuals benefiting from programs sponsored by Agency (in thousands)	8,045.0	7,000.0	7,408.2	7,500.0	7,750.0
Explanation: Figures for this measure are compiled in our online grants systems and reflect the total number of persons benefitting from programs supported by Arts Commission grants; figures provided by grantees as a part of their annual final reports.					
Number of applications for community-driven projects received/number funded	354/290	340/270	298/226	320/260	330/275
Explanation: Figures for this measure are compiled in our online grants systems.					
Number of grant applications submitted by ethnic-run organizations	52	48	44	50	55
Explanation: Figures for this measure are compiled in our online grants systems.					
Percentage of applications submitted by ethnic-run organizations funded	87	87	75	80	80
Explanation: Figures for this measure are compiled in our online grants systems.					
Number of applications submitted by rural applicants	120	110	133	115	120
Explanation: Figures for this measure are compiled in our online grants systems.					
Percentage of applications submitted by rural applicants funded	68	75	52	60	75
Explanation: Figures for this measure are compiled in our online grants systems.					
Number of applications submitted by organizations that did not apply in previous year	103	60	30	40	45
Explanation: Figures for this measure are compiled in our online grants systems.					
Percentage of applications submitted by organizations that did not apply in previous year funded	68	75	52	60	75
Explanation: Figures for this measure are compiled in our online grants systems.					

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of applications submitted for arts education programs/dollar amount funded (in thousands)	72/2,370	70/1,900	72/1,847	85/3,000	90/3,250
Explanation: Figures for this measure are compiled in our online grants systems.					
Number of individual Arizona youth served by Commission programs and initiatives (in millions)	1.7	1.5	1.7	1.8	1.9
Explanation: Figures for this measure are compiled in our online grants systems.					

- ◆ **Goal 3** To facilitate public and private investment in the arts and culture sector, and support efforts to build recognition of the sector's role in economic viability and enhanced quality of life, such that diverse Arizona stakeholders invest in the arts and culture sector as partners, supporters and champions.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Total amount of state investment in arts participation opportunities (in thousands)	2,441.6	1,398.0	1,416.8	2,850.0	2,850.0
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Explanation: Figures for this measure are constructed by adding the following State monies provided to the Arts Commission: Arts Trust Fund and Rainy Day Fund Interest where applicable.

Total amount of other public and private funds leveraged for arts participation opportunities/state investment (in millions)	170/2.2	155/1.3	154/1.2	180/2.6	180/2.6
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Explanation: Figures for this measure are constructed as follows: Cumulative statewide arts budgets as entered into our online grants systems by grantees/Total State dollars granted to Arizona arts organizations and schools by the Arts Commission.

Number of public policy forums in which the Commission participates in order to integrate the arts	75	70	106	90	90
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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 with non-arts entities.

Number of outreach activities including site visits, public presentations, convenings and technical assistance	531	550	466	500	515
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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)	169.3	170.0	178.3	175.0	180.0
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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)	6.80	7.00	6.70	6.80	7.00
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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 public presentations, convenings, workshops and review panels.

Agency Summary

BOARD OF ATHLETIC TRAINERS

Karen Whiteford, Executive Director
 Phone: (602) 589-8353
 A.R.S. § 32-4101 to 32-4161

Mission:

To protect the health, safety, and welfare of the public by licensing and regulating individuals who provide athletic training services.

Description:

The Board of Athletic Training is a regulatory board, which issues and annually renews approximately 600 licenses for the athletic training profession and continues to monitor 275 closed licenses. By law, the Board requires that each applicant meet minimum standards of education, experience, and competency. The Board also receives and investigates complaints, takes appropriate disciplinary action, and responds to inquiries from consumers as to the license status of individual athletic training professionals.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	107.7	119.1	159.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	107.7	119.1	159.1
FTE Positions	1.5	1.5	1.5

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Athletic Training licenses issued.	647	650	680	680	680
Number of license renewals received	556	560	558	560	560
Average calendar days to renew a license	3	3	2	2	2
Average calendar days to issue a license.	3	3	3	3	3

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints received	7	5	6	5	5
Disciplinary actions taken	5	5	5	5	5
Complaints resolved within 120 days	7	5	6	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of athletic training complaints received	0	1	6	5	5
Percent of licenses issued within 10 days of approval.	100	100	100	100	100
Complaints resolved within 120 days	1	1	6	5	5
Customer Satisfaction rating (scale 1-8)	8.0	7.9	8	8	8

Agency Summary

ATTORNEY GENERAL - DEPARTMENT OF LAW

Mark Brnovich, 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 services and administrative operations. The legal divisions are the Child and Family Protection Division, Civil Litigation Division, Criminal Division, Solicitor General's Office, and the State Government Division. Each division is further organized into sections that specialize in a particular area of practice. Two divisions are primarily responsible for administrative operations, the Operations Division and the Communications Division.

Legal, Policy, Administrative and Support functions are coordinated and promoted by the Executive Office.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ LEGAL SERVICES	91,715.7	112,289.8	124,469.8
➤ CENTRAL ADMINISTRATION	11,946.0	12,689.1	14,423.6
Agency Total:	103,661.7	124,978.9	138,893.4
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	23,497.4	24,664.8	36,400.3
Other Appropriated Funds	40,574.0	44,319.7	46,819.7
Other Non Appropriated Funds	39,590.3	55,994.4	55,673.4
Total Funding	103,661.7	124,978.9	138,893.4
FTE Positions	776.4	765.8	851.8

Issue 1 To Defend the State from Criminal Activities

Description Our Nation’s southern border has experienced a dramatic surge in cross-border crime and violence in recent years due to intense competition between Mexican drug cartels and criminal smuggling organizations. These criminal enterprises engage in drug trafficking, hijacking cargo shipments, human smuggling, money laundering, and violent crimes including murder. Arizona and Mexico need to cooperate in order to effectively combat these dangerous organized criminal enterprises. Both Arizona and Mexico need to continue working to cut off funding for border criminal enterprises; enlist international businesses in eliminating money laundering; increase multi-agent and bi-nation crime fighting task forces; and help Mexico reform its justice and law enforcement system. In an effort to address the dramatic surge in cross-border crimes, the Office of the Attorney General will take a pro-active role and dedicate resources to implement initiatives to dismantle and prosecute the perpetrators engaged in these criminal enterprises.

Solutions:

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

STRATEGIES:

- Coordinate efforts on border security with federal, state and local law enforcement in Arizona and with Mexican law enforcement.
- Provide technical assistance to other law enforcement agencies, specifically in the use of financial data, to develop evidence relating to underlying criminal activity.
- Provide federal and state law enforcement agencies with training on relevant legal issues and investigative techniques.
- Provide assistance in wiretap and undercover investigations, including the prosecution of multi defendant, highly complex drug trafficking organizations .
- Continue to develop and coordinate a Southwest Border Area information sharing network.
- Assist in the creation of a chain of inter-related task forces in the Southwest Border area, concentrating on anti-money laundering enforcement at the highest levels.

GOAL 2: To reduce the financial power of criminal enterprises.

STRATEGIES:

- Dismantle racketeering enterprises through aggressive prosecution and civil racketeering remedies.
- Deprive criminal enterprises of property and profit that keep them in business and simultaneously fund future investigations and prosecutions of similar crimes through forfeiture proceedings.
- Specialize in complex financial prosecutions to reduce the financial power of criminal enterprises.
- Foster multi-jurisdictional collaboration to identify, investigate, and disrupt financial activities that facilitate cross-border violence and money laundering.
- Enhance coordination of the Southwest Border states’ anti-money laundering efforts.

Issue 2 To Protect Citizens Against Crime: Children, Seniors, Families & Communities

Description The Attorney General's Office prioritizes the protection of Arizona's citizens. This includes children, seniors, and individuals with physical or mental impairments, who are more vulnerable to abuse, neglect and exploitation; victims of violent crimes; identity theft; healthcare fraud and abuse; consumer fraud; and other crimes.

In the context of children, the Attorney General's Office provides comprehensive legal representation to the Department of Child Safety (DCS) and the Department of Economic Security (DES) through diligent counsel and advice, as well as two very distinct subject areas requiring diligent case management. DCS has experienced a staggering increase in the number of children in care who are victims of abuse and/or neglect. As of March 2016, DCS had 18,906 children in care. This represents a 12.33% increase over Fiscal Year 2013, and continues to impact efforts to achieve safe and timely permanency for Arizona's children in foster care. With respect to Child Support Services, the Attorney General works to ensure the economic sufficiency of children through the establishment of paternity and pursuit of child support. This is of particular relevance where, as here in Arizona, 45% of children are born to un-wed parents and statistics show that parents who contribute financially are more involved in their children's lives.

Nearly 7,000 cases of vulnerable adult mistreatment are reported to the State annually. The typical victims in these cases are females over the age of 85. The over-eighty-five-year-old population is the fastest growing age group in the state and is estimated to increase 141% by the year 2020. It is critical that this population be defended against physical abuse, neglect and scammers who seek financial gains.

When a person is discriminated against based on his/her disability, race, color, religion, sex, familial status, age, or national origin, the Arizona Civil Rights Act has been violated. This type of discrimination may take place when individuals seek employment, attempt to exercise their right to vote, enjoy public accommodations, or seek housing. The AGO enforces anti-discrimination laws through investigation of complaints, alternative dispute resolution, and litigation, as well as education and outreach programs.

The AGO is also dedicated to ensuring justice to Arizona's victims. Victim Services Advocates provide support to victims in cases prosecuted by our office. Services offered by the Advocates include keeping victims informed about court dates, assisting them in finding counseling services, and providing information on how the criminal justice system works. The AGO is also devoted to achieving justice for victims as it works to uphold the convictions and sentences of criminal defendants when their convictions and sentences are appealed. Furthermore, the AGO ensures justice for victims and protection of their rights statewide through the provision of technical assistance, funding, training and complaint resolution.

The AGO has also spearheaded a statewide crime prevention and education initiative. The AGO's Community Outreach and Education group participates in community events statewide, which educate individuals on topics such as identity theft, consumer scams, life care planning issues, civil rights, and senior abuse. In addition, the Office of Victim Services provides statewide training to law enforcement partners regarding victim's rights. In addition, this group provides written and web-based resources to community groups on a wide range of issues.

Solutions:

GOAL 1: Promote the safety, economic sufficiency and well-being of children.

STRATEGIES:

- Protect children through effective litigation and efficient case management in dependency, guardianship, and severance and adoption proceedings.
- Provide training to AGO, DCS, and DES staff, DCS caseworkers and supervisors, members of the judiciary, and various child welfare system stakeholders throughout Arizona for effective case management.
- Increase enforcement activity in judicial and administrative establishment of new child support orders.

GOAL 2: Combat abuse of Arizona's senior population.

STRATEGIES:

- Use the strengths, skills, and resources across AGO Divisions to ensure the success of the Taskforce Against Senior Abuse (TASA).
- Work closely with other law enforcement offices, state and local agencies, and senior-focused groups to assure an aggressive investigative and prosecutorial presence in the State.

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- Utilize the Advisory Group, comprised of community, business, and governmental leaders, to keep abreast on matters concerning senior citizens in Arizona.
 - Provide a dedicated telephone number through which the public, other law enforcement agencies, caregivers and family members can report concerns and receive information and referrals.
 - Offer educational opportunities around the state in which seniors can participate.
 - Offer training and education to groups who have significant interactions with the senior population.
 - Develop cases internally and work collaboratively with outside law enforcement agencies and other state teams in order to pursue and prosecute allegations of abuse and neglect, including those that take place within health care settings.

GOAL 3: To promote and facilitate justice, healing and restitution for all of Arizona crime victims.

STRATEGIES:

- Improve the treatment of crime victims by exhibiting leadership, promoting public policy reforms where needed and increase the quality of victim services through the administration of the Victims' Rights Program.
- Provide for efficient and effective delivery of quality services to victims during all stages of criminal prosecutions.
- Serve as a leader statewide on victims' rights issues through participation in networking events, leading the Victims' Rights Advisory Committee and through the provision of statewide victim's rights training.
- Recognize individuals in Arizona who made significant contributions to victims' rights and services through the Distinguished Service Awards.
- Investigate allegations of victims' rights violations statewide.
- Competently and efficiently defend the State in all capital and non-capital appellate cases.
- Enhance written and oral advocacy skills through participation in training.
- Improve expertise in handling federal habeas litigation through participation in training related to federal appeals under 28 U.S.C. § 2254.

Issue 3 To Protect Consumers

Description Consumer fraud is a growing threat to Arizonans. Scammers are continually finding new and inventive ways to take advantage of consumers. Fraudulent loan schemes, dishonest repair shops, and new threats found on the internet are only a few examples of fraud cases that can result in injury to the consumer. Among other potential impacts, harmed consumers may suffer financial loss, may have their credit history tarnished, may have difficulties obtaining a mortgage loan modification, or may be using a prescription drug that could put their health in danger. The economic crisis, in particular, has created a number of vulnerable consumers who are often targeted for work-from-home scams. Similarly, with Arizona ranking among the states hardest hit by the nation's mortgage crisis, a surge in mortgage-rescue fraud has followed. These scams victimize people who are already in distress and who place their trust in dishonest people. Consumer scams of any nature are detrimental and the Attorney General's Office is dedicated to vigorously prosecuting these cases.

Antitrust laws affect the daily lives of all consumers, whether they are shopping for groceries, purchasing a car, or downloading new software from the Internet. These laws play an important role in ensuring that the consumer has the benefit of competitive prices and high quality goods and services. The antitrust laws foster competition in the marketplace and prevent anticompetitive mergers and business practices. The AGO enforces Arizona's antitrust laws by investigating and, when warranted, filing suit against businesses and individuals engaged in price fixing and bid rigging. Further, the AGO takes legal action against businesses that refuse to deal fairly with customers, suppliers, or rivals. Also, businesses who allocate territories or customers, or who monopolize, or attempt to monopolize, a market are prosecuted by the AGO. The AGO is devoted to protecting the foundation of our economy that consists of free and open competitive markets for the benefit of Arizona's consumers.

Solutions:

GOAL 1: To deter fraudulent business practices as a means to protect consumers against fraud.

STRATEGIES:

- Investigate and prosecute violations of the Arizona Consumer Fraud Act and other state and federal consumer protection laws.
- Increase public awareness through consumer education and alerts, presentations, and the distribution of literature.
- 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 4 To Provide Exemplary Legal Services

Description The AGO is the State’s full-service law firm, charged by statute to advise and represent most State officials, agencies, boards and commissions. The AGO represents clients in litigation in all State and Federal courts and Administrative Tribunals. The AGO also advises its clients on a wide range of legal issues
The AGO 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. This mediation process saves time, as the disputing parties can often resolve their differences without lengthy and costly litigation. The AGO continues to work towards maintaining a satisfaction rate of participants above 90%.

As an agency that so heavily relies on the intellect and skills of its staff, the importance of retaining talent and experience cannot be overestimated. The AGO continues its efforts to hire and retain the highest quality professionals. In addition, the AGO continues to enhance its efforts in providing ongoing training to its staff. Training efforts focus on streamlining processes, sharing best practices, and ensuring that staff is 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.

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Solutions:

GOAL 1: To provide a superior level of legal services to our client agencies, the public and the State of Arizona.

STRATEGIES:

- Improve efficiency of legal services delivery through client relations meetings with agencies that frequently require our services.
- Provide advanced client agency training sessions in the areas of public records law, open meeting law, conflict of interest law, contracting and procurement law, and related legal restrictions on the activities of public officials and employees. Ethics training for elected officials and appointed agency heads is now available online for ease of access and updating.
- Maintain and enhance the Continuing Legal Education (CLE) programs currently being offered by the Solicitor General’s Office.
- Develop guidelines for AGO communications with members of the public to ensure consistency, integrity and fairness through services provided by the AGO. HR follows a detailed process for any Public Records Request. We also continue to work on process improvements to communicate both internally and externally.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	856.0	856.0	856.0
General Fund	36,400.3	36,400.3	36,400.3
Other Appropriated Funds	46,819.7	46,819.7	46,819.7
Non-Appropriated Funds	50,199.9	50,199.9	50,199.9
Federal Funds	5,473.5	5,473.5	5,473.5

Program Summary

LEGAL SERVICES

Leslie Welch, Operations Director
Phone: (602) 542-8046
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, protecting consumers 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 Litigation Division; (3) Civil Rights Division; (4) Criminal Division; (5) Solicitor General's Office; (6) State Government Division. The Child and Family Protection Division provides legal services to the Department of Economic Security and Department of Child Safety through the Protective Services Section, the Child Support Services Section, and the Civil & Criminal Litigation and Advice Sections. The State Government 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 Solicitor General's Office represents the State in capital and non-capital criminal appeals and federal habeas actions. The Civil Litigation 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:

- ▶ Civil Rights Division
- ▶ Criminal Division
- ▶ Child and Family Protection Division
- ▶ Civil Division

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	16,521.7	19,931.1	29,931.1
Other Appropriated Funds	40,118.1	43,673.3	46,173.3
Other Non Appropriated Funds	35,075.9	48,685.4	48,365.4
Total Funding	91,715.7	112,289.8	124,469.8
FTE Positions	674.6	664.0	750.0

Subprogram Summary

CIVIL RIGHTS DIVISION

Paul Watkins, Division Chief Counsel
 Phone: (602) 542-8958
 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 section'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 section provides conflict resolution services and mediation programs statewide, including many court and agency programs. The section not only is responsive to complaints it receives but is proactive in addressing discriminatory activity by providing education. It also may conduct surveys and inquiries in efforts to eliminate discrimination and publish reports to highlight civil rights issues in Arizona. The section has an internal appellate procedure where new evidence is reviewed and closed investigations are reopened where the new evidence may change the outcome.

The section has administrative, community service, and civil functions. Its staff is comprised of lawyers, compliance officers, program managers, coordinators, support personnel, volunteers, and interns. The section has offices in Phoenix and Tucson.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,433.6	1,384.8	1,384.8
Other Appropriated Funds	122.1	102.7	102.7
Other Non Appropriated Funds	919.4	1,070.0	1,040.9
Total Funding	2,475.1	2,557.5	2,528.4
FTE Positions	30.1	30.1	30.1

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

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of cases investigated	1,412	1,200	1,785	1,200	1200
Explanation: The section had 858 new cases investigated in FY2016.					
Number of cases resolved	792	850	886	875	850
Explanation: This number represents cases closed without regard to the date the case was opened.					
Percentage of cases resolved using voluntary settlement agreements	17	15	17	15	15

◆ **Goal 2** To identify major litigation and to obtain monetary relief and significant remedial relief as appropriate.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of lawsuits	8	10	12	10	10

Explanation: Two new suits were filed by the section in FY2016.

Number of lawsuits resolved	5	6	7	8	8
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Explanation: This represents the number of cases resolved after investigation, conciliation, and suit filed. This number includes trial verdicts, most cases of discrimination are resolved well before this stage.

Percentage of litigation cases resolved using voluntary settlement agreements	71	80	40	40	40
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Explanation: Fewer litigation cases were resolved in prefinding conciliation due to the application of the statute's language that limits resolutions to cases where the charging party agrees to waive claims.

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of cases referred to mediation	584	500	841	800	800

Explanation: The increase in cases referred to mediation represents the section's commitment to fairly and efficiently resolving cases for parties.

Number of Civil Rights discrimination cases mediated	124	120	148	130	130
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Explanation: Because more cases were referred to mediation services, more cases were mediated.

Percentage of Civil Rights mediations in which agreement was reached	60	55	56	55	55
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Maintain satisfaction rate of participants above 90 percent	94	95	96	95	95
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◆ **Goal 4** To increase public awareness of the State's laws against discrimination, arming them with the ability to avoid violating the Arizona Civil Rights Act and knowing how to use our office's resources if they are victimized.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of training presentations and outreach events	47	40	21	20	20

Explanation: he Division participated in less outreach events this year thanks to support from the Community Outreach and Education Section of the office.

Subprogram Summary

CRIMINAL DIVISION

Paul Ahler, Division Chief Counsel

Phone: (602) 542-8495

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 Section (CAS) & Capital Litigation Section (CLS):- The Sections' primary function is defending the State of Arizona in appeals and federal habeas actions initiated by convicted felons. In non-capital appeals, the Criminal Appeals Section represents the State on direct appeal in the Arizona Court of Appeals and in the Arizona Supreme Court. The Section also represents the State in federal court cases arising from state-court convictions. The Capital Litigation Section 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 Section 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	10,059.9	12,156.2	22,156.2
Other Appropriated Funds	7,667.5	7,147.1	7,147.1
Other Non Appropriated Funds	26,302.6	33,995.3	33,704.4
Total Funding	44,030.0	53,298.6	63,007.7
FTE Positions	255.9	253.7	314.7

◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Death penalty cases open	120	125	120	125	130
Death sentences carried out	1	3	0	5	5
Percentage of capital case convictions upheld by the Arizona Supreme Court on direct appeal and in post-conviction proceedings	88	95	100	95	95
Percentage of death penalty sentences affirmed by the Arizona Supreme Court	88	95	100	95	95

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of briefs, habeas answers, petitions for review and responses to petitions for review filed	660	670	671	675	675

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	26	26	27	27	27
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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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Cases open (BCS & DRG Section Totals)	1,121	1,200	1,365	1,300	1,350
Opened cases resolved within the year (BCS & DRG Section Totals)	558	450	676	500	500

Explanation: Increase in cases resolved were due to those defendants who plead guilty in FY12 and sentenced in FY13 and due to the additional defendants being charged and resolved.

Number of defendants charged (BCS & DRG Section Totals)	700	800	791	800	800
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Explanation: Decrease of cases resolved for FY14 is due to the high number of defendants who have pled guilty, but have not been sentenced.

Number of child abuse victims (BCS & DRG Section Totals)	2	5	6	5	5
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Explanation: Decrease in FY15 is due to decreased submittals of methamphetamine cases involving children being submitted for prosecution

- ◆ **Goal 4** To investigate and prosecute complex financial fraud crimes and high technology crimes throughout the State of Arizona, which many cases are referred to this office due to other prosecution offices' limitation in manpower, experience or resources.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Cases open (BCS, FSP & HCF Section Totals)	1,198	1,250	1,425	1,300	1,350
Opened cases resolved within the year (BCS, FSP & HCS Section Totals)	568	650	508	400	400
Matters reviewed but not opened (BCS, FSP & HCF Section Totals)	424	400	306	100	100
Total victim losses (\$ millions) (BCS, FSP & HCF Section Totals)	254.3	175	218	200	200

Explanation: The FY17 and FY18 estimates have been reduced due to the closing of a complex fraud case involving approximately \$58.8 Million in FY15.

Total number of victims (BCS, FSP & HCF Section Totals)	18,475	3,000	3,319	3,350	3,375
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Explanation: Decrease in FY15 estimate was due to the closing of a large victim case involving 15,592 victims, which caused the number of victims for FY16 to be far less than the previous FY.

Restitution ordered by the courts (\$ millions) (BCS, FSP & HCF Section Totals)	42.3	15	46.4	35	37
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Explanation: Increase in FY15 was due to restitution ordered on large, complex victim cases. For example, Defendant Plein was ordered to pay \$19,851,000.

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
County Attorney conflict of interest referrals (BCS, DRG, FSP & HCF Section Totals)	36	20	39	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
New Forfeiture cases opened	1,710	1,850	1,811	1,800	1,850

Explanation: Decrease in FY 16 is due to fewer assets seized per case and the release of property from seizure for forfeiture as the facts, law and the public interest dictated.

Opened cases resolved within the year	2,947	2,500	1,760	1,775	1,800
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Explanation: Decrease in FY 16 is due to fewer assets seized per case and the release of property from seizure for forfeiture as the facts, law and the public interest dictated.

Number of defendants (in rem/in personam)	3,035	2,500	2,344	2,400	2,450
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Explanation: Decrease in assets seized per case in FY16 also resulted in a decrease in the number of total in rem/in personam defendants.

Amount forfeited to State (\$ millions)	26.3	17.5	23.9	18.5	19
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Explanation: Decrease in FY16 was due to forfeited cases not finalized for sharing during the FY.

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Law enforcement training seminars	42	50	40	25	25
Financial inquiry assists	4,962	4,500	980	800	500

Explanation: Decrease in FY16 was due to the fewer number of financial inquires requested from law enforcement partners.

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of victim service network events participated in	90	75	79	75	75
Total awards disbursed (\$ millions)	3.2	3.2	3.2	3.2	3.2
Percent of VRP recipients in compliance with mandates	100	100	100	100	100
Number of trainings and presentations given	68	50	72	75	75
Number of attendees at trainings and presentations	1,904	1,000	1,554	1,500	1,500

Explanation: In FY16 the number of Victim Service Network events participated in decreased due to staffing changes.

% of victims' rights violation allegations responded to	100	100	100	100	100
% of Victims' Rights award recipients satisfied with the Victim's Rights Program	100	90	100	90	90
Number of agencies audited	13	15	9	15	15

Explanation: Decrease in FY16 due to vacancy in one of the positions that conducts agency audits.

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Number of victims served	9,895	10,000	9,210	10,000	10,000
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Explanation: FY16 decrease in numbers for victims served and mandated services due to a decreased number of large multi-victim cases being prosecuted from previous years.

Number of mandated services provided	20,626	20,000	24,037	20,000	20,000
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Explanation: FY16 increase due to increased training of advocates to ensure mandated services are provided.

Number of non-mandated services provided	81,420	110,000	84,986	90,000	90,000
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Explanation: FY16 increase due to increased training of advocates to ensure non-mandated services are provided, as well as the hiring of an Advocate Assistant in the Phoenix office.

Open restitution cases	381	340	383	350	350
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Compliance checks of restitution orders conducted	1,932	1,600	1,748	1,850	1,850
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Explanation: FY16 decrease in service numbers in this area fluctuate yearly and are dependent on the number of cases in OVS, victim needs and defendant compliance.

- ◆ **Goal 10** To provide competent and timely investigations of criminal conduct.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Open cases	618	650	565	575	600
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Explanation: Decrease in FY16 was due to continued reallocation of resources, including several vacancies from retirements and resignations.

Law enforcement assists	5,539	5,500	725	500	500
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Explanation: In FY15, the law enforcement assists total erroneously included 4962 Financial Inquiries which was also captured in Goal 7.

Matters reviewed but not opened by Duty Agent	2,079	2,000	1,800	1,800	1,800
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Subprogram Summary

CHILD AND FAMILY PROTECTION DIVISION

John Johnson, Division Chief Counsel

Phone: (602) 542-9948

A.R.S. § 41-191

Mission:

To provide the Department of Economic Security (DES) and the Department of Child Safety (DCS) with high quality and timely legal advice and representation to promote the safety, economic sufficiency and well-being of children, adults and families.

Description:

The Division is responsible for providing legal services to all programs and business operations of the DES and the DCS. The Division provides these services through three distinct sections.

The Protective Services Section (PSS) provides comprehensive legal representation to the DCS throughout Arizona's 15 counties with offices located in Flagstaff, Gila/Pinal, Kingman, Mesa, Phoenix I, Phoenix II, Prescott, Sierra Vista, Tucson and Yuma. PSS represents the DCS in all dependency, guardianship, termination and appellate proceedings brought for the protection of abused and neglected children. PSS also handles some adoption proceedings on behalf of the DCS, and administers a case processing system established by state and federal law designed to expedite dependency court proceedings and place children in safe, permanent homes.

The Child Support Section (CSS) represents DES' Division of Child Support Services (DCSS). This includes establishing paternity and obtaining, modifying and enforcing child support orders to ensure the economic well-being of children. CSS also represents DCSS in appeals, complex litigation actions and provides comprehensive legal advice and support to DCSS in 13 of the 15 Arizona counties.

The Civil and Criminal Litigation & Advice Section (CLA) provides legal advice and representation in administrative hearings and state and federal courts to DCS and a myriad of programs within DES. Other than Child Support Services, CLA represents all DES programs (approximately 100) some of which include: Developmental Disabilities, Procurement, Unemployment Insurance, Collections, Supplemental Nutrition Assistance, Child Care Assistance and Licensing (foster homes and child welfare agencies). CLA also represents DCS and DES in all personnel and operations matters and prosecutes criminal cases relating to various DES program violations, including recipient benefit fraud, employee embezzlement, provider fraud and criminal nonpayment of child support, as well as, all related appeals

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	350.0	350.0
Other Appropriated Funds	0.0	900.0	900.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	1,250.0	1,250.0
FTE Positions	0.0	0.0	0.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of dependencies filed by the DCS (including supplemental and in-home petitions)	5,875	6,169	6,003	6,303	6,618

Explanation: In FY2015, the economic climate was still difficult for many Arizona families. With the additional stressors on families and the lack of the reinstatement of full prevention services that were available pre-recession in our communities statewide, the Department saw the severity of abuse and neglect rise. Consequently, the Department removed more children under dependency petitions to ensure their health, safety and well-being.

Number of preliminary protective hearings within five to seven days of filing initial dependency petition	6,795	7,135	6,049	6,351	6,669
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Explanation: The increase in preliminary protective hearings is directly tied to the significant increase in the number of dependency petitions filed and the existence of multiple parties involved in each case.

- ◆ **Goal 2** To assist the DCS in establishing permanent living situations for children by providing legal services and representation in all stages of judicial proceedings that comply with federal and state timeframes for new cases.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of hearings held to establish a permanent plan within 12 months	8,210	8,621	9,012	9,463	9,936

Explanation: In FY016, the number of children in dependency matters continued to rise.

Number of reunifications achieved (child back with parents)	2,723	2,859	3,131	3,288	3,452
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Explanation: With more children in care throughout the state, there was a corresponding higher number of children that were reunified with their parents.

Number of guardianships achieved (child placed with guardian)	494	519	532	559	587
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Explanation: The continued increase in guardianship actions is directly tied to the significant increase in the number of dependency petitions filed and the existence of multiple children involved in each case.

Number of terminations achieved (child removed from parents)	2,293	2,408	2,415	2,536	2,663
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Explanation: With more children in care throughout the state and the corresponding drain on resources in the court system, DCS, and PSS, the ability to achieve permanency for children through termination actions has been impacted.

- ◆ **Goal 3** To assist the DCSS in establishing paternity orders for families by providing legal services and representation in all stages of litigation.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of children with paternity established	1,450	1,500	1,049	1,000	1,000

Explanation: The number of cases that require litigation to obtain a paternity order has decreased significantly due to the success of the DCSS Hospital Paternity Program.

◆ **Goal 4** To provide legal representation in DES and DCS litigation and to prosecute and deter fraud.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Administrative, Civil and Appellate litigation resolved (cases closed)	568	600	561	575	575
Civil Collection litigation resolved (judgments)	385	275	827	400	400
Criminal prosecutions completed successfully (sentenced)	126	150	161	145	145

◆ **Goal 5** To generate funds for the State via criminal restitution and civil judgments.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Civil judgments (\$)	1,191,604	825,000	2,868,355	600,000	600,000
Garnishment funds received (\$)	377,985	340,000	446,292	400,000	400,000
Criminal restitution ordered (\$)	653,951	425,000	858,737	550,000	550,000
Criminal restitution received prior to sentencing (\$)	557,772	425,000	773,352	550,000	550,000

◆ **Goal 6** To provide comprehensive legal advice to the Department of Economic Security and Department of Child Safety.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Hours of counsel and advice	16,231	23,000	30,727	25,000	25,000

Explanation: There a number of factors that contributed to the hours of counsel and advice falling below estimate

Subprogram Summary

CIVIL DIVISION

Dawn Northup & Paul Watkins, 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. In addition, 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 consists of attorneys and staff whose principal assignments focus on specialty areas of civil law. The Division also provides day-to-day legal services to a number of departments, boards, and commissions in the State of Arizona. The Division is divided into the Sections listed below.

Education and Health Section (EHS) - EHS includes the Education and Health Units. The Health Unit provides legal services to the Department of Health Services, the Arizona State Hospital, the Division of Public Health and Licensure, the Division of Health Preparedness and Prevention, the Bureau of Emergency Medical Services, the State Lab, and other health programs including the Arizona Biomedical Research Commission and the Commission for the Deaf and the Hard of Hearing. The Education Unit provides legal services to the Arizona Department of Education, the Arizona State Board of Education, the Arizona Commission for Postsecondary Education, the School Facilities Board, the Arizona State School for the Deaf and the Blind and the State Board for Charter Schools. The Education Unit does not represent any Colleges, Universities, or School Districts.

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 defend 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, occupations or businesses. The Section provides legal advice to client agencies regarding their statutes and rules as well as open meeting law and public records issues. In addition, the Section provides litigation services by prosecuting administrative hearings against licensees and defending appeals of agency actions in the Superior Court and the Court of Appeals. Some of the agencies represented by the Section include the Accountancy Board, the Arizona Medical Board, the Dental Board, the Registrar of Contractors, the Department of Liquor Licenses and Control and the Nursing Board.

Liability Management Section (LMS) – LMS represents the State and its employees in cases based on allegations of tort claims and civil rights violations in which money damages are demanded.

Natural Resources Section (NRS) - NRS provides agency advice and representation to a variety of State agencies, but primarily the Arizona State Land Department (ASLD). Since the ASLD manages over ten 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, mining and agricultural uses. Further, NRS provides legal representation for the State where its agencies claim water rights in the two 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, including Arizona State Parks Board, the Department of Forestry and Fire Management, the State Mine Inspector and the Prescott Historical Society.

Tax Section (TAX) – TAX represents the Arizona Department of Revenue in property tax, income tax, transaction privilege (sales) and use tax and various other tax areas. It also represents the Arizona Department of Transportation in fuel tax and aircraft license matters.

Transportation Section (TRN) – TRN represents the Arizona Department of Transportation in a number of areas, including eminent domain litigation, construction contract litigation, highway right of way encroachments, procurement contracts, vehicle license and driver license suspensions / revocations and related appeals. The Section also represents the Arizona Department of Public Safety in a number of areas including criminal history records, fingerprint records and clearance cards, procurement contracts, licensing and permit suspensions and

revocations and commercial vehicle enforcement.

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.

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 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.

Bankruptcy Collection & Enforcement (BCE): BCE 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.

The Solicitor General’s Office’s responsibilities include: (1) managing the State's civil appellate matters; (2) handling and advising on significant criminal appeals, capital litigation, and post-conviction relief cases;(3) handling matters to protect the state’s sovereignty from federal overreach; (4) supervising the production of formal Attorney General opinions; (5) handling matters of election law; (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.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	5,028.2	6,040.1	6,040.1
Other Appropriated Funds	32,328.5	35,523.5	38,023.5
Other Non Appropriated Funds	7,853.9	13,620.1	13,620.1
Total Funding	45,210.6	55,183.7	57,683.7
FTE Positions	388.6	380.2	405.2

◆ **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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Amounts recovered, generated, and/or saved (in millions of dollars)	100	100	80	80	80

Explanation: FY 2015 number is a conservative calculation of those revenues received in 2015 from sales for cash or on terms, and long-term leases of state trust lands, where the Attorney General’s Office provided assistance at the original transaction stage or on an ongoing basis.

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average months in suit: per tort lawsuit - AGO	20	20	22	20	22

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	34	28	49	30	35
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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	277	285	269	290	225
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Average billable hours: per tort lawsuit - OSC	1703	400	95	500	350
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Average billable hourly rate: per tort lawsuit - AGO	99	105	99	105	100
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Average billable hourly rate: per tort lawsuit - OSC	262	450	227	250	280
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Average months in suit: per employment lawsuit - AGO	35	35	17	30	30
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Average billable hours: per employment lawsuit - AGO	1,385	1,200	376	1,200	1,200
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Average billable hourly rate: per employment lawsuit - AGO	158	150	171	150	150
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Average billable hourly rate: per workers compensation matter: AGO	99	100	124	110	110
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Average billable hourly rate: per employment lawsuit - OSC	0	0	239	239	23
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Explanation: Data is included this fiscal year since data was available to report.

Average billable hourly rate: per workers compensation matter: OSC	0	0	153	153	153
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Explanation: Data is included this fiscal year since data was available to report.

- ◆ **Goal 3** To provide the highest quality legal advice, representation, and training to the various agencies, boards, and commissions including but not limited to: Environmental Quality, Financial Institutions, Game and Fish, Insurance, Real Estate, Departments of Administration, Corrections, Gaming, Office of the Secretary of State, Arizona State Lottery Commission, Arizona State Retirement System, and Veteran's Services Commission.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Advice matters and files opened	265	275	218	225	225

Explanation: Personnel changes resulted in fewer advice matters referred from our client agencies.

Civil litigation files opened	669	600	522	550	550
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Cases resolved within the year	569	550	606	500	500
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- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Meetings with client agency directors and/or commissioners	38	35	61	50	50
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Explanation: Personnel changes resulted in more meetings with Directors and/or Commissioners.

Training sessions with clients	18	10	16	15	15
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Explanation: Personnel changes resulted in more training sessions with clients

- ◆ **Goal 5** To timely issue formal legal opinions.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Days to respond to a request for a legal opinion	41	60	91	60	60
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- ◆ **Goal 6** To be responsive to public concerns about consumer fraud.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Complaints Opened	16,339	16,000	14,950	16,000	16000
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Explanation: Outreach events and press releases resulted in more consumer complaints filed.

Complaints closed	11,768	12,000	16,299	15,000	12,000
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Explanation: Cleanup for Consumer Complaint new database migration, resulted in an increase of closed files. / closed.

Telephone calls received from the public	30,675	32,500	34,789	32,500	32,500
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- ◆ **Goal 7** To deter fraudulent business practices as a means to protect consumers from fraud.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Civil cases/investigations opened	142	130	129	130	129
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Explanation: Due to current economy & hiring additional staff, our office opened more investigations and cases than anticipated.

Judgments	40	35	35	35	35
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Explanation: office opened more investigations and cases than anticipated.

- ◆ **Goal 8** 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Youth compliance checks conducted	1,989	2,000	2,003	2,000	2,000
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- ◆ **Goal 9** To protect and promote competition for the benefit of Arizona consumers through enforcement of the Arizona Uniform Antitrust Act.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Restitution ordered for Arizona consumers and costs recovered in antitrust cases (\$ dollars)	150,000	75,000	0	75,000	75000
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Explanation: Restitution ordered for Arizona consumers and costs recovered in antitrust cases (\$ dollars)

◆ **Goal 10** To collect debts owed to the State of Arizona efficiently, expeditiously and fairly.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Revenue Increase Over Prior Year(\$ dollars)	6,478,253	6,900,000	6,869,700	7,000,000	7,000,000

Program Summary					
CENTRAL ADMINISTRATION					
Leslie Welch, Director of Operations					
Phone: (602) 542-8046					
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 three areas: Executive Office, Operations Division, and Communications

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 Operations Division is committed to providing premier employee services through clear communication, employee training, and centralized processes in Accounting, Budgeting, Human Resources, Procurement, Facilities Management, Information Technology and all logistical services. The Communications division is responsible for Community Outreach, Legislative and Public Affairs.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,975.7	4,733.7	6,469.2
Other Appropriated Funds	455.9	646.4	646.4
Other Non Appropriated Funds	4,514.4	7,309.0	7,308.0
Total Funding	11,946.0	12,689.1	14,423.6
FTE Positions	101.8	101.8	101.8

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Administrative costs as a % of total costs	7.2	7	8	6.4	6.4

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction rating for client agencies (scale of 1 to 8, with 8 the highest)	7.51	7.51	7.39	7.51	7.51

◆ **Goal 3** To retain professional, experienced staff whose skills serve both state residents and client agencies.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of agency staff turnover	18.3	17	18.7	17	17

Agency Summary

AUTO THEFT AUTHORITY

Frederick W. Zumbo, Executive Director
Phone: (602) 364-2888
A.R.S. § 41-3451

Mission:

To deter auto theft crimes in Arizona through a cooperative effort by supporting law enforcement efforts, vertical prosecution, and public awareness programs.

Description:

The Authority administers grants provided to law enforcement and criminal justice agencies for the most effective and efficient law enforcement, prosecution and prevention strategies to combat auto theft crimes across Arizona.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,099.5	5,295.5	6,495.5
Other Non Appropriated Funds	30.0	103.0	103.0
Total Funding	5,129.5	5,398.5	6,598.5
FTE Positions	6.0	6.0	6.0

5 Year Plan

Issue 1 AATA Executive Director Salary cap at \$75,000, per Statute 41-3451 from 1992 Legislation.

Description Removing the AATA's Executive Director salary cap is necessary to recruit and retain qualified applicants with a competitive salary and to be able to adjust the salary for cost of living increases as needed.

Solutions:

Work with Insurance industry partners to revise current statute to give the agency a range of compensation options available to the AATA Board of Directors for the Executive Director. The salary range would be an ASPS Grade E3; the position is currently an E2 with the annual salary capped at \$75,000.

Issue 2 Expand AATA's Vertical Prosecution Program to counties across Arizona.

Description Vertical prosecution of auto theft cases does not exist in Arizona absent funding by the AATA. The complex nature of automobile theft and the associated organized crime requires the funding of a sufficient number of well-trained prosecutors to work with the Task Force and other law enforcement to continue the successes achieved and prevent a backward slide in vehicle theft rates.

Solutions:

Determine which counties (large and small) to be funded
 Provide training and instruction on the Vertical Prosecution Program
 Provide AATA Grant funding for additional support staff if needed
 Ensure that the agencies are following guidelines set forth by the AATA

Issue 3 Increase AATA Public Awareness Programs statewide.

Description AATA's Public Awareness programs are currently underutilized. Public Awareness programs have been an effective tool employed by the AATA and its law enforcement partners in the reduction of vehicle theft on a statewide basis, however, these programs have been less of a funding priority in recent years, because of decreased budget and manpower issues.

Solutions:

Contact and develop partnerships with state/local law enforcement and prosecution agencies. Assist with the development of grants programs for these agencies to initiate public awareness programs in each Arizona County.
 Identify new, innovative programs and strategies for statewide impact and a re-establish our Agency brand. Continue to provide equipment, literature and promotional items, along with other AATA resources, which provide agencies the ability to target specific needs of their community and to empower vehicle owners to protect their property.
 Maintain and support sustainable auto theft prevention programs, including Watch Your Car, FREE VIN Etching, Youth Theft Deterrent programs, Blockwatch, AARP and Citizens on Patrol programs.
 Empower Arizona vehicle owners to protect and secure their personal property.

Issue 4 Address growing crime trend of vehicular crimes related to border security.

Description As technology improves, criminals often commit carjackings because improved security systems make it very difficult to steal vehicles without a key. These carjacked vehicles are used to commit robberies, shootings and homicides, as well as drug and human smuggling.

Solutions:

Develop a public awareness program/campaign specific to border related vehicle crimes and carjackings. Share with statewide law enforcement and criminal justice partners along with Blockwatch and community groups.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	6.0	6.0	6.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	6,495.5	6,495.5	6,495.5
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of studies and research analysis of auto theft crime trends and best practice approaches.	10	12	15	18	20

◆ **Goal 2** To reduce the incidence of statewide auto theft crimes supporting innovative and effective reduction and prevention programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of vehicles stolen statewide (2014 calendar year).	15,814	15,000	16,089	16,500	17,000

Explanation: *2014 stolen vehicle data from 2014 Arizona DPS Crime in Arizona Report. 2014 FBI UCR data to be released Fall 2015.

Arizona vehicle theft rate (# per 100,000 population)	237	235	236	242	250
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◆ **Goal 3** To deter vehicle theft and associated criminal activity through effective and proactive law enforcement strategies.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of AZ. Auto Theft Task Force positions funded by the AATA.	28.5	32.5	33.5	34	34
Number of stolen vehicles recovered by the AZ. Auto Theft Task Force	1,023	1,150	1,238	1,250	1,250

Explanation: The Arizona Vehicle Theft Task Force has shifted focus in recent years to large scale criminal investigations and dismantling organized auto theft crime rings.

Value of stolen vehicles recovered by Task Force (in \$ Millions).	12.0	12.5	13.1	13.5	13.5
Number of felony arrests by the AZ. Vehicle Theft Task Force	241	245	252	255	255
Number of "chop shops" investigated by the Task Force.	15	20	24	25	25
Number of insurance fraud investigations by the Task Force	10	12	12	15	15
Number of trainings and investigative assistance provided by the AZ. Vehicle Theft Task Force.	636	650	993	975	975
For every \$1 dollar funded by the AATA, this amount recovered by the AZ. Auto Theft Task Force.	3.04	3.42	3.59	3.70	3.70
Number of law enforcement grants awarded to Arizona agencies.	5	5	6	8	8

Explanation: Agency is presently working to expand statewide Law Enforcement Grant programs focused on reducing auto theft crimes across Arizona.

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of auto theft (Vertical) Prosecutors funded by the AATA.	4.5	6	6.5	7.75	9

Explanation: The Agency continues its work to expand the Vertical Prosecution program into additional, smaller counties across Arizona in upcoming years.

Number of counties participating in the AATA's Vertical Prosecution Grant program.	4	6	6	6	8
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Explanation: Funding reductions have impacted the Vertical Prosecution Program and the number of participating counties.

Number of vehicle theft convictions by AATA grant funded Vertical Prosecutors.	524	600	675	700	725
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◆ **Goal 5** To provide public awareness & prevention strategies to reduce victimization of auto theft crimes across Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Public Awareness grants to statewide law enforcement agencies.	3	15	6	8	10

Explanation: Agency increasing outreach to law enforcement agencies to solicit innovative and effective auto theft prevention program grants.

Number of PACE (Public Awareness and Community Education) events statewide.	80	95	98	115	125
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Number of statewide PACE events sponsored by the AATA.	25	35	32	40	50
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Number of statewide PACE events sponsored by AATA grantees and law enforcement partners.	55	60	66	75	75
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Number of ACTIVE Watch Your Car (WYC) enrollments	37,500	38,000	36,000	40,000	50,000
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Explanation: Increase in agency staff and infrastructure this fiscal year will allow for increased outreach for the Watch Your Car and other prevention programs.

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of professional training grants awarded to agencies	18	15	0	50	10

Explanation: AATA co-hosts a large, statewide Auto Theft Training Seminar in Arizona every two years; the next training is Sept 11-14, 2017.

Number of law enforcement/criminal justice personnel receiving auto theft training	70	25	0	65	20
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◆ **Goal 7** To maximize Agency effectiveness, efficiency and stakeholder/customer satisfaction.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Ratio of administrative costs as a percent of total expenditures	4.50	6.0	5.97	7.08	7.25
Explanation: Slight increase due to additional infrastucture to support AATA Grant programs and increase internal controls.					
Number of grant agency contractual compliance reviews.	33	50	52	60	70
Explanation: All grant agencies are reviewed annually for compliance.					
Customer satisfaction rating (scale of 1-3, 1 highest rating)	1	1	1	1	1
Number of site visits to grant agencies and statewide law enforcement/criminal justice partners.	62	75	80	85	90
Explanation: Increased participation in AATA grant programs will result in additional agency site visits.					
Initiate monthly E-newsletter and electronic communications with agency customers and stakeholders.	160	180	300	350	400
Explanation: AATA staff continue to implement cost effective strategies for agency and stakeholder communication efforts.					

Agency Summary

BOARD OF BARBER EXAMINERS

Sam B. LaBarbera, Executive Director
Phone: (602) 542-4498
A.R.S. §§ 32-301 et. seq.

Mission:

To preserve the public welfare and health through the development and enforcement of adequate sanitation procedures, rules, and laws governing barbers and barbering establishments.

Description:

The Board administers barbering examinations, grants and renews licenses, inspects barbering establishments, investigates consumer complaints regarding unlawful activities, and takes measures to resolve complaints, including holding hearings, levying fines, and suspending or revoking licenses.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	308.8	370.7	428.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	308.8	370.7	428.1
FTE Positions	4.0	4.0	5.0

Issue 1 To service licensees in an efficient manner.

Description Provide our licensee's with quick and accurate service, to assist our licensees with the information they need and to keep administrative costs as low as possible.

We wish to render efficient responses to other departments with whom we work (attorney general, general accounting, etc).

Solutions:

We issue or deny an applicant's request for a license within our time-frame. We assist our licensee with questions they may have, thereby allowing them to obey the laws that govern their license. By helping them with their questions with sanitation, we are also helping to protect the public's health. In order to protect the public's health, three-fourths of our staff spends most of their time investigating complaints and inspecting barber shops and barber schools; this also helps keep our administrative costs low.

We are requesting a new employee to assist in all aspects of our operations.

Issue 2 To enforce legislative requirements concerning the regulation of barbers

Description We try to inspect each barber shop or barber school each year for compliance with Arizona statutes. During this inspection, we are also checking each barber or instructor for compliance with Arizona statutes.

Solutions:

If there is problem with a licensee's failure to comply with Arizona statutes the inspection is brought to the attention of the governing Board. The Governing Board decides whether to dismiss the case or to proceed to a legal proceedings which might result in a civil penalty, probation, suspension or revocation of a license.

Issue 3 To ensure the proper use of sanitary procedures to prevent the transmission of diseases, parasite, or injury to the public

Description The Board answers questions from the public or licensees regarding proper methods of sanitation. During inspections, barbers have their stations and equipment checked for compliance with Arizona standards.

Solutions:

The Board attends the annual conference of the National Association of Barber Boards of America to stay informed of new products and techniques. The conference also allows us to learn of problems other states are experiencing. The Board also gives demonstrations at the various barber schools and other events.

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

Description We check each application for a license to ensure that all of the requirements of Arizona laws are met.

Solutions:

Each application is checked to verify that the paper requirements have been presented. This includes, but is not limited to, the State requirement that the applicant be a citizen of the United States or be a legal resident of the United States. If the applicant is student who has just graduated from a barber school, we give a written and practical examination to ensure the applicant meets the basic knowledge expected from a new graduate.

Issue 5 To update the website.

Description Our new website was designed by ASET and has been launched. The feedback from the public has been favorable. The website was completely restructured bringing many of its sections up to date and new sections added. We feel this will help the public and our licensees.

Solutions:

We also want to make the website more user friendly for our staff by attending sessions hosted by ASET to teach our staff to make corrections directly on the website without going through a third party.

Issue 6 To update the laws and rules governing the Board.

Description The Board has many issues with its rules which it wishes to update. Many of these issues involve bringing the rules up to date to match other laws which have been modified or enacted. However, several of the rules we wish to implement involve the safety of the public, barber students, barbers, instructors, schools and establishment. We also have an issue with our laws. There are many new circumstances which to be addressed legislatively.

Solutions:

Changes were made to our rules last year. We also have a change to our rules to eliminate the acceptance of cash which has been submitted to GRRC and we are anticipating a GRRC hearing regarding this proposed rule.

Issue 7 Acceptance of electronic payments

Description In order to comply with Governor Ducey's Executive Order 2015-001 that requires each agency to accept electronic payments, our Agency will have to implement measures which will require extensive programming or purchase of a software system with hefty annual fees. This is impossible with our current appropriations.

Solutions:

We are tentatively looking to subscribe to GL Simple to provide software to handling both our database needs and electronic transfer of funds and have met with their representatives several times, This program is available with monthly billings. It guarantees updates, data protection and responsive customer service.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	5.0	5.0	5.0
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 ensure that all licenses issued by the Board meet minimum requirements.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
New examination applications accepted	312	391	345	355	365
Number of first examinations passed	159	178	144	135	130
Percent of examinations passed	51	55	42	38	35
Number of all exam applicants (includes retakes)	834	850	841	840	840
Number of written examinations given	417	440	432	432	432
Number of practical examinations given	447	430	409	410	410
Number of new barber/instructor licenses issued	339	350	350	350	350
Number of new shop/school licenses issued	227	250	214	250	250

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of inspections conducted	2,065	3,200	1,454	1,236	1,051
Percent of total inspections passed	80	90	82	81	80
Number of complaints received	413	390	260	260	260
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of inspections conducted	2,065	3,200	1,450	1,236	1,051
Percent of inspections passed	80	90	82	81	80
Number of licenses revoked or suspended	0	2	3	2	2
Disciplinary actions	127	100	172	100	150
Disciplinary actions resulting in penalties	123	100	63	100	100

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of calendar days from receipt of application to acceptance or denial	.03	3	3.8	4	4
Administrative cost as a percent of total cost	7.5	10	4.9	10	10
Number of all licenses	8,056	8,254	7,856	7,900	7,944

Agency Summary

BOARD OF BEHAVIORAL HEALTH EXAMINERS

Tobi Zavala, Executive Director
Phone: (602) 542-1617
A.R.S. §§ 32-3251 to 32-3322

Mission:

To establish and maintain standards of qualifications and performance for licensed behavioral health professionals in the fields of counseling, marriage and family therapy, social work, and substance abuse counseling, and to regulate the practice of licensed behavioral health professionals for the protection of the public.

Description:

The Board licenses and biennially renews licensure for approximately 9,700 behavioral health professionals, requiring these professionals to 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,532.4	1,759.1	1,759.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,532.4	1,759.1	1,759.1
FTE Positions	17.0	17.0	17.0

5 Year Plan

Issue 1 Continued implementation of statutory and rule changes that became effective on November 1, 2015.
Description Laws 2013, Chapter 242 and Laws 2015, Chapter 154 represented the most sweeping legislative changes to behavioral health licensing since licensure was implemented in 2004.

Ongoing challenges related to the implementation:

1. Development of new processes and procedures for staff, committees, and for Board to align with statutory changes.
2. Increased volume in applications due to change in curriculum requirements.
3. Increased need for ongoing communication to applicants and licensees regarding new statutes/rules.
4. Increased traffic on an already antiquated database.

Solutions:

The Board plans to address these challenges as follows:

1. The Board will continue to provide regular training on new processes and procedures to staff, committees, and Board members.
2. The Board will continue to streamline application processing through increased use of electronic systems and maximizing staff resources.
3. The Board will continue to utilize the website to communicate updates due to statute/rule changes when possible, and also utilize direct mail or email to keep those regulated by the Board up to date.
4. The Board plans to have an updated licensing solution which offers much more online functionality for applicants and licensees as well as being an integrated database for staff use.

Issue 2 Continued reductions to the timeframe to process complaints.

Description The Board's only finding in the 08/31/2012 Performance Audit and Sunset Review by the Auditor General's office was that the Board should resolve complaints within 180 days of receipt. The Board's average resolution time frame in the report was 248 days. The average complaint resolution time frame for the four fiscal years since the 08/12 Audit Report was 229 days which represents a decrease of 8%.

Solutions:

The Board has made reducing the complaint processing time frame a priority and will continue to follow the recommendations set forth in the 08/12 Audit Report including:

1. Screening out complaints that do not require investigation.
2. Prioritizing complaints on the basis of risk.
3. Determining investigative staffing needs and hiring and retaining appropriate investigative staff.
4. Streamlining investigative processes.
5. Delegating administrative investigative tasks to support staff.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	17.0	17.0	17.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,759.1	1,759.1	1,759.1
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of application reviews completed within 180 days	98	90	98	98	98
Number of new and existing licenses issued	9,674	9,800	10226	10300	10300
Administration as a percentage of total cost	3.6	4.0	3.6	3.6	3.6
Applications received	1286	1300	1511	1511	1511
Individuals licensed	1027	1000	1157	1157	1157
Renewals received	3604	3700	4550	4000	4600
Average number of days to renew a license from receipt of application to issuance	11	10	11	10	10
Average number of days to process verifications	10	10	9	7	7
Verifications received	207	200	216	230	230
Numbers of inspections/investigations	509	400	439	450	450
Average days to resolve a complaint	360	300	269	220	220
Number of complaints received about licensees	118	120	133	130	130

Agency Summary

STATE BOARD FOR CHARTER SCHOOLS

Whitney Chapa, 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 for Charter Schools sponsors and regulates charter schools. The Board oversees the academic and operational compliance of charter holders and reviews the fiscal viability of the schools. The Board also continuously reviews applications for new and replication charter schools as well as renewal applications for existing schools.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,024.4	1,185.2	1,185.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	49.3	29.0	29.0
Total Funding	1,073.7	1,214.2	1,214.2
FTE Positions	13.0	13.0	13.0

Issue 1 Provide effective oversight of academic performance and hold charter schools accountable for high achievement to ensure all schools in its portfolio are providing a learning environment that improves pupil achievement.

Description Prior to 2010, the Board had not historically held its schools accountable for academic performance. Laws 2012, Ch. 155 required that in implementing its oversight and administrative responsibilities, the Board shall adopt a performance framework that includes “the academic performance expectations of the charter school and the measurement of sufficient progress toward the academic expectations.” The purpose of the academic performance framework is to communicate the Board’s academic expectations for ensuring all schools provide a learning environment that will improve pupil achievement and provide an additional academic choice for parents and pupils. Statute requires the Board ground its actions in evidence of a charter holder’s performance in accordance with its adopted performance framework.

While the adoption of an academic framework has strengthened the Board’s oversight of its schools, the Board’s administrative rules do not currently include the Board’s performance standards, and most charter holders are operating under contracts executed before the frameworks were developed. This has resulted in legal challenges to the use of the frameworks in Board decision making.

Successful implementation of the academic framework also relies on having access to data collected through the administration and evaluation of state assessments. In school year 2014-2015, the state transitioned to a new statewide assessment, AzMERIT, to measure math and English language arts proficiency for students in grades 3-12. Also in 2015, Senate Bill 1289 suspended A-F accountability letter grades for FY 2015 and FY 2016. Without A-F accountability letter grades until the 2017-2018 school year, the Board has been unable to calculate ratings for its schools under its academic framework for two years.

Solutions:

In January 2016, the Governor’s Office approved the Board’s request for an exemption from the rulemaking moratorium under Executive Order 2015-01 in order to proceed with Board rulemaking. The Board has engaged the services of a consultant to assist in writing rules to define the Board’s standards for the academic, financial and operational performance of the charter schools it sponsors. As of February 2016, the Board has been engaged in rulemaking concerning charter monitoring and oversight and expects to file a Notice of Proposed Rulemaking before the end of the year.

The Board has also convened its Academic Performance Framework Subcommittee and held several focus group meetings with stakeholders throughout the last year to revise its academic performance framework to address the moratorium on A-F accountability letter grades and transition to AzMERIT. In June 2016, the Board adopted revisions to its academic performance framework that reflect stakeholder feedback and align the Board’s framework with state accountability standards while reducing duplicative improvement and intervention processes. During FY 2017, the Board will continue to engage in discussions with stakeholders and policymakers regarding the state’s accountability system that is to be adopted by the State Board of Education in FY 2017 and implemented by the Department of Education beginning in FY 2018. The Board will begin rating its schools in FY 2018, based on school year 2016-2017 academic performance data.

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:

The Board will allocate additional resources to further develop ASBCS Online to provide charter school information electronically to the public, update the Board’s website to improve accessibility to charter school information, and develop a comprehensive annual report to be available on the Board’s website to improve the Board’s reporting on the annual performance of its charter schools.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	13.0	13.0	13.0
General Fund	1,185,200.0	1,185,200.0	1,185,200.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	29,000.0	29,000.0	29,000.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Board sponsored charters with one or more sites in operation	423	443	425	440	450
Number of Board sponsored charter school sites in operation	546	557	524	535	550
Number of annual on-site monitoring visits	42	60	21	50	100
Explanation: Reflects academic monitoring only.					
Number of on-site general monitoring visits.	31	52	22	18	25
Explanation: New measure in FY14 - separating academic from compliance monitoring visits					
Number of contract amendments processed annually not related to expansion.	778	975	1149	1200	1500
Explanation: Modified measure in FY14 to separate expansion from non-expansion requests processed.					
Number of contract amendments processed annually for expansion.	108	75	81	100	100
Explanation: New measure in FY14 Actuals. Numbers were previously included in an overall number of amendments processed.					
Number of charter holder annual audits reviewed.	394	405	404	412	412
Number of corrective action plans mandated based on fiscal or contractual noncompliance.	39	45	41	43	43
Explanation: Any non-compliance matter requiring further action by charter holder and the Board.					
Number of corrective action matters prepared for Board consideration.	20	20	28	22	22
Number of disciplinary actions that resulted in withholding of funds.	5	10	5	8	8
Number of Notices of Intent to Revoke Charter issued.	4	5	0	1	1
Explanation: Revocation proceedings cross fiscal years, but are only reported once.					
Number of charter contracts voluntarily surrendered.	3	8	9	8	8
Number of charter contracts surrendered under duress.	3	2	1	2	2
Number of F rated schools evaluated.	6	0	0	0	0
Explanation: Pursuant to Laws 2015, Chapter 76, the Department of Education will not assign school or school district letter grades in FY 2016 or FY 2017.					
Number of Consent/Settlement Agreements entered.	2	4	0	1	1
Number of charter contracts revoked.	1	5	0	1	2
Number of charter school sites closed.	27	15	12	10	7
Explanation: Includes surrendered and revoked charters, non-renewals, and other school closures.					
Number of student record requests processed.	210	270	415	500	500
Number of five-year interval reviews completed.	14	81	81	85	61

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of academic improvement plans reviewed.	52	52	0	72	70
Number of annual complaints regarding sponsored schools	89	80	50	60	60

Explanation: Complaints are reviewed for contractual compliance and processed accordingly.

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of new application packages reviewed by staff for administrative completeness.	24	15	15	14	12
Number of new application packages considered by the Board.	13	7	7	4	4
Number of new application packages approved by the Board.	13	7	6	4	4
Number of eligibility forms to replicate received.	3	10	18	10	10
Number of replication application packages processed.	13	8	6	8	8
Number of replication application packages approved by the Board.	13	8	6	8	8
Number of renewal applications prepared.	29	51	50	16	6

Explanation: Determination of application criteria based upon previous performance.

Number of renewal applications processed that do not meet the Performance Framework Expectations.	16	25	29	10	4
Number of renewal application packages approved by the Board without conditions.	20	25	50	16	6
Number of hearings for denied renewal applicants that file an appeal.	1	2	0	0	0

Agency Summary

DEPARTMENT OF CHILD SAFETY

Gregory McKay, Director
 Phone: (602) 255-2500
 A.R.S. §8-451

Mission:

To successfully engage children and families to ensure safety, strengthen families, and achieve permanency.

Description:

The Department of Child Safety (DCS) is Arizona’s State-administered child welfare services agency. DCS provides child abuse and neglect investigations; child safety and risk assessments; family support, preservation, and reunification services; family foster care and kinship care services; services to promote the safety, permanence, and well-being of children with foster and adoptive families; adoption promotion and support services; and health care services for children in out-of-home care.

The Department of Child Safety’s primary purpose is to protect children. To achieve this purpose, the Department shall accomplish the following in equal priority:

- Investigate reports of child abuse and neglect.
- Assess, promote and support the safety of a child in a safe and stable family or other appropriate placement.
- Work cooperatively with law enforcement regarding reports that include criminal conduct allegations.
- Without compromising child safety, coordinate services to achieve permanency on behalf of the child, strengthen the family and provide prevention, intervention and treatment for abuse and neglected children.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ INVESTIGATIONS AND OPERATIONS	261,294.5	276,649.0	291,349.9
➤ SUPPORT SERVICES	259,262.1	287,776.9	291,776.9
➤ OUT-OF-HOME CARE	166,886.2	170,155.6	170,155.6
➤ PERMANENCY	217,723.5	238,215.0	242,432.1
Agency Total:	905,166.3	972,796.5	995,714.5
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	410,766.7	379,179.4	402,097.4
Other Appropriated Funds	494,191.0	593,408.5	593,408.5
Other Non Appropriated Funds	208.6	208.6	208.6
Total Funding	905,166.3	972,796.5	995,714.5
FTE Positions	3,056.1	3,192.1	3,207.1

Issue 1 Improve Objective Decision-Making at the Hotline and Investigations

Description In a statewide agency with a large workforce and complex mission, clearly defined practice standards are critical to success. When calls come into the Hotline, it is important that each call is handled with accuracy and consistency in order to assure that DCS can respond timely and when appropriate. Similarly, clear safety assessment protocols are necessary when investigating allegations of abuse and neglect. As outlined in the deliverables below, DCS will establish data-informed standards, practices, and tools to improve decision-making, and implement team reviews of critical cases to establish a continuous quality review of practice.

Solutions:

Objective 1.1: Increase the accuracy of referral categorization at the Hotline

- Notify callers to the Hotline of false reporting penalties
- Hire dedicated audit staff to institute quality assurance reviews at the Hotline and continuously assess and improve inter-rater reliability among Hotline Specialists
- Analyze investigation outcome data with support from Casey Family Programs and Eckerd
- Complete policy analysis on the investigation/assessment of very low risk families
- Change Hotline screening tool in order to clarify the definitions, practice standards, and requirements to be a report for investigation, particularly unreasonable risk of harm
- Compile a report with recommended changes to statute and/or policy
- Institute Hotline screening tool and/or coaching to improve inter-rater reliability

Objective 1.2: Increase the accuracy of safety and risk assessments in investigations

- Create and implement administrative and clinical supervision guides for investigation cases
- Create and implement a considered removals guide aligned with the safety assessment model
- Implement Multi-Disciplinary Team (MDT) reviews of fatality/near fatality cases
- Expand the use of pre-removal Team Decision Making meetings
- Implement a revised safety and risk assessment documentation tool in the automated system

Objective 1.3: Increase utilization of the dashboard to better define workloads, develop action plans and accommodate volumes

- Create a dashboard to track overall case management
- Develop a utilization tracking of the dashboard and incorporate it as a MAP measure

Issue 2 Improve performance and quality of service through employee retention

Description One of the greatest challenges to the Department's success is the high rate of attrition among staff. This rate of turnover creates significant challenges for both business operations and field operations sides of DCS, and can translate to significant delays and costs. DCS will pursue a variety of strategies to significantly improve staff retention, including addressing the backlog, developing a method to compensate employees for a job well done, and offering more advanced training opportunities.

Solutions:

Objective 2.1: Create manageable workloads by addressing factors that contribute to the inactive backlog

- Reduce clerical workload per case manager by increasing the Case Aide to Specialist ratio
- Establish a continuous recruitment cycle specifically for retaining case aide positions
- Pilot the use of a field guide that facilitates the collection and entry of assessment information
- Recommend revisions to investigation procedures that aligns the use of agency resources with family risk level

Objective 2.2: Reduce the number of inactive cases, which includes investigations that have been open for 60 days or more with no new report in the most recent 90 days

- Create a data dashboard on overdue reports to be used for ongoing monitoring of overdue report volume and project management
- Analyze the capacity and extent allowed under statute and rules for community partners and contractors to assist with the backlog
- Categorize investigations open more than 60 days, according to well-defined procedures
- Create dedicated teams to assess and close investigations open more than 60 days, according to well-defined procedures

Objective 2.3: Improve job fit using behavioral characteristic analysis of applicants

- Develop behavioral characteristic profiles and apply profiles to screen potential job applicants
- Refine and centralize DCS exit interview survey data

Objective 2.4: Develop a compensation plan to recognize performance of all Department employees

- Evaluate and identify compensation strategies to implement Department wide
- Implement compensation plan payment

Objective 2.5: Increase advanced training opportunities for Child Safety Specialists and managers

- Host a supervisor summit that focuses on developing family engagement practice model skills
- Expand the eligibility criteria for the Certified Public Manager course
- Coordinate with ADOA to expand the leadership courses for supervisors with 2+ years' experience
- Develop advanced training curriculum for Specialists and Supervisors

Issue 3 Reduce length of stay for children in out-of-home care

Description It is the Department's responsibility to provide permanency as timely as possible for children placed in out-of-home care. Permanency planning begins the instant a child is placed in care and continues as an ongoing assessment of strengths and needs of the child and family. Improving timely permanency requires a multi-pronged approach of facilitating successful engagement with families, targeted staffings that allow sufficient time to discuss each case, clearly defined roles between the internal case transitions, and collaboration with the local courts and other partners.

Solutions:

Objective 3.1: Improve timeliness of reunification, guardianship, and adoption

- Use performance-based contracting for targeted child specific recruitment (CSR)
- Conduct targeted permanency staffings on cases with a goal of reunification, where the child has been in out-of-home care for 6 to 9 months, in Pima and Maricopa Counties
- Increase the availability and utilization of Permanency Team Decision Making meetings
- Implement evidence-based interventions: motivational interviewing, peer parent support program, trauma specific/trauma informed therapy
- Develop strategies to strengthen collaboration with the courts to address timely permanency

Objective 3.2: Improve casework transitions and division of labor to increase efficiencies

- Conduct a process improvement pilot on shared case management between ongoing and adoption
- Conduct a pilot in Pima Region to test early transfer of investigation cases to ongoing staff

Objective 3.3: Increase frequency of clinical supervision

- Implement administrative and clinical supervision guides for ongoing cases

Issue 4 Reduce recurrence of maltreatment by improving service delivery

Description Families that come into contact with DCS have varying levels of risk that result in the need of Department intervention. The timeliness of services and supports when DCS intervention is necessary is critical in successfully engaging families and expediting the time to recovery. Furthermore, providing services and supports both on the front-end and after DCS involvement would reduce the need for DCS intervention significantly, and in some cases entirely.

Solutions:

Outlined below are the objectives and deliverables that the Department is pursuing to meet the goal:

Objective 4.1: Expand the availability of in-home services to prevent repeat reports for investigations and foster care re-entry

- Contract for in-home prevention services in Maricopa County for low risk families who have been the subject of a DCS investigation
- Expand Substance Exposed Newborn Safe Environment (SENSE) units in the rural counties

Objective 4.2: Reduce waitlists for in-home and parent aid services

- Establish on-going monthly meetings with service providers and DCS regional management
- Conduct a process improvement project in collaboration with service providers and GTO to address factors contributing to the waitlist

Objective 4.3: Implement targeted prevention strategies to reduce the need for Department intervention

- Develop operating procedures to engage with faith-based resource website, The Care Portal Network
- Develop recommendations for community-based interventions in areas of high report volume
- Add more co-location relationships in high volume report areas

Issue 5 Improve capacity to place children in family environments

Description Positive outcomes for children in out-of-home care are more likely when placed in safe, family environments that meet their developmental needs and preserve their connection to values, beliefs and cultural legacies. In many cases, this sense of stability can be achieved by placing children with kin or in foster or adoptive placements. The Department is committed to engaging kin sooner, increasing the capacity of the foster home network, and evaluating ways to improve stability and retention of existing foster placements.

Solutions:

Objective 5.1: Increase the number of foster homes and the availability of foster home placements

- Conduct a process improvement project to reduce the time from application to licensure
- Conduct performance based contracting for foster home recruitment
- Review policy and rules related to expediting foster home licensing amendments
- Explore IT solutions for identifying available foster family placements upon removal of a child

Objective 5.2: Increase the time that children are placed with a kinship caregiver

- Increase use of Placement Coordinators to identify available kinship placements upon removal
- Expand the use of software tools, e.g. Lexis Nexis, to find potential kinship placements

Objective 5.3: Improve retention of existing licensed foster homes

- Establish Fostering Inclusion Respect Support Trust Advisory (FIRST) Commission
- Reinstitute Ice Breaker meetings with biological and foster parents

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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

INVESTIGATIONS AND OPERATIONS

Robert Navarro, CFO
Phone: (602) 255-2778
A.R.S. § 8-453

Mission:

To ensure the safety of children and promote services to enable them to achieve permanency in a safe and stable placement.

Description:

The Investigations and Operations functions of the Department investigate reports of child abuse and neglect, coordinate services to achieve permanency on behalf of the child, strengthen the family and provide prevention, intervention and treatment for neglected and abused children and provides administrative oversight and operating support to the programs within the Department.

This Program Contains the following Subprograms:

- ▶ Investigations and Operations
- ▶ Retention Pay
- ▶ Overtime Pay
- ▶ Training Resources
- ▶ Records Retention Staff
- ▶ Inspections Bureau
- ▶ Attorney General Legal Services
- ▶ General Counsel
- ▶ Internet Crimes Against Children
- ▶ Office of Child Welfare Investigations
- ▶ Caseworkers
- ▶ Backlog Privatization
- ▶ New Case Aides
- ▶ Litigation Expenses
- ▶ Payment Deferral

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	138,422.3	133,727.7	148,428.6
Other Appropriated Funds	122,872.2	142,921.3	142,921.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	261,294.5	276,649.0	291,349.9
FTE Positions	3,056.1	3,192.1	3,207.1

Subprogram Summary

INVESTIGATIONS AND OPERATIONS

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. §8-453

Mission:

To ensure the safety of children and promote services to enable them to achieve permanency in a safe and stable placement.

Description:

The Investigations and Operations functions of the Department investigate reports of child abuse and neglect, coordinate services to achieve permanency on behalf of the child, strengthen the daily and provide prevention, intervention and treatment for neglected and abused children and provides administrative oversight and operating support to the programs within the Department.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	92,441.1	57,797.8	69,190.9
Other Appropriated Funds	104,058.7	57,999.5	57,999.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	196,499.8	115,797.3	127,190.4
FTE Positions	2,657.9	1,311.9	1,326.9

- ◆ **Goal 1** To provide quality leadership and training opportunities to enhance the delivery of quality services and promote accountability.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of newly hired Department of Child Safety (DCS) Specialists completing training within seven months of hire.	45.0	45.0	0	N/A	N/A
Percent of complaints reviewed by the Office of the Citizens Aide where allegations are reported as valid by the Ombudsman.	26.0	30.0	19.91	N/A	N/A
Number of reports received.	51,064	52,596	49,118	N/A	N/A
Specialist response rate (percent)	99.0	100.0	99.2	N/A	N/A
Percent of reports that are substantiated	8.0	8.0	7.5	N/A	N/A
Percent of original dependency cases where the court denied or dismissed the dependency	0.3	0.3	.4	N/A	N/A
Percent of Office of Administrative Hearings (OAH) where case findings are affirmed	80.5	84.0	62.95	N/A	N/A
Agencywide customer satisfaction rating (scale 1-5)	3.8	4.0	3.55	N/A	N/A
Percent of OLR licenses to foster homes without a complaint	65.3	75.0	0	N/A	N/A

Subprogram Summary

RETENTION PAY

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-453

Mission:

To deter attrition and strengthen the workforce to ensure the safety and well-being for children.

Description:

This funding provides a one-time retention payment at the 18-month and 36-month benchmarks of employment as a DCS Specialist.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	630.6	1,707.0	1,707.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	630.6	1,707.0	1,707.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To deter attrition and retain quality staff.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of Specialists reaching 18-month benchmark	299	433	0	433	0
Number of Specialists reaching 36-month benchmark	106	249	0	249	0

Subprogram Summary

OVERTIME PAY

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-453

Mission:

To provide overtime funding for the Department of Child Safety.

Description:

This line is part of the Department's operating functions. Goals and performance measures for operations are included in the Investigations and Operations Program summary, CHA 1.0.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,509.2	2,593.9	2,593.9
Other Appropriated Funds	5,789.3	5,776.1	5,776.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	12,298.5	8,370.0	8,370.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

TRAINING RESOURCES

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-453

Mission:

To streamline and shorten the classroom training of caseworkers by building more caseworker training into the curriculum at Arizona State University.

Description:

The Department has agreements with Arizona State University and Northern Arizona University to recruit and train qualified caseworkers. Students who participate in this program receive scholarships that cover their tuition, books, and university fees. Scholarship students are required to sign a student agreement committing them to work for DCS after graduation for 1 to 2 years. If the student does not fulfil this work commitment, they are required to repay the DCS benefit received.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	150.0	150.0	150.0
Other Appropriated Funds	5,000.0	5,000.0	5,000.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,150.0	5,150.0	5,150.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide quality training to enhance the delivery of quality services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of students graduating from BSW program	19	28	0	28	0
Number of students graduating from MSW program	43	37	0	37	0

Subprogram Summary

RECORDS RETENTION STAFF

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-453

Mission:

To be more responsive and transparent in providing DCS records to DCS stakeholders.

Description:

This will fund staff who work on requests for information about children in the state child welfare system.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	498.4	496.9	496.9
Other Appropriated Funds	97.2	96.0	96.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	595.6	592.9	592.9
FTE Positions	5.0	5.0	5.0

◆ **Goal 1** To increase the number of completed records.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of records completed by Centralized Record Coordination Unit	13,814	17,040	14,825	17,040	N/A

Subprogram Summary					
INSPECTIONS BUREAU					
Robert Navarro, CFO Phone: (602) 255-2778 A.R.S. § 8-458					

Mission:

To ensure compliance of all Department policies and procedures in accordance with all federal and state laws and to promote continuous quality improvement throughout all Department functions and services.

Description:

The Inspections Bureau, also known as the Office of Quality Improvement (OQI), consists of the Ombudsman Office, the Process Improvement and Compliance Audit Unit, Program Development, Practice Improvement, the Critical Incident Review Unit, and Strategic Planning. Each function of OQI is focused on improving systems and practice and instilling a learning culture across the Department.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,335.6	1,327.0	1,327.0
Other Appropriated Funds	1,150.4	1,143.1	1,143.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,486.0	2,470.1	2,470.1
FTE Positions	31.0	31.0	31.0

◆ **Goal 1** To investigate, detect, and prevent fraud, waste, corruption, misconduct, abuse, inefficiencies, and mismanagement within DCS, including contractors, grantees, and subcontractors.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Internal Affairs investigations conducted	15	n/a	0	n/a	N/A

Subprogram Summary					
ATTORNEY GENERAL LEGAL SERVICES					
Robert Navarro, CFO Phone: (602) 255-2778 A.R.S. § 8-453					

Mission:

To provide the Department of Child Safety with high-quality and timely legal advice and representation to promote the safety and well-being of children and families.

Description:

The Attorney General Child and Family Protection Division is responsible for providing legal services to the Department of Child Safety. The division provides services on behalf of the children and families involved in the state's child welfare system through the Protective Services Section.

****NOTE:** Goals and performance measures for this program are included in the Master List for the Attorney General's Child and Family Protection Division.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	15,603.9	18,600.6	18,600.6
Other Appropriated Funds	5,867.9	6,816.2	6,816.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	21,471.8	25,416.8	25,416.8
FTE Positions	234.2	276.2	276.2

Subprogram Summary			
GENERAL COUNSEL			
Robert Navarro, CFO Phone: (602) 255-2778 A.R.S. § 8-453			

Mission:
To provide legal advice to the Department of Child Safety.

Description:
The General Counsel will provide legal advice to the Department of Child Safety and the Attorney General will continue to represent the Department in administrative or judicial hearings.

This line is part of the Department's operating functions. Goals and performance measures for operations are included in the Investigations and Operations Program summary, CHA 1.0.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	140.1	155.5	155.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	140.1	155.5	155.5
FTE Positions	1.0	1.0	1.0

Subprogram Summary			
INTERNET CRIMES AGAINST CHILDREN			
Robert Navarro, CFO Phone: (602) 255-2778 A.R.S. § 8-453			

Mission:
To develop an effective response to cyber enticement and child pornography.

Description:
The funding provides a grant to the Internet Crimes Against Children Task Force (ICAC). ICAC is a joint federal/local law enforcement task force that investigates child pornography. The program was developed in response to the increasing number of children using the internet and heightened online activity by predators seeking contact with potential underage victims.

Monies in the line item are passed through to ICAC Task Force operated by local police departments.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	350.0	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	350.0	0.0	0.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary			
OFFICE OF CHILD WELFARE INVESTIGATIONS			
Robert Navarro, CFO			
Phone: (602) 255-2778			
A.R.S. § 8-471			

Mission:

To protect children by investigating criminal conduct allegations of child abuse or neglect within the State of Arizona.

Description:

The Office of Child Welfare Investigations (OCWI) was legislatively established in 2012, following the recommendation from the Arizona Child Safety Task Force, to investigate criminal conduct allegations, coordinate with the Department and law enforcement, establish task forces for the investigation of criminal conduct, and other duties assigned by the director. OCWI is comprised of highly experienced former law enforcement and Department Specialists who work collaboratively with the Department to protect children and assess, respond, and investigate all criminal conduct allegations received by the Intake Bureau.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,462.6	9,509.1	9,509.1
Other Appropriated Funds	908.7	1,102.0	1,102.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	7,371.3	10,611.1	10,611.1
FTE Positions	127.0	127.0	127.0

◆ **Goal 1** To conduct a joint investigation for all reports that contain a criminal conduct characteristic

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of OCWI investigations that were jointly investigated	94.0	98.0	99	N/A	N/A
Percentage of all criminal conduct reports that received a joint investigation	47.0	47.0	71	N/A	N/A

Subprogram Summary			
CASEWORKERS			
Robert Navarro, CFO			
Phone: (602) 255-2778			
A.R.S. § 8-453			

Mission:

Description:

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	36,199.5	37,036.1
Other Appropriated Funds	0.0	64,418.2	64,418.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	100,617.7	101,454.3
FTE Positions	0.0	1,406.0	1,406.0

Subprogram Summary

BACKLOG PRIVATIZATION

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-453

Mission:

Description:

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	433.2	2,700.0	2,700.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	433.2	2,700.0	2,700.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

NEW CASE AIDES

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-453

Mission:

Description:

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	2,490.4	2,490.4
Other Appropriated Funds	0.0	570.2	570.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	3,060.6	3,060.6
FTE Positions	0.0	34.0	34.0

Subprogram Summary

LITIGATION EXPENSES

Robert Navarro, CFO
Phone: (602) 255-2778
A.R.S. § 8-453

Mission:

Description:

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,867.6	0.0	2,471.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,867.6	0.0	2,471.2
FTE Positions	0.0	0.0	0.0

Subprogram Summary

PAYMENT DEFERRAL

Robert Navarro, CFO
Phone: (602) 255-2778
A.R.S. § 8-453

Mission:

Description:

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,000.0	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	11,000.0	0.0	0.0
FTE Positions	0.0	0.0	0.0

Program Summary

SUPPORT SERVICES

Robert Navarro, CFO
Phone: (602) 255-2778
A.R.S. § 8-802, 8-481, 8-453

Mission:

To promote services for children to enable them to be safe and live with strong families so they can be successful in life.

Description:

The support services provide an array of services to clients both in out-of-home and in-home placements.

This Program Contains the following Subprograms:

- ▶ Preventive Services
- ▶ In-Home Mitigation
- ▶ Out-of-Home Support Services
- ▶ DCS Child Care Subsidy
- ▶ Intensive Family Services

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	119,491.1	83,727.2	87,727.2
Other Appropriated Funds	139,562.4	203,841.1	203,841.1
Other Non Appropriated Funds	208.6	208.6	208.6
Total Funding	259,262.1	287,776.9	291,776.9
FTE Positions	0.0	0.0	0.0

Subprogram Summary

PREVENTIVE SERVICES

Robert Navarro, CFO
Phone: (602) 255-2778
A.R.S. § 8-453

Mission:

Description:

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	4,000.0	4,000.0
Other Appropriated Funds	0.0	11,148.3	11,148.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	15,148.3	15,148.3
FTE Positions	0.0	0.0	0.0

Subprogram Summary

IN-HOME MITIGATION

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-802, 8-481, 8-453

Mission:

To provide services that assist in supporting and improving the family unit with the goal of maintaining children in the home and reunifying the family whenever safely possible.

Description:

In-home children services seek to prevent further dependency or child abuse and neglect through provision of social services to stabilize family life and preserve the family unit. These services, including voluntary services without court involvement and court-ordered in-home intervention, are available statewide. Services include parent aide, parenting skills training, counseling, self-help, and contracted case management. Families may also receive referrals for services provided by other state agencies including behavioral health services and other community resources.

Contracted services provided are available statewide. Services are provided based upon the needs of the child and family through collaborative partnerships between DCS, community social service agencies, family support programs, and other community and faith-based organizations. Cases served include voluntary foster care, in-home court intervention, in-home dependency, integrated services, and other in-home support cases.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	13,835.1	15,794.0	19,794.0
Other Appropriated Funds	22,443.3	13,194.1	13,194.1
Other Non Appropriated Funds	208.6	208.6	208.6
Total Funding	36,487.0	29,196.7	33,196.7
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To enhance the stability of families being served by DCS to create safe, stable, and nurturing home environments by providing cost-effective services that promote the safety of all family members.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of families receiving in-home services	6,792	7,000	6,813	N/A	N/A
Number of children receiving services through Healthy Families	4,913	5,200	4,625	N/A	N/A

Subprogram Summary

OUT-OF-HOME SUPPORT SERVICES

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-802, 8-453

Mission:

To provide safe and stable placements for children who have been removed from their home.

Description:

Out-of-home support services provide support services for children who have been removed from their homes and their families to assist in reunifying the family and allowing children to safely return to their homes. These primary services provided services include allowances, parent aide, transportation, in-home services, independent living, foster home recruitment, and substance abuse treatment.

The Out-of-Home Support Services subprogram also include the Comprehensive Medical and Dental Program (CMDP) which provides medical and dental care for children in foster care who are under the jurisdiction of the Department, the Arizona Department of Juvenile Corrections, or the Administrative Office of the Courts/Juvenile Probation Offices. CMDP operates as an acute health care plan under the Arizona Health Care Cost Containment System (AHCCCS) for children who are determined Medicaid eligible.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	88,735.2	56,933.2	56,933.2
Other Appropriated Funds	76,200.4	141,339.3	141,339.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	164,935.6	198,272.5	198,272.5
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote recovery from alcohol and drug abuse

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of DCS clients referred for substance abuse treatment services	6,600 est.	6,900	9,311	6,900	0

◆ **Goal 2** To provide medical and dental care for children in foster care.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average number of children enrolled	16,833	17,480	18,722	0	0

Subprogram Summary

DCS CHILD CARE SUBSIDY

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-453

Mission:

To support the families and individuals caring for children in the Department's custody by providing quality child care services.

Description:

Child care services may be provided to maintain and strengthen families who have an open case, are receiving voluntary services, or whose children are dependent wards of the court but remain in the parent's physical custody. Child care services may also be provided as a support service for out-of-home care providers to enable the providers to work, participate in educational activities, or handle emergency situations.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,420.8	7,000.0	7,000.0
Other Appropriated Funds	40,918.7	38,159.4	38,159.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	49,339.5	45,159.4	45,159.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide quality child care for children that in the custody of the Department of Child Safety

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average number of DCS children receiving child care subsidy per month	9,256	10,140	9,901	N/A	N/A

Subprogram Summary	
INTENSIVE FAMILY SERVICES	
Robert Navarro, CFO Phone: (602) 255-2778 A.R.S. § 8-802, 8-453	

Mission:

To provide crisis-oriented service activities for families where conditions represent a threat to child safety and whose children are at significant risk of out-of-home placement due to abuse or neglect.

Description:

Intensive family services provide contracted, intensive, time-limited services in the home to families whose children are at imminent risk of out-of-home placement due to abuse, neglect, or dependency. These services are also delivered to families where a child has been removed from the home with the goal of reunifying the family.

Description, goals and performance measures for this program are contained in the In-Home Preventative Services, CHA 4.2, and Out-of-Home Support Services, CHA 4.3.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,500.0	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	8,500.0	0.0	0.0
FTE Positions	0.0	0.0	0.0

Program Summary

OUT-OF-HOME CARE

Robet Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-846

Mission:
To provide permanence, stability, and continuity of care in safe placements that meet the needs of children who enter out-of-home care.

Description:

This Program Contains the following Subprograms:

- ▶ Emergency and Residential Placement
- ▶ Foster Care Placement
- ▶ Grandparent Stipends
- ▶ Independent Living Maintenance

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	76,115.4	75,184.8	75,184.8
Other Appropriated Funds	90,770.8	94,970.8	94,970.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	166,886.2	170,155.6	170,155.6
FTE Positions	0.0	0.0	0.0

Subprogram Summary

EMERGENCY AND RESIDENTIAL PLACEMENT

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-514

Mission:
To provide permanence, stability, and continuity of care in safe homes that meet the needs of children who enter out-of-home care. Services included, but are not limited to, case management, permanency planning, provision of out-of-home care, and other out-of-home support services to individuals or families.

Description:

Description, goals, and performance measures for this program are contained in the Foster Care Placement Program, CHA 3.3, as these programs operate in concert with one another.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	43,428.0	41,028.0	41,028.0
Other Appropriated Funds	59,866.6	57,872.1	57,872.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	103,294.6	98,900.1	98,900.1
FTE Positions	0.0	0.0	0.0

Subprogram Summary

FOSTER CARE PLACEMENT

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-514

Mission:

To provide permanence, stability, and continuity of care in safe homes that meet the needs of children who enter out-of-home care. Services included, but are not limited to, case management, permanency planning, provision of out-of-home care, and other out-of-home support services to individuals or families.

Description:

Out-of-home placement services are available statewide for children who are unable to remain in their homes due to immediate safety concerns or impending and unmanageable risk of maltreatment. Placement services promote safety, permanency, and child and family well-being through supervision and monitoring of children in out-of-home placement, and support of the out-of-home caregiver's ability to meet the child's needs.

Placement types include emergency shelters, kinship homes, foster homes, adoptive homes, group homes, residential treatment centers, and independent living subsidy arrangements.

Goals and performance measures for the Foster Care Placement Program, Emergency and Residential Placement line items are contained in this subprogram summary.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	29,079.5	30,187.5	30,187.5
Other Appropriated Funds	29,484.4	35,408.0	35,408.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	58,563.9	65,595.5	65,595.5
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote permanent placements for children who enter out-of-home care.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of children in out-of-home care (*point in time 6/30)	18,059	19,000	18,434	N/A	N/A
Percent change in number of children in out-of-home care (*point in time 6/30)	9.0	5.0	2	N/A	N/A

◆ **Goal 2** To enhance children's health and development by providing stable and nurturing environments.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of children remaining in shelter more than 21 days	900	776	946	N/A	N/A
Average number of days spent in shelter care for those children in shelter care 21 days or longer	104	100	102.5	N/A	N/A
Number of children under 3 in shelter care as of June 30	32	25	31	N/A	N/A
Number of children under 6 in group homes as of June 30	49	45	107	N/A	N/A

Subprogram Summary

GRANDPARENT STIPENDS

Robert Navarro, CFO
Phone: (602) 255-2778
A.R.S. § 8-453

Mission:

To provide permanency for children by providing a monetary stipend to grandparents who are caring for their grandchildren who have been placed in their homes by the Department.

Description:

The Grandparent Stipend program provides a monthly stipend to grandparents, who are unlicensed kinship placements, to assist in offsetting costs associated with caring for a grandchild who has been placed in their home by the Department.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	888.6	1,000.0	1,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	888.6	1,000.0	1,000.0
FTE Positions	0.0	0.0	0.0

- ◆ **Goal 1** To increase permanency for children who have been placed in the homes of their grandparents by providing a monthly stipend to unlicensed grandparents.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average number of children receiving Grandparent Stipend per month	964	1,100	836	N/A	N/A

Subprogram Summary

INDEPENDENT LIVING MAINTENANCE

Robert Navarro, CFO
Phone: (602) 255-2778
A.R.S. § 8-521

Mission:

To provide young adults with the opportunity to achieve self-sufficiency with independent living skills.

Description:

The independent living maintenance program provides stipends to former foster youth between 18 and 21, who are now living on their own and are either enrolled in a post secondary program or employed.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,719.3	2,969.3	2,969.3
Other Appropriated Funds	1,419.8	1,690.7	1,690.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,139.1	4,660.0	4,660.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To assist young adults achieve self-sufficiency.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Young Adult Independent Living Subsidy participants (*point in time 6/30)	485	490	500	N/A	N/A

Program Summary	
PERMANENCY	
Robert Navarro, CFO Phone: (602) 255-2778 A.R.S. § 8-814	

Mission:

Description:

This Program Contains the following Subprograms:

- ▶ Adoption Services
- ▶ Permanent Guardianship Subsidy

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	76,737.9	86,539.7	90,756.8
Other Appropriated Funds	140,985.6	151,675.3	151,675.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	217,723.5	238,215.0	242,432.1
FTE Positions	0.0	0.0	0.0

Subprogram Summary	
ADOPTION SERVICES	
Robert Navarro, CFO Phone: (602) 255-2778 A.R.S. § 8-141 - 8-173	

Mission:

To promote timely placements of children into permanent adoptive homes, to provide adoption support services to these children and families to maintain the placement and to provide for the special needs of the children who are adopted.

Description:

The Adoption services program primarily provides adoption subsidy maintenance payments to adoptive parents who adopt a special needs child. A special needs child is defined as A.R.S. § 8-841 as a child with, or at risk of, a physical, mental, or developmental disability, an emotional disturbance; or with characteristics that made adoption more difficult, such as children age six and older, sibling groups, or racial/ethnic factors. The physical, mental, or emotional disorders may be a direct result of the abuse or neglect the children suffered before entering the child welfare system.

In addition to monthly subsidy payments, the Adoption Services program provides special services, non-recurring adoption costs, and adoptive home recruitment. Special services included payments for services not covered by the subsidy, such as specialized therapy, accommodations for a disability or other specialized services needed to maintain the adoptive placement. Non-recurring costs are legal costs associated with the adoption process.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	66,765.8	75,965.8	80,182.9
Other Appropriated Funds	139,242.6	149,732.3	149,732.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	206,008.4	225,698.1	229,915.2
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote placements in permanent adoptive homes.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of children with finalized adoptions	3,079	3,356	3,406	N/A	N/A
Percent of adoptions within 24 months	49.0	53.0	49.48	N/A	N/A

Subprogram Summary

PERMANENT GUARDIANSHIP SUBSIDY

Robert Navarro, CFO
 Phone: (602) 255-2778
 A.R.S. § 8-814

Mission:

To provide permanency for children by strengthening the guardianship placement with a monetary subsidy to persons appointed permanent guardians of a dependent child.

Description:

The permanent guardianship subsidy provides a monthly partial reimbursement to caretakers appointed as permanent guardians of children in the care, custody, and control of the Department. These are children for whom reunification and adoption has been ruled out as unachievable or contrary to the child's best interest. Many of the permanent homes supported by Subsidized Guardianship are kinship placements.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	9,972.1	10,573.9	10,573.9
Other Appropriated Funds	1,743.0	1,943.0	1,943.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	11,715.1	12,516.9	12,516.9
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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average number of children receiving subsidized guardianship payments	2,289	2,734	2,574	N/A	N/A

Agency Summary

BOARD OF CHIROPRACTIC EXAMINERS

Justin Bohall, Executive Director
Phone: (602) 542-9101
A.R.S. § 32-900 et. seq.

Mission:

To protect the health, welfare, and safety of Arizona citizens through the enforcement of laws governing the practice of chiropractic.

Description:

The Board conducts examinations and evaluates applications from chiropractors seeking initial licensure, renewal of licensure, and 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	398.7	451.1	472.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	398.7	451.1	472.9
FTE Positions	4.5	4.5	4.5

5 Year Plan

Issue 1 Secure adequate revenues to address the Board's declining fund balance.

Description Current licensure and renewal fees have not been adjusted since 2002. Despite efforts to minimize expenditures; declining numbers of new applicants as well license renewals had made it impossible to collect revenues in excess of expenditures since FY 2007. Currently, due to the expanded growth of Arizona in FY 15 and FY 16, the Board is seeing an increase in the numbers of Chiropractic Physicians returning to practice in Arizona.

Solutions:

The Board of Chiropractic Examiners has made several savings, both one time and ongoing, to reduce expenditures from the Chiropractic Examiners Board Fund. While the Board continues to make efficiencies everywhere possible there are costs that continue to rise outside of the control of the Board. It is for this reason that the Board submitted an Omnibus Bill in the 2015 Legislative Session which included language authorizing the Board to adjust fees on an annual basis. Through this legislation the Board obtained the ability to adjust some licensure fees in modest amounts to ensure that the Board can begin each fiscal year with a healthy fund balance. The Board is considering the first modification to its fees in nearly 20 years.

Issue 2 Improve the timelines to complete investigations, formal interviews and formal hearings.

Description While FY2014 resulted in the Board's ability to increase the percentage of complaints resolved within 180 days of receipt with no hearing required as well as the average number of months to resolve administrative hearings; the Auditor General's Office recommends that cases be concluded within 180 days.

Solutions:

The Board made changes to the personnel structure, separating the duties of the Deputy Director from that of the Investigator, allowing the Investigator to focus his/her full attention to the receipt, analysis, presentation and processing of all complaints through final adjudication.

The Board approved the establishment of an Interagency Service Agreement with the Attorney General's office to provide for the appointment of a dedicated Assistant Attorney General to represent the Board, prevent the risk of interrupted services, and enhance the timely completion of Formal Interviews and Formal Hearings.

The Board is continuing to reduce the amount of time involved in a case by streamlining the complaint process and having a qualified and trained investigator review and process complaints.

Issue 3 Update information technology to ensure capable tracking of licensure and complaint activities.

Description The Board's previous Access database had been in use for over 10 years and did not possess adequate capabilities for the integration and tracking of all the above-referenced processes. There was concern the system would have begun to disintegrate or lose critical data.

Solutions:

The Board has an established relational database provided by GL Solutions, Inc. This relational database capable of tracking all licensure, certification, registration, complaint and enforcement processes; interfacing public information to the Board's website and ultimately enabling on-line renewals and electronic payment processing. The Board completed the first online renewal process in the winter of 2015. Over half of the Board's licensees utilized the online system and provided very positive feedback to the Board regarding its ease of use and efficiencies. The Board hopes to have expanded use in the next renewal season. The Board has also begun to accept electronic forms of payment, reducing the processing time for the public and licensees.

Issue 4 Provide access to the Board's jurisprudence examination, completion of which is required for licensure.

Description Previously applicants for licensure in Arizona were required to be physically present at the Board's office in order to take the required exam. Many applicants do not reside in Arizona and must make travel arrangements in order to complete this step of the licensure process.

Solutions:

Board staff established an online exam for out of state applicants through a secure testing process. The Board is making long term plans to expand the use of the online system for all applicants.

Issue 5 Establish the capability of accepting licensure and payment for services in electronic formats.

Description The Board previously only accepted hard copy applications for renewal and payments in the form of check or money order.

Solutions:

The above-referenced database by GLSolutions has the capability to provide for online renewals and electronic payment processing. The Board is now accepting online renewals and electronic forms of payment. The system has reduced the amount of staff time in processing license renewal applications and in processing checks or money orders.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	4.5	4.5	4.5
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 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of applications for licensure received	84	80	103	86	90
Explanation: This measure is used to assess future revenues.					
Average number of days between receipt of complete application and Board action	19	25	19	25	25
Explanation: This performance measure determines if the Board is meeting the licensing time frames required in law.					
Number of new licenses issued	77	70	75	71	73
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	2,358	2,369	2362	2,350	2357
Percent of license renewal applications processed within 15 business days	100	95	100	95	95

◆ **Goal 2** To investigate promptly complaints filed against licensees throughout the state and to proactively identify risks to the consumer public. To timely and knowledgeably determine if a matter should be dismissed or proceed to hearing, to conduct formal interviews and hearings in a timely manner, and to impose appropriate sanctions on those found to have violated the public trust.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of new complaints filed	98	120	52	120	120
Percent of complaints resolved within 180 days of receipt with no hearing required	51	50	33	50	50
Average number of months to resolve an administrative hearing	8	5	1	4	4
Total number of investigations conducted	65	110	75	100	100

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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	97	97	97
Administration as a percent of total cost	11	12	11	12	12

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Self assessment surveys returned.	14	30	30	30	30
Percent of complaint investigations that the Board found to be outside of its jurisdiction.	1	1	1	1	1

Agency Summary

CLEAN ELECTIONS COMMISSION

Thomas M. Collins, Executive Director
Phone: (602) 364-3477
A.R.S. §§ 16-901 et seq

Mission:

To fairly, faithfully, and fully implement and administer the Arizona Citizens Clean Elections Act.

Description:

The Citizens Clean Elections Act (Act) is a campaign finance reform measure initiated by Arizona Citizens and passed by voters in 1998. The Act provides for campaign financing for qualified candidates, enhanced campaign finance enforcement and reports for state and legislative candidates and independent expenditures. The Act also provides for voter and public education, including the sponsorship of debates and the publication of the primary and general election candidate statement pamphlets. The Act is administered and enforced by the Citizens Clean Elections Commission.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,340.9	10,423.4	10,423.4
Total Funding	4,340.9	10,423.4	10,423.4
FTE Positions	6.6	6.6	6.6

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 Public Education and Public Relations

Description Inform citizens about public issues related to the Citizens Clean Elections Act

Solutions:

To provide the public with communications, reports and publications that are clear and informative.

To effectively use all channels of communication, including new technologies, to publicize the Act and its implementation.

To provide leadership for outreach activities, including debates, public participation, candidate awareness and media relations.

To provide visibility to the new rules, policies and procedures promulgated by the Commission.

To evaluate and improve the effectiveness if the educational programs and information that the Commission provides to the public.

The successfully inform voters about the candidates running for statewide and legislative offices through candidate debates, statement pamphlets, and online publications.

Continue to promote understanding of Arizona's political system and constructive participation within the system.

Issue 3 Training, Management Development, and Commission Operations

Description Ensure that the staff is competent to carry out the objectives and mandates of the Act

Solutions:

Ensure that the staff understands the Commission's mission and the expectations of their jobs.

Eliminate or combine jobs as necessary to maintain a lean staff

Utilize contract services or other services of other agencies

Attend management and leadership classes by staff members.

Issue 4 Enforcement

Description To facilitate easier and more universal compliance with the Citizens Clean Elections Act

Solutions:

Provide frequent and effective client education programs and publications.

Simplify and improve reporting forms and procedures.

Provide clarity and consistency in actions taken by the Commission.

Revise candidate training programs to address new issues and to promote compliance.

Assist the Secretary of State to provide and continually improve a campaign finance management software application and encourage its use by the maximum number of political committees and political funds.

Issue 5 Financial, Fiscal Operations, Information Systems and Strategic Planning

Description To abide by the statutory expenditure authority. To plan, develop and implement effective and efficient information systems that will help the Commission carry out its mission.

Solutions:

Monitor the amounts expended from the budget to ensure that expenditures do not exceed funds available.

Ensure that the revenues from other agencies are paid into the fund.

Use technology more effectively to identify compliance problems and to provide clients with resources to avoid problems.

Evaluate and improve the Commission's financial activities on an ongoing basis.

Ensure the Commission's educational obligations are met as efficiently and effectively.

Determine when the fund contains insufficient monies or the spending cap would be exceeded were all candidates' accounts to be fully funded as early as possible.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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	11,732.6	11,732.6	11,732.6
Federal Funds	0.0	0.0	0.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of certified participating candidates (calendar years)	0	70	44	0	70
Total funds distributed to participating candidates (calendar years in thousands)	0	3,500.0	1,789.2	0	5,250.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of candidates submitting candidate statements (calendar years)	0	200	317	0	375
Number of candidate statement pamphlets mailed to AZ households (calendar years in thousands)	0	3,700	3,600	0	3,700

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of cap applied to voter education (calendar years)	10	10	10	10	10
Percent of cap spent on administration and enforcement (calendar years)	0.8	9.0	8.0	9.0	9.0

Agency Summary

ARIZONA COMMERCE AUTHORITY

Sandra Watson, CEO
Phone: (602) 845-1215
41-1501

Mission:

To provide private sector leadership in growing and diversifying the economy of Arizona, create high quality employment through expansion, attraction and retention of business, and market Arizona for the purpose of expansion, attraction and retention of businesses.

Description:

The Arizona Commerce Authority 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	26,722.7	21,800.0	21,800.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	28,320.9	33,996.2	33,169.4
Total Funding	55,043.6	55,796.2	54,969.4
FTE Positions	59.6	66.6	61.6

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	71.0	71.0	71.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	62.0	62.0	62.0
Federal Funds	9.0	9.0	9.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of companies participating in trade events	305	300	304	300	300
Number of substantive export and trade related technical assistance sessions provided to export-related, growth-potential companies and individuals	300	250	290	250	250
Number of trade events (trade shows, trade missions, conferences and workshops)	23	20	33	n/a	n/a

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of workers under contract to be trained	10,050	5,000	3,808	n/a	n/a
Explanation: Funding terminated in FY 2016					
Number of companies assisted	56	30	29	n/a	n/a
Explanation: Funding terminated in FY 2016					
Number of new jobs created as a result of grant program	4,508	3,000	3,782	n/a	n/a
Explanation: Funding terminated in FY 2016					
Percent of Job Training funds distributed to small businesses	30.0	25.0	13	n/a	n/a
Explanation: Funding terminated in FY 2016					

- ◆ **Goal 3** To Provide technical assistance to Arizona manufacturers through individual engagements, multi-company training workshops, and RevAZ programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Hosted Multi-Company Workshops	12	12	15	16	16
Number of Formally Presented Manufacturing Assistance Webinars	4	2	2	n/a	n/a
Number of ExporTech session rounds of program	2	4	2	3	3
Number of Client Engagements	57	80	85	80	100

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Potential foreign investors attracted to Arizona for site visits	20	15	13	n/a	n/a
Foreign delegations served (attracted or assisted)	17	12	15	n/a	n/a

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Jobs created by companies utilizing Arizona Commerce Authority business development programs	18,314	17,000	17,629	18,000	18,000
Average hourly wage rate per job	24.91	25.0	24.42	26.00	26.00
Number of new company relocations/expansions	120	85	105	n/a	n/a
Locate/expansion capital investments (in millions)	1,510	1,300	920	1,500	1,500
Number of companies recruited to rural locations	14	20	9	20	20

Agency Summary

CONSTABLE ETHICS STANDARDS AND TRAINING

Mike Cobb, Chairman
 Phone: (928) 727-9728
 A.R.S. 22-136

Mission:

To set the professional standards for constables throughout Arizona, ensures that every constable is meeting their continuing education requirements, and provides supplemental funding to counties for constable training and equipment. The board also investigates complaints against constables.

Description:

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	247.3	497.7	497.7
Total Funding	247.3	497.7	497.7
FTE Positions	247.3	497.7	497.7

5 Year Plan

Issue 1 Constable Code of Conduct

Description Revise Constable Code of Conduct

Solutions:

Establish a subcommittee of membership to begin revision of 2002 constable code of conduct and present progress to the Board

Issue 2 Internal Policies and procedures

Description Revise the CAN internal policies and procedures

Solutions:

Staff to update and revise the internal policies and procedures on handling complaints, public records requests, grant process and general record keeping

Issue 3 Website

Description Update website and maximise the capabilities

Solutions:

Staff to work with the Board to update the website and add new features to include training and complaint history database, historic documentation including board meeting agendas and minutes

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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	497.7	497.7	497.7
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To investigate and resolve complaints against constables

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
The number of complaints against constables received by the Board	36	10	20	10	10
The number of complaints against constables resolved by the Board	25	10	20	10	10
The number of constables	88	88	88	88	88

◆ **Goal 2** To distribute grants for constable training & equipment

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
The number of grants awarded	26	30	21	30	30

◆ **Goal 3** To ensure compliance with constable training reporting requirements

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of constables reporting approved training	77	88	82	88	88
Number of writs served	58,761	60,000	57,220	60,000	60,000

Agency Summary

REGISTRAR OF CONTRACTORS

Jeffrey Fleetham, Director
 Phone: (602) 542-1525
 A.R.S. § 32-1101 et seq.

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 was established in 1931. The Registrar 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, if warranted, determining appropriate disciplinary action against licensed contractors and unlicensed entities. Complaints against licensed contractors that go unresolved may result in discipline of licenses. Complaints against unlicensed entities may result in criminal convictions, including jail time, fines, and restitution. The Residential Contractors' Recovery Fund, which consists of statutory assessments held in trust, is managed by the Agency and allows for reimbursement to eligible homeowners for poor workmanship or non-performance by a licensed residential contractor.

The Registrar 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 Agency does not receive State General Fund money.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ REGULATORY AFFAIRS	8,510.0	12,165.4	12,165.4
Agency Total:	8,510.0	12,165.4	12,165.4
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,510.0	12,165.4	12,165.4
Other Non Appropriated Funds	3,206.6	4,666.8	4,666.8
Total Funding	11,716.6	16,832.2	16,832.2
FTE Positions	86.1	109.7	109.7

Issue 1 Inadequate Public Awareness of Agency Activities

Description The Agency has not properly educated the public about its existence, purpose and the importance of hiring licensed contracting professionals. Prior to 1990, Agency records indicate that we infrequently placed paid advertisements in local newspapers. While earned media has been possible, little evidence of proactive engagement with the media exists. The press has covered the Agency's work with local law enforcement and the National Association of State Contractors Licensing Agencies. There's also been an annual press release regarding 'storm chasers' to curb exploitation of property owners after natural disasters. Beyond that, we've had limited interaction with the media. The Agency has prepared a newsletter, but this activity has been inconsistent from director to director. Finally, a widely known issue was the current design of the Agency's website and its presentation of information.

Solutions:

During the last year, the Agency secured an email service provider to communicate effectively and efficiently with licensed contractors, contracting associations and the media. With this email service provider, the Agency disseminates timely press releases regarding discipline of licensed contractors and actions taken against unlicensed entities. The Registrar is also emailing a monthly newsletter to all of the contracting associations and our 27,000 licensed contractors. In addition, the Agency secured two advertisement buys in rural newspaper markets in FY 2016. This helps us reach people who are not covered by Phoenix and Tucson television markets or the Internet. Finally, the Registrar launched a newly-designed and intuitive website in July 2016.

Within the next five years, the Agency will continue to increase public awareness of Agency activities. We will continue to use press releases to proactively engage with the media and the public. The Agency PIO will work with appropriate vendors and resources to develop Video PSAs and explore the potential of additional advertisement buys in rural papers. Facebook and Twitter accounts were established in FY 2016, and the Agency will continue to grow its social media presence. We will continue to improve the Agency's newsletter to target and educate industry constituents. In addition, we will monitor analytics from our new website to push pertinent information and promote rankings to better serve the public at large. We will also increase our collaborative efforts so the public knows why they should hire licensed contractors. This is particularly important after natural disasters; we will respond actively. Clearly labeled Agency vehicles will also continue to increase public awareness.

Issue 2 Database Does Not Meet Agency Needs

Description The Registrar is responsible for licensing, compliance and consumer complaint resolution for over 36,000 contracting entities in Arizona. These contractors include general, mechanical, electrical, roofing, swimming pool and other scopes. At the moment, requests are submitted primarily on paper. The Registrar's current case and license management system allows for online renewals, but that's the extent of our online interaction. The Agency's system lacks web-enabled interfaces. This is an inconvenience for the public, and it's inefficient for our staff. In addition, our case management system does not have the flexibility we need to fully automate some of our processes. Even if the Agency developed an external application to automate these processes, the current system couldn't use data from an external source to update the case management system. Those updates require manual data entry.

Solutions:

The Registrar has selected and is implementing a modern commercial off-the-shelf (COTS) solution that will streamline Agency processes and improve the services we provide. This solution will address a number of our concerns, including lack of external data interface functionality, limited data entry validation and limited configurability. It will also help us extend interactive options to our constituents. With these modern applications, the public will submit forms and supporting documentation while the system validates the minimum elements that are required for their submittal.

The Registrar is working toward the Governor's mandate to increase automation by taking advantage of the Department of Administration's enterprise-wide solutions. The Agency is also working with Apple and IBM to develop a new mobility platform that will interact with the COTS solution. Our field investigators will conduct their jobsite investigations more efficiently, and they will complete their follow-up work with a solution custom-developed for the Agency. The Registrar will take advantage of limited customization while we use the COTS system on the back end to host our data.

Issue 3 Inconsistent Customer Service

Description The Registrar engages with the public daily and finds that the quality and consistency of the customer service varies by department. The Agency has five departments that provide very different services to the public. The goal of the Agency as a whole, however, is to focus on improving the following customer service areas: professional interaction with others (whether it's on the phone or in written correspondence), interacting with the public over-the-counter, consistent and correct information being disseminated, and being proactive in handling issues before they become problems.

Solutions:

Agency-wide customer service training began with our phone center personnel. Telephone calls and written correspondence are being monitored and reviewed. The Agency also began reviewing our over-the-counter interactions to ensure that the quality of our customer service is consistent throughout the Agency. We have reviewed, modified and updated our customer comment cards and increased their use. Monthly reports have been created that document the number of responses received and customer feedback. This feedback helps us ascertain the public's perception of our response time to customer inquiries; in particular, with our responses within the 48-hour timeframe goal. With this new quality control procedure in place, information we obtain from the responses provides opportunities for improvement.

We are creating materials that will help employees communicate with customers in non-technical terms and assist customers effectively regardless of the challenges presented. In addition, the Agency is in the process of reviewing all of our Agency processes to reduce the amount of time that's required to complete certain tasks. Each of the departments is participating in this review and will alter processes as we discover possibilities for improvement.

Issue 4 Lengthy Complaint Processes

Description From the time a complaint is filed — whether it's for poor work, abandonment or unlicensed activity — the complaint process can take several weeks. Some of the time delay is required by statute. For example, per 32-1155(C)(1), the contractor must be allowed to inspect the work listed within the complaint no later than 15 days after the Registrar's written notice has been received by the parties involved. When the contractor goes out to inspect, the parties may reach an agreement that gives the contractor more time to complete repairs or finish the job. The goal with every complaint is of course resolution. Allowing the contractor more time to complete the work, so long as the complainant is amenable, is generally permitted by the Agency. What can happen is the relationship between the parties can once again breakdown. This setback in the inspection process can cost days or even weeks of lost time. This is not the normal course — complaints usually close with both parties reaching resolution. This is just an example of a situation where time is added to the process when the parties have requested additional time to resolve the complaint.

The same can be said of the unlicensed activity department. After a complaint for unlicensed activity is filed, we may need several weeks to complete the investigation. This includes background checks for the unlicensed entity and phone interviews with the victim. It may also include subpoenaing of records and in-person interviews with both parties. The amount of time required may increase significantly if the unlicensed entity is a repeat offender. These cases may be referred to the Attorney General's office, local law enforcement, or city and county attorneys for prosecution.

Solutions:

Complaint processing and procedures within the compliance department have been evaluated and revised. With these revisions, our construction complaint closure timeline has improved dramatically. Eighteen to 24 months ago, the time to complete or close an investigation averaged 160 days. Today that average is less than 60 days. The Agency will continue to review and streamline processes to ensure that our citizens are receiving clear, concise, and fair decisions. We will also work to strengthen relationships with local law enforcement and the state agencies that assist the Registrar of Contractors.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	105.6	105.6	105.6
General Fund	0.0	0.0	0.0
Other Appropriated Funds	12,165.4	12,165.4	12,165.4
Non-Appropriated Funds	4,666.8	4,666.8	4,666.8
Federal Funds	0.0	0.0	0.0

Program Summary

REGULATORY AFFAIRS

Matt Gottheiner, Budget Analyst
 Phone: (602) 771-6802
 A.R.S. § 32-1101 et seq.

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 is focused on streamlining and expediting the regulatory process. The regulatory processes include reviewing and issuing licenses to qualified applicants; investigating complaints against licensed contractors and unlicensed entities; legal review and license or civil penalty disciplinary action determination against licensed contractors failing to meet written directives; and providing fair and equitable financial restitution to eligible 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 for the public.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,510.0	12,165.4	12,165.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	8,510.0	12,165.4	12,165.4
FTE Positions	80.7	105.6	105.6

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of days to process an application and issue a new license.	39	26	62	40	35
Average number of days to close complaints in compliance.	110	95	69	55	52
Average number of days to close complaints with a default order.	73	73	262	150	150
Average number of days to close complaints with an administrative hearing.	280	280	452	350	350
Average number of days to pay administrative recovery fund claims.	143	143	98	100	100
Average number of days to close investigations of unlicensed contracting.	85	80	113	95	85

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of technology services internal agency customers indicating they received good or excellent customer service.	94	94	91	91	91
Percent of licenses renewed online.	52	55	50	60	70

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of external customers responding that the license application forms and instructions are clear, concise, and understandable.	76	78	68	70	72
Percent of external customers responding that the license renewal forms and instructions were clear, concise, and understandable.	77	78	83	83	84
Percent of external customers responding that the correspondence from the inspections department was clear, concise, and understandable.	91	94	68	75	80
Percent of external customers responding that the correspondence from the legal department was clear, concise, and understandable.	37	37	76	80	80
Percent of external customers responding that the correspondence from the recovery fund department was clear, concise, and understandable.	43	43	82	85	85
Percent of external customers responding that the correspondence from the investigations department was clear, concise, and understandable.	96	98	90	92	94

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 business entity records; to ensure the integrity of the securities marketplace; and to foster the safe operations of railroads and gas pipelines in Arizona.

Description:

The Corporation Commission is composed of five elected Commissioners. Staffing is provided in nine divisions, each headed by a Division Director serving under the Commission's Executive Director, who is the Chief Executive Officer and responsible for the day-to-day operations of the divisions. The Commission's primary responsibilities are established in the State Constitution and in State Law. They include reviewing and establishing public utility rates, regulating the sale of securities, ensuring pipeline and railroad safety, and serving as the repository of corporate and LLC business entity filings in accordance with state law.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADMINISTRATION	3,983.2	3,409.3	3,409.3
➤ HEARINGS	1,989.8	2,200.0	2,200.0
➤ CORPORATIONS	3,816.1	6,042.5	4,042.5
➤ SECURITIES	5,026.9	4,545.0	4,795.0
➤ RAILROAD SAFETY	680.6	680.6	877.2
➤ PIPELINE SAFETY	1,829.7	1,675.0	1,675.0
➤ UTILITIES	5,513.8	5,905.0	5,905.0
➤ LEGAL	1,905.7	1,930.0	1,930.0
➤ INFORMATION TECHNOLOGY	2,350.9	2,729.8	2,729.8
➤ MEDIA SERVICES	535.7	645.0	645.0
Agency Total:	27,632.4	29,762.2	28,208.8
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	608.1	2,611.6	808.2
Other Appropriated Funds	26,011.0	26,325.6	26,575.6
Other Non Appropriated Funds	1,013.3	825.0	825.0
Total Funding	27,632.4	29,762.2	28,208.8
FTE Positions	301.9	301.9	303.9

5 Year Plan

Issue 1 Electronic Filing of Documents for Corporations and LLCs

Description Created in 1993, the Commission maintains a searchable database called "STARPAS". All business entity filings are inputted, examined, approved, and posted in STARPAS. Documents are available for viewing by the public using separate imaging software. STARPAS and the imaging software are aging applications with limited functionality, limited user licenses, and are running on software that is no longer supported.

Solutions:

In the 2016 session, the Legislature appropriated \$2 million from the General Fund to the Commission to replace StarPas and to provide corporations and LLCs the ability to electronically submit their filings. The ability to submit documents on-line will speed up processing times, reduce the number of rejected documents, and lower the regulatory hurdles to operate a business in Arizona. While not every state has electronic filing of corporate documents, the states that try to attract business formation do offer this modern convenience (e.g. Delaware, Nevada). For Arizona to compete with these other states, the Commission needs to have an upgraded system so we can receive documents and payments electronically, electronically examine filings, transmit correspondence and documents, and maintain the entity records in a searchable database.

The Commission has selected a vendor and anticipates a 12 month project beginning in October 2016.

Issue 2 Electronic filing for Utilities and Other Parties

Description Unlike superior court in Maricopa County, the Commission cannot accept electronic filing of documents. Instead, parties must file the original document and numerous copies which are then distributed to the Commissioners, the hearing officer, and relevant Staff. The reason for requiring so many hard copies is to avoid the time and expense of having the Commission make the necessary copies. The ultimate goal is the paperless processing of utility dockets. In FY2016, the Commission's Docket Control Center received approximately 7,400 filings.

Solutions:

The Commission wishes to create an electronic filing option for utilities and other parties. To accomplish this, the Commission must also have in place a sophisticated internal case management system. After documents are electronically delivered to Docket Control, they must be recorded and then sent to all Commissioners, the assigned ALJ, and the appropriate Commission staff. Each party must be able to maintain the documents on their own system (a capacity issue) as well as make notes on the electronic documents that others cannot see (a security issue). It would be counterproductive to allow parties to simply email their filings to the Commission and then have the Commission bear the time and expense of printing out paper copies for each ACC person. The goal is to go paperless.

To accomplish this, the Commission has made numerous upgrades. In 2005, the Commission replaced the original docketing system called "Dockcase" with a visual basic application now called "eDocket". In 2014, the Commission also replaced the external part of eDocket with a modern web-based application. This year, work started to put in place the foundation needed to allow case documents to be filed electronically and routed through internal workflows electronically. Most importantly, this system is applicable to other work flow needs of the Commission. This new application is called "eCommission" and is expected to take another two years to be Commission-wide. However, the Commission rolled-out new document management functionality to Docket Control in Q2 2016 with e-filing for utility matters available by mid 2017. Features of "eCommission" include document management, work queues, work flow, electronic orders, restitution, financial management, and reporting. At this time the Commission does not seek additional funding for this project but we will continue to assess our budget needs going forward in future fiscal years.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	308.0	308.0	308.0
General Fund	8.0	8.0	8.0
Other Appropriated Funds	300.0	300.0	300.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	3.0	3.0	3.0

Program Summary

ADMINISTRATION

Kimberly Battista, Director
 Phone: (602) 542-0747
 A.R.S. § 40-105

Mission:

To provide the executive leadership and decision-making authority for the timely resolution of matters coming before the Commission. To plan, coordinate and direct the administrative and fiscal activities necessary to support the Commissioners and all divisions of the Commission.

Description:

The Administration Division is composed of the five elected commissioners and their staff, the Executive Director's Office and the Administrative Services Office. The Chief Executive Officer of the Commission is the Executive Director, who serves at the pleasure of the Commissioners. The Administrative Services Director oversees the administrative and fiscal functions of the Commission. The Administrative Services office provides accounting, payroll, purchasing, and personnel support for the entire Commission.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,970.9	3,409.3	3,409.3
Other Non Appropriated Funds	12.3	0.0	0.0
Total Funding	3,983.2	3,409.3	3,409.3
FTE Positions	28.5	28.5	28.5

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of open meetings held	70	70	60	70	70
Agenda items considered	407	410	335	350	350

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Purchase orders issued	235	250	370	300	300
Claims processed	1,601	1,600	1,450	1,400	1,450
Revenue deposited with the Treasurer (in millions)	64	65	70	70	70

Program Summary

HEARINGS

Dwight D. Nodes, Chief Administrative Law Judge
 Phone: (602) 542-4250
 A.R.S. § 40-243 to 40-255

Mission:

To preside over administrative hearings and procedural conferences concerning complex utility and securities matters, and to write and submit Proposed Opinion and Orders for the Commissioners' consideration at Open Meeting.

Description:

The Hearing Division exercises the Commission's authority to hold public hearings and arbitrations on matters involving the regulation of public service corporations, the sale of securities, and the registration of non-municipal corporations. Under the direction of the Administrative Law Judges, proceedings are conducted through formal hearings that include taking sworn testimony, cross-examination of witnesses, admission of documentary and other physical evidence, and submission of oral arguments or post-hearing briefs. The Administrative Law Judges process Rate and Certificate of Convenience and Necessity applications under a procedural schedule that complies with the Commission's "timeclock" rules to ensure that Recommended Opinion and Orders are issued in a timely manner. The Hearing Division is also responsible for Commission record-keeping through its Docket Control Center. The Hearing Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,989.8	2,200.0	2,200.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,989.8	2,200.0	2,200.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Rehearings granted - Hearing Officer's error	0	0	0	0	0
Procedural Orders issued	347	400	373	400	400
Proposed Orders issued	124	140	131	140	140

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Open Meeting items processed	1,050	1,000	700	1,000	1,000
Filings docketed (in thousands)	7.5	8	7.4	8	8
Number of Decisions	560	700	500	600	600

Program Summary

CORPORATIONS

Patricia L. Barfield, Director
Phone: (602) 542-3521
A.R.S. Title 10

Mission:

To approve corporate names and grant corporate or limited liability company status to entities organizing under the laws of the State of Arizona; to approve applications from foreign corporations and limited liability companies to transact business in this State; to collect annual reports from all corporations of record; and to maintain corporate and limited liability company records for the benefit of public record and service of process.

Description:

The Corporations Division is comprised of five sections (Annual Reports, Corporate Filings, Records, Call Center, Initial Processing). The Division also has a few staff members in the Tucson office of the Corporation Commission to provide some services to the residents of Southern Arizona.

The Corporations Division approves for filing all articles of incorporation, amendments to articles, mergers, consolidations, withdrawals, and dissolutions for Arizona corporations; approves corporate and limited liability company (LLC) names; approves all articles of organization, amendments, changes and terminations for LLCs; grants authority to foreign corporations and LLCs transacting business in this State; propounds interrogatories when necessary; and may administratively dissolve or revoke corporations and LLCs that do not comply with specific provisions of Arizona law.

The Division collects from every corporation an annual report reflecting the current statutory agent, corporate address, amount of stock issued (forprofits), lists of officers and directors, Certificate of Disclosure and Statement of Bankruptcy. The Division updates the corporation's public record with information provided by the annual report and also when amendments or changes are submitted by the corporation. The Division must maintain all information on corporations and LLCs in a data format conducive to public access; respond to public questions concerning Arizona corporations and LLCs; and respond to the needs of the business sector by disseminating information. The Division has limited investigatory powers and no regulatory authority. Arizona corporations and LLCs, however, may be administratively dissolved if certain statutory requirements are not met. Likewise, the authority of foreign (non-Arizona) corporations or LLCs to transact business in Arizona may be administratively revoked. The Division acts as an agent for Arizona corporations and limited liability companies whenever either entity does not maintain a statutory agent or when the agent cannot be located. In these instances, services of process directed to the entity are accepted by the Records Section on behalf of the entity. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology infrastructure.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	2,000.0	0.0
Other Appropriated Funds	3,816.1	4,042.5	4,042.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,816.1	6,042.5	4,042.5
FTE Positions	66.5	66.5	66.5

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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	4-9	2-5	3-6	3-5	3-5
Range of weeks to process regular requests - Corporate Filings	3-7	3-6	3-8	3-6	3-6
Total active corporations and Limited Liability Corporations recorded	851,844	900,000	891,637	900,000	900,000
Total filings received	404,122	420,000	410,288	420,000	420,000
Average turnaround time (days) for normal Annual Reports	20	22	30	22	22
Average turnaround time (days) for expedited Annual Reports	2	2	3	2	2
Annual reports filed	129,145	132,000	121,744	125,000	125,000
Number of e-filed Annual Reports	106,654	108,000	105,969	106,500	106,500

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Division-wide incoming calls for corporate filings and records, annual reports, and calls to Tucson office	131,218	135,000	143,467	150,000	150,000
Division-wide calls answered	113,190	115,000	133,954	140,000	140,000
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	37,111	40,000	10,617	15,000	15,000
Number of website hits (in millions)	9.9	10	28.4	30	32
Corps. Forms hits (in millions)	1.66	1.7	5.6	6	6
Explanation: Changed from thousands to millions in FY15					
Total number of document images viewed (in millions)	16.4	16	17.3	18	18

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total mail received - division-wide, including faxes	141,343	140,000	142,670	143,000	143,000
Initial Processing Section documents scanned	204,126	200,000	204,537	210,000	210,000
Total Payments processed	108,231	100,000	297,542	300,000	300,000

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General in-house class hours	593.5	600	490	600	600
Class hours per full-time equivalent (FTE)	10.33	10	8.31	10	10

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Overall satisfaction score from customer surveys on a 100% scale	41	45	48	50	50

Explanation: changed to 100% scale in FY15

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,025.5	4,545.0	4,795.0
Other Non Appropriated Funds	1.4	0.0	0.0
Total Funding	5,026.9	4,545.0	4,795.0
FTE Positions	55.4	55.4	55.4

- ◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of applications/filings	28,173	22,000	27,863	24,000	25,000
Number of registrations/exemptions	30,066	23,000	29,700	25,000	25,000
Number of exemptions (Rule 126)	1,803	1,500	1,777	1,500	1,500
Number of months required to review applications	1.5	1.5	1.50	1.5	1.5
Number of other exemptions	90	100	60	75	75
Number of name changes	2,283	2,000	2,074	2,000	2,000
Number of dealer examinations	0	10	0	2	2
Number of dealer registrations	1,932	2,000	1,933	1,900	1,900
Number of salesman registrations	187,109	175,000	193,813	180,000	180,000
Number of IA registrations	563	350	586	400	400
Number of IAR registrations	7,825	5,000	8,185	7,000	7,000
Number of IA examinations	70	35	55	40	40
Number of Public Educational Programs	43	55	37	40	40
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of complaints	152	250	203	200	200
Enforcement action: number of investigations initiated	7	45	24	40	40
Enforcement action: number of subpoenas issued	168	300	193	200	200
Commission Order: Number of Cease and Desist Orders	12	35	15	30	25
Commission Order: Fines- Number of Respondents	21	50	15	30	30
Commission Order: Restitution - Number of Respondents	20	40	12	30	30
Number of civil cases initiated	5	2	7	2	2
Number of indictments - True Bills	2	7	11	5	5
Number of civil proceedings closed	0	2	0	2	2
Number of civil proceedings open at year end	6	2	6	2	2
Total examinations under oath	33	50	33	40	40
Number of cases to hearing	2	5	3	5	2
Administrative Proceedings: Number Respondents	18	45	30	30	30
Number of administrative proceedings initiated	9	20	11	15	15
Civil Proceeding Initiated : Number of Defendants	8	5	9	5	5
Number Criminal Defendants - Indicted	2	10	11	10	10
Number of Criminal Restitution Orders	9	8	4	8	8
Number of Defendant Pleas and Convictions	16	8	10	8	8
Number of Investigations Closed	10	50	13	20	20
Number of Investigations Open at Year End	44	70	55	60	60
Number of Respondents: Commission Orders	21	65	33	40	40

Program Summary

RAILROAD SAFETY

, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	608.1	611.6	808.2
Other Appropriated Funds	72.5	69.0	69.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	680.6	680.6	877.2
FTE Positions	6.0	6.0	8.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Miles of railroad track inspected	1,351	1,350	1,489	2,800	2,800
Freight cars inspected	2,115	2,200	1,910	2,100	2,100
Locomotive units inspected	220	225	187	200	220
Operating practices inspections	144	125	144	140	140
Hazardous materials inspections	2,517	2,400	3,142	3,000	3,000
Grade crossing inspections	303	285	309	300	320
Industrial spur track inspections	7	8	6	15	15
Federal violations filed	21	15	29	25	25
Deraillments	27	26	24	25	25
Number of grade crossing accidents	18	20	15	18	18
Other accidents	2	3	1	2	2
Grade crossing complaints	18	20	17	20	20
Other complaints	4	6	3	3	3
Operation Lifesaver presentations	4	3	2	3	3
HazMat Accidents/Incidents	21	18	31	22	22

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Grade crossings improved	4	6	5	6	6
New Grade Crossings Installed	0	1	0	1	1
Signal & Train control inspections	20	15	13	25	50
Signal system components inspected	567	600	497	800	825

Program Summary

PIPELINE SAFETY

Jeff Hatch-Miller, Interim Director
 Phone: (602) 262-5601
 A.R.S. §§ 42-201 et. seq.

Mission:

To enforce federal and state pipeline safety regulations and to provide training and guidance to pipeline operators to ensure safe operation of pipeline facilities. To enforce the Arizona Underground Facilities Law and to provide training to facility owners and excavators in an attempt to reduce damage to underground facilities and to eliminate personal injuries and deaths associated with underground facilities.

Description:

The Pipeline Safety Office maintains staff in Phoenix, Tucson, and Prescott. The Office has the responsibility for the inspection of all intrastate pipeline operators within the State of Arizona. The Office also has the responsibility to enforce the Arizona Underground Facilities Law and to provide training to facility owners and excavators. The Office conducts training classes for operators of master meter gas systems and maintains a natural gas equipment loan-out program to assist them in complying with Pipeline Safety regulations. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	830.1	850.0	850.0
Other Non Appropriated Funds	999.6	825.0	825.0
Total Funding	1,829.7	1,675.0	1,675.0
FTE Positions	16.0	16.0	16.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Fines collected (in thousands)	72	45	33	46	39
Total intrastate inspections	105	90	97	93	94
Violations: Intrastate (major operators only)	99	80	59	80	70

Explanation: Prior years include master meter operators

Violations: Master Meter	1,296	1,004	1,292	1,198	1,148
Total master meter inspections	1,390	1,300	1,092	1,295	1,196
Total number of code compliance inspections	1,495	1,350	1,296	1,398	1,323
Total Bluestake violations written	138	100	84	107	92
Random Bluestake inspections	25	25	42	28	34
Seminars/Public awareness meetings held	16	18	45	19	32
Investigated incidents	163	162	118	182	140
Total number of Interstate pipeline safety violations	16	8	0	8	4
Total interstate inspections	11	12	9	12	11

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total intrastate violations corrected (major operators only)	116	90	63	96	96
Explanation: Past years included Master Meter violations corrected					
Major pipeline operators training classes held	2	2	1	2	2
Master Meter training classes held/persons attending	15/237	15/230	14/250	16/231	15/240
Bluestake training classes held/persons attending	31/1,292	35/2,183	30/2,076	36/1,771	33/2,129
Total master meter violations corrected	1,252	1,011	1,020	1,126	1,016

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Development/updating of training courses for staff	6	6	6	6	6

Program Summary

UTILITIES

Tom Broderick, Director
 Phone: (602) 542-4251
 A.R.S. § 40-201 et. seq.

Mission:

To recommend thoroughly researched, sound regulatory policy and rate recommendations to the Commissioners, which are based on a balanced analysis of the benefits and impacts on all stakeholders and are consistent with the public interest.

Description:

The Utilities Division carries out its responsibilities through seven organizational sections: Finance and Regulatory Analysis, Telecom and Energy, Engineering, Compliance, Consumer Services, Administrative Services and Directors office. The Utilities Division makes specific recommendations to the Commissioners to assist them in reaching decisions regarding public utility rates, financial condition and quality of service for approximately 670 traditional utilities. The Division implements Commission rules. The Division conducts research, presents evidence in hearings, and contracts with utility rate analysts and expert witnesses in carrying out its responsibilities. The Division also monitors compliance with Commission decisions. The staff conducts public workshops and other public proceedings on various regulatory topics. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,513.8	5,905.0	5,905.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,513.8	5,905.0	5,905.0
FTE Positions	67.0	67.0	67.0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Utilities regulated	614	620	586	586	586
Rate cases completed	41	41	26	40	35
Tariff applications processed	206	225	161	193	193

◆ **Goal 2** To ensure that any transition of the telecommunications and electricity generation markets from the current regulated monopoly structure to one of competition maintains safe and reliable service.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
CLEC applications filed	225	200	167	184	184
ILEC applications filed	25	30	43	37	37
CLEC Interconnection Agreements filed	18	15	9	12	12

Explanation: PM added in FY15

Certifications processed: CLECs	7	20	13	17	17
Certifications processed: ILEC	0	20	0	10	10
CLEC interconnection agreements processed	57	50	12	15	15
Total Telecom applications filed	268	200	221	211	211
Total Telecom applications processed	250	175	194	185	185

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Consumer complaints/requests submitted electronically	3,237	3,200	2,484	2,842	2,842

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of public awareness functions	24	20	14	17	17
Number of water workshops	0	2	0	2	2
Number of electric workshops	2	4	5	4	4

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:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,905.7	1,930.0	1,930.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,905.7	1,930.0	1,930.0
FTE Positions	17.5	17.5	17.5

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Education and training expenditures (\$)	6,012	7,200	0	7,200	7,200
Attorney legal education classes completed	48	20	30	20	20
Job-related education classes for attorneys	135	75	60	75	75
Classes completed: job-related education for support staff	56	20	29	20	20
Classes completed: other education	0	0	0	0	0
Expenditures on advanced research tools	28,104	33,000	29,315	33,000	33,000

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Docketed matters handled	457	500	411	500	500
Administrative hearing days handled by the Legal Division	11	30	47	30	30
Orders to Show Cause prepared by the Legal Division	0	1	0	1	1
Formal complaints prepared by the Legal Division	1	1	0	1	1
Discovery/Data Requests/ Responses/ Oppositions prepared	156	300	366	300	300
Motions, Briefs, & other pleadings prepared	171	300	206	300	300

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Commission actions appealed to courts	4	3	1	3	3
Motions, briefs and other pleadings filed in courts	19	20	17	20	20

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Open/Special Open Meetings attended by Legal counsel	34	65	29	40	40
Explanation: On numerous occasions, more than 1 staff member attend.					
Line Siting hearing days attended by counsel	4	2	15	4	4
Explanation: On numerous occasions, more than 1 staff member attend.					
Commission Staff Meetings attended by counsel	21	20	13	20	20
Explanation: On numerous occasions, more than 1 staff member attend.					
Commission hearing days attended by counsel	187	200	117	200	200

Program Summary

INFORMATION TECHNOLOGY

Letty Butner, IT Director
 Phone: (602) 542-0671
 A.R.S. § 40-105 (B)(2)

Mission:
 To provide accurate, efficient, and timely technology design, development, implementation, communications and maintenance support services to the agency and its respective divisions.

Description:
 The Information Technology Division provides technology services and support such as application development, network services, hardware support, and project management for the entire Commission. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,350.9	2,729.8	2,729.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,350.9	2,729.8	2,729.8
FTE Positions	18.0	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Corporations available via the internet (in thousands)	849	875	890	910	930
Number of dockets available via the internet	18.9	19.3	19.3	19.7	20.1
Number of internet-submitted electronic filings to the ACC (in thousands)	134.6	169	160.7	190	290

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of hits to agency intranet pages (in millions)	4.7	5.0	5.1	5.0	5.1
Percentage of staff using electronic document management integrated with business processes.	71	70	72	72	85

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of staff in attendance at IT-related training classes	67	60	55	n/a	n/a

Program Summary

MEDIA SERVICES

Ron Bellus, Director
 Phone: (602) 542-3847
 A.R.S. § 40-105 (B)(2)

Mission:

To provide the television broadcast and webcast production of all meetings and hearings of the Commission for public viewing and for archiving. Additionally, the Division produces video tutorials and short educational segments on the many varied duties of the Commission. The Division is responsible for all interactions with the media and providing information to the public via the Communications Manager. The Division is also responsible for the Commission's website.

Description:

Maintain all live broadcast of meetings, open meetings, hearings and workshops held at the Commission. To develop, direct and produce educational and informational segments for the public. To develop and maintain the Commission website.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	535.7	645.0	645.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	535.7	645.0	645.0
FTE Positions	6.0	6.0	6.0

- ◆ **Goal 1** To provide video and audio production of agency meetings, educational and informational segments, as well as maintain the agency website.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Yearly assessment video of all Commissioners	1	1	1	1	1
Introduction video for all Commissioners	1	5	5	2	3
Agency Recognition Committee videos	4	4	3	4	2
Safety and training videos for Division projects	9	3	3	3	3
Open Meetings broadcast	16	15	13	15	24
Hearings broadcast	98	110	110	110	110
Special Open Meetings broadcast	14	15	15	15	15
Staff Meetings broadcast	20	15	13	15	15
Workshops broadcast	2	3	11	3	5
Website and web page reconstruction.	10	10	10	10	10

Agency Summary

DEPARTMENT OF CORRECTIONS

Charles L. Ryan, Director
 Phone: (602) 542-5225
 A.R.S. § 41-1602

Mission:

To serve and protect the people of Arizona by securely incarcerating convicted felons, by providing structured programming designed to support inmate accountability and successful community reintegration, and by providing effective supervision for those offenders conditionally released from prison.

Description:

The Department serves and protects the people of the state of Arizona by incarcerating inmates in correctional facilities and supervising conditionally released offenders in the community. During incarceration, welfare and health care services, including medical, dental, and mental health, are provided to inmates. In addition, structured programming including work, education, career training, substance abuse treatment, sex offender treatment, spiritual services, and recreation are provided to inmates to promote employability, literacy, sobriety, and accountability to crime victims and to increase the likelihood that released inmates will become law-abiding citizens upon release. In the community, the Department supervises offenders released from prison to serve the remainder of their sentence on community supervision. The Department ensures the accurate release, effective re-entry, transition, and supervision of released offenders utilizing a continuum of supervision services, strategies, evidence-based programs, and meaningful incentives and sanctions. The Department also facilitates the swift return to custody of those offenders who violate conditions of supervision and who represent a serious threat to the safety of the community.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ PRISON OPERATIONS AND SERVICES	1,052,041.9	1,102,950.6	1,123,691.6
➤ COMMUNITY CORRECTIONS	19,122.1	20,993.1	21,149.9
➤ ADMINISTRATION	43,694.7	50,451.4	37,744.3
Agency Total:	1,114,858.7	1,174,395.1	1,182,585.8
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,016,639.1	1,046,682.6	1,068,566.7
Other Appropriated Funds	33,538.4	52,970.0	50,983.7
Other Non Appropriated Funds	64,681.2	74,742.5	63,035.4
Total Funding	1,114,858.7	1,174,395.1	1,182,585.8
FTE Positions	9,750.5	9,757.5	9,786.0

Issue 1 Managing Growth and Change in the Inmate Population

Description Historically, the inmate population increased from an average daily population of 26,579 in FY 2001 to 42,743 in FY 2016 (a 60.8% increase). After consistent inmate population growth from FY 2001 to FY 2010, with a monthly average growth rate of 117 inmates, the inmate population declined by a total of 600 inmates during FY 2011 and FY 2012. Inmate population growth returned during FY 2013, increasing by 809 inmates in FY 2013; 1,087 during FY 2014; and 838 during FY 2015. Growth slowed to 291 during FY 2016, with a projected net growth of only 360 for each of the next two fiscal years. The Department housed 42,902 convicted felons at the end of FY 2016.

Despite the slowed growth of the prison population overall, specific segments of the population continue to experience rapid growth (such as medium and close custody, detention, and females), requiring an ongoing prioritization of bed plan forecasting and optimal placement and management of specific populations. The Department must manage the inmate population and maximize accessibility to inmate programming and services, while ensuring the safety of the public, staff, and inmates.

To optimize the benefit of inmate programs, the Department underwent a major reorganization in FY 2016 to create the Division of Inmate Programs and Reentry. The newly defined division focuses on ensuring that inmates are placed in evidence-based programs geared toward their individual needs, risk scores, and custody level, from the time of initial assessment at reception, during incarceration, and upon transition to release to community supervision.

Solutions:

Specific initiatives for this year targeted meeting the needs of maximum custody and Severely Mentally Ill inmates through additional treatment, programs, and out-of-cell time.

During FY 2016, the Department implemented an Integrated Housing Program designed to teach and promote racial and ethnic tolerance among inmates by assigning inmates to integrated housing placements and offering educational classes when warranted. The intention is to enhance rehabilitation by mirroring real world living situations, while maintaining safety and security interests. The program will expand by custody level over the next six years.

Successful completion of these programs provides avenues for inmates to achieve less restrictive housing assignments and support rehabilitation. Monitored and guided by staff, the programs support a safe and productive environment for both staff and inmates by addressing inmate needs and assisting inmates in better decision-making.

The new Inmate Programs and Reentry Division reflects increased emphasis on preparing inmates for successful return to our communities and increases coordination of services to support the best use of taxpayer resources. One project underway is designed to ensure that inmates at high risk to recidivate complete target programs to reduce that risk.

Additional modifications to staff schedules will be implemented to increase staffing resources for program delivery, as well as enhancements to program access through closed circuit channels at the prisons.

Continued refinement of the program audit process will serve as the foundation for continuous improvement of the quality and consistent delivery of required programs.

Issue 2 Build an Engaged and Skilled Workforce through Onboarding, Employee Development, and Staff Retention

Description The Department faces the challenge of recruiting for a demanding job that is under-compensated in an improving economy, where the job market often lacks applicants interested in corrections work, especially in rural locations. Nationwide, correctional facilities are experiencing severe staffing shortages, and states such as Wisconsin and Georgia have initiated significant pay packages to address recruitment, onboarding, and retention challenges. While 1,180 Correctional Officers (COs) were hired in FY 2016, 1,190 COs left. The constant turnover among COs creates an ongoing and expensive cycle of recruitment and training.

Increasingly, the Department also loses many seasoned staff to retirement. This trend is expected to intensify in the future, as more than 60% of the Department's high-level management staff is 50 or older. The loss of these leaders significantly diminishes the Department's capacity for grooming and mentoring junior staff to assume more responsible roles. As seasoned leaders exit, the Department also loses considerable agency knowledge and leadership acumen.

Solutions:

As a result, the Department must address staffing issues from multiple points in the employee life cycle, particularly with respect to CO and security staff, which represents approximately 85% of the agency's workforce.

The CO hiring process was the subject of a Lean project, to increase candidate retention by reducing the average hiring process time. The initial results were significant, reducing the time between application to job offer and acceptance from an average of 120 days to 60 days. Continued refinement of this process has resulted in a further decrease in the average to less than 50 days.

The Department also seeks to enhance its onboarding, employee development, and retention systems to ensure a skilled and well-trained work force. Specific initiatives will be undertaken to engage new employees and improve the relationship between first-line supervisors and subordinates through an improved leadership training series. One key initiative is an enhanced Field Training Officer (FTO) program being piloted for newly hired COs. Career advisement, informal mentoring, and cross-training are other elements of a comprehensive employee retention plan. Coupled with tools such as the annual Employee Engagement Survey, these programs reflect the Department's commitment to a developed and engaged workforce.

To ensure a seamless transition to the next generation of leaders, the Department has undertaken significant work on a formal succession plan. The succession plan will identify potential leadership talent, pinpoint developmental needs, and continually assess the Department's "bank" of skills among its up-and-coming management.

Issue 3 Ensuring the Provision of Statutorily Required Inmate Health Care

Description The Department ensures the provision of health care to inmates, including medical, dental, and mental health services. The Department's primary emphasis with respect to inmate health care is to ensure contract compliance and the delivery of quality health care through ongoing monitoring by the Health Services Contract Monitoring Bureau (HSCMB) and continuous collaboration with Corizon, the contracted vendor.

The Department is being challenged by external sources on issues related to inmate medical, mental health, and dental services; medication management; timely access to medical care, and conditions of confinement. A two-year class action litigation process reached a milestone in February 2015, when the Department entered into a Stipulation Agreement with the American Civil Liberties Union (ACLU) and Prison Law Office (PLO) in the Parsons vs. Ryan lawsuit. The terms of the Stipulation Agreement will be monitored for compliance over a four-year period through a combination of site visits by the plaintiffs, monthly reports from Corizon, and monthly Compliance Green-Amber-Red (CGAR) reports from the HSCMB.

Solutions:

Efforts are underway to provide more effective methods to monitor the provision of health care. These initiatives include further clarifying expectations and procedures by finalizing and publishing policies and technical manuals related to medical care.

The Department will actively work to enhance communication between the HSCMB and Corizon through regularly scheduled meetings, with emphasis on a collaborative approach to solving problems. Areas under review are staffing, equipment needs, and availability and utilization of specialty beds identified for inmates with significant medical needs.

Continuing attention will be given to ongoing enhancements to the Electronic Health Record (HER), which will facilitate access to current health information and reporting requirements under the Stipulation Agreement.

Issue 4 Integrating Technology and Service Delivery in Support of Knowledge Management, Business Intelligence, and Process Efficiency

Description Information Technology has been rapidly evolving in numerous areas that affect the Department. Many of the newer technologies are merging what used to be separate software and equipment (e.g. phones, servers, locking systems software, etc.). As technology evolves, the Department experiences a greater need to acquire and implement the new tools to carry out its mission in a safe, secure, efficient, and effective manner. Further, the new technologies must be well researched and considered at an “enterprise” level, ensuring that the many different facets of Department operations are integrated with the new solutions. Technology must also be supported by sufficient resources (time, staff, and funding) to successfully complete projects in an agency the Department’s size.

The Department needs to ensure that technological systems and services support the collection of accurate data and the timely analysis of data. This will allow us to enhance knowledge and expertise on which to base business decisions. Viable technology, process automation, records management, system integration, and secure information systems that are efficient, effective, standardized, easy to use, and supported by training are essential to the ability of the Department to continue to effectively carry out its mission and meet its responsibility to the public. With viable hardware and software solutions, integrated platforms, and automated processes in place, the Department can provide appropriate services in an efficient and effective manner.

Solutions:

To address this strategic issue, the Department will continue to move forward with the multi-year replacement of its antiquated inmate information system (AIMS) and enhancement of interface between different systems to improve data quality, retrieval, and efficiency.

The Department will also prepare for an influx of data from the improved systems by employing Data Management tools, structures, and an administration team to provide accurate data in a timely manner.

The Department will continue to collaborate with ADOA ASET on increasing IT security, while contributing to overall State savings.

Finally, the Department will explore collaboration tools to increase communication and facilitate interaction among organizational areas and work teams throughout the agency.

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

Description The current recidivism rate for Arizona inmates is 39.8%, including new felony convictions (2,893, 20.6% and technical violations of conditions of supervision 2,694, 19.2%). To reduce recidivism, the Department is focusing on strategies for strengthening community re-entry efforts. Creation of the Division of Inmate Programs and Reentry promotes optimal alignment and delivery of inmate programs during incarceration and prior to release, in proactive support of successful transition. Initiatives include the expansion of re-entry classes to maximum custody institutional units, addition of pre-release meetings, and opportunities for video visitation. These efforts complement established institutional support and treatment programs by presenting information and strategies that address the barriers and challenges associated with transitioning from prison to the community.

In FY 2016, technical violators of community supervision represented approximately 18.0% of annual prison admissions. With a specific goal of reducing recidivism due to technical violations, the Department opened the Pima Reentry Center (PRC) in Pima County in December, 2012. PRC introduced additional sanctions, interventions, and services, including temporary housing for inmates released to homelessness, a factor that increases the risk of recidivism. Temporary housing is also available to sex offenders on community supervision, a group that poses unique challenges for the Department and is of particular concern to the public.

Solutions:

As 59% of releases to community supervision are to Maricopa County, the Department will establish the Maricopa Reentry Center (MRC) in early FY 2017. MRC will offer the same services and intermediate intervention options as PRC, to assist in lowering the rate of technical violators returned to custody. The Department will also explore alternatives to curtail technical violations that are the result of offenders absconding from supervision.

The Department will continue to support and assist local community-initiated re-entry programs and create or strengthen community partnerships that provide offenders with employment, treatment, and housing opportunities. These programs have the potential to reduce recidivism by better preparing and assisting the thousands of offenders who are released annually back to the community.

Issue 6 Strengthening Agency Communications and Community Relations

Description The mission and responsibilities of the Department are sometimes misunderstood by community stakeholders (i.e., media, elected officials, and the public). As a result, expectations may not align with the Department’s actual capabilities or functions. Geographic dispersion, a 24/7 work schedule, and operational nature of the majority of employee positions present challenges to delivering frequent and consistent information and messaging to Department employees. The nature of a corrections operation places reactive demands on the Department’s internal and external communications, which can hamper efforts to promote a more positive perception, thus requiring greater emphasis on proactive messaging. Further, negative incidents too often overshadow the good, meaningful work and significant contributions of the Department and its employees to the State of Arizona and its communities, hindering both employee morale and public relations.

Solutions:

The Department’s communications focus on promoting proactive, positive messaging of key issues and events whenever possible; strengthening the agency’s relationship with and image in the community; enhancing communications systems and methods; and increasing the engagement and support of employees and stakeholders.

The Department is committed to transparency and accountability through sharing information with elected officials, stakeholders, and community partners and by responding to information inquiries and records requests.

This year, the Department will continue its efforts to leverage social media to reach a broader audience.

In addition, significant effort will be concentrated on change management communication related to the successful implementation of the Arizona Management System throughout the Department.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	9,578.5	9,578.5	9,578.5
General Fund	1,068,566,700.0	1,117,111,700.0	1,117,111,700.0
Other Appropriated Funds	50,983,700.0	50,983,700.0	50,983,700.0
Non-Appropriated Funds	56,326,100.0	56,326,100.0	56,326,100.0
Federal Funds	7,059,300.0	7,059,300.0	7,059,300.0

Program Summary

PRISON OPERATIONS AND SERVICES

Charles L. Ryan, Director
 Phone: (602) 542-5225
 A.R.S. § 41-1602

Mission:
To ensure public and staff safety by imprisoning inmates, providing inmate programming opportunities, providing statutorily required health care, and administering prison operations in an environment that is secure and humane.

Description:
 This program establishes prison operations and administers prison budgets. This encompasses security; physical plant; personnel and business office functions; inmate records; occupational safety; fleet/motor pool; warehouse; food services; classification; mail and property; telecommunications and security systems; laundry; information technology; inmate programs including work, treatment, education, religious services, and recreation; and Arizona Correctional Industries, which develops and manages revenue-generating inmate work activities in correctional institutions. This program also ensures provision of medical, dental, and mental health services through a private vendor that is monitored by the Department for contract compliance and quality of care.

This Program Contains the following Subprograms:

- ▶ Security
- ▶ Inspections and Investigations
- ▶ Inmate Education, Treatment, and Work Programs
- ▶ Health Care
- ▶ Private Prisons
- ▶ Prison Management and Support

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	969,779.9	1,001,591.7	1,023,319.0
Other Appropriated Funds	32,087.8	50,460.7	48,474.4
Other Non Appropriated Funds	50,174.3	50,898.2	51,898.2
Total Funding	1,052,041.9	1,102,950.6	1,123,691.6
FTE Positions	9,184.0	9,190.0	9,218.5

Subprogram Summary

SECURITY

Carson McWilliams, Division Director
 Phone: (602) 542-3894
 A.R.S. § 41-1604

Mission:
To maintain effective custody and control over inmates in an environment that is safe, secure, and humane.

Description:
 This subprogram is responsible for implementation and oversight of operational areas of inmate accountability; key control; security/facility inspections; inmate regulations; inmate transportation; emergency preparedness; incident management; inmate escape prevention/response; searches; substance abuse detection, interdiction, and control; execution procedures; inmate death or hospitalization notification/disposition; tool and restricted product control; inmate levels of supervision; armory procedures; and security systems. It also includes evaluating and allocating security staff and providing for their in-service training; implementing gang management strategies; developing operational intelligence (acquisition, analysis, storage, dissemination); and enhancing security and safety measures through utilization of service dog resources and security technology transfer and product review.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	667,155.1	668,556.4	688,210.8
Other Appropriated Funds	9,796.9	11,861.5	13,861.5
Other Non Appropriated Funds	0.0	0.0	1,000.0
Total Funding	676,952.0	680,417.9	703,072.3
FTE Positions	7,808.0	7,806.0	7,828.0

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

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of escapes of inmates from any location	2	0	1	n/a	n/a
Number of major rule violations per 1,000 inmates per average daily population	612	550	616	n/a	n/a
Number of inmate on staff assaults per 1,000 inmates per average daily population	11.00	9.50	13.80	n/a	n/a
Number of inmate on staff assaults resulting in staff injury per 1,000 inmates per average daily population	1.47	1.20	.84	n/a	n/a
Staff Assaults with Injury	13.36	12.50	6.10	2.00	0
Explanation: Formerly read "Percent of inmate on staff assaults resulting in staff injury"					
Number of inmate on inmate assaults per 1,000 inmates per average daily population	7.14	6.00	9.28	n/a	n/a
Number of major inmate disturbances	3	1	1	n/a	n/a
Number of inmate homicides	4	1	6	n/a	n/a
Explanation: Homicide numbers are subject to change based on official medical examiner reports, which may be issued in a subsequent fiscal year.					
Staff assaults per month	0	0	51.00	35.00	0
Inmate Reception Processing Lead Time	0	0	3.00	2.50	0

Explanation: Days

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

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of inmate random positive urinalysis results per 1,000 inmates per average daily population	53.31	45.00	51.42	n/a	n/a

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of formal inmate grievances (excluding health grievances) per 1,000 inmates per average daily population	75.64	70.00	87.77	n/a	n/a
Number of inmate lawsuits (non-habeas) per 1000 inmates per average daily population	2.28	2.20	2.59	n/a	n/a

Explanation: The count is based on "cases filed." Note that a case with multiple plaintiffs is counted as a single case filed.

Inmate Grievances Received	0	0	339.00	305.00	0
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Explanation: Per month

Inmate Grievances Reversed in Favor of the Inmate	0	0	4.10	3.69	0
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Explanation: Percent

Subprogram Summary

INSPECTIONS AND INVESTIGATIONS

Charles L. Ryan, Director
Phone: (602) 542-5225
A.R.S. § 41-1604

Mission:

To promote Department safety and security by conducting administrative, civil, criminal, and gang-related investigations; conducting daily, weekly, monthly, and annual inspections and performance audits; and ensuring agency compliance with fire and life safety codes.

Description:

This subprogram conducts background and administrative investigations in support of the hiring and retention of professional staff through enforced policy compliance; conducts investigations into criminal acts and civil violations committed by inmates, staff, or others, to support successful prosecution and/or effective applications of discipline; develops intelligence, and investigates Security Threat Group activity to support management of inmates and the safe operation of institutions; conducts annual compliance audits of each prison; and provides consultation and assistance in fire and life safety code compliance to support staff, inmate, and environmental safety in all agency matters.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,071.9	6,980.0	6,980.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9.5	4.5	4.5
Total Funding	7,081.4	6,984.5	6,984.5
FTE Positions	107.0	107.0	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of administrative investigations completed within established time frames	100.00	100.00	100.00	n/a	n/a
Average annual Arizona State-Operated Prison compliance audit percent score	92.73	95.00	92.27	n/a	n/a
Explanation: Contract Private Prisons reported separately under the Private Prisons subprogram, Objective 1					
Average annual CORE competency test score for correctional series staff	90.04	90.00	88.00	n/a	n/a

Subprogram Summary

INMATE EDUCATION, TREATMENT, AND WORK PROGRAMS

Karen Hellman, Division Director
 Phone: (602) 542-5155
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	27,026.9	27,506.5	27,589.5
Other Appropriated Funds	597.5	1,115.9	1,115.9
Other Non Appropriated Funds	43,050.6	44,058.1	44,058.1
Total Funding	70,675.0	72,680.5	72,763.5
FTE Positions	484.5	485.5	489.5

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of all eligible inmates participating in appropriate work, education, and treatment assignments	73.20	72.50	68.4	n/a	n/a
Number of inmate hours worked through the Work Incentive Pay Plan	33.71M	33.72M	33.02M	n/a	n/a
Average number of inmates working per month (excluding ACI)	20,940	21,000	24,100	n/a	n/a
Number of inmates released to the Transition Program for Non-Violent Offenders per A.R.S. § 31-281	937	975	1,040	n/a	n/a
Inmate Program Completions	0	0	848	869	0
Explanation: Per month					
Inmate Program Slot Utilization	0	0	73.60	78.00	0
Explanation: Percent					
Major program completion by high target inmates	0	0	21.50	36.00	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of ACI inmate hours worked	4.10M	4.00M	4.20M	n/a	n/a
Average number of inmates working for ACI per month	1,858	1,900	1,904	n/a	n/a
Dollar amount deducted from ACI inmate wages being deposited directly into the State General Fund	2.80M	2.80M	2.91M	n/a	n/a

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of inmates completing the functional literacy program	4,738	4,800	4,531	n/a	n/a
Number of inmates achieving the General Equivalency Diploma (GED)	341	246	218	n/a	n/a
Number of inmates receiving special education services	344	375	267	n/a	n/a
Percent of special education inmates receiving special education services	100.00	100.00	100.00	n/a	n/a
Percent of target inmate population enrolled in the ADC high school	86.00	90.00	88.00	n/a	n/a
Number of Career and Technical Education Certificates earned	1,932	2,250	2,465	n/a	n/a
Percent of inmates enrolled in Career and Technical Education completing one or more certificate programs	30.00	35.00	38.00	n/a	n/a

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of eligible inmates completing substance abuse treatment programs	2,009	2,500	2,132	n/a	n/a
Number of eligible inmates completing sex offender treatment	164	175	207	n/a	n/a

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of inmates involved in spiritual services per month	13,030	13,356	12,975	n/a	n/a
Number of volunteer spiritual service hours provided	42,109	44,214	43,012	n/a	n/a

Subprogram Summary

HEALTH CARE

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

Mission:

To ensure the provision of medical, dental, and mental health care to inmates through a private vendor.

Description:

This subprogram ensures that the inmate population is provided with statutorily required medical, dental, and mental health services through a private vendor that is monitored by the Department for contract compliance and quality of care.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	5,395.0	5,877.9	5,877.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,395.0	5,877.9	5,877.9
FTE Positions	34.0	34.0	34.0

- ◆ **Goal 1** To provide the inmate population with statutorily required medical, dental, and mental health services through a private vendor that is monitored by the Department for contract compliance and quality of care.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of inmates requiring ongoing mental health services	27.00	26.25	26.51	n/a	n/a
Percent of inmates requiring ongoing mental health services admitted for psychiatric hospital care	1.76	2.50	1.45	n/a	n/a
Number of formal inmate health grievances per 1,000 inmates per average daily population	47.92	50.00	46.44	n/a	n/a
Percent of ADC state prison complexes accredited by the National Commission on Correctional Health Care (NCCHC)	90.00	100.00	90.00	n/a	n/a
Number of hospital admissions	1,452	1,400	1,423	n/a	n/a
Average length of stay for in-patient hospital care in days	4.31	4.00	4.59	n/a	n/a
Average cost per inmate for health care	4,234	4,500	4,300	n/a	n/a
Percent of formal inmate health grievance appeals upheld	15.00	15.00	10.00	n/a	n/a
Percent of compliance threshold	75.00	80.00	80.00	100.00	0
Percent vendor staffing maintained	90.00	93.00	89.00	n/a	n/a

Subprogram Summary

PRIVATE PRISONS

Carson McWilliams, Division Director
 Phone: (602) 542-3894
 A.R.S. § 41-1604, 1604-02

Mission:

To develop private prison contracts and provide oversight to monitor their safe, secure and cost-effective operation, while imprisoning inmates according to the Department's mission.

Description:

This subprogram manages all aspects of private prison contracts including initial research and development, proposal evaluation, contract negotiations, and contract maintenance functions. This subprogram works with private prison firms to ensure comparable confinement and program services are provided to all Arizona state inmates regardless of location. Oversight of private prisons in Arizona is provided by Department staff who monitor facility operations, inmate management, inmate services, clearance of contractor personnel, and payment of fees consistent with the terms outlined in individual facility and service contracts.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	120,373.2	145,853.9	129,139.6
Other Appropriated Funds	15,359.6	25,496.2	25,496.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	135,732.8	171,350.1	154,635.8
FTE Positions	32.0	40.0	40.0

- ◆ **Goal 1** To develop private prison contracts and provide oversight to monitor their safe, secure, and cost-effective operation, while imprisoning inmates according to the Department's mission

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average annual Contracted Private Prison compliance audit percent score	93.03	95.00	92.58	n/a	n/a

Subprogram Summary					
PRISON MANAGEMENT AND SUPPORT					
Carson McWilliams, Division Director					
Phone: (602) 542-3894					
A.R.S. § 41-1604					

Mission:
To provide leadership and direction in the administration and operations of all prisons to ensure inmate accountability and staff safety.

Description:
 This subprogram oversees prison operations, Regional Operations Directors, and Wardens and their immediate staff; administers prison budgets and staffing/safety programs; manages prison activation; and directs centralized operational systems and services. This subprogram includes fiscal management, fleet management, fire and safety, food service, warehouse, and maintenance. This subprogram is also responsible for inmate classification, protective segregation, time computation and records, legal access, and family assistance services.

Funding:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	142,757.9	146,817.0	165,521.2
Other Appropriated Funds	6,333.7	11,987.1	8,000.8
Other Non Appropriated Funds	7,114.2	6,835.6	6,835.6
Total Funding	156,205.8	165,639.7	180,357.6
FTE Positions	718.5	717.5	720.0

- ◆ **Goal 1** To provide leadership and direction in the management of inmate population growth and the allocation of physical and fiscal resources

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average daily inmate population	42,132	43,061	42,743	0	0
Explanation: Budget measure; no estimates required					
Average daily rated bed surplus or (deficit)	(4,476)	(4,976)	(5,394)	0	0
Explanation: Budget measure; no estimates required					

Program Summary

COMMUNITY CORRECTIONS

Karen Hellman, Division Director
 Phone: (602) 542-5155
 A.R.S. § 41-1604

Mission:
To provide effective community supervision of offenders, facilitate their successful transition from prison to the community, and return offenders to prison when necessary to protect the public.

Description:
 This program is charged with supervising offenders on community supervision and identifying and returning to prison offenders who violate conditions of supervision and represent a serious threat to public safety. The program refers to law enforcement and prosecutorial agencies sex offenders subject to registration, community notification and sexually violent person laws; coordinates sex offender registration prior to release; assists in the apprehension, extradition and transportation of fugitives; completes due process on all offenders returned to custody; represents the Department at revocation hearings conducted by the Board of Executive Clemency; conducts administrative hearings; provides criminal history information to authorized criminal justice agencies; manages the implementation of the Interstate Compact for the Supervision of Adult Inmates and Offenders (releasees 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	14,112.1	13,583.3	13,740.1
Other Appropriated Funds	1,450.6	2,509.2	2,509.2
Other Non Appropriated Funds	3,559.3	4,900.6	4,900.6
Total Funding	19,122.1	20,993.1	21,149.9
FTE Positions	184.0	184.0	184.0

◆ **Goal 1** To provide re-entry services for inmates/offenders transitioning from prison to the community

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of inmates who participated in Community Corrections re-entry orientation classes	170	200	1,011	n/a	n/a

◆ **Goal 2** To effectively manage offenders on community supervision

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average daily population of offenders on community supervision	5,749	5,750	5,528	n/a	n/a

◆ **Goal 3** To effectively release, supervise, and monitor offenders under active ADC community supervision

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of admissions due to technical violations	11.90	11.50	12.00	n/a	n/a
Number of offenders who participated in intervention programming at a Community Correction Center	925	1,000	1,100	n/a	n/a
Number of offenders who participated in the Community Corrections Community Accountability Program (CAP)	2,090	3,000	2,776	n/a	n/a
Technical Violations	0	0	273	250	0
Explanation: Per month					
Reduce the number of people re-incarcerated due to technical violations	0	0	17.60	0	0
Explanation: Estimate under development					

◆ **Goal 4** To effectively monitor and track all offenders on community supervision

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of admissions due to absconding	5.30	5.25	5.60	n/a	n/a

◆ **Goal 5** To apply meaningful incentives and sanctions to encourage civil behavior

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of admissions due to offenders committing a new crime	0.90	1.00	.90	n/a	n/a

◆ **Goal 6** To promote successful completion of community supervision

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Successful Community Supervision Completion	0	0	69.70	80.00	0
Explanation: Percent					
Recidivism reduction	0	0	38.00	0	0
Explanation: Estimate under development					

Program Summary

ADMINISTRATION

Charles L. Ryan, Director
 Phone: (602) 545-5225
 A.R.S. § 41-1602, 41-1604

Mission:

To provide leadership, support, and resources that enable Department employees to perform their duties and achieve professional excellence and to ensure that the Department is responsive to internal and external stakeholders

Description:

This program determines current policy and future direction of the Department through the following functional areas: legal services; legislative affairs; public and internal communications; constituent services; policy promulgation; human services, employee relations, equal opportunity, employee grievances and disciplinary actions; training and employee development; budgeting, planning, and research; engineering and physical plant services; financial and procurement services; and information technology services.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	32,747.1	31,507.6	31,507.6
Other Appropriated Funds	0.0	0.1	0.1
Other Non Appropriated Funds	10,947.6	18,943.7	6,236.6
Total Funding	43,694.7	50,451.4	37,744.3
FTE Positions	382.5	383.5	383.5

◆ **Goal 1** To recruit, retain, recognize, and develop staff

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of formal employee grievances	153	158	129	n/a	n/a
Correctional Officer(CO) II Vacancy Rate	9.07	8.50	7.61	6.90	0
Annual Correctional Officer II turnover rate percent	14.09	13.00	15.60	n/a	n/a
Annual employee turnover rate percent (excluding Correctional Officer IIs)	10.21	9.25	10.77	n/a	n/a
Percent of staff completing mandatory training	93.00	95.00	97.00	n/a	n/a
Regrettable Attrition	0	0	58.30	53.00	0

Explanation: Percent

Correctional Officer (CO) Hiring Process Lead Time	0	0	45.70	45.00	0
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◆ **Goal 2** To maintain and/or enhance information technology applications and communications and to meet current and future network needs by providing optimal support to computer users

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of network uptime	93.40	94.50	99.87	n/a	n/a
Percent of IT help desk calls resolved in accordance with established Service Level compliance requirements	88.00	90.00	49.00	n/a	n/a

◆ **Goal 3** To provide a standard process for receiving, reviewing, and responding to public concerns regarding inmate-related issues

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of service contacts provided to inmate families and friends	33,771	39,000	32,043	42,000	0

◆ **Goal 4** To provide victim services and restorative justice programs that assist inmates in making positive contributions to the community.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of crime victim Notifications of Release sent	4,171	4,671	2,632	n/a	n/a
Number of service contacts provided to crime victims	14,008	14,508	5,652	n/a	n/a
Dollar amount of court-ordered restitution collected from inmates	1.57M	1.58M	1.51M	n/a	n/a
Average dollar amount of court-ordered restitution paid per inmate required to pay court-ordered restitution	275.34	275.00	221.95	n/a	n/a
Number of hours provided to communities by inmates per established IGAs or work contracts (excluding ACI)	2.88M	2.90M	2.49M	n/a	n/a
Number of inmate hours dedicated to Wildland Fire Crews	229,091	254,000	282,522	n/a	n/a
Dollar amount raised by inmate fundraising events	320,000	360,000	832,504	800,000	0
Funds avoided through Intergovernmental Agreements for inmate labor	0	0	8.52M	22.00M	0

Explanation: New Measure - 5 months only (February - June)

◆ **Goal 5** To respond to all public records requests in accordance with statutory requirements

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of requests received from the public	554	765	6,004	n/a	n/a
Number of requests received from the media	106	110	102	n/a	n/a

Agency Summary

BOARD OF COSMETOLOGY

Donna Aune, Executive Director
Phone: (480) 784-6963
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:

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 hearings, 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. Furthermore, the Board offers electronic services to customers to increase efficiency and reduce the demands on full-time staff.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,707.6	1,805.2	1,891.6
Other Non Appropriated Funds	155.5	155.5	155.5
Total Funding	1,863.1	1,960.7	2,047.1
FTE Positions	21.0	24.5	32.5

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 139,504 licenses in the BOC’s database, a number that had been kept a steady pace of growth yearly. With the situation of employee retirement, health issues, training & replacement has reached its downfall in the productivity of number of inspections that were not met this fiscal year.

The BOC will continue to use “operating expenses” to educate consumers and licensees, through newsletters and website updates with our continued endeavors and education we have seen, and will continue to see a reduction in serious injuries to clients.

To allow the Board to fulfill its mandate within constraints of a limited appropriated budget, the Board is seeking to increase our revenue without intervening with Operating demands, due to cost increases for, attorney services, computer system maintenance; supplies, facility maintenance and other operating expenses.

Issue 2 Improved Enforcement Efficiency

Description Improved Enforcement Efficiency

Solutions:

The BOC is at a 5% reduction in filling staff positions. Filling the vacant Inspector and Investigators positions is always top priority when permitted. With the 8248 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 the lack of Inspector positions. A hiring of temporary services must be initiated so that a Risk Based Salon Inspection approach can be continued. We are presently working with only 2 inspectors in the field that can not meet the goal. Our solution is to reclassify positions to hire more inspectors.

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 BOC must continue to show appreciation to the current employees by providing 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. Therefore, BOC would like to project wage increase(s), promotions, and incentives to employees who are recognized with qualified & efficient performance(s).

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.

The BOC would like to have the E-Checks with over the counter credit card payments done electronically in order to expedite licenses to licensees quicker and more efficiently.

By 2018- The BOC also needs to purchase or set in place a hand held device for inspectors and investigators that will enable them to have 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

System maintenance support, enhancement, and upgrades:

-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 Rule Writing - In process of updating our rule package, a rule writer continues to be a service needed by our agency.

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. Continual 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, Due to the rule moratorium we have asked for an exemption to rewrite & update standard rules, and continually review and update all rules on an as need basis by 2018/2019 and to include changes in rules on giving authorization from statutes.

Issue 7 External Partners

Description External Partners

Solutions:

To maintain its relationship with current partners, the leadership involvement that has proven to assist the board to benchmark and remain current both as a regulatory agency and as a leader in the Cosmetology profession. These partners include The Internal Revenue Service (for small business participation and investigative tax fraud), National Interstate Council of State Boards of Cosmetology, National Accreditation Commission of Cosmetology Arts and Sciences, Council for Licensure, Enforcement and Regulation Federation Association of Regulatory Boards, AACCS American Association of Cosmetology Schools, The Salon Association, ACIA (Arizona Cosmetology Industry Association), and others. All require travel to meeting locations or electronic participation at the very least which must continue to be funded. Board members hold office at National levels. Board Chairman, Vice Chair, & Executive Director work & Co- Chair National committee positions.

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 2018 and 2019 printing brochures and/or newsletters for licensees, salons, and schools for distribution, is a goal of the Board. By 2018 – 2019 by continuing services with our state printing vendors and distribution information will bring jobs and information to the public. BOC presently working on campaign for consumer awareness.

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. Our database is hosted at an outside location providing extra security and minimal down time to the public. We are at a continual search for an Offsite storage back up location for a main server & email server.

Issue 10 Increase of Fees

Description Increase of Fees

Solutions:

A.R.S. 32.507 –A-22 Continual credit card fees as convenient fees, Re: e-checks on line projected to be effective July of 2016, Merchant fees continue to rise. 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 2018/2019 fees are calculated to be at a yearly rise, which we estimate will double. Therefore, a continued review is required for recalculation of fees.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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 establish standards for the professional practice of cosmetology.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average calendar days from receipt of completed application to issuance of license	25	25	25	25	25
Total individuals and establishments licensed	75,391	76,000	76,301	78,000	75,000
Explanation: This is total active licenses which was broken down with #5 & #6 as per recommendation of the Auditor general.					
Total delinquent Individual and establishment licensed	12,247	10,000	76,301	80,000	90,000
Explanation: #2 Justification for lower estimation is due to auditor general's suggestion to break down delinquent and Inactive (#5-#6) which still continue to be serviced.					
Total Inactive individual and establishment licensed	80,053	81,000	61,578	60,000	60,000
Explanation: #2 Justification for lower estimation is due to auditor general's suggestion to break down delinquent and Inactive (#5-#6) which still continue to be serviced.					

◆ **Goal 2** To ensure swift, fair, and effective enforcement of statutes and rules governing the profession.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total inspections conducted	4,088	5,000	3,653	5,000	5,000

Explanation: The significant change was due to low in staff -inspectors on med leave with no replacement to carry on work load.

Total complaints and application denials	1,510	1,500	1,232	1,300	1,300
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Explanation: Goal is to have lesser complaints and penalizations, with better training/ awareness.

Average calendar days to resolve a complaint	120	120	120	120	120
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◆ **Goal 3** To educate the consumers and cosmetology professionals about their rights, resolutions, and responsibilities among the cosmetology community, the public and the Board by delivering courteous, efficient service to the consumers, owners, and employees of state government.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Educational class opportunities offered to the public in class or over the internet	29	28	28	28	0

Explanation: The Board wants to mandate (Rule Law Change) that all reciprocity applications take classes

Percent of citizen satisfaction surveys reporting Board service as satisfied or higher	95	95	95	95	95
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◆ **Goal 4** To provide services through efficient government.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Constituents aided in transferring to another governmental jurisdiction or educational institution.	1,931	2,000	955	2,000	2,000
Licenses accepted through reciprocity from another state or country.	1,931	2,000	1,739	2,000	2,000
Percentage of applicants or license holders reporting very good or excellent.	95	95	95	95	95

Agency Summary

CRIMINAL JUSTICE COMMISSION

Andrew LeFevre, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ AGENCY MANAGEMENT	1,276.2	1,444.2	1,444.2
➤ CRIME VICTIMS	4,794.9	5,795.1	5,795.1
➤ STATISTICAL ANALYSIS CENTER	612.6	795.5	570.1
➤ CRIME CONTROL	8,874.4	11,101.2	10,042.3
➤ CRIMINAL JUSTICE SYSTEM IMPROVEMENT	2,370.0	4,738.8	4,706.2
Agency Total:	17,928.1	23,874.8	22,557.9
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	1,881.5
Other Appropriated Funds	4,782.2	6,445.4	7,245.4
Other Non Appropriated Funds	13,145.9	17,429.4	13,431.0
Total Funding	17,928.1	23,874.8	22,557.9
FTE Positions	27.0	26.0	26.0

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	13.0	13.0	13.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	6,445.4	6,445.4	6,445.4
Non-Appropriated Funds	7,126.5	7,126.5	7,126.5
Federal Funds	8,156.5	8,156.5	8,156.5

Program Summary

AGENCY MANAGEMENT

Andrew LeFevre, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	442.4	624.6	624.6
Other Non Appropriated Funds	833.8	819.6	819.6
Total Funding	1,276.2	1,444.2	1,444.2
FTE Positions	11.5	11.8	11.8

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of agency legislative events	185	200	190	200	200
Number of criminal justice legislative liaison meetings coordinated	27	30	29	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Generate and execute contracts, working agreements and other routine fund distribution and expenditure functions	175	175	150	150	0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Organize, support and conduct meetings under the Commission responsibility to produce effective results	35	35	30	30	30
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	115	125	130	120	120

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Develop, continuously refine and sustain the implementation of a criminal justice records improvement program for the criminal justice system in AZ	100	100	100	100	100
Develop, implement and operate data and information producing programs and processes on crime activity and the criminal justice system in AZ	100	100	100	100	100
Accurately and successfully publish, distribute reports containing reliable info and data on crime activity and the criminal justice system in AZ	100	100	100	100	100

- ◆ **Goal 5** To develop and sustain programs, functions and activities related to the criminal justice system that increases productivity in the system, enhances the coordination of the system and the effectiveness of the system.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent completion of statutory mandates regarding Commission duties, responsibilities and mandates	100	100	90	100	100
Number of reports	38	40	37	40	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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,479.0	4,281.5	4,281.5
Other Non Appropriated Funds	1,315.9	1,513.6	1,513.6
Total Funding	4,794.9	5,795.1	5,795.1
FTE Positions	3.0	3.0	3.0

◆ **Goal 1** To increase the number of compensation claims filed and awarded to eligible crime victims.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Obtain increased spending authority for the crime victim compensation program	4.1	4.1M	4.1	4.3	4.3
Increase in compensation awards reported by Operational units	4.0	4.0M	4.0	4.1	4.0
Increase in eligible benefits available to crime victims	4.0	4.0M	4.0	4.1	4.0

◆ **Goal 2** To effectively manage the allocation and administration of Crime Victim Compensation Funds.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Continuity of administration in the 15 counties	15	15	15	15	15
Percent of counties in which case reviews completed	60	60	60	60	60
Percent of cases reviewed showing no deficiencies	90	90	90	90	90
Percent of programs reviewed reflecting compliance with certified assurances and fiscal management practices	60	60	60	60	60

- ◆ **Goal 3** To effectively manage the allocation and administration of state crime victim assistance funds to provide a high probability of relieving the impact of crime on crime victims.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Applicants requesting funds	54	55	57	45	45
Grants awarded in a timely manner to victim services providers	46	47	37	30	30
Number of site visits completed	20	22	22	22	22
Program audits reflecting no deficiencies	18	15	15	15	15
Program single audits reflecting compliance with Administrative Rules	25	25	25	25	25

Program Summary	
STATISTICAL ANALYSIS CENTER	
Andrew LeFevre, Executive 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	130.6	565.6	565.6
Other Non Appropriated Funds	482.0	229.9	4.5
Total Funding	612.6	795.5	570.1
FTE Positions	6.0	6.0	6.0

- ◆ **Goal 1** To implement and maintain an effective and relevant criminal justice research program.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of studies/research projects proposed by internal and external customers	26	20	20	25	25
Number of studies/reports completed and published	37	20	22	25	25
Number of research products mailed via US mail to external customers (paper reduction).	0	0	0	0	0
Number of public and media data requests processed	82	70	86	80	80
Number of legislative and policy-maker data requests processed	51	40	17	30	30

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	730.2	973.7	1,773.7
Other Non Appropriated Funds	8,144.2	10,127.5	8,268.6
Total Funding	8,874.4	11,101.2	10,042.3
FTE Positions	3.0	2.5	2.5

◆ **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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Completion of annual report by due date.	1	1	1	1	1

◆ **Goal 2** To distribute appropriated funds and court fines to County indigent defense agencies and contract indigent defense as required by A.R.S. § 41-2409 for the purpose of improving case processing and by January 8th each year report to those stated in the legislation on the expenditure of the monies in the state aid to indigent defense fund for the prior fiscal year and on the progress made in achieving the goal of improved criminal case processing.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Completion of annual report by due date.	1	1	1	1	1

- ◆ **Goal 3** To effectively manage the acquisition, allocation and administration of local, state and federal grant funds to provide a high potential for significant productivity and impact on drug, violent and street gang crime in Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Grants identified, applications submitted and approved by funding authorities	2	2	3	2	2
Number of grant applications received from criminal justice agencies requesting grant funds for criminal justice system activities authorized by the Commission.	49	40	45	40	40
Number of grant applications evaluated and awarded to criminal justice agencies for criminal justice system activities authorized by the Commission.	49	39	43	40	40
Number of arrests made by grant-funded task forces	5,385	5,400	5,495	5,400	5,350
Convictions reported by grant-funded prosecution projects	24562	24000	18,793	18,000	17,500
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	5	7	2	7	5
Federal grantor agency conferences, workshops and planning sessions attended by Commission staff	1	1	2	2	2
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

Marc Peoples, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	1,881.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,370.0	4,738.8	2,824.7
Total Funding	2,370.0	4,738.8	4,706.2
FTE Positions	3.5	2.7	2.7

◆ **Goal 1** To apply for available federal funds in such program areas as DNA and Laboratory Improvements.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of grant applications submitted to proper agencies.	1	1	1	1	1

◆ **Goal 2** To establish and publish technology and data standards for criminal justice agencies of the state annually.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Meetings conducted annually	3	3	5	3	3

◆ **Goal 3** To improve disposition reporting of each county to the central repository each year.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Meetings coordinated to discuss record improvement challenges by records coordinator annually.	6	9	10	12	12
Percentage of increase in disposition reporting utilizing the Records Quality Index (RQI) tool for record improvement projects funded through the program annually.	5	5	2	5	5

◆ **Goal 4** To introduce legislation to change/improve criminal history reporting as needed.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Bills submitted to Legislature	3	1	1	1	1
Bills passed by the Legislature for the improvement of criminal history record reporting	2	1	1	1	1

◆ **Goal 5** To administer, monitor, and evaluate grant projects on a continual basis.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Site visits to grantee agencies	4	8	0	6	6
Assistance provided to grantee agencies	75	50	64	70	70
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	142	162	200	220	220

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Grants awarded to agencies for improvement of criminal justice/history records	12	12	12	14	14

◆ **Goal 7** To apply for available funds from federal Justice Department agencies.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of grant applications submitted to proper agencies	3	3	4	3	3
Number of grant awards provided to the Commission by the various granting agencies	0	3	3	3	3
Number of applicants requesting funding	16	12	13	12	12

Agency Summary

ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

Annette Reichman, Superintendent
 Phone: (520) 770-3704
 A.R.S. § 15-1300 et. Seq

Mission:

To work together with parents, school districts, advocacy organizations, business and community members to create nurturing environments in which children with a vision or hearing loss feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.

Description:

The Arizona State Schools for the Deaf and Blind (ASDB) provide education and evaluation to children and youths, with a vision or hearing loss, from birth to 22 years of age. School age children are served either in one of the schools located in Tucson or Phoenix, or in their home district. The Tucson campus provides a residential program. Regional Cooperative provides infants and toddlers with vision or hearing loss, with services in their home throughout the state. ASDB also provides comprehensive evaluation services for some children referred with multiple disabilities.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ PHOENIX DAY SCHOOL	11,032.8	11,657.5	11,657.5
➤ TUCSON CAMPUS	13,781.8	14,255.7	14,255.7
➤ REGIONAL COOPERATIVES	15,317.5	15,416.6	15,416.6
➤ PRESCHOOL/OUTREACH	4,608.4	4,819.2	6,419.2
➤ ADMINISTRATION	4,844.5	4,749.7	4,749.7
Agency Total:	49,585.0	50,898.7	52,498.7
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	20,182.5	21,378.1	22,978.1
Other Appropriated Funds	11,363.4	11,582.3	11,582.3
Other Non Appropriated Funds	18,039.1	17,938.3	17,938.3
Total Funding	49,585.0	50,898.7	52,498.7
FTE Positions	774.3	776.3	792.3

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

	FY2019 Estimate	FY2020 Estimate	FY2021 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

PHOENIX DAY SCHOOL

Richard Valdivia, Executive Director
 Phone: (602) 771-4694
 A.R.S. § 15-1300 et. Seq

Mission:

To create a nurturing environment in which children who are deaf or hard of hearing feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.

Description:

PDSD was established in 1967 and has expanded over the years from its inception as an elementary school to include a middle school and high school. The campus in North-Central Phoenix sits on 14 acres and currently provides educational services to approximately 318 students aged 5 through 22 who live within the metropolitan Phoenix area for whom daily transportation is feasible.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,136.6	4,761.3	4,761.3
Other Appropriated Funds	5,261.4	5,261.4	5,261.4
Other Non Appropriated Funds	1,634.8	1,634.8	1,634.8
Total Funding	11,032.8	11,657.5	11,657.5
FTE Positions	173.2	175.2	175.2

◆ **Goal 1** To increase efficiency and effectiveness in the instructional program for students served by ASDB Programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Individual Education Programs (IEP) or Individual Family Service Plans (IFSP) with participation of the representatives from school districts.	100	100	100	100	100

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents satisfied with the quality of transportation services provided at PSDS	96	97	85	98	0
Percent of parents satisfied with the quality of food services provided at PSDS	90	91	80	93	0
Percent of parents satisfied with the quality of medical services provided at PSDS	96	97	82.5	98	0

Program Summary

TUCSON CAMPUS

Marv Lamer, Superintendent
 Phone: (520) 770-3704
 A.R.S. § 15-1300 et. Seq

Mission:

To create a nurturing environment in which children who are visually impaired, deaf or hard of hearing feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.

Description:

ASDB’s Tucson Campus is the home of the Arizona School for the Deaf (ASD), the Arizona School for the Blind (ASB), the evaluation center for the entire agency (Technical Assistance to Schools [TAS]), and the ASDB administrative headquarters. The Tucson Campus has boarding facilities for students who live far from the Tucson Campus and need the services that only a special school for the deaf or the blind can provide. Currently about 166 students aged 5 through 22 attend the Tucson Campus, and of these about 62 live in the campus residence halls.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	9,712.3	10,186.9	10,186.9
Other Appropriated Funds	3,283.8	3,283.8	3,283.8
Other Non Appropriated Funds	785.7	785.0	785.0
Total Funding	13,781.8	14,255.7	14,255.7
FTE Positions	243.7	243.7	243.7

◆ **Goal 1** To increase efficiency and effectiveness in the instructional program for students served by ASDB Programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Individual Educational Plans (IEP) with participation of representatives from school districts in Tucson	100	100	100	100	100
Percent of IEPs developed with participation of parent	98	99	100	100	100
Percent of parents satisfied with their involvement in the program in Tucson	98	98	100	100	100
Percent of parents satisfied with the quality of educational programs provided to their child.	100	100	96	96	96

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Tucson students successful in transition settings three years after graduation	NA	NA	NA	NA	na

Explanation: Aims is no longer required or available

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents satisfied with the quality of transportation services provided at ASD/ASB in Tucson.	100	100	100	100	100
Percent of parents satisfied with the quality of food services provided at ASD/ASB in Tucson.	86	90	84	90	95
Percent of parents satisfied with the quality of medical services provided at ASD/ASB in Tucson.	98	99	96	96	96

Program Summary	
REGIONAL COOPERATIVES	
Marv Lamer, Superintendent	
Phone: (520) 770-3704	
A.R.S. § 15-1300 et. Seq	

Mission:

To work together with parents, school districts, advocacy organizations, business and community members to create nurturing environments in which children with a vision or hearing loss feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.

Description:

The assessment of students is done by certified staff personnel many of whom have advanced degrees up to and including several individuals with Doctorates. Instruction is provided by itinerant teachers who serve several school districts. These teachers work in cooperation with the child's family and the local school district. Placement for each child is a team decision made by the family, the home school district and ASDB staff. The decision is based on the individual comprehensive evaluation and the Individual Education Plan.

Funding:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	802.2	1,001.4	1,001.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	14,515.3	14,415.2	14,415.2
Total Funding	15,317.5	15,416.6	15,416.6
FTE Positions	245.8	245.8	245.8

- ◆ **Goal 1** To provide quality programming for students

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents rating the program as good or excellent	97	98	100	100	100

- ◆ **Goal 2** To provide programming meeting the individual needs of students

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents rating the student IEP progress as good or excellent	97	98	83	90	95

◆ **Goal 3** To increase the number of students served through the regional cooperatives.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of students served by the regional cooperatives and the Outreach program	1669	1700	1,660	1,750	1,750

◆ **Goal 4** To increase the number of school districts served by the Cooperatives

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of districts served by the Cooperatives	246	246	246	246	246

Program Summary					
PRESCHOOL/OUTREACH					
Marv Lamer, Superintendent					
Phone: (520) 770-3704					
A.R.S. § 15-1300 et. Seq					

Mission:

To look at the whole child, as a member of a family, as a child first who happens to be visually impaired, blind, hard of hearing or deaf. We are committed to nurturing the child and the family through education, involvement and continued support. We are sensitive to the cultural, emotional, social and educational priorities of each family. We are committed to fostering a partnership with families that will enable the child with visual impairments to reach personal independence.

Description:

There are two components to the Preschool program offered by ASDB - Parent Outreach and Preschool. The Parent Outreach Program serves children birth to three with hearing or vision loss as well as children who are deaf-blind. The statewide program serves every county in the state of Arizona. ASDB participates with the Arizona Early Intervention Program (AzEIP) in providing early intervention services to families and their children with sensory impairments under IDEA (The Individuals with Disabilities Education Act) Part C. The AzEIP participating State Agencies are the five state agencies identified in A.R.S. §§ 8-651 and 8-652 as responsible for maintaining and implementing a comprehensive, coordinated, interagency system of early intervention services. The five participating state agencies identified in A.R.S. § 8-652 are: Arizona Department of Economic Security (DES), Arizona State School for the Deaf and the Blind (ASDB), Arizona Department of Health Services (ADHS), the Arizona Health Care Cost Containment System (AHCCCS), and the Arizona Department of Education (ADE). Currently, 590 children are served by the program. The Preschool program serves VI and HI children from 3 to 5 in a structured learning environment on the Tucson campus and in Phoenix at several locations throughout the metropolitan area. Services offered to eligible children, their families and school districts include: Family education, developmentally appropriate center based preschool education, comprehensive educational assessment, functional vision assessments, audiological assessment, orientation/mobility services, physical therapy, sensory integration therapy, occupational therapy, speech/communication therapy, feeding therapy, transition to kindergarten and transportation.

Funding:

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	1,426.0	1,417.9	3,017.9
Other Appropriated Funds	2,818.2	3,037.1	3,037.1
Other Non Appropriated Funds	364.2	364.2	364.2
Total Funding	4,608.4	4,819.2	6,419.2
FTE Positions	49.3	49.3	65.3

◆ **Goal 1** To increase the number of students participating in the Parent Outreach Program

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of students served annually through the Parent Outreach Program and the Preschool program.	488	550	535	550	550

◆ **Goal 2** To provide quality programming for preschool students

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents rating overall quality as good or excellent	97	98	95	99	99
Percent of parents indicating the staff regularly communicates with them.	97	98	100	100	100
Percent of parents who feel their child is progressing satisfactorily toward their child's IEP/IFSP goals.	94	95	100	100	100
Percent of parents satisfied with their level of participation in the IEP/IFSP and MET process.	94	95	95	95	95
Percent of parents satisfied with the services and specialized equipment provided based on the IEP/ISFP.	97	98	100	100	100

Program Summary

ADMINISTRATION

Marv Lamer, Superintendent
 Phone: (520) 770-3704
 A.R.S. § 15-1300 et. Seq

Mission:

To provide leadership and vision for the Arizona State Schools for the Deaf and the Blind programs and to secure, maintain, and protect resources needed to meet the mission of the Agency.

Description:

The Arizona State Schools for the Deaf and the Blind (ASDB) consists of a variety of programs that provide education and evaluation to children and youth, with a vision or hearing loss, from birth to 22 years of age. School-aged children are served in one of the site based schools located in Tucson or Phoenix or in their home school district through one of the five Regional Cooperative programs. In addition to educational and evaluation services, the ASDB Tucson campus provides a residential program. Preschool children are served in both Tucson and Phoenix. Infants and toddlers with vision or hearing loss receive services in their homes throughout the State. ASDB also provides comprehensive evaluation services for some children referred with multiple disabilities.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,105.4	4,010.6	4,010.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	739.1	739.1	739.1
Total Funding	4,844.5	4,749.7	4,749.7
FTE Positions	62.3	62.3	62.3

◆ **Goal 1** To effectively manage facilities, transportation, food service and loss prevention to ensure that these services are supportive of the educational programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents satisfied with the quality of the medical services provided at ASDB.	97	98	89	99	99
Percent of parents satisfied with the quality of transportation services provided at ASDB.	97	98	92	99	99
Percent of parents satisfied with the quality of food services provided at ASDB.	89	95	81	96	96

◆ **Goal 2** To maintain a positive relationship with parents

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents satisfied with leadership at ASDB	95	96	91	98	98

◆ **Goal 3** 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents satisfied with instructional programs and services as measured by a survey PDS	0		93	94	95
Percent of students graduating from PDS with a high school diploma	0		100	100	100
Percent of students graduating from ASB and ASD with a high school diploma	0		100	100	100

◆ **Goal 4** To maintain a communication system with parents

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents indicating that staff and teachers regularly communicate with me.	98	99	94	99	99

◆ **Goal 5** To provide quality services to the schools within the Regional Cooperatives

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of parents with students served through the cooperatives satisfied with the services provided by ASDB.	97	98	100	100	100

Agency Summary

COMMISSION FOR THE DEAF AND HARD OF HEARING

Sherril L. Collins, Executive Director
 Phone: (602) 542-3336
 A.R.S. §§ 36-1941 through 36-1978

Mission:

To ensure, in partnership with the public and private sectors, accessibility for the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties to improve their quality of life.

Description:

The Arizona Commission for the Deaf and the Hard of Hearing (ACDHH) acts as an information bureau for the Deaf, Hard of Hearing, Deaf Blind, and individuals with speech difficulties. The Commission works with state agencies, local government and other public and private community agencies to educate staff to better provide services to their Deaf, Hard of Hearing, and Deaf Blind consumers. ACDHH administers a telecommunications equipment distribution voucher program that loans equipment to qualified Arizona residents. The Arizona Relay Service (7-1-1), which allows equal accessibility of public telephone service, is also administered by the Commission. The relay service is required by the Federal Communications Commission. ACDHH is also mandated to license American Sign Language interpreters and certify American Sign Language teachers.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ COUNCIL ACTIVITIES	1,736.6	1,932.3	4,992.0
➤ TDD - TELECOMMUNICATION DEVICE FOR THE DEAF	1,565.8	2,377.2	2,377.2
Agency Total:	3,302.4	4,309.5	7,369.2
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,302.4	4,309.5	7,369.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,302.4	4,309.5	7,369.2
FTE Positions	15.0	15.0	17.0

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	4,600.5	4,600.5	4,600.5
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

Program Summary

COUNCIL ACTIVITIES

Curtis Humphries, Business Manager
Phone: (602) 542-3857
A.R.S. §§ 36-1941 through 36-1978

Mission:

To assist agency administrators and political subdivision directors to improve the quality of services available for the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties; and to educate the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties on how best to access services.

Description:

The agency director and staff make numerous presentations to public organizations, agencies and private businesses on the needs of the Deaf, Hard of Hearing, Deaf Blind and persons with speech difficulties. These individuals coordinate consumer workshops, seminars, for interpreters, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,736.6	1,932.3	4,992.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,736.6	1,932.3	4,992.0
FTE Positions	12.0	12.0	14.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of information and referral contacts	6,562,152	3,500,000	10,090,622	8,500,000	8,500,000
Explanation: Contacts and Trainings					
Total number of website visits	145,221	100,000	187,426	210,000	210,000
Explanation: FY15 Launched a redesigned website.					
Total number of advertisements	1,543,925	1,500,000	3,903,260	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	21,739,398	1,500,000	24,373,430	25,000,000	25,000,000
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	17,838	30,000	14,753	16,000	16,000
Number of newsletters distributed	74,100	75,000	86,820	90,000	90,000
Explanation: Agency began weekly E-Newsletter Distribution					
Number of viewers impacted by Community View on an annual basis	0	10,000	2,519	3,500	3,500
Explanation: Reviving this resource.					

- ◆ **Goal 2** To increase the number of public and private sector partnerships in providing training and program services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of partnerships formed	8	5	12	10	10

- ◆ **Goal 3** To prepare future American Sign Language instructors for national-level standards and certification.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of workshop hours	0	1	0	0	0
Explanation: National ASL Teacher's Association is not currently active.					

- ◆ **Goal 4** To improve interpreter support services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of general licensed interpreters	277	350	271	300	300
Average number of calendar days from receipt of complaint about licensed interpreter to resolution	0	120	88	90	90
Number of complaints about certified/licensed interpreters	3	5	14	10	10
Number of licensed legal interpreters	52	45	59	65	65
Number of provisional interpreters	38	25	48	80	80

◆ **Goal 5** To improve public relations on issues related to hearing loss.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of printed articles related to the Arizona Commission for the Deaf and Hard of Hearing	914,160	700,000	2,953,765	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	481,004	250,000	0	150,000	150,000
Number of printed articles related to the Arizona Relay Service	1,908,920	700,000	606,443	500,000	500,000

Explanation: In FY11 Agency revised data collection methods to reflect publication circulation, matching industry standards.

Number of telecommunication advertisements for Arizona Relay Service	414	400	0	0	0
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Explanation: FY15 Purchased a package for a PSA instead of a commercial.

Number of telecommunication advertisements for Arizona Telecommunications Equipment Distribution Program	0	5	0	5	5
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Program Summary	
TDD - TELECOMMUNICATION DEVICE FOR THE DEAF	
Curtis Humphries, Business Manager	
Phone: (602) 542-3857	
A.R.S. §§ 36-1941 through 36-1978	

Mission:

To provide telecommunications access for the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties.

Description:

The Agency provides various assistive devices on a loaner basis to Arizona residents who are Deaf, Hard of Hearing, Deaf Blind and persons with speech difficulties. In addition, the Agency contracts with an interstate telephone company to provide telephone relay services 24 hours a day, 7 days a week. This relay service provides a link between Deaf, Hard of Hearing, Deaf Blind and persons with speech difficulties and all other telephone users.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,565.8	2,377.2	2,377.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,565.8	2,377.2	2,377.2
FTE Positions	3.0	3.0	3.0

◆ **Goal 1** To monitor telecommunications relay services to ensure compliance with current contract.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of telecommunications relay service calls completed without a complaint	97.9	99.5	95.92	99.5	99.5
Annual call minutes for the telecommunications relay service	588,654	1,200,000	464,147	1,000,000	1,000,000

◆ **Goal 2** To administer voucher system of the Telecommunications Equipment Distribution Program.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of customer satisfaction with equipment distribution voucher program	98.0	95	98.53	95	95
Number of equipment distributed to consumers	824	1,000	655	800	800
Number of applications distributed to consumers regarding the equipment distribution program	919	1,000	1,145	1,000	1,000
Number of demonstrations performed	245	250	215	150	150

Agency Summary

BOARD OF DENTAL EXAMINERS

Elaine Hugunin, Executive Director
Phone: (602) 542-4493
A.R.S. §§ 32-1201, 32-1299

Mission:

To provide professional, courteous service and information to the dental profession and the general public through examination, licensing, complaint adjudication and enforcement processes to protect the oral health, safety, and welfare of Arizona citizens through a fair and impartial system.

Description:

The State Board of Dental Examiners examines, licenses, certifies professionals to practice in the field of dentistry, registers business entities providing dental services and permits mobile dental facilities. The Board also accepts complaints against licensees, certificate holders, business entities and mobile dental facilities, investigates allegations, and administratively adjudicates complaints. The Board regulates approximately 9,400 business entities and professionals licensed or certified to practice in the state, as well as serves all Arizona citizens who receive their professional services.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,138.5	1,214.5	1,214.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,138.5	1,214.5	1,214.5
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. The Agency will continue to enhanced the online renewal application to increase the number of licensees using the application.

With the success of online renewals, the Agency sees opportunity for other online functionality with the same result of convenience to the licensees/applicants, decreasing manpower and real time information is available to the public.

As the Dental Practice Act is amended, the Agency is challenged to maintain a database which supports new processes and allows for consistency and increases employee efficiency. Looking to the future, the Agency acknowledges new levels of dental providers are emerging whose regulation will be added to the Dental Practice Act.

Staying current with technology is a priority of Agency leadership. The Agency is challenged to maintain, upgrade and secure the database to prevent frustration and lack of confidence in the Agency's technology by the public using the online directory of licensees, the licensee using an online function and staff maintaining the data.

The final component of using technology to improve employee efficiencies is the challenge of eliminating the flow of paper through the office. All aspects of licensure from initial application to expiration of a license and all aspects of the complaint process are paper driven. Although online renewal has eliminated much of the paper in the renewal process, a paper copy of the renewal certificate is maintained in the licensee's administrative file.

Solutions:

Strategy 1

The Agency plans to build on the realized efficiencies by developing an online renewal component for business entities, online initial license application submission, and online address changes to include the ability to order and pay for additional licenses.

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. 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 recognizes the advantages of being paperless versus 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.

Issue 2 Dissemination of information

Description Disseminating relevant information such as statute changes is important for licensees as well as the public. In the past, the Agency published and mailed a newsletter. In the electronic age, printing and mailing a paper newsletter is not only costly, but not environmentally responsible.

Solutions:

Strategy 1

Although the Agency's website contains relevant information, the Agency plans to publish articles not only about statute changes but specifically to address issues encountered by the Board which the licensee should know and would be of interest to the public. Licensees will be informed of a new article published to the website via email. There will be no additional funds used to implement and the Agency has the manpower to allocate to implement this issue.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	11.0	11.0	11.0
General Fund			
Other Appropriated Funds	1,214.5	1,214.5	1,214.5
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of days from receipt of completed application to issuance or denial of certification or license	4	10	4	10	10
Total number of applications received	846	816	758	803	802
Total number of individuals or facilities licensed	9,289	9,445	9,437	9,585	9,735
Customer satisfaction rating (scale 1-5)	4	4	5	4	4
Total number of licenses/renewals issued	3,601	3,301	3,322	3,346	3,457
Average calendar days to renew a license (from receipt of application to issuance)	4	10	4	10	10
Percent of cases adjudicated each fiscal year (ratio of complaints resolved to complaints received)	91	90	116	90	90
Average number of calendar days from receipt of complaint to resolution of complaint	95	150	112	150	150
Percent of investigations resulting in disciplinary or enforcement action	5	15	9	15	15
Number of licenses revoked or suspended	2	2	1	2	2
Total number of investigations conducted	276	257	260	259	259
Total number of complaints received annually	327	305	237	297	297
Total number of inspections conducted	205	196	177	193	193
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Publication of articles to our website which provides information to licensees regarding statutes and rules	12	6	6	6	6
Administration as a percent of total cost	3.9	5.0	4.8	5.0	5.0

Agency Summary

EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD

Jose Samuel Leyvas, Chief Executive Director

Phone: (602) 771-5100

ARS § 8-1181, ARS Title 8, Chap 13

Mission:

To increase the quality of, and access to, the early childhood development and health system that ensures a child entering school comes healthy and ready to succeed.

Description:

The Arizona Early Childhood Development and Health Board is a voter approved initiative to ensure the quality and accessibility of early childhood development and health programs at the community level. Proposition 203 created the Arizona Early Childhood Development and Health Board, which provides oversight and guidance on the implementation of the Proposition. The Board is more commonly known as First Things First.

First Things First establishes Regional Partnership Councils throughout the state. Each Regional Council is funded based on the number of children ages birth to five years living in the area, as well as the number of young children whose family's incomes do not exceed 100% of the federal poverty level. Programs funded through First Things First may be conducted either by grantees in the region or directly by the Regional Partnership Council. First Things First receives revenues from an additional tax levied on tobacco products.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	149,738.0	152,259.2	150,893.0
Total Funding	149,738.0	152,259.2	150,893.0
FTE Positions	158.7	158.7	158.7

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	158.7	158.7	158.7
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	120.3	118.3	116.3
Federal Funds	6,933.9	1,000.0	500.0

◆ **Goal 1** To support the building of a comprehensive, high quality early childhood development and health system

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Dollars (in millions) awarded in support of direct program delivery	170	126	122.5	124.2	124.2
Number of awards made	254	174	190	177	177
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Dollars (in millions) spent on Communications	3.1	3.3	1.7	3.3	3.3
% of regions participating in a coordinated communications strategy	100	82	100	100	100
% of Arizonans who see Early Education as important and % who see K-12 important.	71/83	75/85	71/83	70/80	70/80

◆ **Goal 3** To achieve high level of integration, coordination and collaboration with early childhood partners and stakeholders.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Estimated number of grants that have Grant and Sub-Grantee relationship	35	30	30	30	30
Number of multi-agency grants FTF is the recipient of	1	2	2	2	2
% of Council seats/positions (required by statute to have broad and diverse community and sector composition) not filled	10	10	10	10	10

◆ **Goal 4** To monitor and report on services, results, and outcomes

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Dollars (in millions) spent on evaluation and Needs & Assets	2.0	6.7	2.7	7.1	7.1
% of grantees (providing direct client services and have reporting requirements) reporting on units served	100	100	100	100	100

◆ **Goal 5** To provide a cohesive and efficient delivery support structure within FTF

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Staff Vacancy Rate (%)	22	18	3	3	3
Staff External Turnover Rate (%)	16	16	22	16	16
Staff External Voluntary Turnover Rate (%)	13	13	18	13	13
% of regional councils with dedicated staff	100	100	100	100	100
% of female (vs. male) employees	84	84	85	85	85
% of minority employees	46	46	46	46	46

◆ **Goal 6** To be fiscally accountable to the citizens of Arizona

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Major Deficiencies in the Annual Audit	0	0	0	0	0

Agency Summary

DEPARTMENT OF ECONOMIC SECURITY

Timothy Jeffries, Director
 Phone: (602) 542-5678
 A.R.S. § 41-1954

Mission:

To make Arizona stronger by helping Arizonans reach their potential through temporary assistance for those in need, and care for the vulnerable.

Description:

The Department of Economic Security (DES or Department) is an integrated human services agency that provides critical opportunity, assistance, and care for approximately two million Arizonans. Across its 40 programs, DES employees seek to serve fellow Arizonans with integrity, humility, and kindness.

More specifically, DES works with job creators to provide employment assistance, including vocational rehabilitation for individuals with physical or mental impairment and job training for economically disadvantaged adults and youth. Eligible working parents receive child care assistance. The Department manages the Unemployment Insurance Program, including collecting taxes and providing benefits.

DES provides temporary assistance and services that support Arizonans' goals of obtaining greater self-sufficiency. DES provides children with food, health care, and parental financial support; services to individuals with disabilities; and protection for the vulnerable by investigating allegations of abuse, neglect, and exploitation. DES operates with fiscal discipline and actively identifies and prosecutes fraudulent receipt of benefits.

The Department provides safety net services to victims of domestic violence; individuals experiencing homelessness and hunger; families needing assistance with utility bills; and vulnerable adults who are victims of abuse, neglect, and exploitation. The Department assists individuals and families by determining eligibility for temporary cash assistance, nutritional assistance, Medicaid, Social Security Disability Insurance (SSDI), and Supplemental Security Income (SSI). In addition, DES provides support to newly arrived refugees.

The Department provides early intervention services for infants and toddlers with developmental delays and home and community-based services for clients with intellectual and developmental disabilities. The Department assists parents in receiving child support payments by locating absent parents, establishing paternity, establishing the legal obligation to pay, and evaluating the absent parent's ability to pay.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADMINISTRATION	148,200.5	129,687.7	129,556.5
➤ DEVELOPMENTAL DISABILITIES	1,156,350.8	1,257,104.8	1,335,778.9
➤ BENEFITS AND MEDICAL ELIGIBILITY	1,688,783.3	1,666,105.1	1,666,105.1
➤ CHILD SUPPORT ENFORCEMENT	46,558.9	61,020.5	64,020.5
➤ AGING AND ADULT SERVICES	116,896.7	120,508.8	120,708.8
➤ DIVISION OF CHILDREN, YOUTH AND FAMILIES	195,820.7	191,681.7	191,681.7
➤ EMPLOYMENT AND REHABILITATION SERVICES	593,077.3	688,468.6	679,551.9
Agency Total:	3,945,688.2	4,114,577.2	4,187,403.4

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	511,764.3	530,124.4	558,944.4
Other Appropriated Funds	246,258.4	293,945.0	289,145.0
Other Non Appropriated Funds	3,187,665.5	3,290,507.8	3,339,314.0
Total Funding	3,945,688.2	4,114,577.2	4,187,403.4
FTE Positions	7,488.1	7,558.4	7,515.4

Issue 1 The Department needs to offer care for the vulnerable and help for persons who need temporary assistance.

Description The Department will help Arizonans reach their potential through temporary assistance to those in need, and care for the vulnerable.

Solutions:

1. Provide food, health care, and parental financial support for needy children.

Currently, one in four children in Arizona is living below the federal poverty guidelines, defined as an income level below \$24,300 per year for a family of four. The Department provides care and supportive services for these children. Over 450,000 Arizona children rely on Supplemental Nutrition Assistance Program (SNAP) benefits in order to access healthy meals each day, comprising nearly 50 percent of all SNAP recipients. The Department also provides eligibility determination for AHCCCS medical insurance.

Through the Coordinated Hunger Relief Program, the Department coordinates with federal, state, and local organizations that provide food assistance to hungry children and families and contracts with hunger organizations to maximize resources. Among the services provided are nutrition assistance outreach, food bank coordination, food boxes, commodities, coordination in rescuing produce that would otherwise go to waste (also called gleaning), and information about where to obtain food when in need.

The Department provides services to establish paternity, establish support orders, collect current support, and to assist parents with meeting their financial obligations for the self-sufficiency of Arizona children and families. The Division of Child Support Services (DCSS) has taken a more holistic approach by working with other areas in DES such as Supplemental Nutrition Assistance (SNAP), Cash Assistance, Vocational Rehabilitation, and jobs and child care programs to ensure custodial and non-custodial parents have the support needed to take steps towards their well-being and self-sufficiency.

Furthermore, the Department is strongly committed to enforcing child support obligations through appropriate legal processes for those clients who are unwilling to provide financially for their children. The #deadbeat initiative led by Governor Ducey, and implemented by the Department, has been successful. Since the launch of the initiative in January 2016, the Department has seen an increase in payments from parents who were previously delinquent. Child support evaders have been featured through the #deadbeat campaign; some of which have been located and/or paid toward their balance. The Department continues to monitor collections from the #deadbeat campaign.

2. Provide care and protection for vulnerable adults and individuals with disabilities.

The Department operates a developmental disabilities program serving approximately 36,000 individuals statewide, the majority of which are children. Persons served include individuals diagnosed with cognitive/intellectual disabilities, autism, cerebral palsy and epilepsy. Services provided support the individual and their families to lead the healthiest, most self-sufficient, and productive lives within their capabilities.

The Department's Adult Protective Services (APS) program investigates reports of abuse, neglect, and exploitation of vulnerable and incapacitated adults. To reduce untenable caseloads, the Department surged the number of APS caseworkers through 2016 and achieved an extraordinary caseload reduction of 70 percent. Going forward, the Department is committed to solidifying APS caseworkers at an average of 30 to 35 cases in rural areas and 40 to 45 cases in urban areas.

The Department coordinates with community providers to deliver services to victims of domestic violence. The Department used the information gleaned from meetings with these stakeholders to develop future service delivery model(s) for the Domestic Violence Program. These meetings were held in partnership with the Arizona Coalition to End Sexual Abuse and Domestic Violence. Current efforts are being made throughout the state to provide services that respond to the diverse and evolving needs of victims of domestic violence and their families that also engage the community as partners.

3. Provide temporary assistance to clients in need as they work to achieve greater self-sufficiency.

The Department provides access to adequate nutrition, temporary financial support, child care, and AHCCCS medical insurance to provide temporary assistance and care for Arizonans in need. The Department has implemented and will expand a number of initiatives to improve the provision of these services to Arizonans.

Our Great DES is enhancing service availability for our treasured clients. The Department has expanded service hours at 23 of 60 benefits eligibility and employment service centers and four of seventeen child support service centers. Expanded office hours reduce the stress and challenges associated with obtaining services for working parents and other treasured clients. The Department's next step is to expand and improve client service options for benefits and medical eligibility services, employment and rehabilitation services, and child support services to expand service availability to 60 percent of our clients.

The Department has implemented significant improvements for clients in local office lobbies and call centers. One high impact strategy has been to provide benefits eligibility services online through the HEAplus application system that allows Arizona residents to apply online for AHCCCS medical insurance, SNAP, and Cash Assistance. The Department continues to advance and improve the HEAplus system. The Department will continue to expand service availability for our clients. The Department opened a 67 colleague-strong benefits and eligibility call center in the rural town of Somerton that set the standard for all future DES call centers. The Department will assess and upgrade the performance of every call center to achieve maximum efficiency and customer service.

The Department, through its contractors, supports programs providing services and rapid re-housing for those who would otherwise become homeless. These services include wraparound supports such as job search assistance, training, and child care until an individual's or family's situation has stabilized. The Department uses strategies employing outreach efforts with assessment tools to address the needs of those who have recently become homeless in order to rapidly re-house and stabilize them in permanent housing.

The Department's Community Action Program (CAP), works in partnership with public and private agencies to alleviate poverty and empower low income communities throughout Arizona. Most of the agencies are Community Action Agencies (CAAs) that were created through the Economic Opportunity Act of 1964. CAAs provide services to more than 150,000 people annually. Services include the Low-Income Home Energy Assistance Program that assists with utility deposits and bill payments and the Short-Term Crisis Services Program that provides temporary assistance to low income households experiencing an emergency situation. CAP is implementing organizational standards in order to increase accountability for Community Services Block Grant (CSBG) funds. This comprehensive set of organizational standards was established to ensure that all CSBG-eligible entities have the capacity to provide high-quality services to low-income individuals and communities.

The Department's Unemployment Insurance (UI) Program assists eligible unemployed clients while they seek reemployment. The program also assists the employer community in complying with state and federal regulations, thus ensuring the availability of the program to those in need. The UI call center was reviewed via Lean transformation in order to increase the UI call center pick up rate from 47 percent to 100 percent of all calls and slash call waiting times from 100 minutes to 10 seconds.

The Department provides child care subsidies to assist eligible families with child care costs, thereby enabling parents to participate in employment and specific education and training activities related to employment, or in other circumstances when parents are unable to provide care. Per the Governor's direction, the Department authorized three child care waiting list releases benefitting over 5,000 families including approximately 11,000 Arizonan children prior to June 2016. In July 2016, DES released an additional 4,385 children from a Priority One wait list, representing 2,298 families. Child care assistance is now available to an additional 4,385 children that were the highest priority on the wait list.

The Department provides services to persons with developmental disabilities that include habilitation, home modifications, home nursing, respite, and day treatment services so that clients can progress in their goals toward greater self-sufficiency. Therapies offered include occupational, physical, and speech therapy. Also, the Department partnered with the Arizona Department of Housing to secure a \$2,950,000 grant from the U.S. Department of Housing and Urban Development to create accessible and affordable housing units for individuals with developmental disabilities.

The Department will continue to identify and implement improvements in the provision of temporary assistance to clients as they work to achieve greater self-sufficiency.

4.Support Arizonans to reach their full potential by providing intervention and employment-related services to vulnerable populations, including older adults; individuals with disabilities; refugees; and economically disadvantaged youth, adults, and veterans.

The Department launched ARIZONA@WORK, a network of public employment offices providing placement services for job seekers

and labor force recruitment services for job creators of all sizes and types. For job seekers throughout the state, the network provides services and resources to pursue employment opportunities. By developing the state's workforce and matching employers with job seekers, ARIZONA@WORK helps advance Governor Ducey's priority for 21st Century Economy supporting businesses that employ Arizonans.

The Department is continuing to engage the 930 remaining families that are impacted by a 12-month lifetime limit for receipt of Temporary Assistance for Needy Families (TANF) benefits that became effective in 2016. The Department initiated efforts to reach those affected by the benefit change immediately after passage of the change. The Department will continue to work with all individuals and our community partners to find solutions for our fellow Arizonans in need. Similarly, it is a priority for Our Great DES to engage and support over 20,000 Able-Bodied Adults with Dependents (ABAWDs) in Maricopa, Pima, and Yavapai counties that are impacted by a loss of Supplemental Nutrition Assistance Program eligibility.

The Department's Senior Community Service Employment Program (SCSEP) program fosters useful part-time, work-based training opportunities for unemployed low-income persons who are 55 years of age or older and have poor employment prospects. The Department will promote the viability of a career as a direct care professional to SCSEP participants. The Department will also strengthen collaboration among SCSEP grantees and Workforce Investment Opportunity Act service providers to ensure a seamless system of service delivery and develop strategies for identifying unmet service needs in small communities that can be carried out by local SCSEP providers.

The Department's Refugee Resettlement Program (RRP) provides linguistically compatible and culturally responsive case management and employment services that support refugees with achieving economic self-sufficiency as quickly as possible after their arrival in the United States. The Department focuses on enhancing the earnings of refugees, while expanding their on-the-job training opportunities. RRP identifies options for affordable and accessible child care, provides increased job search six months after arrival in the U.S., and expands employment options for refugees over 55 years of age. Finally, RRP assists limited-English-proficient clients with finding and retaining jobs and by expanding Vocational English as a Second Language training.

Arizona Industries for the Blind (AIB) provides employment and training opportunities for Arizonans who are blind. The Department is in the process of transitioning AIB from being a component of DES to an independent, private nonprofit organization. In compliance with legislative provisions, the transfer will be completed by July 2017. The transfer will reduce the size of government and create a stronger sense of shared ownership with the community that will foster a favorable public opinion among Arizona's constituents who are blind.

5. Promote a culture of transparency, accountability, safety, and security in the Department's operations.

Director Jeffries is continuing an unprecedented number of MOJO building colleague gatherings including completing initial visits to 108 DES offices and hosting seven to nine Regional Colleague Summits in the second half of 2016. These gatherings, in addition to frequent emails and other regular communications with colleagues, are increasing workplace enthusiasm and fostering a culture of transparency and accountability across the Department.

The Department established the Office of Inspector General (OIG) to safeguard the welfare of Arizonans by preventing and detecting fraud, waste, abuse, and misconduct. OIG engages and collaborates with the Department's program and operational areas to promote a shared ownership of the organization's goals, create transparency, and foster accountability in all areas of business operations and management. The Department significantly ramped up OIG activities and initiatives, including authorizing the first-ever OIG Internal Affairs day-time arrests of DES employees that commit fraud and authorizing the hiring and deployment of law enforcement to the APS Financial Exploitation Unit and the Division of Child Support Services (DCSS).

The DES/OIG comprises eight principal functions: audit, assessment, and review; continuous improvement; administrative and criminal investigation; research and analysis; risk management; protective services; investigation and resolution of equal opportunity complaints; and hearing and deciding appeals pertaining to unemployment insurance and public assistance programs administered by DES. This portfolio of functions collectively protects the integrity of the Department's programs and services.

The Department conducts administrative and criminal investigations of fraud allegations related to public assistance benefits such as SNAP, unemployment insurance, cash assistance, and child care subsidy. These investigations are pursued aggressively for criminal prosecution, as applicable, with the appropriate prosecutorial entity or for administrative prosecution by means of an administrative disqualification hearing in the case of a SNAP eligibility fraud or trafficking offense if it is deemed a noncriminal case.

The Department conducted Operation Desert Spring which resulted in the arrest and indictment of individuals who defrauded programs intended to benefit the poor. The Department will continue to vigorously pursue any instances of fraud, waste, or abuse of programs within its preview.

Consistent with Governor Ducey's priority of "Protecting our Communities", in the face of domestic and international threats, the Department is taking aggressive action to provide for the safety of our colleagues and clients. The Department is aggressively upgrading physical security and building conditions at 77 DES Service Centers and 54 other DES locations (including 13 group homes). The Department continuously monitors intelligence reports and has implemented a Communicator NXT system to ensure that emergency information can be quickly distributed across the workforce. The Department will continue to secure and upgrade facilities and train colleagues on security awareness and self-defense.

The Department launched "Project Justice," which established the agency's version of a whistleblower program, a supplement to the existing federal and state whistleblower programs. This program established a direct line of communication to the Director for colleagues to voice concerns about workplace issues. The Department's Office of the Director works directly with OIG in investigating these concerns with guaranteed assurances of confidentiality and prompt and appropriate action.

6. Increase partnership with the business community, nonprofit organizations, faith-based organizations, Tribal nations, and stakeholders to provide opportunity, assistance, and care for Arizonans in need.

The Department is committed to engaging with our valued partners with respect, gratitude, and transparency. The Department created its first-ever Office of Community Engagement (OCE). At the beginning of 2016, OCE initiated a series of round-table meetings with four major groups leading the community: Faith, African American, Hispanic, and key stakeholders. This initiative has reached out to over 300 leaders in the community and several action committees have been created. The committees are making a direct positive impact for thousands of DES clients in areas such as mental health awareness, establishing DES satellite offices, and improving child care quality and access.

The Department has engaged tribal leadership with all 22 Tribal Nations and will continue work to further strengthen tribal engagement.

Colleagues from all levels in the agency are engaged with partners and stakeholders to coordinate action to achieve the Department's mission. The Department continuously seeks opportunities to expand and collaborate with government, workforce, business, community, tribal, and faith-based stakeholders to meet the employment needs of our diverse population of clients. Engaging partners in hiring events, job fairs, community health fairs, veteran stand downs, and Homeless Connect events strengthens awareness of our employment programs, provides a positive experience for job seekers in need of employment-related services, and fulfills employers' workforce needs.

The Department will seamlessly engage Arizona sister social service agencies e.g. Department of Child Safety (DCS), Department of Health Services (DHS), Arizona Health Care Cost Containment System (AHCCCS) to maximize impact for the poor and suffering.

Issue 2 The Department needs to be fueled by a culture of kindness and excellence.

Description More than two million Arizonans need the opportunity, assistance, and care provided by the Department. For these Arizonans, DES colleagues too often provide the only encouraging moments in their day. The Department must support all colleagues in delivering excellent service to those we serve.

Solutions:

1. Continue “new millennium” communication strategies to drive collaboration and change.

The Department will continue to focus on a variety of strategies that communicate and engage colleagues in collaboration and change. The Department will expand the use of social media for effective internal and external communication about the unfolding culture of kindness and excellence. The Department recognizes and reinforces colleague actions that reflect the new culture. Arizona leaders from the public and private sectors will continue to meet with the Executive Leadership Team so they can learn from top-level executives and influential elected officials. Members of the Department’s Executive Leadership Team will continue to conduct outreach to DES offices throughout the state to inform, inspire, and engage colleagues.

For example, colleagues from DES’s Early Intervention Program (AzEIP) regularly visit the Early Intervention Programs (EIPs) throughout the state to promote the Mission and Vision of DES and to ensure that families are provided high quality team-based early intervention services throughout Arizona.

Leadership teams across the Department are adopting regular “huddle” meetings to get information out quickly and accurately and improve collaboration among staff.

2. Provide colleague development opportunities throughout the Department.

The Department is driving the Office of Professional Development (OPD) to significantly improve and be awesome for our 7,700 colleagues with the goal of being the best training group of its kind in Arizona. The OPD, formerly known as the Training and Development Administration, has undergone a name change to indicate its new mission and focus; which is not just simply to train our colleagues, but to help develop careers and identify future leaders. DES has transitioned its training community from a “shared reporting” model to a “centralized” training structure. This new centralized reporting model will better align professional development to well-established industry-wide training best practices. This model will also allow the Department to cross-train and share best practices, which will increase training efficiency and reduce Department costs by leveraging existing internal talent.

The Department has established several initiatives designed to allow colleagues to expand their leadership and professional skills. The DES Mentor Program is open to any non-supervisor and provides a structured opportunity for learning and growing through engagement with seasoned professionals. The Educational Assistance Program assists colleagues financially to attain educational goals and to develop new skills that benefit DES clients and DES as an organization.

Another significant colleague development initiative is the Leadership Development Program (LDP). This program provides DES colleagues with formal development opportunities (specific to Department needs) to identify and refine leadership skills. LDP is a unique developmental activity for colleagues of DES who have the potential and desire to pursue greater leadership responsibility. This program offers an opportunity for intense personal and professional growth for the participants.

3. Advance excellence through leadership support.

The Department is committed to recognizing the dedicated services of our colleagues. Using input from across the agency, the Department has redesigned its colleague recognition program to be more robust, rewarding, and successful.

The Department uses colleague engagement surveys as the foundation for actions that assist colleagues with needed support, including tools and training. The Department’s 2016 survey increased positive engagement from 2.5:1 in 2015 to 3.9:1 in 2016, and tripled positive colleague engagement since 2014. Leveraging employee input, the Department continues to enhance esprit de corps and retention through action.

Using a strategy that makes financial common sense and builds on previous achievements, the Department will secure market rate adjustments for colleague groups suffering with turnover over 20 percent through 39 percent. Taxpayers and clients will benefit

from the stability of a skilled colleague workforce.

The Lean movement is an initiative across executive agencies being led by Governor Doug Ducey. Lean is a methodology and culture that emphasizes providing goods and services in the most efficient way possible while keeping the customer's needs and wants as the foremost priority. In one example, the Department increased the unemployment insurance call pick up rate from 47 percent to 100 percent of all calls and reduced call waiting times from 100 minutes to 10 seconds via a Lean transformation project. The Department has established and is increasing the capacity of the DES Office of Lean Transformation to drive optimal, high impact lean projects.

Future actions will include executing action plans based on the 2016 Colleague Survey; Director visits to every offsite Leadership Team meeting held by Programs, Operations, Professional Development, and the Office of Inspector General; hosting a second leadership summit for the top five levels of DES servant leadership (approximately 300 public servants); hosting a second leadership summit for the top six levels of DES servant leadership (approximately 1,200 public servants); and implementing the Annual DES Audit Plan to identify opportunities for excellence.

The Department will solidify a model of shared administrative support services to drive agency efficiencies, realize budget savings, and elevate overall colleague satisfaction.

Responding to pressing issues and leveraging opportunities as they emerge will continue to be a characteristic of Our Great DES.

4. Provide culturally appropriate excellent service.

The values of Our Great DES and the "People First, People Always" focus speak to the desire and expectation that the Department will honor all Arizonans in need through respectful partnership and service. The Department continues with gatherings statewide, supported by MOJO-laden videos and 8,300 DES colleague emails to the Director. In addition, the Department optimized colleague engagement and retention initiatives. Department leadership supports colleagues providing culturally appropriate excellent service through the initiatives described above and through the infusion of the values of DES in their daily work.

In addition, the Department expanded the Human Resources Administration Employee Relations Unit to better address employment issues. With the additional resources, DES addresses the issues affecting the workplace to fully embrace a "People First, People Always" culture.

Issue 3 The Department needs to modernize information technology systems and infrastructure.

Description The Department's information technology (IT) systems are a critical component in the delivery of Department services. These systems support the issuance of client benefits and provider payments, financial management, and state and federal reporting.

Solutions:

1. Continue to improve or replace inadequate and unsupported legacy applications to provide more efficient customer service delivery.

The Department is in the process of transitioning legacy mainframe applications to supportable language and database technologies. The majority of mainframe administrative and operational costs are fixed and are divided among the Department's legacy mainframe applications. The Department is currently in the process of transitioning Medicaid, SNAP, and TANF eligibility determinations to the new HEAplus system. The Department is also commencing a project to study the feasibility to replace the child support legacy system. As these legacy applications, which currently represent 80 percent of mainframe utilization, are replaced with modern applications, the remaining legacy systems will have to absorb the fixed mainframe operational costs.

Using best practice continuous improvement methodologies, like Lean, Six Sigma, and Agile, the Department will continue to align application architecture and functionality with business and regulatory requirements. Continuing modernization efforts will include establishing an enterprise application architecture to facilitate application hosting both in-house and in cloud service provider environments. DES will expand its adoption of industry best practices regarding enterprise intelligence.

The Department will continue to consolidate application technologies to facilitate the development of a workforce able to deliver IT solutions when needed. DES will determine and focus its Division of Technology Services on those services that can best be delivered in-house and serve as a general contractor to deliver services requiring outside expertise.

2. Continue to make needed improvements to the IT environment to improve application functionality and enhance overall regulatory compliance to protect the privacy and integrity of confidential data.

The Department will continue to make improvements in order to enhance the protection of the Arizona's confidential data. Improvements such as segregating each DES program division into separate network segments and the implementation of enterprise wide policy driven access control are included in the effort. DES will continue to expand and improve network traffic monitoring within and between the network segments. The Department will upgrade data transport protocols using encryption, where feasible. IT policies and standards will continue to be updated. These combined actions allow DES to demonstrate compliance with all applicable security and privacy laws and to quickly adapt to new requirements.

3. Continue improving the IT infrastructure (e.g., a multi-tenant, service-oriented architecture) now located in a state-of-the-art data center.

The Department will continue to identify opportunities, based on industry best practices, to improve its infrastructure in the Tier 3 data center where it is now located. The DES IT environment will continue to migrate its applications onto individual server stacks as part of the IT continuous improvement process. DES will continue to identify opportunities to implement application functionality as common services while maintaining the logical separation between business units. The Department will also implement an enhanced infrastructure to facilitate the management of the new multi-tenant service-oriented application architecture.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	7,561.0	7,599.0	7,637.0
General Fund	570,100.0	581,500.0	593,100.0
Other Appropriated Funds	297,800.0	306,700.0	315,900.0
Non-Appropriated Funds	882,000.0	908,500.0	935,800.0
Federal Funds	2,545,100.0	2,608,700.0	2,673,900.0

Program Summary

ADMINISTRATION

Scott Carson, Financial Services Administrator
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 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
- ▶ ABLE Program

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	43,554.1	22,822.8	24,822.8
Other Appropriated Funds	7,961.9	9,805.6	9,805.6
Other Non Appropriated Funds	96,684.5	97,059.3	94,928.1
Total Funding	148,200.5	129,687.7	129,556.5
FTE Positions	1,174.3	1,174.3	1,174.3

Subprogram Summary

CENTRAL ADMINISTRATION

Scott Carson, Financial Services Administrator
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	42,274.6	21,556.5	21,556.5
Other Appropriated Funds	5,359.6	7,127.1	7,127.1
Other Non Appropriated Funds	75,363.3	75,259.5	73,128.3
Total Funding	122,997.5	103,943.1	101,811.9
FTE Positions	980.0	980.0	980.0

◆ **Goal 1** To improve the quality and efficiency of services delivered to customers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Agencywide customer satisfaction rating (scale 1-5)	3.9	3.9	0	N/A	0
Total Office of Accounts Receivable and Collections cost per dollar to administer, bill, and collect debts	0.07	0.07	0.06	0.08	0
DES percentage below Phoenix Market Rate per square foot	21.0	N/A	0	TBD	0
Explanation: % below/(above) comparable market rate					
Percent of OLCR licenses to foster homes without a complaint	N/A	N/A	0	N/A	0
Average days to hire for open positions in the Department (calendar)	0	0	0	31	0
Cost per mile (fleet)	0	0	0	0.43	0

Subprogram Summary

ATTORNEY GENERAL LEGAL SERVICES

Scott Carson, Financial Services Administrator
 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 two sections: 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,229.0	1,221.9	1,221.9
Other Appropriated Funds	2,602.3	2,678.5	2,678.5
Other Non Appropriated Funds	8,738.1	9,304.4	9,304.4
Total Funding	12,569.4	13,204.8	13,204.8
FTE Positions	180.3	180.3	180.3

Subprogram Summary

GOVERNOR'S ADVISORY COUNCIL ON AGING

Scott Carson, Financial Services Administrator
Phone: (602) 542-3786
A.R.S. § 46-183

Mission:

To advise the Governor, Legislature, and all state departments that the Council deems necessary on all matters and issues relating to the aging population, including the administration of the State Plan on Aging.

Description:

The Governor's Advisory Council on Aging (GACA) is a policy advisory body and does not have regulatory authority. It was established and organized to meet the responsibilities and duties prescribed in A.R.S. § 46-183. The Council advises the Governor, the Legislature, and state departments about aging policies and programs. The Council works to find solutions to the current aging problems and lay groundwork for the future needs of an increasingly aging population.

Note: The goals and performance of this program are reflected in the measures for the Division of Aging and Adult Services and its programs.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	50.5	44.4	44.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	162.6	133.9	133.9
Total Funding	213.1	178.3	178.3
FTE Positions	2.0	2.0	2.0

Subprogram Summary

GOVERNOR'S COUNCIL ON DEVELOPMENTAL DISABILITIES

Scott Carson, Financial Services Administrator
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 Governor's Council on Developmental Disabilities is Arizona's state planning council for people with developmental disabilities. Formerly known as the Developmental Disabilities Planning Council, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,772.5	1,802.6	1,802.6
Total Funding	1,772.5	1,802.6	1,802.6
FTE Positions	4.0	4.0	4.0

Subprogram Summary

ARIZONA EARLY INTERVENTION PROGRAM

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	2,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,648.0	10,558.9	10,558.9
Total Funding	10,648.0	10,558.9	12,558.9
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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Total AzEIP cases	5,842	6,134	0	6,440	0
AzEIP direct (IPP) service cost per child (\$)	0	0	0	320	0
Percent increase of referrals	0	0	0	7	0

Subprogram Summary

ABLE PROGRAM

Scott Carson, Financial Services Administrator
 Phone: (602) 542-3786
 A.R.S. § 46-901 through 46-908

Mission:

To administer the Achieving a Better Life Experience Act.

Description:

Laws 2016, Chapter 214 established the Achieving a Better Life Experience Act (ABLE) program within DES. 26 U.S.C. § 529A, the ABLE Act allows for tax free savings accounts to be used for qualifying expenses benefitting individuals with significant disabilities, and eliminates penalties for work and saving by generally exempting ABLE account funds from counting towards eligibility for federal benefits programs.

Laws 2016, Chapter 214 establishes within DES an oversight committee comprised of members appointed by the Department, the State Treasurer, and specified community representatives selected by the governor.

Note: The goals and performance of this program are reflected in the measures for the Division of Employment and Rehabilitation Services and its programs.

Program Summary

DEVELOPMENTAL DISABILITIES

Scott Carson, Financial Services Administrator
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	387,931.1	425,210.7	444,630.7
Other Appropriated Funds	28,021.0	27,279.6	26,679.6
Other Non Appropriated Funds	740,398.7	804,614.5	864,468.6
Total Funding	1,156,350.8	1,257,104.8	1,335,778.9
FTE Positions	2,026.4	2,093.7	2,131.7

Subprogram Summary

DEVELOPMENTAL DISABILITIES OPERATIONS

Scott Carson, Financial Services Administrator
Phone: (602) 542-3786
A.R.S. § 36-554

Mission:

To enhance supports and services to consumers and families through the effective and efficient use of state and federal funding.

Description:

The Division of Developmental Disabilities Operations subprogram provides administrative oversight and operating support for the all of the Division's programs, including programs for both Arizona Long Term Care System (ALTCS) eligible individuals and state only eligible individuals with developmental disabilities. The Division of Developmental Disabilities coordinates services and resources through five district offices and approximately 58 local offices in various communities throughout the state.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	14,282.3	14,715.8	14,715.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	43,051.2	45,801.7	56,301.7
Total Funding	57,333.5	60,517.5	71,017.5
FTE Positions	294.3	294.3	294.3

◆ **Goal 1** To provide services to individuals with disabilities.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average days to determine eligibility	N/A	N/A	N/A	30	0

Subprogram Summary

CASE MANAGEMENT - TITLE XIX

Scott Carson, Financial Services Administrator
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	16,210.7	17,038.2	18,046.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	40,257.6	51,007.8	58,799.9
Total Funding	56,468.3	68,046.0	76,846.0
FTE Positions	1,009.6	1,076.9	1,114.9

◆ **Goal 1** To provide quality case management services for all eligible consumers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of consumer satisfaction with case management services (Title XIX only)	98.7	98.8	98.9	99.0	0
Average number of consumers with developmental disabilities served	27,597	28,974	28,793	30,089	0
Case management ratio (including metro, rural, Title XIX, TCM, and state-only)	0	0	1:44	1:42	0

Subprogram Summary

CASE MANAGEMENT - STATE ONLY

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,912.7	3,893.7	3,893.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5,066.7	5,381.6	5,381.6
Total Funding	8,979.4	9,275.3	9,275.3
FTE Positions	79.3	79.3	79.3

◆ **Goal 1** To promote quality case management services for all eligible consumers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of consumers with developmental disabilities served	7,041	7,100	7,422	7,570	0
Case management ratio (including metro, rural, Title XIX, TCM, and state-only)	0	0	1:44	1:42	0

Subprogram Summary

HOME AND COMMUNITY BASED SERVICES - TITLE XIX

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	275,246.7	306,631.8	322,343.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	523,850.2	566,359.9	592,321.9
Total Funding	799,096.9	872,991.7	914,665.8
FTE Positions	94.5	94.5	94.5

- ◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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	87.9	88.0	89.9	90.5	0
Average number of individuals served (ALTCS)	25,942	27,120	27,120	28,351	0

- ◆ **Goal 2** To provide consumer, family, and caregiver satisfaction with home- and community-based services and supports.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of relatives and caregivers of consumers stating the services received meet the consumer's needs	98.9	99.0	99	99	0
Percent of relatives and caregivers satisfied with the providers of services received.	99.0	99.2	98.2	99.2	0

- ◆ **Goal 3** To increase consumers' economic prosperity and self-sufficiency by placing adult consumers in community employment opportunities.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percentage of eligible adult consumers placed in community employment	22.3	22.5	23.8	24.5	0

Subprogram Summary

HOME AND COMMUNITY BASED SERVICES - STATE ONLY

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	16,629.8	16,793.4	16,793.4
Other Appropriated Funds	467.0	120.0	120.0
Other Non Appropriated Funds	0.0	1,793.1	1,793.1
Total Funding	17,096.8	18,706.5	18,706.5
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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	99.0	0
Average number of individuals served (TCM)	4,127	4,315	4,315	4,511	0
Average number of individuals served (DDD State-Only)	2,914	3,107	3,107	3,313	0

Subprogram Summary

INSTITUTIONAL SERVICES - TITLE XIX

Scott Carson, Financial Services Administrator
 Phone: (602) 542-3786
 A.R.S. § 36-552

- Mission:**
To provide services and supports to eligible individuals with developmental disabilities that will promote home- and community-based placement whenever appropriate.

Description:
 This program consists of state and privately operated intermediate care facilities (ICF) and nursing facilities.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,468.9	6,960.9	7,260.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	13,723.6	17,004.8	20,604.8
Total Funding	20,192.5	23,965.7	27,865.7
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of consumers in ICF/MRs and skilled nursing facilities (*point in time 6/30)	211	191	179	175	0
Number of consumers in Institutional Settings	144	164	164	187	0

Subprogram Summary

MEDICAL SERVICES

Scott Carson, Financial Services Administrator
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	47,315.8	50,951.9	53,151.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	104,175.4	105,667.9	116,067.9
Total Funding	151,491.2	156,619.8	169,219.8
FTE Positions	35.4	35.4	35.4

◆ **Goal 1** To provide cost effective, quality health care.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of consumers receiving acute care services through the Division of Developmental Disabilities	28,307	30,447	29,038	30,054	0

Subprogram Summary

ATP-COOLIDGE - TITLE XIX

Scott Carson, Financial Services Administrator
Phone: (602) 542-3786
A.R.S. § 36-2939

Mission:

To provide active treatment, residential care, supervision, and services to eligible individuals to promote home and community placements whenever possible and appropriate.

Description:

The Arizona Training Program at Coolidge is an Intermediate Care Facility (ICF) consisting of certified residential facilities that provide active treatment and other services in accordance with federal and state regulations.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,935.5	4,854.4	5,054.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,274.0	11,597.7	13,197.7
Total Funding	15,209.5	16,452.1	18,252.1
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of consumers living at Arizona Training Program at Coolidge	95	93	87	80	0
Number of consumers at ATP in Coolidge at group homes	23	21	21	19	0
Number of consumers at ATP in Coolidge at ICF	70	65	65	60	0

Subprogram Summary

STATE-FUNDED LONG TERM CARE

Scott Carson, Financial Services Administrator
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:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	27,554.0	27,159.6	26,559.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	27,554.0	27,159.6	26,559.6
FTE Positions	2.0	2.0	2.0

◆ **Goal 1** To provide state funded services to Long Term Care-eligible consumers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Long Term Care-eligible consumers that receive state-funded room and board to live in community-based homes	4,386	4,578	4,490	4,625	0

Subprogram Summary

MEDICARE CLAWBACK PAYMENTS

Scott Carson, Financial Services Administrator
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,928.7	3,370.6	3,370.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,928.7	3,370.6	3,370.6
FTE Positions	0.0	0.0	0.0

Program Summary			
BENEFITS AND MEDICAL ELIGIBILITY			
Scott Carson, Financial Services Administrator			
Phone: (602) 542-3786			
A.R.S. § 41-1954			

Mission:

To promote the safety, well-being, and self-sufficiency of children, adults, and families.

Description:

The Division of Benefits and Medical Eligibility determines eligibility, operates an evaluation and monitoring program, and pays benefits for the Temporary Assistance for Needy Families (TANF) Cash Assistance, Nutrition Assistance (formerly Food Stamps), and Tuberculosis Control programs. The Division also provides financial assistance to Native American tribes operating their own TANF programs and provides child passenger restraint seats.

This Program Contains the following Subprograms:

- ▶ Benefits and Medical Eligibility Operations
- ▶ Disability Determination Services Administration
- ▶ TANF Cash Benefits
- ▶ Tribal Pass-Through Funding
- ▶ Nutrition Assistance Benefits
- ▶ Coordinated Hunger

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	36,871.1	36,733.6	36,733.6
Other Appropriated Funds	40,878.3	40,315.6	40,315.6
Other Non Appropriated Funds	1,611,033.9	1,589,055.9	1,589,055.9
Total Funding	1,688,783.3	1,666,105.1	1,666,105.1
FTE Positions	1,376.2	1,376.2	1,376.2

Subprogram Summary

BENEFITS AND MEDICAL ELIGIBILITY OPERATIONS

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	30,936.2	30,798.7	30,798.7
Other Appropriated Funds	12,079.2	12,079.2	12,079.2
Other Non Appropriated Funds	156,178.7	155,850.0	155,850.0
Total Funding	199,194.1	198,727.9	198,727.9
FTE Positions	1,048.8	1,048.8	1,048.8

◆ **Goal 1** To improve customer service and accessibility.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of recipients per month receiving medical assistance for which DES determines eligibility	1,313,366	1,300,000	1,543,281	1,559,000	0
Average vendor call center customer satisfaction (1.0 - Very Satisfied, 5.0 - Satisfied, 9.0 - Not Satisfied)	2.05	1.75	0	1.75	0
Average calendar days to determine eligibility (medical- initial, change and renewal applications)	N/A	N/A	15.9	15.0	0
Local office wait time	N/A	N/A	3:47:14	1:00:00	0
Virtual office wait time	N/A	N/A	0:22:23	0:21:00	0

Subprogram Summary

DISABILITY DETERMINATION SERVICES ADMINISTRATION

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	39,331.4	38,807.0	38,807.0
Total Funding	39,331.4	38,807.0	38,807.0
FTE Positions	327.4	327.4	327.4

◆ **Goal 1** To improve Disability Determination Services Administration performance.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of correct cases	96.4	96.6	0	96.8	0
Average Social Security Disability Insurance initial case processing time (days)	105.3	96.2	96.2	100.0	0
Average Supplemental Security Income initial case processing time (days)	104.7	96.5	96.5	100.0	0
Accuracy of SSI/SSDI case determination	0	0	97.4	97.0	0

Subprogram Summary

TANF CASH BENEFITS

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	28,299.1	27,736.4	27,736.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	28,299.1	27,736.4	27,736.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the Family Assistance Administration's efficiency and accountability.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of TANF Cash Assistance recipients	29,670	29,400	22,171	21,000	0
Percent of TANF Cash Assistance issued timely	98.2	97.0	97.8	97.0	0
Total number of TANF Cash Assistance applicants diverted from long-term cash assistance with diversion grants	8,570	10,500	8,887	9,000	0
Average number of days to disposition TANF Cash Assistance applications	0	0	19.7	19.0	0

Subprogram Summary

TRIBAL PASS-THROUGH FUNDING

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Monthly average of individuals receiving Cash Assistance benefits through a Tribal Cash Assistance program.	1,395	1,700	0	1,700	0

Subprogram Summary

NUTRITION ASSISTANCE BENEFITS

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,411,925.7	1,390,746.8	1,390,746.8
Total Funding	1,411,925.7	1,390,746.8	1,390,746.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the Family Assistance Administration's efficiency and accountability.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of total nutrition assistance payments issued accurately	96.2	95.0	94.2	95.0	0
Average monthly number of supplemental nutrition assistance recipients	1,029,388	1,050,000	980,536	980,500	0
Percent of total nutrition assistance payments issued timely	95.6	95.0	97.0	97.0	0
Average number of days to disposition SNAP applications	0	0	20.9	20.0	0

Subprogram Summary

COORDINATED HUNGER

Scott Carson, Financial Services Administrator
 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total pounds of food distributed by Department contracted food banks from all food sources (millions of pounds)	119.0	120.0	133.5	120.0	0

Program Summary

CHILD SUPPORT ENFORCEMENT

Scott Carson, Financial Services Administrator
 Phone: (602) 542-3786
 A.R.S. § 41-1954: Laws 1994, Ch 374

Mission:
To implement Case Manager Dashboards during FY16. These dashboards will provide crucial information on each case manager's workload and how they are progressing towards monthly goals. Also, continuation of Phonathons, Come to Court and Come to Office events to meet performance goals and measures for the upcoming fiscal year.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,683.4	11,631.5	14,631.5
Other Appropriated Funds	12,328.6	14,185.7	14,185.7
Other Non Appropriated Funds	22,546.9	35,203.3	35,203.3
Total Funding	46,558.9	61,020.5	64,020.5
FTE Positions	623.0	626.0	626.0

Subprogram Summary

CHILD SUPPORT ENFORCEMENT OPERATIONS

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,683.4	11,631.5	14,631.5
Other Appropriated Funds	12,172.3	13,106.6	13,106.6
Other Non Appropriated Funds	18,672.6	27,542.2	27,542.2
Total Funding	42,528.3	52,280.3	55,280.3
FTE Positions	623.0	626.0	626.0

◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
IV-D dollars collected for each IV-D dollar expended (cost-effectiveness ratio)	5.55	5.00	4.94	5.00	0
Ratio of court ordered cases (in percent)	87.04	86.42	87.72	87	0
Ratio of current IV-D child support collected and distributed to current IV-D support due	55.66	55.74	57.49	59	0
Number of IV-D cases	180,689	180,739	174,637	0	0
Total amount of IV-D support collections (millions)	349.8	354.0	347.2	0	0
Collections from #deadbeat campaign (dollars monthly)	0	0	0	16,000	0
Number of cases brought into compliance from Social Security Administration and Workers Compensation (monthly)	0	0	0	138-150	0

Subprogram Summary

COUNTY PARTICIPATION

Scott Carson, Financial Services Administrator
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	156.3	1,079.1	1,079.1
Other Non Appropriated Funds	3,874.3	7,661.1	7,661.1
Total Funding	4,030.6	8,740.2	8,740.2
FTE Positions	0.0	0.0	0.0

Program Summary

AGING AND ADULT SERVICES

Scott Carson, Financial Services Administrator
 Phone: (602) 542-3786
 A.R.S. § 41-1954

Mission:

To support and enhance the ability of at-risk and older adults to meet their needs to the maximum of their ability, choice, and benefit. To assist refugees in Arizona with attaining social and economic self-sufficiency and well-being. To provide leadership by establishing partnerships and building community networks that deliver premiere human services to vulnerable, at-risk populations.

Description:

The Division of Aging and Adult Services administers a statewide program of advocacy, social services, and programs to serve at-risk and older adults. Emphasis in the delivery of services is placed on at-risk and older adults with the greatest social and economic needs. Aging and adult services include investigative and protective services, case management, home care (housekeeper, home health aide, personal care, and home nursing), home repair/adaptation/renovation, transportation, the State Health Insurance Assistance Program, the Family Caregiver Support Program, the Long-Term Care Ombudsman, legal assistance, congregate meals, home-delivered meals, socialization/recreation, counseling, subsidized employment, volunteer opportunities and training, and adult day care.

Through its community services programs, the Division addresses urgent, short-term basic needs and strategies for long-term solutions by providing direct services and utilizing comprehensive networks and partnerships.

The Arizona Refugee Resettlement Program (RRP) supports and advances successful resettlement of refugees, individuals forced to flee their home countries due to persecution, war, and human rights violations.

This Program Contains the following Subprograms:

- ▶ Aging and Adult Services Operations
- ▶ Adult Services
- ▶ Community and Emergency Services
- ▶ Coordinated Homeless
- ▶ Domestic Violence Prevention
- ▶ Refugee Resettlement Program

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	20,510.2	20,578.6	24,978.6
Other Appropriated Funds	14,710.5	18,943.0	14,743.0
Other Non Appropriated Funds	81,676.0	80,987.2	80,987.2
Total Funding	116,896.7	120,508.8	120,708.8
FTE Positions	301.2	301.2	347.2

Subprogram Summary

AGING AND ADULT SERVICES OPERATIONS

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,430.0	8,398.4	12,198.4
Other Appropriated Funds	248.8	2,248.8	248.8
Other Non Appropriated Funds	10,197.8	5,829.3	5,829.3
Total Funding	18,876.6	16,476.5	18,276.5
FTE Positions	289.2	289.2	335.2

◆ **Goal 1** To improve the Adult Protective Services investigation process.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Adult Protective Services investigation percentage rate	100	100	100	100	0
APS caseload ratio (Metro)	172	65	65	40	0
APS caseload ratio (Rural)	70	41	41	30	0
APS average days from notification to first client contact, among clients successfully contacted	22.34	6.35	6.35	2.1	0

Subprogram Summary

ADULT SERVICES

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,924.1	7,924.1	8,624.1
Other Appropriated Funds	0.0	700.0	0.0
Other Non Appropriated Funds	33,249.3	35,555.6	35,555.6
Total Funding	41,173.4	44,179.7	44,179.7
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of clients served	284,423	270,000	301,031	270,000	0

Subprogram Summary

COMMUNITY AND EMERGENCY SERVICES

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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	25,434.3	25,922.3	25,922.3
Total Funding	29,158.3	29,646.3	29,646.3
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of households receiving financial assistance for paying rent and mortgage to prevent eviction	1,695	1,700	1,477	1,700	0
Number of households receiving financial assistance for paying home energy bills	35,793	35,800	30,565	35,800	0

Subprogram Summary	
COORDINATED HOMELESS	
Scott Carson, Financial Services Administrator	
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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	2,893.4	2,822.6	2,822.6
Total Funding	5,416.0	5,345.2	5,345.2
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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Individuals receiving emergency shelter	10,020	10,025	10,538	10,500	0

Subprogram Summary

DOMESTIC VIOLENCE PREVENTION

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,283.0	3,383.0	3,283.0
Other Appropriated Funds	9,088.2	10,620.7	9,120.7
Other Non Appropriated Funds	0.0	857.2	857.2
Total Funding	12,371.2	14,860.9	13,260.9
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of women and children sheltered in emergency shelters	8,005	8,010	7,567	7,500	0
Number of unduplicated women and children sheltered in transitional housing	344	350	289	350	0

Subprogram Summary

REFUGEE RESETTLEMENT PROGRAM

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,901.2	10,000.2	10,000.2
Total Funding	9,901.2	10,000.2	10,000.2
FTE Positions	12.0	12.0	12.0

◆ **Goal 1** To promote refugee social and economic self-sufficiency and well-being.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of refugees obtaining employment	1,019	1,020	1,040	1,320	0

Program Summary

DIVISION OF CHILDREN, YOUTH AND FAMILIES

Scott Carson, Financial Services Administrator
 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:

Laws 2014, 2nd Special Session, Chapter 1 moved the Division of Children, Youth and Families from the Department of Economic Security and established a new agency, the Department of Child Safety. The Department continues to partner with the Department of Child Safety (DCS). This program is retained in the Department's budget and planning structure to show DCS related pass-thru expenditures.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	195,820.7	191,681.7	191,681.7
Total Funding	195,820.7	191,681.7	191,681.7
FTE Positions	0.0	0.0	0.0

Program Summary

EMPLOYMENT AND REHABILITATION SERVICES

Scott Carson, Financial Services Administrator

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,214.4	13,147.2	13,147.2
Other Appropriated Funds	142,358.1	183,415.5	183,415.5
Other Non Appropriated Funds	439,504.8	491,905.9	482,989.2
Total Funding	593,077.3	688,468.6	679,551.9
FTE Positions	1,987.0	1,987.0	1,860.0

Subprogram Summary

EMPLOYMENT AND REHABILITATION SERVICES OPERATIONS

Scott Carson, Financial Services Administrator
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,154.0	6,086.8	6,086.8
Other Appropriated Funds	18,891.3	18,880.6	18,880.6
Other Non Appropriated Funds	70,428.8	75,399.8	75,279.8
Total Funding	95,474.1	100,367.2	100,247.2
FTE Positions	1,241.2	1,241.2	1,241.2

Subprogram Summary

JOBS

Scott Carson, Financial Services Administrator
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	300.0	300.0	300.0
Other Appropriated Funds	9,496.2	12,705.6	10,705.6
Other Non Appropriated Funds	79.0	300.0	300.0
Total Funding	9,875.2	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of cash assistance employment placements compared to total cash assistance recipients	0	0	0	25	0

Subprogram Summary

DAY CARE SUBSIDY

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	84,181.5	98,396.6	98,396.6
Other Non Appropriated Funds	246.3	0.0	0.0
Total Funding	84,427.8	98,396.6	98,396.6
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of customer satisfaction with child care	89	90	0	90	0
Number of children whose families are assisted by Child Care Resource and Referral	38,758	39,500	0	39,500	0
Average number of children in Day Care Subsidy program per month	28,500	25,900	0	25,800	0

Explanation: *Includes Transitional Child Care population

CCA caseload ratio (metro)	0	0	0	240	0
CCA caseload ratio (rural)	0	0	0	200	0
CCA average days to determine eligibility (calendar)	0	0	0	8	0

Subprogram Summary

INDEPENDENT LIVING REHABILITATION SERVICES

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	166.0	166.0	166.0
Other Appropriated Funds	546.4	1,123.4	1,123.4
Other Non Appropriated Funds	910.4	971.6	971.6
Total Funding	1,622.8	2,261.0	2,261.0
FTE Positions	6.5	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of individuals receiving services in order to achieve or maintain their independence	671	0	319	112	0

Subprogram Summary

WORKFORCE INVESTMENT ACT SERVICES

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	29,038.0	51,654.6	53,654.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	29,038.0	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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of adults who entered employment	1,422	1,500	1,727	2,032	0
Number of youth who entered employment	276	350	684	1,092	0
Number of dislocated workers who entered employment	1,055	1,100	844	633	0
Length of time to employment (calendar days)	0	0	0	50	0
Number of clients receiving case management who entered employment	0	0	0	1,200	0

Subprogram Summary

REHABILITATION SERVICES

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,594.4	6,594.4	6,594.4
Other Appropriated Funds	204.7	654.7	654.7
Other Non Appropriated Funds	68,678.9	94,347.0	94,347.0
Total Funding	73,478.0	101,596.1	101,596.1
FTE Positions	515.3	515.3	515.3

◆ **Goal 1** To assist customer to achieve meaningful and sustained work as effectively and efficiently as possible.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Individuals in the Vocational Rehabilitation program successfully rehabilitated	1,275	1,364	1,428	1,800	0
Average hourly wage	0	0	0	11.00	0

Subprogram Summary

ARIZONA INDUSTRIES FOR THE BLIND

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	18,888.8	19,770.4	0.0
Total Funding	18,888.8	19,770.4	0.0
FTE Positions	127.0	127.0	0.0

Subprogram Summary

UNEMPLOYMENT INSURANCE

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	278,102.1	298,958.4	309,932.1
Total Funding	278,102.1	298,958.4	309,932.1
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the degree of timeliness in paying Unemployment Insurance benefits.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
First payment timeliness	85.8	87.2	90.4	91.0	0
Percentage of unemployment insurance claimants obtaining employment	0	0	0	35	0

Subprogram Summary

EMPLOYMENT SERVICES

Scott Carson, Financial Services Administrator
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,170.5	2,158.7	2,158.7
Total Funding	2,170.5	2,158.7	2,158.7
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of clients entered employment	0	0	0	48,000	0

Agency Summary

BOARD OF EDUCATION

Karol Schmidt, Executive Director
 Phone: (602) 542-5057
 A.R.S. § Title 15 et seq.

Mission:

To aggressively set policies that foster excellence in public education.

Description:

The Arizona State Board of Education is constitutionally charged with regulating the conduct of the public school system. Statute requires the Board to exercise general supervision over and regulate the conduct of the public school system and adopt any rules and policies it deems necessary to accomplish this purpose. This general supervision and regulation includes the following: prescribing a minimum course of study and competency requirements for promotion of students from third and eighth grade as well as for graduation from high school; supervise and control the certification of persons engaged in instructional work in a school district; approve alternative teacher and administrator preparation programs; adopt proficiency exams and passing scores for those exams; adopt rules governing the methods for administering proficiency exams; impose disciplinary action on all certificate holders who are found to have engaged in immoral conduct; serve as the State Board for Vocational and Technological Education; adopt educator certification reciprocity rules; and delegate to the Superintendent of Public Instruction the execution of board policies and rules.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,139.1	1,094.0	1,197.6
Other Appropriated Funds	162.7	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,301.8	1,094.0	1,197.6
FTE Positions	11.0	4.0	6.0

◆ **Goal 1** To set fair and reasonable policies and standards that foster excellence in public education.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Arizona high school students who enter 9th grade and graduate within four years	0	79	76	79	0

◆ **Goal 2** To ensure student safety by investigating and taking appropriate action on complaints made against professional educators.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of investigative cases closed	299	300	618	300	0
Adjudications by State Board of Education - cases presented to and voted on by board members.	42	65	138	150	0

Agency Summary

DEPARTMENT OF EDUCATION

Diane Douglas, Superintendent of Public Instruction
 Phone: (602) 542-5460
 A.R.S. § Title 15 et seq.

Mission:
To serve Arizona's education community, and actively engage parents, to ensure every student has access to an excellent education.

Description:
 The Arizona Department of Education (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 supports direct services to 236 locally-governed school districts, including 14 vocational districts and 8 accommodation districts. The Superintendent, in conjunction with the State Board for Charter Schools, oversees 443 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ OFFICE OF THE SUPERINTENDENT	1,125.6	2,062.9	2,062.9
➤ STATE BOARD OF EDUCATION / VOC AND TECH EDUCATION	0.0	546.8	546.8
➤ ADMINISTRATION	463,937.9	468,974.4	488,156.6
➤ SCHOOL FINANCE	4,616,572.1	4,790,472.9	4,790,472.9
➤ HIGHLY EFFECTIVE SCHOOLS	0.0	1,000.0	1,000.0
➤ HIGHLY EFFECTIVE TEACHERS AND LEADERS	41,052.7	46,596.7	46,596.7
➤ HIGH ACADEMIC STANDARDS FOR STUDENTS	102,058.9	68,347.7	69,446.7
➤ ACCOUNTABILITY AND ASSESSMENT	41,425.0	45,489.0	46,889.0
Agency Total:	5,266,172.2	5,423,490.4	5,445,171.6
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,898,510.9	4,021,911.8	4,043,593.0
Other Appropriated Funds	222,023.8	230,704.8	230,704.8
Other Non Appropriated Funds	1,145,637.5	1,170,873.8	1,170,873.8
Total Funding	5,266,172.2	5,423,490.4	5,445,171.6
FTE Positions	390.1	388.3	461.9

5 Year Plan

Issue 1 In order to improve student success pre K through age 22, instructional programs must be strengthened and based on student needs.

Description Students are expected to master rigorous statewide academic standards. In order to accomplish this goal, instructional techniques must match the academic needs of students and be evidence-based.

Solutions:

1. Define and maintain rigorous Arizona standards
2. Support students' readiness for post-secondary options (college and career)
3. Provide a rigorous, well-rounded education with comprehensive systems of support for students
4. Improve outcomes for special populations

Issue 2 Inadequate retention and recruitment of teachers has led to a shortage of teachers.

Description Highly effective teachers in the classroom are the biggest predictor of student success. Retaining highly effective teachers will ensure that our students have equal access to high quality classroom instruction and environments.

Solutions:

1. Increase support and training to teachers
2. Strengthen teacher preparation programs
3. Strengthen beginning teacher inductive and mentoring programs
4. Provide teacher leadership opportunities
- A. Provide effective and aligned professional learning and technical assistance

Issue 3 Our cadre of strong, effective leaders must be increased in order to support the needs of students and teachers.

Description After highly effective teachers, effective leaders have the next largest impact on student achievement. Additionally, the effectiveness of the leader directly impacts retention of high quality instructors.

Solutions:

1. Provide oversight and guidance to schools in proper administration of funds
2. Ensure valid and reliable accountability to support student, teacher and school success
3. Strengthen leadership development
4. Strengthen administrative preparation and mentoring programs

Issue 4 Disengagement of families and communities from their schools decreases the supportive structures available for students.

Description Through the implementation of culturally inclusive practices and specific attention to high need communities, we will increase engagement of families and communities thus improving support for our leaders, teachers and students.

Solutions:

1. Engage and support Arizona parents
2. Protect parents' rights
3. Educate stakeholders on innovation, technology, and privacy concerns
4. Support adult basic education
5. Empower school choice through providing access to transparent school and district data
6. Ensure equitable access to high quality educational opportunities and supports

Issue 5 Schools require more supports to maintain strong, effective practices and structures.

Description Through highly effective technical assistance, guidance documents and professional development, schools will be able to maintain and develop practices which will fully support leaders, teachers, students and parents.

Solutions:

1. Provide data literacy professional development
2. Enhance factors affecting student achievement
3. Support comprehensive needs assessments to develop strong school-wide improvement plans
4. Assist with development of strong school climates and comprehensive systems of support

Issue 6 Agency services and supports must be enhanced and streamlined so schools can focus on student needs.

Description As internal agency controls are enhanced, administrative burden on schools will be reduced and communication to the field will be improved.

Solutions:

1. Reduce Administrative burdens
2. Improve efficiency of internal procedures
3. Provide internal leadership and staff development
4. Maintain focus on effective customer service
5. Effectively utilize Agency funding to support students, teachers, leaders, families, and communities
6. Facilitate collection of valid and reliable accountability data

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	192.0	192.0	192.0
General Fund	4,216,413,974.0	4,342,906,393.0	4,473,193,585.0
Other Appropriated Funds	248,594,800.0	248,794,800.0	248,994,800.0
Non-Appropriated Funds	667,425,056.0	700,796,308.0	735,836,124.0
Federal Funds	1,210,902,667.0	1,229,066,207.0	1,247,502,200.0

Program Summary

OFFICE OF THE SUPERINTENDENT

Diane Douglas, Superintendent of Public Instruction
Phone: (602) 542-5460
A.R.S. § Title 15 et seq.

Mission:

To serve Arizona's education community, and actively engage parents, to ensure every student has access to an excellent education.

Description:

Policy Development and Government Relations:

The Policy Development and Government Relations Office is focused on representing the Superintendent of Public Instruction and 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.

Office of Communications:

The Communications Office oversees the Department's communications, 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 the Department does.

Research and Evaluation:

The ADE Research and Evaluation subprogram is responsible for providing support services to the Agency in the areas of research, data reporting, evaluation to/of programs, and data governance that are aligned with the strategic objectives and mission of ADE divisions and the Agency. Research and Evaluation staff represent the Agency with other research and evaluation entities and activities throughout Arizona and nationally.

Research services are provided at the request of other Agency programs and include project design, strategies and technical aspects of data collection, primary and secondary data analyses, literature and policy reviews, interpretation of findings, and implementation of findings into practice. This subprogram is also primarily responsible for producing publicly available data sets that meet state and Federal privacy laws. The evaluation staff provides services in program or process evaluations, including developing evaluation plans, coordinating and monitoring of program evaluation RFPs, designing evaluation instruments, collecting quantitative and qualitative data, analyzing results, and evaluation reports.

Data Governance is primarily coordinated by staff within Research and Evaluation. This includes establishing policies and procedures related to the collection, storage, management, security, and access to agency data. This work is done in coordination with agency data stewards and with Information Technology. The Research and Evaluation subprogram is committed to accountability and transparency in education data; this subprogram manages, reviews, tracks, and supports requests for custom aggregate data files and directs the restricted research use data analysis program for external researchers.

Office of Indian Education:

The Office of Indian Education, under the Office of the Superintendent, administers federal and state programs to meet the educational and cultural needs of participating LEAs. The office implements A.R.S. 15-244, Indian Education Act. Outreach is provided to all of Arizona's local educational agencies on reservations and urban areas with high populations of American Indian students. Technical assistance is provided in collaboration with all units at ADE that interface with these LEAs. Conferences and training, as well as parental involvement activities, are also provided on-site and at ADE. The Director of Indian Education serves as a liaison between the tribal education departments and the ADE, works via partnerships with outside agencies to provide resources for Native American students, and facilitates the Superintendent of Public Instruction's initiatives to benefit the academic achievement and cultural awareness of Arizona's indigenous youth. (Objectives and measures are located under HES/Emergent Student Services).

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,125.6	1,952.9	1,952.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	110.0	110.0
Total Funding	1,125.6	2,062.9	2,062.9
FTE Positions	7.0	16.5	16.5

◆ **Goal 1** To increase customer satisfaction

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Internal customer overall satisfaction rating for Policy Development and Government Relations.	3.50	3.65	4.08	3.95*	4.10
Explanation: *PDGR received a drastic increase to this satisfaction rating in FY16. In FY17 and FY18, PDGR will stay focused on increasing our score but must ensure the new processes put into place are systematic and sustainable.					
Internal customer satisfaction rating on Policy Development and Government Relations effectiveness of communication.*	3.56	3.71	4.16	4.00*	4.15
Explanation: *PDGR received a drastic increase to this performance rating in FY16. In FY17 and FY18, PDGR will stay focused on increasing our score but must ensure the new processes put into place are systematic and sustainable.					
Internal customer satisfaction rating on Policy Development and Government Relations timeliness of service.	3.87	4.02	4.12	4.10	4.10
Increase internal satisfaction rating for the Department's website (on a 1.0-5.0 scale).	4.01	4.20	3.89	4.00	4.10
Increase the satisfaction rating for email responses (on a 1.0 – 5.0 scale).	4.88	4.75	4.25	4.75	4.75
Maintain satisfaction rating for internal conference operations and management (on a 1.0 – 5.0 scale).	4.11	4.25	4.58	4.25	4.25

Program Summary

STATE BOARD OF EDUCATION / VOC AND TECH EDUCATION

Karol Schmidt, Executive Director

Phone: (602) 542-5057

Arizona State Constitution, A.R.S. § 15-201-231

Mission:

To aggressively set policies that foster excellence in public education.

Description:

The Arizona State Board of Education (the Board), created by Article 11 of the Arizona Constitution, is responsible for the supervision and regulation of the public school system. The primary powers and duties of the Board are prescribed in A.R.S. § 15-203. For the purposes of federal law, the State Board of Education also serves as the State Board for Vocational and Technological Education.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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	546.8	546.8
Total Funding	0.0	546.8	546.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To set fair and reasonable policies and standards that foster excellence in public education

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Arizona high school students who enter 9th grade and graduate within four years	76	79	77.82	NA	NA

Explanation: *Fiscal Year data represents class cohort from 1 year previous (i.e. FY 2016 = Class of 2015).

◆ **Goal 2** To ensure student safety by investigating and taking appropriate action on complaints made against professional educators

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of investigative cases closed	299	300	614	250	400

Explanation: *In FY 2016 the Investigative Unit was fully staffed with 5 full time investigators and 1 Chief Investigator for 6 months. The last half of the fiscal year the Investigative Unit lost 3 of the Investigators.

**FY 2017 estimates based on the 3 current investigators of the unit and their past performance. FY 2018 estimates are based on a fully staffed unit.

Adjudications by State Board of Education.	42	65	125***	65	80
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Explanation: ***The significant difference in the estimated case closure and the actual case closure is due to a better accounting of cases and application. All investigations are now assigned case numbers.

Evaluation completion date for all submitted K-3 Literacy Plans (A.R.S. 15-211).*	April****	*****	March 2016	Dec. 2017	Dec. 2017
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Explanation: *Completion date by scheduled board meeting of indicated month
***** Estimate not available at time of FY15-16 reporting

Program Summary

ADMINISTRATION

Shari Zara, Deputy Superintendent

Phone: (602) 364-2347

A.R.S. § 15-231-15-272, P.L. 107-110

Mission:

To serve Arizona's education community, and actively engage parents, to ensure 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, Building Operations, and Organizational Development. 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. 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,117.0	4,967.1	24,149.3
Other Appropriated Funds	647.6	2,375.9	2,375.9
Other Non Appropriated Funds	457,173.3	461,631.4	461,631.4
Total Funding	463,937.9	468,974.4	488,156.6
FTE Positions	227.1	220.1	280.2

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, grants management, building operations, 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 Grants Management Unit facilitates the pass-through of assistance funds to District and Charter schools. 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 functions. Organizational Development services include Agency Strategic Plan development and implementation, internal/external surveys, process improvement functions, and staff/leadership development. 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,469.8	3,196.8	3,196.8
Other Appropriated Funds	407.2	905.9	905.9
Other Non Appropriated Funds	6,126.6	5,176.3	5,176.3
Total Funding	11,003.6	9,279.0	9,279.0
FTE Positions	99.4	91.0	91.0

◆ **Goal 1** To improve process efficiency

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Properly complete external maintenance requests completed with 3 days (%).*	97.49	98.00	98.30*	97.00**	97.50**
Percent of internal maintenance requests completed within 7 business hours.**					

Explanation: *Change to the previous performance measure language was necessary, as ADE facilities are unable to control the response time ADOA has for external requests.

**The revised Performance Measure more accurately reflects the services now being measured by Building Operations.

Average turnaround time on pending classification position actions (in weeks).	3.41	3.75	1.78*	3.00	3.00
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Explanation: *While the FY16 actual is quite lower than the target, there were some rare actions that were turned around so quickly by ADOA that it brought the average down. We have lowered our target for the next two years, but to go lower than three weeks at this time is not feasible (as we do not know if ADOA will be able to continue such quick service).

Percent of print jobs completed on time.	98.73	98.00	98.90	98.50	98.50
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◆ **Goal 2** To improve employee and customer satisfaction

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Internal customer overall satisfaction rating for Human Resources services.	4.01	4.16	3.94	4.13	4.23
Internal customer overall satisfaction rating for Organizational Development services.	4.05	4.20	4.53	4.25	4.25
Internal customer overall satisfaction rating for Business and Finance services.	3.97	4.12	3.96	4.15	4.25
Overall ADE external customer satisfaction rating.	3.81	3.96	3.77	3.92	4.07
Overall employee satisfaction rating.	3.63	3.78	3.53	3.68	3.83

◆ **Goal 3** To provide accurate and helpful information to the public

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Issue preliminary draft audit reports of at least 36* Average Daily Membership (ADM) audits to the audited school districts and charter schools during the Fiscal Year, including at least one on-line school.	34	36	36	36	40

Explanation: *Measure for FY17 will maintain the level of audits performed in FY16 while audit program is modified to allow for larger sample sizes to be included in the draft reports.

Perform at least 175* federal fiscal monitoring reviews of school districts and charter schools by June 30th of each year.	154	200	156	175	200
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Explanation: *Estimated measure revised based on 2016 results.

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, as well as consulting services for integration of off-the-shelf services or custom development, while ensuring network and operations capability in order to exceed the expectations of both internal and external education stakeholders.

Description:

Information Technology (IT) is a subprogram of the Arizona Department of Education that manages the agency's overall technology management initiatives. Through working with other business units' data stewards, the agency focuses on internal and external education stakeholder demands and service level agreements. This subprogram implements established guidelines to ensure data quality and maximize technology resource utilization. The primary activities that IT supports include assisting stakeholders with data collection, data use, data security, data storage, data integration and reporting. IT is also responsible for development and management of the State Longitudinal Data System (SLDS), and provides statewide P-20 education stakeholder reporting services. IT offers technical assistance and training to enable all of Arizona's educational stakeholders to effectively utilize ADE's offered technology services and information and recommends policy changes and additions based on best-in-class technology. Staff collaborate with strategic partners to provide timely technology tools needed to support reporting and decision-making by all education stakeholders (educators, the Arizona legislature, the state government, the federal government, business groups, researchers, parents, students, etc.), while also providing development and support for the implementation of the Arizona Education Learning and Accountability System (AELAS).

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,560.7	1,683.5	19,283.5
Other Appropriated Funds	240.4	1,070.0	1,070.0
Other Non Appropriated Funds	14,950.2	12,876.4	12,876.4
Total Funding	16,751.3	15,629.9	33,229.9

FTE Positions	50.5	52.0	112.1
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◆ **Goal 1** To ensure customer business success

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Service availability on critical applications at 99.75% uptime.	99.79	99.75	99.85	99.75	99.75

◆ **Goal 2** To ensure customer system availability

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Meet/exceed baseline target of 57% for First Call resolution by Support Center.	98	90	81	85	85

◆ **Goal 3** To increase quality of customer delivery

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Deploy 92% of all production changes on time and performing as designed.	99.25	92	99.9	92	92

Subprogram Summary

RESEARCH AND EVALUATION

Rebecca Bolnick, Chief Data Officer

Phone: (602) 364-4042

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 is responsible for providing support services to the Agency in the areas of research, data reporting, evaluation to/of programs, and data governance that are aligned with the strategic objectives and mission of ADE divisions and the Agency. Research and Evaluation staff represent the Agency with other research and evaluation entities and activities throughout Arizona and nationally.

Research services are provided at the request of other Agency programs and include project design, strategies and technical aspects of data collection, primary and secondary data analyses, literature and policy reviews, interpretation of findings, and implementation of findings into practice. This subprogram is also primarily responsible for producing publicly available data sets that meet state and Federal privacy laws. The evaluation staff provides services in program or process evaluations, including developing evaluation plans, coordinating and monitoring of program evaluation RFPs, designing evaluation instruments, collecting quantitative and qualitative data, analyzing results, and evaluation reports.

Data Governance is primarily coordinated by staff within Research and Evaluation. This includes establishing policies and procedures related to the collection, storage, management, security, and access to agency data. This work is done in coordination with agency data stewards and with Information Technology. The Research and Evaluation subprogram is committed to accountability and transparency in education data; this subprogram manages, reviews, tracks, and supports requests for custom aggregate data files and directs the restricted research use data analysis program for external researchers.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	400.0	400.0
Other Non Appropriated Funds	435.4	0.0	0.0
Total Funding	435.4	400.0	400.0
FTE Positions	4.4	4.2	4.2

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of students in grade 3 meeting or exceeding state academic standards in English Language Arts.	**	NA	41	NA	NA
Explanation: **Data not available until October 2015; 2015 actual was 40					
Percent of students meeting or exceeding state academic standards in English Language Arts 11.*	**	NA	30	NA	NA
Explanation: * Performance Measure changed to reflect focus on highest assessment rather than grade level. **Data not available until October 2015; actual data was 26					
Percent of students meeting or exceeding state academic standards in Algebra II. *	**	NA	30	NA	NA
Explanation: * Performance Measure changed to reflect focus on highest assessment rather than grade level. **Data not available until October 2015; actual data was 30					

Subprogram Summary

HEALTH AND NUTRITION SERVICES

Mary Szafranski, Associate Superintendent

Phone: (602) 542-8709

Nat. School Lunch and Child Nutrition Acts, P.L. 108-265

Mission:

To provide Arizonans with health and nutrition knowledge and identify available resources to positively impact the academic success and well-being of Arizonans.

Description:

Health and Nutrition Services:

The Health and Nutrition subprogram provides technical assistance to support and improve the health environment of schools, daycare centers and homes, cash assistance and donated foods to serve nutritionally adequate meals to children in schools, preschools, daycare 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, and compliance reviews are conducted to ensure health and nutrition integrity and fiscal accountability as prescribed by the United States Department of Agriculture.

The Health and Nutrition subprogram includes various health 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, the Fresh Fruit and Vegetable Program, School Health Programs, and Clinical School Health.

School Safety and Prevention:

The Office of School Safety and Prevention (SS&P) provides funding, training, and technical assistance for safe and supportive learning environments that meet the continuum of school safety, prevention, intervention and response. Through collaboration with diverse local, state and federal partners, the Office supports Arizona schools so that students are safe, healthy, and ready to learn. Strategies utilized by SS&P are grounded in evidence of effectiveness, and the Office contributes to the knowledge base through its own data collection, program evaluation, and research efforts.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	86.5	86.8	1,669.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	435,661.1	443,578.7	443,578.7
Total Funding	435,747.6	443,665.5	445,247.7
FTE Positions	72.8	72.9	72.9

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Food Service Management Contracts in program compliance with invoicing SFAs.	77	80	91*	92	93
Explanation: *130 Reviews, 11 Seriously Deficient					
Percent of claims reimbursed within 45 days.	100	100	100	100	100
Percent of Child and Adult Food Care Program Sponsor reviews with no serious deficiencies.	92	92	92	92	92

◆ **Goal 2** To increase customer satisfaction

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Overall external customer rating on Health & Nutrition Services.*	4.13*	4.25	4.08	4.12	4.17
Explanation: * New measure for 2015.					
External customer overall satisfaction rating on School Safety and Prevention.	4.36	4.33	4.31	4.33	4.33
21st CCLC annual external customer overall satisfaction rating.	4.42	4.50	4.41	4.15	4.15

Explanation: With ESSA and other changes at the ADE, we will be improving tools, instruments and services to our grantees. Change may be challenging for some grantees so we will aim to maintain a 4.15 in satisfaction

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 distribute state aid for the education of students in preschool (with disability), kindergarten, and grades one through twelve, monitor compliance with statutory expenditure limitations, and provide prompt customer service while collecting and analyzing data required for the distribution of state aid.

Description:

School Finance disburses equalization assistance (Basic State Aid) to school districts and charter schools pursuant to a statutory formula, which requires the first portions of school district funding to be generated by a local property tax levy and a state equalization assistance property tax levy (levied by the counties). The equalization formula is designed to provide equitable per-pupil funding among school districts and charter schools for maintenance and operation and certain capital needs. Equalization assistance is based on the school district’s or charter school’s student count (Average Daily Membership) and funding levels set in statute.

School Finance collects student level data, which becomes the basis for payment of state aid and other monies. This data is also used by numerous other areas within the Department of Education. In addition to student data, transportation and employee data is collected. Assistance is provided to districts and charters to ensure accurate data is available for payment and budget analysis purposes.

School Finance 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 children who reside in areas of the state which are not included within an organized school district); (4) Residential and Institutional Vouchers; (5) County Jails and Detention Centers; (6) Juvenile Corrections and Adult Corrections; (7) Classroom Site Fund (additional funds for teacher compensation and other specified purposes); (8) Instructional Improvement Fund (also additional funds for teacher compensation and other specified purposes); and (9) County Small Schools Service Program.

School district compliance with statutory expenditure limitations is determined for each school district based on each district’s adopted budget. Monthly updates are provided throughout the year. Final compliance testing is performed after the close of the fiscal year, upon the submission of school districts’ Annual Financial Reports.

Further, School Finance collects data to meet the reporting requirements for the National Public Education Finance Survey (NPEFS) and the federal Common Core of Data, fiscal (revenues and expenditure) and non-fiscal (student counts). Data submitted is the basis for determining Arizona’s Title I monies, and is used in numerous studies and reports. In addition, School Finance provides education related data to other governmental agencies and taxpayers as requested and/or required.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,825,388.3	3,987,286.2	3,987,286.2
Other Appropriated Funds	219,440.5	219,804.2	219,804.2
Other Non Appropriated Funds	571,743.3	583,382.5	583,382.5
Total Funding	4,616,572.1	4,790,472.9	4,790,472.9
FTE Positions	14.0	14.0	14.0

◆ **Goal 1** To provide timely and reliable customer service

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Instructional Improvement Fund (IIP) payments made on a biannual basis.*	100*	100	100*	100	100

Explanation: *Fund payments paid biannually, due to small amounts of money available for some quarters.

Percent of Classroom Site Fund payments made on a monthly basis	100	100	96.2	100	100
External customer overall satisfaction rating for School Finance.	3.70	3.80	3.47	Baseline*	NA*

Explanation: *For Fiscal Years 2017 and Fiscal year 2018, the transition to a new student data collection system (AzEDS) in conjunction with the change to current year funding for school districts is expected increase school district and charter district training and support needs from School Finance. Current staff levels are insufficient to meet the anticipated demand.

Number of days to process budget analysis from July 18	77	77	100	100	100
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Explanation: *School District budget analysis and state aid payment systems are in their 18th year of service. Documentation of these systems is unavailable, requiring increased caution in making programming modifications, which are necessary for new school district current year funding requirements. Testing requirements for these changes are also increased.

Program Summary

HIGHLY EFFECTIVE SCHOOLS

Robin Kauakahi, Associate Superintendent

Phone: (602) 542-1556

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, consisting of Exceptional Student Services (ESS) and Title I programs, 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. Fostering educational excellence for students with disabilities between the ages of 3 years and 22 years;
2. Serving children whose economic, cultural, or intellectual situations create the need for alternatives offered through support programs that improve academic achievement;
3. Providing support to schools, families, and communities in implementing programs that assist all children from birth to become successful lifelong learners;
4. Offering enrichment opportunities to help students further their academic achievements; and
5. Using available opportunities to recognize the achievement of excellence by students or educational professionals of services to high school students and community colleges.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	1,000.0	1,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	1,000.0	1,000.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

EXCEPTIONAL STUDENT SERVICES

Karol Basel, Deputy Associate Superintendent

Phone: (602) 364-4008

A.R.S. §15-236, 15-761-15-774, 15-881, 15-1181-15-1205, IDEA

Mission:

To provide high quality service that builds capacity to improve outcomes for all students.

Description:

The vision of Exceptional Student Services is that all students including students with a disability are well prepared for the next step – whether that is college, technical/trade school, career, job or other means of engagement. To achieve this vision, ESS is establishing a system of supports that wraps around educators to build their capacity to improve student outcomes. The ESS mission to “provide high quality service that builds capacity to improve outcomes for all students” expands on the mission of the agency. Over the past year and a half ESS has been engaged in establishing a system of supports that aligns with the new requirements of Results Driven Accountability initiative from the Office of Special Education Programs. A few of these supports include ESS Focus School Grants, All Teachers – All Students Conference, LETRS Regional Literacy Training, changes to Teacher Certification to improve recruitment, New Special Educator Mentoring, and a revised system for monitoring the implementation of IDEA that focuses on the Continuous Improvement Process.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	32,211.3	32,242.1	32,242.1
Other Appropriated Funds	0.0	1,620.0	1,620.0
Other Non Appropriated Funds	250,253.6	229,853.1	229,853.1
Total Funding	282,464.9	263,715.2	263,715.2
FTE Positions	136.4	131.3	131.3

◆ **Goal 1** To ensure that all students with disabilities have access to an excellent education

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of students with IEPs graduating from high school with a regular diploma.	63**	68	63.34^	68	68

Explanation: ** Fiscal Year Actual data represents one year previous (i.e. FY 2014 = graduation data from 2012-2013) ^Fiscal Year Actual data represents one year previous (i.e. FY 2016 = graduation data from FY2014-FY2015)

Percent of children with IEPs scoring at or above proficient in reading as measured by the state approved standardized assessment.	*	45	NA^	NA**	NA**
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Explanation: * Data not available until October 2015; 2015 actual was 11
^Data for FY 2016 not available until November 2016
**Estimate not available

Percent of children with IEPs scoring at or above proficient in math as measured by the state approved standardized assessment.	*	34	NA^	NA**	NA**
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Explanation: * Data not available until October 2015; 2015 actual was 12
^Data for FY 2016 not available until November 2016
**Estimate not available

◆ **Goal 2** To improve customer satisfaction

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
External customer overall satisfaction rating for Exceptional Student Services.	3.88	4.03	3.70	3.85	4.00

Subprogram Summary

SCHOOL IMPROVEMENT AND INTERVENTION

Devon Isherwood, Deputy Associate Superintendent

Phone: (602) 364-0379

A.R.S. § 15-241, 15-741.01, 15-809, P.L. 107-110

Mission:

To drive academic reform creating and sustaining highly effective schools by supporting systematic changes.

Description:

Description: To ensure high quality support services and exemplary customer service, the ADE School Improvement (SI) subprogram and the ADE Accountability subprogram have separated. After a year of combined efforts, it was clear that separate sections were necessary to provide the level and quality of support schools in improvement status need and deserve. SI will continue to collaborate closely with Accountability in order to continue reduced administrative burden and streamline resources aimed at increasing academic achievement for all students.

SI provides innovative support and intervention services to schools seeking to improve student achievement and academic outcomes as required by State and Federal Accountability Systems. Through a tiered system of supports, SI employs multiple methods to inform decision-making and measure school improvement in order to provide actionable data designed around facilitating achievement for all students. SI uses a state-developed differentiated System of Support with an emphasis on building the capacity of the LEA/Charter Holder and site leadership to support continuous improvement through technical assistance, professional development, on-site visits, desktop monitoring, fiscal monitoring, progress monitoring and compliance monitoring.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	320.0	320.0
Other Non Appropriated Funds	10,906.0	10,592.6	10,592.6
Total Funding	10,906.0	10,912.6	10,912.6
FTE Positions	12.1	8.1	8.1

◆ **Goal 1** To provide technical assistance and training for districts and schools to improve effectiveness

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complete at least 95%* of scheduled monitoring visits to SIG/Priority schools on time.	96	97	99	95	95
Explanation: *Allowance for regression due to high%.					
Annual external customer overall satisfaction rating for Support and Innovation.*	3.76	3.90	3.82**	NA*	NA*
Explanation: *SI opts out of this objective for 2017, 2018 and moving forward. **Reflects Support and Innovation external customer survey results only. Accountability opted out of a survey for 2016.					
90% completion rate of quarterly Integrated Support Team meetings.	0	0	NA*	90	90
Explanation: *New objective to replace customer overall satisfaction objective.					

Subprogram Summary

CAREER AND TECHNICAL EDUCATION

Jeanne Roberts, Deputy Associate Superintendent

Phone: (602) 364-2211

A.R.S. § 15-781-15-790, P.L. 109-270

Mission:

To prepare Arizona students for workforce success and continuous learning.

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 and all CTE programs under Joint Technical Education Districts (JTED). This includes oversight of over \$25.4 million of Federal Carl Perkins funds and \$11.6 million of State Block Grant funding. 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 73 program career areas leading to placement of students in postsecondary education and/or into employment. The subprogram directs development of industry validated technical standards which not only meets occupational needs and employability skills but also focuses on related academic skills and standards. The subprogram oversees the development of end-of-program assessments and maintains the assessment management system. Leadership is provided for curriculum, assessment development, dissemination of materials and professional development opportunities, including pedagogy, and articulation of secondary to postsecondary education.

The CTE subprogram directs CTE research and assessment, which supports the need for specific programs, based on Arizona labor market information identifying occupations with high wage, high skill and high demand, 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 to establish partnerships with business and industry and workforce development agencies to ensure the CTE programs are preparing students to be college and career ready by having the workplace employability skills, technical skills and industry recognized certifications needed for careers leading to economic independence. 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 for Civil Rights. The seven co-curricular CTE student organizations, FFA, FCCLA, Educators Rising Arizona, FBLA, DECA, HOSA and SkillsUSA, also function under this subprogram to provide students with leadership development and community service skills. Technical assistance in implementation and continuous improvement of quality CTE programs including the previously described initiatives is provided to all secondary and postsecondary districts offering approved CTE programs.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	12,576.3	11,576.3	11,576.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	21,424.7	24,524.2	24,524.2
Total Funding	34,001.0	36,100.5	36,100.5
FTE Positions	42.3	42.5	42.5

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Annual external customer overall satisfaction rating for CTE.	3.93	4.07	3.77	3.92*	4.07*
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Explanation: *The external customer satisfaction rating for CTE will no longer be derived from the annual External Customer Satisfaction Survey distributed by ADE/CTE. CTE will include an “overall satisfaction” measure in all CTE customer surveys and report results quarterly.

Percent of 12th grade students in the same cohort year who are CTE program concentrators.^	NA**	6.25	NA*	26.0**	27.0**
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Explanation: ^Performance measure was changed for 2014-2015 from “Percent of students deemed CTE concentrators among all students in grades 9-12” to “Percent of 12th grade students in the same cohort year who are CTE program concentrators”. FY15 Actual for this measure was 23.9% (with change, estimate for 2016 was 25.0%). A concentrator is a secondary student who has transcribed two or more Carnegie Units in a state-designated sequence in an approved CTE program.

*Final FY2016 data is not available until 10/1/16.

**Estimates were updated to reflect change in language from previous “grades 9-12” to “12th grade students”. CTE concentrators are not reported until after student graduates.

Percent of CTE program concentrators who earned an industry recognized credential.^	4**	5	NA*	6**	8
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Explanation: ^Performance measure verbiage was revised for 2014-15, and FY15 actual was 4.9%. As a result, 2016 estimate changed to 6.0%.

*Final FY2016 data is not available until 10/1/16.

**FY17 Estimate was updated to reflect past performance and verbiage.

*Final FY2016 data is not available until 10/1/16.

**FY17 Estimate was updated to reflect past performance and verbiage.

Subprogram Summary

TITLE I

Nancy Konitzer, Deputy Associate Superintendent
 Phone: (602) 542-7470
 P.L. 107-110

Mission:

To support the implementation of 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.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,469.7	3,645.6	3,645.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	331,309.5	366,870.8	366,870.8
Total Funding	333,779.2	370,516.4	370,516.4
FTE Positions	38.8	50.8	50.8

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of districts in compliance in (Cycle 1) Federal indicator.	95	98	98	98	98
Percent of districts in compliance in (Cycle 2) Federal indicator.	97	97	100	98	99
Percent of districts in compliance in (Cycle 3) Federal indicator.	95	95	95	96	97
Percent of districts in compliance in (Cycle 5) Federal indicator.	100	95	100	96	97
Percent of districts in compliance in (Cycle 6) Federal indicator.	99	99	100	99	99

Subprogram Summary

EMERGENT STUDENT SERVICES

Michael Bradely, Chief of Staff

Phone: (602) 542-5423

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 on reservations and urban areas with high populations of American Indian students 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 Special Projects sub-program (formerly Emergent Student Services, now part of the Office of the Superintendent) serves Arizona's indigenous school populations through targeted initiatives.

Office of Indian Education:

The Office of Indian Education, under the Office of the Superintendent, administers federal and state programs to meet the educational and cultural needs of participating LEAs. The office implements A.R.S. 15-244, Indian Education Act. Outreach is provided to all of Arizona's local educational agencies on reservations and urban areas with high populations of American Indian students. Technical assistance is provided in collaboration with all units at ADE that interface with these LEAs. Conferences and training, as well as parental involvement activities, are also provided on-site and at ADE. The Director of Indian Education serves as a liaison between the tribal education departments and the ADE, works via partnerships with outside agencies to provide resources for Native American students, and facilitates the Superintendent of Public Instruction's initiatives to benefit the academic achievement and cultural awareness of Arizona's indigenous youth.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	750.0
Other Appropriated Funds	0.2	750.0	750.0
Other Non Appropriated Funds	11,153.3	7,635.2	7,635.2
Total Funding	11,153.5	8,385.2	9,135.2
FTE Positions	7.2	6.6	14.6

◆ **Goal 1** To provide timely and reliable customer service

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Annual external customer overall satisfaction rating for the Office of Indian Education.	4.22	4.25	4.28	4.28	4.30

Program Summary	
HIGHLY EFFECTIVE TEACHERS AND LEADERS	
Cecilia Johnson, Associate Superintendent	
Phone: (602) 364-1957	
A.R.S. § 15-531-15-551, 15-919-15-920, P.L. 107-110	

Mission:

To improve student achievement by ensuring all teachers and leaders are highly effective through rigorous preparation, professional development and ongoing support.

Description:

The Highly Effective Teachers and Leaders (division) program provides technical assistance and support to Arizona's schools and local education agencies (LEAs) through Title IIA and related federal grant programs, state certification, professional development, teacher and principal evaluation, and the Arizona Charter Schools federal grant program.

This Program Contains the following Subprograms:

- ▶ Office of Arizona Charter Schools Programs (AZCSP)
- ▶ Educator Excellence/Title II - A

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	500.0	731.2	731.2
Other Appropriated Funds	1,909.1	2,423.7	2,423.7
Other Non Appropriated Funds	38,643.6	43,441.8	43,441.8
Total Funding	41,052.7	46,596.7	46,596.7
FTE Positions	40.1	40.1	40.1

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 Schools Program (AZ CSP) is a competitive start-up grant that supports visionary leaders who will form high quality charter schools focusing on improving the academic outcomes and closing the achievement gaps for all educationally disadvantaged students; and improving educationally disadvantaged high school student achievement and graduation rates.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,537.1	3,954.1	3,954.1
Total Funding	3,537.1	3,954.1	3,954.1
FTE Positions	3.4	3.4	3.4

◆ **Goal 1** To ensure high-quality educational choices

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of academic, governance, and financial monitoring visits conducted.	114	74	65	56	50

Explanation: *School monitoring visits include desk monitoring visits.

Maintain an annual external customer satisfaction rating of at least 4.5/5 for AZ CSP.	4.67	4.5	4.33	4.5	4.5
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Subprogram Summary

EDUCATOR EXCELLENCE/TITLE II - A

Mark McCall, 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 learning, educator certification, credentialing, and evaluation systems that support effective teachers and administrators.

Description:

The Educator Excellence Section with the Highly Effective Teachers and Leaders Division consists of the following units: Effective Teachers and Leaders and Certification.

The Effective Teachers and Leaders unit is responsible for overseeing the implementation of ESSA federal legislation for achieving the goal of having an effective teacher in every classroom, achieving equitable access to 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 rules 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.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	500.0	731.2	731.2
Other Appropriated Funds	1,909.1	2,423.7	2,423.7
Other Non Appropriated Funds	35,106.5	39,487.7	39,487.7
Total Funding	37,515.6	42,642.6	42,642.6
FTE Positions	36.7	36.7	36.7

◆ **Goal 1** To provide timely and reliable customer service

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Reduce from 10 days the average processing time of certification services requiring an evaluation.	10	9	9	8	7
Maintain at least a 4.50 customer service satisfaction rating at the counter and for outreach services	5.00	5.00	4.98	5.00	5.00
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	100	99	99	99	99

◆ **Goal 2** To ensure the quality of Arizona’s educators through evaluation and certification

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase the percent of core academic teaching positions taught by appropriately certified teachers within the state.*	98.3	95	95	95	95

Explanation: * Beginning in August of FY2017 Highly Qualified requirements have changed under the Every Student Succeeds Act (ESSA) and have shifted responsibility to the states. ESSA requires teachers to meet their state’s applicable certification requirements.

Program Summary

HIGH ACADEMIC STANDARDS FOR STUDENTS

Carol Lippert, Associate Superintendent

Phone: (602) 364-1985

A.R.S. § 15-241, 15-751-756.01-.13, 15-910, 41-1279.03, P.L. 107-110

Mission:

To build excellence in Arizona education through the provision of effective development and technical assistance that supports the needs of LEAs.

Description:

The High Academic Standards program provides leadership in the development of K-12 Academic Standards, Early Childhood Education Standards, Career and Technical 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 subprograms 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 program 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, as well as providing career and technical education services to high school students and community colleges. Additionally, this division supports several student subgroups: Early Childhood Special Education, Migrant, Homeless, and Gifted and Talented Students.

This Program Contains the following Subprograms:

- ▶ K-12 Academic Standards
- ▶ Early Childhood
- ▶ Title III - OELAS

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	51,472.2	12,055.4	13,154.4
Other Appropriated Funds	26.6	1,180.0	1,180.0
Other Non Appropriated Funds	50,560.1	55,112.3	55,112.3
Total Funding	102,058.9	68,347.7	69,446.7
FTE Positions	55.8	51.6	62.1

Subprogram Summary

K-12 ACADEMIC STANDARDS

Jonathan Moore, Deputy Associate Superintendent

Phone: (602) 364-2810

A.R.S. § 15-704, P.L. 107-110

Mission:

To provide Arizona's educators with professional learning opportunities and resources that support best practices for standards-based teaching and learning for 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 Arizona's content standards are offered regularly for school/district teams to ensure that all teachers have the necessary skills and knowledge to teach Arizona's standards effectively.

The K-12 Academic Standards section also administers the Mathematics and Science Partnership grant which focuses on improving teacher content and pedagogical content knowledge in mathematics and science. The K-12 Academic Standards section provides professional development for educators across Arizona in the area of foundational reading standards in support of Move On When Reading and administers the Move On When Reading Literacy Plan portal. Content specialists from all academic standards areas provide statewide professional development and technical assistance to LEAs. Gifted Programming offers assistance to LEAs in the appropriate identification and delivery of services to gifted and talented students.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	39,917.3	600.0	1,699.0
Other Appropriated Funds	0.0	775.0	775.0
Other Non Appropriated Funds	9,402.8	5,511.4	5,511.4
Total Funding	49,320.1	6,886.4	7,985.4
FTE Positions	18.0	12.6	23.1

◆ **Goal 1** To provide training and professional development to improve the effectiveness of standards based teaching and learning

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Percent of LEAs completing ADE-sponsored Mathematics Standards professional development (as measured cumulatively by LEAs who have attended ADE face-to-face sponsored trainings, or web-based trainings for mathematics.*	85	87	87	89	91
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Explanation: *There has been an increase in the offering of webinars and other web-based methods of professional development. This has decreased the amount of trainings offered face-to-face, while increasing the number of participants attending web-based professional development. Also the actual number may be slightly lower due to participants who may not have identified their respective LEA.

Percent of LEAs completing ADE-sponsored ELA Standards professional development (as measured cumulatively by LEAs who have attended ADE sponsored face-to-face trainings, or web-based trainings for ELA.*	77	80	87	82	84
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Explanation: *There has been an increase in the offering of webinars and other web-based methods of professional development. This has decreased the amount of trainings offered face-to-face, while increasing the number of participants attending web-based professional development. Also the actual number may be slightly lower due to participants who may not have identified their respective LEA.

Percent of K-12 teachers implementing Arizona's College and Career Ready standards as measured by the Superintendent Standards Declarations.	85	92	NA*	NA*	NA*
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Explanation: *Per Superintendent Douglas, declarations are longer required of LEAs. As a result there is no data available for this item for FY 2016, and neither objectives nor estimates will be entered for future years.

Percentage of teachers reporting expanded content knowledge of K-3 reading instruction as a result of implementing Move On When Reading literacy plans as measured by expanded content knowledge by participants in Teaching Reading Effectively training which supports Move on When Reading.	99	95	92	95	95
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Subprogram Summary

EARLY CHILDHOOD

Nicol Russel, 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, Preschool Development Grant funded classrooms, and Title I preschools. Content specialists in this section also provide professional development 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	21,683.8	28,087.0	28,087.0
Total Funding	21,683.8	28,087.0	28,087.0
FTE Positions	16.6	17.0	17.0

◆ **Goal 1** To ensure compliance with the Office of Special Education Programs requirements

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of preschool children in general education who met age level expectations in literacy development at the end of the school year.	93	93	92.9	93	93
Percentage of preschool children in general education who met age level expectations in physical development at the end of the school year.	93.5	93.5	91.4	93.5	93.5
Percentage of preschool children in general education who met age level expectations in language development at the end of the school year.	90	90	85.8	90	90
Percentage of preschool children in general education who met age level expectations in social and emotional development at the end of the school year.	93	93	88.5	93	93
Percentage of preschool children in special education who met age level expectations in social and emotional development at the end of the school year.	68	68	73.7	70	70
Percentage of preschool children in special education who met age level expectations in physical development at the end of the school year.	77	77	82.3	77	80
Percentage of preschool children in special education who met age level expectations in language development at the end of the year.	60	60	59.6	60	60
Percentage of preschool children in special education who met age level expectations in literacy development at the end of the school year.	71	71	73.6	71	71

◆ **Goal 2** To increase customer satisfaction

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Annual external customer overall satisfaction rating for Early Childhood Education.	3.71	4.20	4.04	4.20	4.20

Subprogram Summary

TITLE III - OELAS

Kate Wright, Deputy Associate Superintendent

Phone: (602) 542-9689

A.R.S. § 15-241, 15-751-756.01-.13, 15-910, 41-1279.03, P.L. 107-110

Mission:

To assist schools in providing services that support high academic success for English Language Learning (ELL) students.

Description:

The Office of English Language Acquisition Services (OELAS) was formally established on September 21, 2006, pursuant to A.R.S 15-756.07. This subprogram is authorized under the federal No Child Left Behind Act of 2001 (NCLB) and the federal Civil Rights Act to provide technical assistance to local educational agencies for their English Language Learner (ELL) students. In addition, pursuant to A.R.S. § 15-751 through A.R.S. § 15-756.01, each school with enrolled ELL students must provide programs that allow these students to develop their skills in the English language and to give them the opportunity to meet Arizona Academic Standards.

The assistance the subprogram provides to LEAs consists of the following: (1) Providing notification to local educational agencies of their requirements/responsibilities for compliance under federal and state statutes; (2) Providing notification to local educational agencies of their requirements/responsibilities in regards to Arizona Department of Education policy and as described under the Flores lawsuit; (3) Providing methods/technical assistance to local education agencies for identifying, assessing, reassessing, reclassifying, 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 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.

Homeless Education:

The Homeless Education program serves children whose cultural or economic situation challenges the educational system by ensuring homeless children and youth have access to a free, appropriate public education, comparable to that provided to the children of any Arizona resident and consistent with Arizona's mandatory school attendance laws.

Migrant Education:

The Migrant Education Program 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. In Arizona, the program delivers services primarily through local educational agencies (LEAs) that design programs to meet the unserved needs of children residing in their area. To facilitate broader services, some provisions are delivered through statewide models which, in particular, are designed to meet the credit accrual and informational needs for students.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,554.9	11,455.4	11,455.4
Other Appropriated Funds	26.6	405.0	405.0
Other Non Appropriated Funds	19,473.5	21,513.9	21,513.9
Total Funding	31,055.0	33,374.3	33,374.3
FTE Positions	21.2	22.0	22.0

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Conduct collaborative, targeted technical assistance sessions with at least 15 LEAs in the monitoring process to assist with compliance with state and federal guidelines by June 30, 2017.	39	40	45	42*	42*

Explanation: *The technical assistance provided has been effective and has therefore yielded fewer LEAs in corrective action for the 2016-2017 school year. Since there are less LEAs to serve, our Actual and Estimates may decline.

◆ **Goal 2** To increase academic gains of students reclassified as FEP

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of students reclassified as Fluent English Proficient (FEP). AZELLA assessment significantly revised in 2013; prior comparisons no longer applicable.	30	30.5	NA*	31	31.5

Explanation: * The reclassification rate will not be available until the Accountability section has all the data necessary to calculate. They estimate by Sept. 15, 2016 this calculation will be available.

◆ **Goal 3** To increase customer satisfaction

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Annual external customer overall satisfaction rating on Education for Homeless Children and Youth.	4.50	4.55	4.48	4.60	4.65
Annual external customer overall satisfaction rating on Migrant Education.	4.49	4.50	4.50	4.55	4.60

Program Summary

ACCOUNTABILITY AND ASSESSMENT

Kelly Koenig, Associate Superintendent

Phone: (602) 364-2811

A.R.S. § 15-241, 15-741-15-747, 15-809, P.L. 107-110

Mission:

To promote attainment of high academic achievement for all students through implementation of valid and reliable assessments and accurate measurement of school and student performance.

To measure the growth and quality of Arizona schools and districts with timely and valid accountability determinations as required by state and federal law.

Description:

The Accountability and Assessment program focuses on improving student achievement through development and administration of valid and reliable assessments and report academic outcomes in order to make informed decisions about students, classroom practice, schools, and districts in Arizona. Support and Innovation provides support and intervention services to schools seeking to improve student achievement and academic outcomes as required by State and Federal Accountability Systems.

This program includes Arizona's Adult Education which supports educational opportunities for adult learners who did not complete high school.

The Accountability Section measures performance and quality of Arizona schools and districts as required by several state and/or federal laws. The section works closely with School Finance, IT, Assessments, the State Board of Education, and Research & Evaluation in order to accurately label schools in a fair, transparent, and systematic manner. Accountability staff support schools, districts, and other stakeholders through appropriate and effectively reporting student outcome data for over 1 million students enrolled in almost 2000 charter and district schools throughout Arizona.

This Program Contains the following Subprograms:

- ▶ Assessment
- ▶ Adult Education

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	13,907.8	13,919.0	15,319.0
Other Appropriated Funds	0.0	4,921.0	4,921.0
Other Non Appropriated Funds	27,517.2	26,649.0	26,649.0
Total Funding	41,425.0	45,489.0	46,889.0
FTE Positions	46.2	46.0	49.0

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 develops, administers, and provides score reports for statewide assessments that meet both state and federal statutory requirements for student assessment. The assessments are developed by Arizona educators, following nationally accepted scientific-based methods to produce valid and reliable assessments. The Assessment Section also creates support materials to help educators, parents, and students understand and prepare for these statewide assessments. The Assessment Section is responsible for:

- AzMERIT and AIMS Science which are statewide academic assessments that measure student proficiency of the Arizona content standards.
- MSAA and AIMS A Science which are statewide academic assessments for students with significant cognitive disabilities.
- AZELLA which measures English language proficiency of students identified as second language learners and determines placement for appropriate instruction.

In addition, the Assessment Section supports the administration of National Assessment of Educational Progress (NAEP) and the international assessments PIRLS, PISA, and TIMSS. These assessments are given to small samples of Arizona students.

The Assessment Section collaborates closely with numerous other sections within ADE: Accountability, K-12 Standards, Office of English Language Acquisition Services (OELAS), Exceptional Student Services (ESS), and Informational Technology (IT).

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	9,422.5	9,420.8	10,820.8
Other Appropriated Funds	0.0	4,840.0	4,840.0
Other Non Appropriated Funds	15,645.5	12,442.0	12,442.0
Total Funding	25,068.0	26,702.8	28,102.8
FTE Positions	25.2	25.0	28.0

◆ **Goal 1** To develop relevant and accurate instruments to assess all Arizona students

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Establish baseline data for Accountability from a pilot of real-time, on-going customer service feedback survey to adjust and improve customer service. Explanation: *New objective and measure – data not available for FY2016.	0	0	NA*	Baseline	+10
Provide numerous engagement opportunities for external stakeholder(s) to collaborate and provide feedback on Accountability policy and implementation. Explanation: *New objective and measure – data not available for FY2016.	0	0	NA*	9	9
FY2016 Customer rating on administration of Achievement Assessments (AzMERIT and AIMS Science). FY2017 and FY2018: AzMERIT and AIMS Science administered and accurate results reported as scheduled. ** Explanation: *New assessment in FY15. **FY2017 and FY2018 objective and performance measure revised to align with Assessment’s mission and description.	3.91*	4.06	4.09	Yes**	Yes**
FY2016 Customer rating on administration of AZELLA. FY2017 and FY2018 AZELLA administered and accurate results reported as scheduled. ** Explanation: **FY2017 and FY2018 objective and performance measure revised to align with Assessment’s mission and description.	4.31	4.25	4.32	Yes**	Yes**
FY2016 Customer rating on administration of Alternate Assessment (NCSC* and AIMS A Science). FY2017 and FY2018: MSAA and AIMS A Science administered and accurate results reported as scheduled.** Explanation: *New assessment in FY15. **FY17 and FY18 objectives and performance measure revised to align with Assessment’s mission and description. *New assessment in FY15. **FY17 and FY18 objectives and performance measure revised to align with Assessment’s mission and description.	4.00*	4.15	3.92	Yes**	Yes**

Subprogram Summary

ADULT EDUCATION

Sheryl Hart, Deputy Associate Superintendent

Phone: (602) 364-2707

A.R.S. § 15-234, 15-702, P.L. 105-220

Mission:

To serve Arizona's education community by ensuring adult learners have access to education that prepares them for success in college, career, and life.

Description:

The Adult Education subprogram provides adult learners who are at least 16 years of age, legally present in the United States and not currently enrolled in the public K-12 school system, 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.

Adult Education, one of four core programs authorized under the Workforce Innovation & Opportunity Act (WIOA), coordinates with Workforce Development, Employment Services and Vocational Rehabilitation Services to provide learner-centered instruction below post-secondary levels to adult learners in one or more of the following areas: 1) English Language Acquisition, 2) Adult Basic Education, 3) Adult Secondary Education, including preparation for testing to obtain a High School Equivalency diploma, 4) Civics engagement, 5) Workforce preparation skills, and 6) Digital literacy skills.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,485.3	4,498.2	4,498.2
Other Appropriated Funds	0.0	81.0	81.0
Other Non Appropriated Funds	11,871.7	14,207.0	14,207.0
Total Funding	16,357.0	18,786.2	18,786.2
FTE Positions	21.0	21.0	21.0

◆ Goal 1 To increase academic achievement of learners age 16 and over

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of learners age 16 and over increasing academic skills by two or more grade levels as measured by standardized assessments.	56**	60	51^^	Baseline^	Baseline+1

Explanation: **Estimate, final end-of-year data is not available until October 2015.

^ New performance requirements implemented under WIOA for this measure, effective July 1, 2016 for FY2017 outcomes.

^^ FY2016 end-of-year data is not available in time for 2016 submission deadline. Preliminary data does not represent end-of-year outcome and updated 2016 actual number will be available January 2017 after final federal report submission.

Percent of learners age 16 and over achieving their goal of earning a High School Equivalency diploma.	29**	50	67^	+2	+2
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Explanation: **Implementation of new High School Equivalency Test occurs halfway through FY2014.

^FY2016 end-of-year data is not available in time for 2016 submission deadline. Preliminary data does not represent end-of-year outcome and updated 2016 actual number will be available January 2017 after final federal report submission.

◆ **Goal 2** To improve customer satisfaction

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Annual external customer overall satisfaction rating for Adult Education.	3.89	4.21	3.81	Baseline	Baseline+2
Percent of GED transcript requests fulfilled in one business day.	99	97	97	97	97

Agency Summary

DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

Major General Michael T. McGuire, Adjutant General
 Phone: (602) 267-2616
 A.R.S. §§ 26-101, 26-102

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADMINISTRATION	3,837.3	4,293.3	4,293.3
➤ EMERGENCY MANAGEMENT	20,255.4	22,560.2	17,395.4
➤ MILITARY AFFAIRS	42,933.6	54,481.0	47,884.1
Agency Total:	67,026.3	81,334.5	69,572.8
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	10,651.2	12,529.5	12,529.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	56,375.1	68,805.0	57,043.3
Total Funding	67,026.3	81,334.5	69,572.8
FTE Positions	426.5	467.3	467.3

Issue 1 Construction of Multi-Agency Fusion Center to meet public safety and 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, however, through investigation of the problem it was discovered that other agencies charged with ensuring our communities’ public safety are in a similar state or disrepair and inefficiency. In this day and age of increased human-caused and natural emergencies, the state needs a fusion center in which to co-locate these public safety agencies to leverage efficiencies of space, personnel, and expertise.

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 State needs to consolidate similarly missioned public safety command and control departments into one facility to improve business practices and gain efficiencies in their daily and emergency operations.

The State Emergency Operations Center, originally built in 1983 as the off-site Palo Verde Nuclear Generating Station operations center, is obsolete and challenged to manage the growing complexity of disasters and emergencies as they occur in Arizona. The inadequacy of the State Emergency Operations Center is not alone, however, and many of the state’s facilities required to serve and protect the public’s safety are wholly insufficient for the job. In an effort to improve the efficiency and effectiveness of a State Emergency Operations Center, DEMA reached out to fellow state agencies charged with protecting our communities – specifically the Departments of Public Safety, Transportation, and Forestry – and has developed a proposal to create Arizona’s first “fusion” center based upon the best-practice concept that has been adopted and built across the nation following the terrorist attacks on September 11, 2001.

This multi-agency fusion center would co-locate the similar command, control, communication, and situational awareness functions of those agencies to reduce facility and employee redundancies, create operational efficiencies especially in the event of emergency or disaster, and greatly improve the state’s overall ability to provide for the public’s safety. Although the initial cost for such a building seems high, it should be kept in mind that the state has not invested in these agencies’ operations facility infrastructure in a number of years, and many such facilities are leased or have been converted from available space that is not conducive to the mission. In addition to the savings realized by the state through the co-location of public safety functions, a variety of options exist to construct the fusion center that are worth exploring.

As an example, this past Super Bowl 49 witnessed the stand-up of the Multi-Agency Coordination Center in Phoenix that housed an average of 338 personnel from 138 agencies. During any large-scale event, whether planned or unplanned, a similar amount of personnel and multiple local, state, and federal entities will need to be represented in the State Emergency Operations Center. For local emergencies confined to one jurisdiction, Pima County will have as many as 105 personnel on their operations floor. The maximum occupancy of the current State Emergency Operations Center floor is 85 personnel. For space comparison, the Pima Emergency Operations Center floor is 5,600 sq ft; the current SEOC operations floor is 1,615 sq ft. The Pima EOC operations floor also includes four breakout rooms totaling 2,400 sq ft for use during an event. There are currently no breakout rooms in the SEOC, meetings are moved into offices and those occupants are displaced - which interrupts their work during an event. These inadequacies are shared by other state agencies charged with protecting our communities.

As part of studying options to improve the state's ability to protect and serve the public, DEMA developed a conceptual study and cost estimate that identified the agencies needs. As part of that analysis, the facility would require 245,075 square feet, and increase of approximately 32% compared to current facilities, which is modest considering the state has not constructed any new public safety operations centers in recent memory. The estimated cost of a fusion center that meets Arizona’s public safety needs, including the substantial amount of technology that needs to be included and trenching for fiber optic connectivity, is estimated to be \$155,900,000. When compared to other recent fusion center construction, however, our concept develop was able arrive at a cost per square foot 14% lower than comparable facilities.

Emergency response has grown more complex in the thirty-three years since the former Offsite Nuclear Emergency

Response Center evolved into the current State Emergency Operations Center. This complexity has added personnel and technology, which drives space requirements for all public safety agencies. Arizona needs a fusion center in order to be prepared to manage future events, both planned and unplanned.

Solutions:

The consolidation of staff from multiple locations to Papago Park Military Reservation would also reduce long-term state expenses. Construction of a state fusion center would provide a cohesive space for the Arizona Division of Emergency Management, the Arizona National Guard Joint Operations Center, various components of the Department of Public Safety, State Forestry dispatch operations, the Department of Transportation's Traffic Operations Center, and potentially other agencies with a dispatch and/or communications requirement to perform both their emergency and non-emergency duties as required in statute. The project would provide a safe and more efficient working environment for the occupants, ensure seamless interoperability, improve access to the media and emergency management community, reduce future facility and employee costs, provide growth flexibility, and improve security. If the work is not completed, there would be continued inefficiencies state-wide in both operational and building systems and recurring code compliance problems.

Construction of a fusion center would be offset by the consolidation of state personnel and elimination of facility costs from utilization of multiple locations to house state public safety personnel. Increased capacity to respond and manage an emergency and greater ability to coordinate with other state agencies, counties and local emergency response organizations. Reduced annual state costs that are incurred by spreading staff throughout multiple facilities.

Continued use of the existing facilities, which will require increasing investment to maintain systems that are reaching their end of life cycles after thirty-three years, as well as costly leases that provide no ultimate benefit to the state. Additional investment will be needed in order to maintain effective communications and information transfer capabilities with other Emergency Operations Centers that have been and will be constructed around the state. The building will continue to violate occupancy and fire code regulations due to the current infrastructure, especially during an emergency response due to the lack of adequate space needed to support the required participants.

Failing to provide adequate space needed to support the required participants of an emergency response poses greater risk for the state and the local communities we are statutorily established to support. Emergency response has grown more complex in the thirty-three years since the former Offsite Nuclear Emergency Response Center evolved into the current State Emergency Response Center. This complexity has added personnel and technology, which drives space requirements. During any large-scale event, whether planned or unplanned, multiple local, state, and federal entities will need to be represented. As an example, this past Super Bowl 49 witnessed the stand-up of the Multi-Agency Command Center in Phoenix that housed 338 individuals from 138 agencies. This type of staffing scenario would be replicated in any type of large-scale event, and failing to have the capacity to provide support on this scale will hamper the state's ability to properly manage the emergency and reduce risk to lives and property. Even smaller scale events, such as complex state law enforcement investigations that impact the public's safety, have no space of sufficient size to set-up their operation.

Issue 2 Future Army Readiness Center Construction.

Description The AZARNG is proud of its long-standing relationship with Arizona communities and the presence of our community-based Readiness Centers play a significant role. Readiness Centers provide Soldiers a base to train and mobilize from, maintain vehicles and equipment, provide immediate homeland response, support communities during state emergencies, and take care of Soldiers' families during deployment.

At the direction of Congress, and through the Department of Defense and National Guard Bureau, the AZARNG evaluated the 33 (now 32) Readiness Centers located in 20 different communities throughout the state. We reviewed facility condition, age, capacity for improvements, demographics, diversity, Soldier travel considerations, and future federal and state funding projections.

The resulting report recommends some new construction along with closing and consolidating other facilities. The AZARNG began implementing the plan's recommendations, however completion depends on availability of state funding for 25% of the cost for new construction. The most recently recorded date of the state of Arizona providing match funds for Readiness Center construction was 2005.

Facility Conditions

Twenty (20) of 32 Readiness Centers fail or poorly meet required space for Soldiers and equipment resulting in a shortage of 680,000 square feet. Additionally, eighteen (18) of 32 Readiness Centers are in poor or failing condition based on Installation Status Report ratings. The average age of AZARNG's Readiness Centers is 33 years old with 11 Readiness Centers built over 50 years ago. These metrics show a direct correlation between age and condition. Inadequate Readiness Center space affects units' ability to accomplish newer pre-mobilization tasks, and poor conditions result in life-safety hazards for Soldiers.

Facility Maintenance

The AZARNG's fire prevention (smoke alarms, fire suppression, and electrical panels), lifecycle replacement (HVAC units and roofs), and preventive maintenance programs focus on improving Readiness Center condition ratings over the next five years. Many older Readiness Centers do not have smoke alarms and fire suppression systems that place Soldiers at risk. Many facility components are past their lifecycle replacement due-dates and deteriorate faster than funding is available to repair them. With legislative help, this can change. The AZARNG requests \$1.3M in state matched funds to improve the life-safety conditions and replace aged components of Readiness Centers. For details, please see the FY2018 DEMA Capital Improvement Plan.

Future Years Defense Program (FYDP)	Funding	Completion Date
Rittenhouse Readiness Center	\$13M (Federal \$9.75M; State \$3.25M)	2019
Safford Readiness Center	\$11M (Federal \$8.25M; State \$2.75M)	2019

Note: Projects on the FYDP have been approved by US Congress and National Guard Bureau, and federal funds are committed.

Long Range Construction Plan (LRCP)	Funding	Completion Date
Goodyear Readiness Center	\$12M (Federal \$9M; State \$3M)	2023

Note: Projects on the LRCP are not yet approved by US Congress and National Guard Bureau, and no federal funds are committed.

To offset National Guard Bureau's 25% state match requirement for construction projects, AZARNG is in the process of applying revenues from Readiness Center sales that no longer support the Guard mission or have outlived their 50-year life expectancy. However, sales of old facilities do not meet the growing financial requirements of facilities needed to replace them.

State Match Required for Military Construction

Estimated State Share for future construction: \$10.3M (Rittenhouse \$3.2M; Safford \$2.8M; Goodyear \$4.3M)
Estimated Sales Revenue for next 5 years: \$1.2M (Rittenhouse \$3.25M; Safford \$2.75M; Goodyear \$3M)
State Match Required: \$9.1M

Without these funds, National Guard Bureau will not commit federal match funding to build, which will prevent

construction of Readiness Centers and will negatively affect Soldier readiness and the ability to support a state domestic response.

Solutions:

Appropriation of the state match requirement to fund Readiness Center construction. Failing to fund future Readiness Center construction completely and not providing the proper facilities to train National Guard Soldiers deteriorates readiness and the ability to respond when called upon by the Governor or President. This also affects the relationship between the National Guard and the community, which then impacts recruiting and retention of soldiers in the area.

Continuing use of the aging facilities requires increasing amounts of maintenance and repair costs. These costs on the older facilities often eclipse those of newer facilities, placing additional pressure on the limited resources available for maintenance and repair. Purposely paying toward the state match requirements over time significantly reduces the budget impact when the state match funding requirement is due. Preferring to pay for the state match construction requirement when the project becomes available on the FYDP has a greater impact to state budgeting. Failing to provide the state-match for construction at all will result in Arizona losing the federal funding for construction to another state. Failing to provide adequate training areas for the Army Guard, which the aging facilities do not provide, hurts unit readiness and availability to respond to state missions. Besides the need for these facilities, the state match requirement draws down three dollars from the federal government for every state dollar. This then provides an outsized economic impact to the state spending during the construction of this facility.

Failure to fund this requirement over time will lead to a bigger budget impact when those construction projects are needed to drawdown funds.

Issue 3 Adequate funding of Operations and Maintenance budget for Army National Guard facilities to fulfill state obligation.

Description The AZARNG is proud of its long-standing relationship with Arizona communities and the presence of our community-based Readiness Centers play a significant role. Readiness Centers provide Soldiers a base to train and mobilize from, maintain vehicles and equipment, provide immediate homeland response, support communities during state emergencies, and take care of Soldiers' families during deployment.

At the direction of Congress, and through the Department of Defense and National Guard Bureau, the AZARNG evaluated the 33 (now 32) Readiness Centers located in 20 different communities throughout the state. We reviewed facility condition, age, capacity for improvements, demographics, diversity, Soldier travel considerations, and future federal and state funding projections.

The resulting report recommends some new construction along with closing and consolidating other facilities. The AZARNG began implementing the plan's recommendations, however completion depends on availability of state funding for 25% of the cost for new construction. The most recently recorded date of the state of Arizona providing match funds for Readiness Center construction was 2005.

Facility Conditions

Twenty (20) of 32 Readiness Centers fail or poorly meet required space for Soldiers and equipment resulting in a shortage of 680,000 square feet. Additionally, eighteen (18) of 32 Readiness Centers are in poor or failing condition based on Installation Status Report ratings. The average age of AZARNG's Readiness Centers is 33 years old with 11 Readiness Centers built over 50 years ago. These metrics show a direct correlation between age and condition. Inadequate Readiness Center space affects units' ability to accomplish newer pre-mobilization tasks, and poor conditions result in life-safety hazards for Soldiers.

Facility Maintenance

The AZARNG's fire prevention (smoke alarms, fire suppression, and electrical panels), lifecycle replacement (HVAC units and roofs), and preventive maintenance programs focus on improving Readiness Center condition ratings over the next five years. Many older Readiness Centers do not have smoke alarms and fire suppression systems that place Soldiers at risk. Many facility components are past their lifecycle replacement due-dates and deteriorate faster than funding is available to repair them. With legislative help, this can change. The AZARNG requests \$1.3M in state matched funds to improve the life-safety conditions and replace aged components of Readiness Centers. For details, please see the FY2018 DEMA Capital Improvement Plan.

Years of underfunding the state-match requirement for Readiness Centers operations and maintenance has led to failing facilities and a number of critical health, life and safety projects that are included in DEMA's capital improvement plan. Although we recognize that Readiness Centers must compete for limited building renewal and sustainment funding against the other 4,200 state-owned buildings, very few of those buildings serve both a state and national mission requirement or receive federal match funding to offset the expense. DEMA staff remains committed to maximizing state funds allocated to the agency, but maintaining these facilities is critical for you to manage and respond to an emergency or disaster and protect the lives and property of the citizens of Arizona.

Solutions:

Properly fund the state-match requirement for needed critical health-life-safety facility repairs and deferred maintenance at Army Readiness Centers and support facilities over a five-year period. This proposal brings those category 3 (deficient) and 4 (failing) facilities and projects up to category 2 (meets expectations), and moves from a funds availability based management process to a requirements based management process that meets Army National Guard End Strength.

Performance will be measured by the number of facility ratings increased from category 3 or 4, the number of existing projects removed from the five-year plan, and the execution rate of funds in the COBJ areas listed above.

The only alternative is partial funding the state-match requirement and the increase of the deferred maintenance and backlog of health, life and safety repairs, which will lead to the continued loss of federal matching funds for category 3 and 4 facilities and the closure of those facilities. Although the closure of facilities may allow some funds to be redirected to support of remaining facilities, closure of Readiness Centers and support facilities result in the facility becoming 100% state funded and will require funding to secure the vacant facility and meet structural maintenance requirements.

Continued closure of facilities will result in future reductions of Army personnel End Strength as Arizona would no longer have the

facilities to support those units. This will reduce the support the Army National Guard is able to provide to Arizona, reduce the timeliness of a response to a community affected by emergency or disaster, and the ability of the Governor and Legislature to utilize the National Guard for state emergencies or policies. This also affects the relationship between the National Guard and the community, which impacts recruiting and retention of soldiers in the area. Lack of Soldiers in an area and a place to train also impacts the ability of the Army National Guard to respond to a local emergency or disaster.

The only alternative to an increase in State-Match Funding is the closure of select Readiness Centers to redirect funds in support of remaining facilities. This alternative in turn will lead to less Army Guardsmen through a reduction of force structure to right size it to the support facilities available in Arizona. In addition, closure of a facility requires the state to fund the entire maintenance expense, including those expenses to provide a security presence to protect closed facilities from vandalism or further disrepair. Without an increase, these costs will leave less funding available for state-match to draw down federal funds.

In addition, closing facilities damages the “good will” relationship that the Arizona National Guard has within affected communities. Closing facilities also impacts current operational missions as Readiness Centers actively support the Joint Counter Narco-Terrorism Task Force (JCNTF), the Southwest Border mission, and other state agency personnel such as the Arizona Department of Public Safety (DPS), which has a detrimental effect on public safety.

Continuing to defer maintenance will only compound facilities’ problems and become more expensive to address over time. Failure to address health-life-safety needs increases liability and risk to the state. If no additional funding is provided in FY18, then maintenance, liability and risk costs will continue to increase and force the Arizona National Guard to begin closing Readiness Centers impacting the readiness of units and soldiers to perform their mission and impact community relations negatively. Closure of facilities results in complete loss of the federal funding match and 100% support from the state.

Issue 4 State Education Assistance for National Guard

Description The Arizona National Guard’s ability to attract and retain quality Soldiers can be significantly enhanced with a subsidized tuition assistance program. While Arizona House Bill 2240 was enacted this past session and proposes to convert the currently unfunded National Guard Tuition Reimbursement Program into a Tuition Waiver program, the waiver still requires the cost of tuition to be fully reimbursed to the college or university. Without funding support from the Arizona Legislature for this required reimbursement, the tuition waiver has no impact beyond the currently unfunded National Guard Postsecondary Education Reimbursement Program (A.R.S. §§ 26-179, 180, 181).

Arizona is one of three states in the nation that does not offer any form of tuition assistance or educational benefit to its National Guardsmen. Under any proposed tuition assistance program, Guard Members must meet and maintain eligibility throughout a maximum five-year period and would utilize all other authorized federal funding first. Any tuition assistance is revocable for ineligibility reasons and monies recouped if a Guardsmen fails to meet academic standards, commits an act that qualifies as a misdemeanor or felony, or performs an act that would cause the member to be separated from service under any category other than honorable. Recoupment action could take place through the Arizona Department of Revenue via the Arizona Board of Regents.

Continuing education is necessary for promotion and career advancement in all branches of the U.S. Armed Services, including the National Guard. Without higher education opportunities provided by the state, our Soldiers and Airmen are placed at a disadvantage when competing for training and advancement opportunities required for promotion with their peers in other states. Failing to continue to advance could also cause separation from service. Providing tuition assistance, either in the form of a tuition waiver, scholarship, or discounted tuition rates, would stabilize our force and ultimately benefit the state of Arizona by attracting qualified Soldiers and retaining quality Guard Members.

The average shortfall of federal educational benefits and in-state under-graduate tuition at ASU, NAU, or UA is \$3,000. That shortfall increases over \$7,000 for in-state graduate tuition.

Solutions:

Restoration of the general fund appropriation for tuition reimbursement or to fund the currently construed tuition waiver would address this critical recruitment and retention issue. Modifying the currently construed tuition waiver to eliminate the requirement for funding to compensate the institution for the cost of the waiver would also eliminate this issue. An alternative to a general fund appropriation would be to provide discounted tuition rates, such as the university employee tuition rate, to Arizona National Guardsmen, which would then bring the cost of tuition in line with the federal benefits received for their service and sacrifice to the State of Arizona.

Issue 5 Land Shortfalls & Encroachment

Description The Arizona Army National Guard (AZARNG) is actively seeking resolution on land shortfalls and encroachment issues that impact training areas.

The two major training sites for the state of Arizona, Camp Navajo (CN) and Florence Military Reservation (FMR), provide a majority of the training resources and facilities for the state. Based on the Army Range Requirements Model, the Arizona National Guard currently has a 29,000-acre shortfall (FMR – 15,200 acres and CN – 13,800 acres) in available training areas. Potential residential development threatens training areas at both locations and, if not addressed, will impact the training viability of both installations. The AZARNG continues to work closely with local stakeholders to develop compatible use buffers around each area. Furthermore, Florence Military Reservation has reached range development capacity (half of the installation consists of State Trust land). Securing additional land buffer will enable the AZARNG to develop required ranges and maneuver space to support future force structure

Solutions:

At Camp Navajo, the Arizona National Guard has been working closely with local stakeholders to develop an Army Compatible Use Buffer (ACUB) program around the training site. This program will allow for the potential purchase of additional buffer land, which will enable the Arizona National Guard to develop required ranges and maneuver space to support future force structure. Furthermore, during the summer of 2015, the CFMO (in coordination with the federal Office of Economic Adjustment (OEA)) began the process of nominating a Joint Land Use Study (JLUS) for the following training sites: Rittenhouse, FMR, and Silver Bell Army Heliport (SBAH). The JLUS process is another compatible use program that promotes a cooperative land-use planning effort between a local government and a military installation/training site. The study presents recommendations for the community to adopt in an effort to promote compatible development and to protect public health, safety, and welfare while ensuring the military mission is upheld.

Additional state tools should be explored as well. This could include improving the Prop 119/public land exchange authority, allowing for the divestiture or transfer state trust land to protect active duty and National Guard military installations, or modifying the Military Installation Fund to allow greater use by state political subdivisions to protect land near military installations and consistently funding the Military Installation Fund. The AZARNG welcomes the support from the Governor's office and Legislature in our efforts to reduce the impacts of encroachment on our training lands and acquire additional training locations to maintain Soldier readiness for future federal and state missions.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	12,619.5	12,619.5	12,619.5
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	21,108.6	21,108.6	21,108.6
Federal Funds	35,686.1	35,686.1	35,686.1

Program Summary

ADMINISTRATION

Colonel Roland D. Aut, Director
 Phone: (602) 267-2721
 A.R.S. § 26-102(C)(8)

Mission:

To provide leadership and support resources to all elements of the Department.

Description:

The Division of Administrative Services supports the day-to-day business operations for the agency that are shared by all divisions, and gains efficiencies through the consolidation of similar state and federal functions. The Division includes Department policy development, state and federal human resources and employee relations, state and federal legislative affairs, state and federal financial resource management, auditing, contracting, and risk management, and public affairs. Additionally, DEMA's Ordnance Operations, a tenant organization of Camp Navajo, is directly managed under Administrative Services due to the state nature of the operation.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,791.8	1,818.0	1,818.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,045.5	2,475.3	2,475.3
Total Funding	3,837.3	4,293.3	4,293.3
FTE Positions	35.3	44.3	44.3

◆ **Goal 1** To provide quality and timely support services to our customers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of weeks to process personnel actions	1	1	1	NA	NA
Recruitment Turnaround Time	0	0	0	45	0

Program Summary

EMERGENCY MANAGEMENT

Wendy Smith-Reeve, Director
 Phone: (602) 464-6379
 A.R.S. § 26-305

Mission:
To coordinate emergency services and the efforts of governmental agencies to reduce the impact of disasters on persons and property in Arizona.

Description:
 The Division of Emergency Management directs and coordinates a statewide Comprehensive Emergency Management program to minimize personal and property losses caused by natural and man-made disasters. This is accomplished through numerous preparedness, response, recovery, and mitigation activities and programs. The Division is organized along functional and statutory lines into three sections - Preparedness, Operations and Coordination, and Grant Administration.

This Program Contains the following Subprograms:

- ▶ Mitigation and Preparedness
- ▶ Response and Recovery

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,356.1	7,690.5	7,690.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,899.3	14,869.7	9,704.9
Total Funding	20,255.4	22,560.2	17,395.4
FTE Positions	44.9	46.7	46.7

Subprogram Summary

MITIGATION AND PREPAREDNESS

Wes Dison, 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 Preparedness element is managed by the Preparedness Section and 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.

The Mitigation element integrates several funding programs managed by the Grant Administration Section 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.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,656.1	3,690.5	3,690.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,673.7	12,487.0	9,653.4
Total Funding	14,329.8	16,177.5	13,343.9
FTE Positions	43.9	45.7	45.7

◆ **Goal 1** To reduce loss of life and loss of property from all hazards.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of communities with sustained Disaster Resistant Community Programs	118	118	118	NA	NA
Current County Emergency Operations Plans	0	0	0	15	0
Current SERRP Primary State Agencies	0	0	0	6	0
Current SERRP Support State Agencies	0	0	0	24	0
Current State Agency COOP Plans	0	0	0	30	0
Emergency Management Performance Grant (EMPG) Reimbursement	0	0	0	45	0
Reduce EM Grant processing time	0	0	0	45	0

◆ **Goal 2** To increase local emergency management capability through training assistance programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of requests for contingency exercise assistance supported	100	100	100	NA	NA

Subprogram Summary

RESPONSE AND RECOVERY

Anthony Cox, Assistant Director
 Phone: (602) 464-6224
 A.R.S. § 26-306

Mission:

To coordinate the actions of federal, state and local jurisdictions to respond to and recover from disasters.

Description:

The Operations and Coordination Section, divided into Response, Recovery, and Field Operations, is responsible for the timely analysis of natural and man-made hazards, recovery operations and regional coordinator support during emergency events. Operations and Coordination Section provides real-time awareness and monitoring of incidents and response activities within the State of Arizona and FEMA Region IX, coordinates activities related to recovery operations and provides regional liaisons to our County partners.

The Grant Administration Section oversees the administration of several state and federal grants the Division receives to enhance emergency management capabilities throughout the state. The grants cover a wide range of activities, including training, exercises, planning, mitigation projects, infrastructure repairs, and emergency response and recovery efforts. As part of the administration of these grants, we offer information, technical assistance, and guidance on the grant processes, as well as develop policy for State-specific application, reporting, and reimbursement policies

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,700.0	4,000.0	4,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,225.6	2,382.7	51.5
Total Funding	5,925.6	6,382.7	4,051.5
FTE Positions	1.0	1.0	1.0

◆ **Goal 1** To reduce human suffering during disasters and enhance community recovery after disaster strikes.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
State Disaster Recovery Time	12.57	15	11.12	12	0
Customer satisfaction rating for communities served during disasters (Scales 1 - 8)	7.472	7	7.472	NA	NA

Program Summary	
MILITARY AFFAIRS	
Brigadier General Kerry Muehlenbeck, Commander, Joint Task Force	
Phone: (602) 267-2836	
A.R.S. §§ 26-104, 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 is divided into three force components: the Army National Guard, Air National Guard, and Joint Task Force. The Arizona Army and Air National Guard provide trained and ready forces for the execution of domestic and overseas contingency operations. The Joint Task Force-Arizona is overseen by a Dual Status (Title 32 State and Title 10 Federal) Commander and is responsible for the execution of those domestic operations.

This Program Contains the following Subprograms:

- ▶ Army National Guard
- ▶ Air National Guard

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,503.3	3,021.0	3,021.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	41,430.3	51,460.0	44,863.1
Total Funding	42,933.6	54,481.0	47,884.1
FTE Positions	346.3	376.3	376.3

Subprogram Summary

ARMY NATIONAL GUARD

Brigadier General John E. Hoefert, Assistant Adjutant General, Army

Phone: (602) 267-2961

A.R.S. §§ 26-104, 26-102(C)(8)

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 Arizona Constitution as the organized 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 natural or man-made 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 operation.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,328.2	2,434.0	2,434.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	35,120.5	44,265.2	37,670.0
Total Funding	36,448.7	46,699.2	40,104.0
FTE Positions	270.8	300.8	300.8

◆ **Goal 1** To recruit and retain highly qualified personnel.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Army National Guard Recruiting & Retention	99.3	85	89.4	85	0

◆ **Goal 2** To maintain Soldier readiness for state active duty and federal contingency operations.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintain Army National Guard Readiness	0	0	0	80	0

◆ **Goal 3** To provide Readiness Centers able to support state missions and Soldier training and readiness requirements.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
AZNG Readiness Centers Facility Condition Status	0	0	0	32	0
AZNG Readiness Centers Space Requirements	0	0	0	32	0

Subprogram Summary

AIR NATIONAL GUARD

Major General Edward P. Maxwell, Assistant Adjutant General, Air
 Phone: (602) 267-2660
 A.R.S. §§ 26-104, 26-102(C)(8)

Mission:

To provide our nation's total force with highly trained expeditionary Airmen supporting national security objectives through combat readiness and training.

Description:

The Arizona Air National Guard consists of the 161st Air Refueling Wing (ARW) and the 162nd Wing (WG). The 161st ARW is the only aerial refueling tanker task force in the southwestern United States and provides daily support for all components of the U.S. Armed Forces. The 162nd WG trains fighter pilots for the Air National Guard and international student pilots, maintains 24/7 aerospace alert in the defense of U.S. air sovereignty, and provides persistent, armed MQ-1 Predator Intelligence, Surveillance, and Reconnaissance (ISR) and Incident Awareness and Assessments (IAA) capabilities to sustain national and state interests.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	175.1	587.0	587.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,309.8	7,194.8	7,193.1
Total Funding	6,484.9	7,781.8	7,780.1
FTE Positions	75.5	75.5	75.5

◆ **Goal 1** To recruit and retain highly qualified personnel.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintain Air National Guard End Strength	93.21	83	86.4	83	83

◆ **Goal 2** To maintain Airmen readiness for state active duty and federal contingency operations.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintain Air National Guard Readiness	0	0	0	75	0

Agency Summary

DEPARTMENT OF ENVIRONMENTAL QUALITY

Misael Cabrera, Director
 Phone: (602) 771-2203
 A.R.S. §§ 49-101 et seq.

Mission:

To protect and enhance public health and the environment of 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ SUPPORT	17,397.6	19,645.9	23,695.9
➤ AIR QUALITY	20,160.9	21,119.5	21,119.5
➤ WASTE PROGRAMS	36,624.5	93,353.9	68,767.3
➤ WATER QUALITY	1,579.7	1,800.0	0.0
Agency Total:	75,762.7	135,919.3	113,582.7
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,000.0	2,823.6	2,823.6
Other Appropriated Funds	36,038.9	47,901.0	54,314.4
Other Non Appropriated Funds	32,723.8	85,194.7	56,444.7
Total Funding	75,762.7	135,919.3	113,582.7
FTE Positions	312.0	312.0	272.0

5 Year Plan

Issue 1 Long Permit Issuance Timeframes

Description Stakeholders are dissatisfied with the timeframes associated with permitting and worry about ADEQ’s ability to be responsive if economic conditions improve and the demand for permits and other services increases.

Stakeholders are dissatisfied with the timeframes associated with clean-up.

Solutions:

Deploy Lean

Issue 2 Paper transactions between businesses and ADEQ are inefficient and burdensome

Description Stakeholders are requesting better electronic tools for permitting, reporting, and transparency.

Solutions:

Leverage E-Technology

Issue 3 Limited Human Resources Capacity

Description A combination of reductions in force, layoffs, depleted training opportunities, static / reduced wages, a lack of viable career paths, and outdated management systems have resulted in a failure to fully leverage ADEQ’s human potential.

Solutions:

Unleash human potential

Issue 4 Maintaining Core Programs

Description Necessity of focusing on and maintaining core programs has resulted in the reduced outreach efforts which in turn reduce our visibility and our effectiveness in release and pollution prevention.

Solutions:

Increase outreach

Issue 5 Resource Instability

Description ADEQ’s General Fund appropriation has been eliminated. ADEQ is now funded through fees and federal grants. The current fee structure is insufficient to fully fund the Agency’s core functions.

Solutions:

Strengthen core programs

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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

SUPPORT

Misael Cabrera, Director
 Phone: (602) 771-2203
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	11,467.8	13,375.2	16,575.2
Other Non Appropriated Funds	5,929.8	6,270.7	7,120.7
Total Funding	17,397.6	19,645.9	23,695.9
FTE Positions	98.7	98.7	98.7

◆ **Goal 1** To transition into and align with the Arizona Management System

◆ **Goal 2** To fully support and champion delivery of ADEQ's mission

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Time to Purchase Order (Days)	0	0	3.4	3	3

Explanation: Track funded purchase requisition to purchase order.

Time to respond to Records Request (Days)	0	0	5.8	3.0	3.0
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Explanation: Date records ready for review - measured by the "Date Assigned" of the "schedule review with customer" CTS event.

◆ **Goal 3** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of statutorily set permit timelines met through License Time Frame rule.	99.5	99.5	99.8	100	100

Explanation: A percentage of permits for which a determination was made within timeframes established by rule during the reporting period.

No. of VESP Participation	0	0	35	70	100
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Explanation: An organization is considered a participant once ADEQ determines the organization meets entry requirements.

Program Summary

AIR QUALITY

Timothy Franquist, Air Quality Division Director
Phone: (602) 771-4684
A.R.S. Title 49, Chapter 3

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; and support oil and gas conservation of the comission.

This Program Contains the following Subprograms:

- ▶ Monitoring & Assessment
- ▶ Facility Emissions Control
- ▶ Air Improvement Planning
- ▶ Oil & Gas
- ▶ Vehicle Emissions Control

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	20,160.9	21,119.5	21,119.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	20,160.9	21,119.5	21,119.5
FTE Positions	0.0	0.0	0.0

Subprogram Summary

MONITORING & ASSESSMENT

Timothy Franquist, Air Quality Division Director
Phone: (602) 771-2300
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; validating data collected from ADEQ air quality monitors to assure data are of high quality, conducting daily forecasts of future concentrations of air pollution in the Phoenix metropolitan area, Yuma, and Nogales; issuing permits for prescribed burning to various state and federal land managers while preventing unacceptable degradation of existing air quality; and identifying possible sources of air pollution and documenting meteorological causes of monitor exceedances that may qualify for exclusion as exceptional events. 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; and measures and evaluates program effectiveness.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	9,442.4	3,573.6	3,573.6
Other Non Appropriated Funds	3.3	2,098.2	2,098.2
Total Funding	9,445.7	5,671.8	5,671.8
FTE Positions	26.1	26.1	26.1

◆ **Goal 1** To enhance Arizona's unique environment

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Population breathing Good Air (%)	0	0	N/A	80	85

Explanation: The number (percentage) of Arizona citizens that were not exposed to air of moderate or worse quality - an Air Quality Index (AQI) above 50 (<https://airnow.gov/index.cfm?action=aqibasics.aqi>).

Subprogram Summary	
FACILITY EMISSIONS CONTROL	
Timothy Franquist, Air Quality Division Director	
Phone: (602) 771-2300	
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 implementing an air quality permitting, compliance inspection and enforcement programs to address industrial sources of air pollution. The subprogram ensures that facilities get timely environmentally-protective permits so that they can legally commence construction and operation. Additionally, the subprogram ensures that facilities are monitored and held to the terms of applicable state and federal air quality rules.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,988.2	4,655.5	4,655.5
Other Non Appropriated Funds	0.0	638.5	638.5
Total Funding	1,988.2	5,294.0	5,294.0
FTE Positions	36.6	36.6	36.6

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Return to Compliance Time (Days)	0	0	55	45	40

Explanation: The average time it takes facilities to return to compliance on individual compliance conditions.

Compliance Rate (%)	0	0	86	88	90
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Explanation: Percent of compliance at the time of inspection.

Permit Lead Time (Days)	0	0	67	62	59
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Explanation: The number of calendar days between receipt of application and the decision to "grant" or "deny" the permit.

Subprogram Summary

AIR IMPROVEMENT PLANNING

Timothy Franquist, Air Quality Division Director
 Phone: (602) 771-2300
 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 identifying sources of air pollution and developing plans and rules to remedy poor air quality and prevent unacceptable degradations of good 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 work plans; measures and evaluates program effectiveness; and oversees delegation agreements with local jurisdiction. Arizona's State Implementation Plan (SIP) is the cumulative record of all air pollution strategies, state statutes, state rules, and local ordinances implemented under Title I of the Clean Air Act by government agencies within Arizona.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,798.7	5,607.4	5,607.4
Other Non Appropriated Funds	0.0	1,426.4	1,426.4
Total Funding	3,798.7	7,033.8	7,033.8
FTE Positions	47.8	47.8	43.8

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
No. of SIPs Overdue	0	0	N/A	5	2

Explanation: The number of State Implementation Plans (SIPs) that have exceeded the due date to the US EPA.

◆ **Goal 2** To enhance Arizona's unique environment

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
No. of non-attainment areas	0	0	15	15	15

Explanation: The number of areas the USEPA has classified as not attaining the National Ambient Air Quality Standard (NAAQS)

Subprogram Summary

OIL & GAS

Timothy Franquist, Air Quality Division Director
 Phone: (602) 771-2300
 A.R.S. § 27,515, § 49-104, § 49-455

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

This subprogram supports the regulatory functions of the Oil and Gas Conservation Commission by administering permits for the drilling for and production of oil, gas, helium, carbon dioxide, and geothermal resources. The subprogram will also be responsible for the inspection of these well fields, compilation of oil, gas, geothermal, and helium production statistics, and to provide information to the exploration and development communities and the public.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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	151.0	151.0
Total Funding	0.0	151.0	151.0
FTE Positions	1.0	1.0	1.0

Subprogram Summary			
VEHICLE EMISSIONS CONTROL			
Timothy Franquist, Air Quality Division Director			
Phone: (602) 771-2308			
A.R.S. §§ 49-541 to 49-585			

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,489.8	4,090.0	4,090.0
Other Non Appropriated Funds	0.0	18.5	18.5
Total Funding	2,489.8	4,108.5	4,108.5
FTE Positions	26.2	26.2	26.2

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Return to Compliance Time (Days)	0	0	13	12	12
Explanation: The average time it takes facilities to return to compliance on individual compliance conditions.					
Compliance Rate (%)	0	0	98	98	98
Explanation: Percent of compliance at the time of inspection.					
Permit Lead Time (Days)	0	0	0	0	0
Explanation: The number of calendar days between receipt of application and the decision to "grant" or "deny" the permit.					
Compliance Rate for Vehicles (%)	0	0	93	95	95
Explanation: A vehicle is in compliance if it did not fail its initial emission inspection.					

Program Summary

WASTE PROGRAMS

Laura Malone, Waste Programs Division Director
Phone: (602) 771-2300
A.R.S. Title 49, Chapters 1, 2, 4, 5 & 6

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; investigating and remediating soil and groundwater contamination with regulated and hazardous substances; administers funds; provides grants; and encourages recycling, reuse and other forms of pollution prevention; and administers the emergency response program.

This Program Contains the following Subprograms:

- ▶ Solid Waste
- ▶ Hazardous Waste
- ▶ Emergency Response
- ▶ UST and Leaking UST
- ▶ WQARF
- ▶ Voluntary Remediation
- ▶ Brownfields
- ▶ Federal Projects

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,000.0	2,823.6	2,823.6
Other Appropriated Funds	2,830.5	11,606.3	16,619.7
Other Non Appropriated Funds	26,794.0	78,924.0	49,324.0
Total Funding	36,624.5	93,353.9	68,767.3
FTE Positions	199.3	199.3	173.3

Subprogram Summary

SOLID WASTE

Laura Malone, Waste Programs Division Director
 Phone: (602) 771-2300
 A.R.S. Title 49, Chapter 4

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The subprogram provides management and administrative services to the solid waste 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 grant workplans; evaluates program effectiveness; oversees delegation agreements with local jurisdictions; implements the state waste tire program; implements the state and federal laws and regulations related to solid waste pursuant to delegation from the U.S. Environmental Protection Agency (EPA); maintains an inventory of solid waste management facilities including landfills, waste tire sites, battery collection sites, septage haulers, biohazardous medical waste facilities and transporters, special waste facilities, and transfer stations; reviews applications for licenses, permits and plan approvals, modifications and amendments and takes appropriate action; encourages community involvement; provides oversight of soil and groundwater cleanup at solid waste facilities; manages special waste generation and manifesting data collection and compliance; conducts inspections; collects and maintain compliance data; provides compliance assistance and pursues enforcement actions for significant noncompliance for solid waste management and waste tire facilities; and promotes and encourages recycling and advocates for solid waste reduction.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,677.4	2,591.9	3,591.9
Other Non Appropriated Funds	0.0	20.0	20.0
Total Funding	1,677.4	2,611.9	3,611.9
FTE Positions	22.8	22.8	22.8

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Compliance Rate (%)	0	0	90	90	92
Explanation: Percent of compliance at the time of inspection.					
Return to Compliance Time (Days)	0	0	69	65	60
Explanation: The average time it takes facilities to return to compliance on individual compliance conditions.					
Permit Lead Time (Days)	0	0	41	37	35
Explanation: The number of calendar days between receipt of application and the decision to "grant" or "deny" the permit.					

◆ **Goal 2** To accelerate cleanups

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Contaminated Sites Closed (%)	0	0	43	43	48

Explanation: Percentage of contaminated sites that are considered closed. This is signified by agency of de-listing or issuance "no further action" letters.

Time to Implement Remedy (Years)	0	0	Baseline	Baseline	Baseline
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Explanation: The time, expressed in years, between when a contaminated site is initially identified until when actual remediation begins.

Subprogram Summary	
HAZARDOUS WASTE	
Laura Malone, Waste Programs Division Director	
Phone: (602) 771-2300	
A.R.S. Title 49, Chapter 5	

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The subprogram provides management and administrative services to the hazardous waste 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 grant workplans; evaluates program effectiveness; oversees delegation agreements with local jurisdictions; implements the state and federal laws and regulations related to hazardous waste pursuant to delegation from the U.S. Environmental Protection Agency (EPA); maintains an inventory of hazardous waste generators as well as hazardous waste management facilities; reviews applications for licenses, permits, modifications and amendments and takes appropriate action; encourages community involvement; provides oversight of soil and groundwater cleanup at hazardous waste facilities; manages hazardous generation and manifesting data collection and compliance; conducts inspections; collects and maintain compliance data; provides compliance assistance and pursues enforcement actions for significant noncompliance for hazardous waste management facilities; promotes and encourages pollution prevention, reviews and approves pollution prevention plans and reports; advocates for solid waste reduction, reuse, and recycling.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,110.0	1,734.6	1,734.6
Other Non Appropriated Funds	638.6	1,445.8	1,445.8
Total Funding	1,748.6	3,180.4	3,180.4
FTE Positions	31.8	31.8	29.8

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Compliance Rate (%)	0	0	54	58	62
Explanation: Percent of compliance at the time of inspection.					
Return to Compliance Time (Days)	0	0	69	69	65
Explanation: The average time it takes facilities to return to compliance on individual compliance conditions.					
Permit Lead Time (Days)	0	0	545	180	180
Explanation: The number of calendar days between receipt of application and the decision to "grant" or "deny" the permit.					
Reduction of Natural Resources Consumed (Metric tons of CO2 equivalents [MTCO2e])	0	0	64000	126000	189000
Explanation: The total amount of waste reduced within Arizona. Data is sourced from annual reports that industrial facilities submit to ADEQ.					
Reduction of Hazardous Waste Generated (Million pounds)	0	0	2.8	6.9	10.4
Explanation: The total amount of hazardous waste reduced within Arizona. Data is sourced from annual reports submitted from all hazardous waste generators.					

◆ **Goal 2** To accelerate cleanups

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Contaminated Sites Closed (%)	0	0	41	43	45
Explanation: Percentage of contaminated sites that are considered closed. This is signified by agency of de-listing or issuance "no further action" letters.					
Time to Implement Remedy (Years)	0	0	Baseline	Baseline	Baseline
Explanation: The time, expressed in years, between when a contaminated site is initially identified till when actual remediation begins.					

Subprogram Summary

EMERGENCY RESPONSE

Laura Malone, Waste Programs Division Director

Phone: (602) 771-2300

A.R.S. § 49-108; Title 49, Chapter 1, Article 2

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The subprogram provides scientific support to ensure that the health, safety, and the environmental elements of the hazardous materials emergency management program are met. The Emergency Response Team (ERT) responds to environmental emergencies (e.g., highway crashes, oil and gas releases, facility malfunctions, etc.) to minimize and abate the impact these releases can cause to the public and environment. The ERT manages removal actions to protect human health and the environment. This is completed by either funding response actions directly or overseeing actions conducted by potentially responsible parties. Additionally, the ERT performs appropriate sampling for toxic and other harmful effects in areas that have been impacted by a chemical release or toxic fire.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	43.1	132.8	132.8
Other Non Appropriated Funds	0.0	534.5	534.5
Total Funding	43.1	667.3	667.3
FTE Positions	2.0	2.0	2.0

Subprogram Summary	
UST AND LEAKING UST	
Laura Malone, Waste Programs Division Director	
Phone: (602) 771-2300	
A.R.S. Title 49, Chapter 6	

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. The program conducts inspections, collects and maintains compliance data and pursues enforcement actions for significant non-compliance. 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.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	22.0	22.0
Other Non Appropriated Funds	11,492.9	59,896.7	29,896.7
Total Funding	11,492.9	59,918.7	29,918.7
FTE Positions	87.4	87.4	74.4

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Compliance Rate (%)	0	0	56	60	65
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Explanation: Percent of compliance at the time of inspection.

Return to Compliance Time (Days)	0	0	98	75	60
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Explanation: The average time it takes facilities to return to compliance on individual compliance conditions.

Permit Lead Time (Days)	0	0	6	5	5
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Explanation: The number of calendar days between receipt of application and the decision to "grant" or "deny" the permit.

◆ **Goal 2** To accelerate clean ups

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Contaminated Sites Closed (%)	0	0	92	92	92

Explanation: Percentage of contaminated sites that are considered closed. This is signified by agency of de-listing or issuance "no further action" letters.

Time to Implement Remedy (Years)	0	0	9.03	8.49	7.95
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Explanation: The time expressed in years between when contamination is reported until remediation begins.

Subprogram Summary

WQARF

Laura Malone, Waste Programs Division Director

Phone: (602) 771-2300

A.R.S §§ 49-281 to 49-298

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The subprogram evaluates potentially contaminated sites; reviews plans for and oversees privately-funded cleanup activities; investigates and remediates WQARF priority and preliminary investigation 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, Arizona Department of Health Services and political subdivisions for the purpose of assisting ADEQ with its remediation efforts; and administers the state's Prospective Purchaser Agreement (PPA) program.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5,905.0	4,528.3	4,928.3
Total Funding	5,905.0	4,528.3	4,928.3
FTE Positions	42.6	42.6	31.6

◆ **Goal 1** To accelerate cleanups

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Contaminated Sites Closed (%)	0	0	0.0	2.8	5.7

Explanation: Percentage of contaminated sites that are considered closed. This is signified by agency of de-listing or issuance "no further action" letters.

Time to Implement Remedy (Years)	0	0	5.78	5.3	4.9
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Explanation: The time, expressed in years, between when a contaminated site is initially identified until when actual remediation begins.

Subprogram Summary

VOLUNTARY REMEDIATION

Laura Malone, Waste Programs Division Director
 Phone: (602) 771-2300
 A.R.S §§ 49-171 to 49-188

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

Through this subprogram, property owners, prospective purchasers and other interested parties investigate or clean up a contaminated site in cooperation with ADEQ. The Voluntary Remediation Program (VRP) provides results in a streamlined process; provides a single point of contact to address applicable cross-program remediation efforts; reviews voluntary remedial actions; evaluates potentially contaminated sites; reviews plans for and oversees privately-funded cleanup activities; provides closure documents for successful site remediation that is accepted by all relevant ADEQ programs; and administers the state's Declaration of Environmental Use Restriction (DEUR) Program.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	525.9	711.1	711.1
Total Funding	525.9	711.1	711.1
FTE Positions	6.0	6.0	6.0

◆ **Goal 1** To accelerate clean ups

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Contaminated Sites Closed (%)	0	0	68	71.1	74.1
Explanation: Percentage of contaminated sites that are considered closed. This is signified by agency of de-listing or issuance "no further action" letters.					
Time to Implement Remedy (Years)	0	0	Baseline	Baseline	Baseline
Explanation: The time, expressed in years, between when a contaminated site is initially identified until when actual remediation begins.					

Subprogram Summary

BROWNFIELDS

Laura Malone, Waste Programs Division Director
 Phone: (602) 771-2300
 A.R.S § 49-218

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The subprogram administers the state's Brownfield's initiatives; provides funding for Phase I and Phase II environmental site assessments or cleanup activities of abandoned or underutilized properties; develops and helps applicants with the grant process; hires and manages contractors; provides results of assessments and closure documents; and works with federal, state and local partnerships to support the creation of jobs and the redevelopment of underutilized properties across the state.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	350.8	640.9	640.9
Total Funding	350.8	640.9	640.9
FTE Positions	2.2	2.2	2.2

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Time for Brownfield to return to Productive Use (Days)	0	0	246	231	217

Explanation: The normalization of effort expressed as a ratio of time it actually took to complete the project from project grant approval to when the property is determined ready for productive use divided by the initial plan start to completion.

Subprogram Summary	
FEDERAL PROJECTS	
Laura Malone, Waste Programs Division Director	
Phone: (602) 771-2300	
A.R.S § 49-104	

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The subprogram evaluates and ensures that federally contaminated sites within the state are investigated and remediated to the state's requirements and standards; provides state concurrence on federal oversight sites as per the National Contingency Plan (NCP); reviews plans for, monitors and oversees the Environmental Protection Agency's (EPA) Nation Priorities List (NPL) Superfund cleanup activities; reviews plans for and oversees Department of Defense (DoD) Army, Navy and Air Force funded cleanup activities, including DoD bomb target and base closures investigations and remediations; identifies responsible parties; negotiates settlements with potentially responsible parties; and develops evidence and data needed for cost recovery and settlement actions by the Attorney General's Office.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,000.0	2,823.6	2,823.6
Other Appropriated Funds	0.0	7,125.0	11,138.4
Other Non Appropriated Funds	7,880.8	11,146.7	11,146.7
Total Funding	14,880.8	21,095.3	25,108.7
FTE Positions	4.5	4.5	4.5

Program Summary

WATER QUALITY

Trevor Baggione, Water Quality Division Director
Phone: (602) 771-2303
A.R.S. Title 49, Chapter 2

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 customers; develops surface and groundwater 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, 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:

- ▶ Groundwater Protection
- ▶ Surface Water Protection
- ▶ Surface Water Quality Improvement Planning
- ▶ Safe Drinking Water
- ▶ Water Re-Use

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,579.7	1,800.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,579.7	1,800.0	0.0
FTE Positions	14.0	14.0	0.0

Subprogram Summary

GROUNDWATER PROTECTION

Trevor Baggione, Water Quality Division Director
Phone: (602) 771-2300
A.R.S. §§ 49-201 to 49-391

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Groundwater Protection Subprogram 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, 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 Groundwater Protection Subprogram 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,548.4	6,582.7	3,925.7
Other Non Appropriated Funds	538.1	566.9	566.9
Total Funding	3,086.5	7,149.6	4,492.6
FTE Positions	39.0	39.0	39.0

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Compliance Rate (%)	0	0	91	92	94
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Explanation: Percent of compliance at the time of inspection.

Return to Compliance Time (Days)	0	0	210	195	170
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Explanation: The average time it takes facilities to return to compliance on individual compliance conditions.

Permit Lead Time (Days)	0	0	95	90	88
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Explanation: The number of calendar days between receipt of application and the decision to "grant" or "deny" the permit.

Subprogram Summary

SURFACE WATER PROTECTION

Trevor Baggione, Water Quality Division Director

Phone: (602) 771-2300

A.R.S. §§ 49-201 to 49-391

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Surface Water Protection subprogram protects water quality in Arizona's streams, rivers, lakes and wetlands from point source 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. 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.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,370.1	3,201.5	3,201.5
Other Non Appropriated Funds	869.7	1,068.5	1,068.5
Total Funding	3,239.8	4,270.0	4,270.0
FTE Positions	36.7	36.7	36.7

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Compliance Rate (%)	0	0	83	83	88
Explanation: Percent of compliance at the time of inspection.					
Return to Compliance Time (Days)	0	0	100	90	88
Explanation: The average time it takes facilities to return to compliance on individual compliance conditions.					
Permit Lead Time (Days)	0	0	89	82	78
Explanation: The number of calendar days between receipt of application and the decision to "grant" or "deny" the permit.					

Subprogram Summary

SURFACE WATER QUALITY IMPROVEMENT PLANNING

Trevor Baggione, Water Quality Division Director
 Phone: (602) 771-2300
 A.R.S. §§ 49-201 to 49-391

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Surface Water Improvement subprogram develops surface water quality standards; monitors and assesses surface water quality; identifies water pollution problems and sources; develops Total Maximum Daily Load (TMDL) "pollutant budgets" and works with permitted facilities, local stakeholder groups and land management agencies to develop implementation plans to help waters meet their beneficial uses and attain water quality standards; provides funding to support projects to reduce nonpoint source pollution from activities including agriculture, forestry, mining and recreation; conducts effectiveness monitoring to measure the effectiveness of implementation projects.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	297.5	60.7	60.7
Other Non Appropriated Funds	3,764.8	7,713.3	7,313.3
Total Funding	4,062.3	7,774.0	7,374.0
FTE Positions	20.7	20.7	20.7

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
No. of Target List Impaired Waters Improved	0	0	N/A	15	17
Explanation: Number of impaired waters on ADEQ's priority waters list showing improvement.					
No. of Impaired Surface Waters	0	0	N/A	134	133
Explanation: Number of waters bodies that are not meeting the surface water quality standards.					

Subprogram Summary

SAFE DRINKING WATER

Trevor Baggione, Water Quality Division Director
 Phone: (602) 771-2321
 A.R.S. §§ 49-351 to 49-360

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	894.2	406.9	2,063.9
Other Non Appropriated Funds	2,833.9	5,348.5	4,498.5
Total Funding	3,728.1	5,755.4	6,562.4
FTE Positions	64.4	34.4	47.4

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
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Population served Healthy Drinking Water (%)	0	0	N/A	98	99
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Explanation: The percentage of Arizona citizens that are drinking water from public water systems that do not have a Safe Drinking Water Act exceedance of water quality parameters (such as Nitrate, Radium, Uranium, Fluoride, lead, copper, etc).

Small drinking water systems in compliance (%)	0	0	N/A	70	77
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Explanation: The percentage of small (serving <10,000 people) public water systems (PWS) in compliance, with Safe Drinking Water Act requirements.

Compliance Rate (%)	0	0	66	70	80
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Explanation: Percent of compliance at the time of inspection.

Return to Compliance Time (Days)	0	0	64	58	55
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Explanation: The average time it takes facilities to return to compliance on individual compliance conditions.

Permit Lead Time (Days)	0	0	16	15	13
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Explanation: The number of calendar days between receipt of application and the decision to "grant" or "deny" the permit.

Subprogram Summary

WATER RE-USE

Trevor Baggione, Water Quality Division Director
 Phone: (602) 771-2300
 A.R.S. § 49-203 (A) (6)

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Reuse Water Regulation Program permits the beneficial use of treated wastewater from wastewater treatment plants. Use of this reclaimed water allows Arizona to conserve potable water sources for human consumption and domestic uses. The program regulates reclaimed water conveyances, issues general and individual permits to end users of reclaimed water, conducts compliance inspections of permitted facilities, and enforces permit conditions. Reclaimed Water Quality Standards are specified for five classes of reclaimed water. Standards are expressed as a combination of minimum treatment technology requirements and a limited set of numeric reclaimed water quality criteria.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	204.1	255.6	255.6
Other Non Appropriated Funds	4.1	28.6	28.6
Total Funding	208.2	284.2	284.2
FTE Positions	2.0	2.0	2.0

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Compliance Rate (%)	0	0	88	90	92
Explanation: Percent of compliance at the time of inspection.					
Return to Compliance Time (Days)	0	0	125	116	101
Explanation: The average time it takes facilities to return to compliance on individual compliance conditions.					
Permit Lead Time (Days)	0	0	43	41	40
Explanation: The number of calendar days between receipt of application and the decision to "grant" or "deny" the permit.					

Agency Summary

ECONOMIC OPPORTUNITY

Paul Shannon, Director
Phone: (602) 771-0478
41-5301

Mission:

Description:

The Office of Economic Opportunity was established by Laws 2016, Chapter 372. The Office is charged with the following responsibilities: monitoring the state's tax and regulatory competitiveness to inform policy and regulatory reform efforts, serving as the state's workforce planning coordinator, providing various workforce, employment and population estimates, providing analytic support to the Arizona Commerce Authority, Arizona-Mexico Commission and the Arizona Office of Tourism in their state marketing strategies, and providing administrative support to the Arizona Finance Authority.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	1,068.7	1,068.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	4,295.3	4,295.3
Total Funding	0.0	5,364.0	5,364.0
FTE Positions	0.0	24.5	24.5

Agency Summary

ARIZONA FINANCE AUTHORITY

Lorenzo Romero, Director
Phone: (602) 769-7498
41-5351

Mission:

Description:

The Arizona Finance Authority (AFA) is a one-stop finance shop established in the Office of Economic Opportunity that includes the Water Infrastructure Finance Authority (WIFA) and the Greater Arizona Development Authority (GADA). 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. GADA assists local communities and tribal governments in developing and financing public infrastructure projects. The AFA also authorized the creation of the Arizona Industrial Development Authority (AZIDA), in accordance with Laws 2016, Chapter 372.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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	205,017.5	205,017.5
Total Funding	0.0	205,017.5	205,017.5
FTE Positions	0.0	19.6	19.6

Agency Summary

GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

Barry Wong, Director
 Phone: (602) 542-5723
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	187.3	189.1	189.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	187.3	189.1	189.1
FTE Positions	4.0	4.0	4.0

5 Year Plan

Issue 1 Attract and retain a highly engaged workforce that is reflective of the state and communities.

Description Connect agency human resource professionals with business trade and professional groups including from ethnic, women's, disabled, veterans and other communities exposing them to state employment opportunities.

Solutions:

Reach out to communities and trade and professional groups to educate them about the needs of the state for qualified employees in the various agencies and the process for applying for state employment.

Participate in community events and festivals to introduce the state hiring needs and process.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of state agency Equal Employment Opportunity plans submitted.	105	105	105	105	105
Number of state agencies assisted in the preparation of agency-level Equal Employment Opportunity Plans, and in efforts to reach workforce parity	90	90	90	90	90
Number of calls answered providing information and assistance regarding Equal Opportunity rules and regulations	150	150	150	150	150

- ◆ **Goal 2** To avoid/reduce the State's exposure to employment related disputes and lawsuits through training of State Equal Opportunity Administrators and administrative managers and supervisors; and coordination with Equal Employment Opportunity Commission.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of training classes provided	5	5	5	5	5
Total training hours provided to state employees	150	150	150	150	150
Number of EEOC charge notices received and monitored for organizational trends and follow-up.	60	60	60	60	60

- ◆ **Goal 3** To achieve and maintain an ethnic, cultural and gender diverse state government workforce and ensure diverse representation on state Boards and Commissions.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of community organizations contacted by the Governor's Office for Equal Opportunity to help facilitate the dissemination of information regarding employment opportunities	200	200	150	100	200
Number of community organizations contacted by GOEO to help facilitate the dissemination of information regarding positions on State Boards and Commissions	130	130	130	80	130
Contact with tribes, tribal members and off-reservation native Americans regarding employment, appointment and procurement opportunities with the state	250	250	100	100	200

- ◆ **Goal 4** To enhance the growth and development of minority and women-owned business enterprises.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of minority/women-owned businesses contacted and provided with information regarding state contracting opportunities	200	200	150	150	200
Number of minority/women-owned businesses referred to DOA procurement	130	130	100	100	130

◆ **Goal 5** To provide alternative dispute resolution services to state agencies.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of presentations concerning mediation services	2	2	2	2	2
Number of mediation sessions conducted as a result of Governors Office of Equal Opportunity	4	4	4	4	4

Agency Summary

STATE BOARD OF EQUALIZATION

George Shook, Acting Chairman
Phone: (602) 364-1601
A.R.S. §§ 42-16151 et al.

Mission:

To provide an independent appeal process for taxpayers, the county assessors, and the Department of Revenue in disputes relating to the valuation and classification of property for ad valorem tax purposes. Inherent to this responsibility the Board must create a venue of non-judicial hearings in which each taxpayer is afforded due process of law in matters concerning the valuation and classification of their respective properties.

Description:

The State Board of Equalization (SBOE) is comprised of forty-one members, twenty-one appointed by the Governor, including the Chairman, and ten members from both Maricopa and Pima counties appointed by their Boards of Supervisors. The Board of Equalization'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, by statute, also can provide hearing officer services for outlying counties. Currently, the SBOE provides services to Mohave, Pinal, Santa Cruz and Yavapai counties. The Board, formerly Division I of the State Board of Tax Appeals, was created on August 1, 1995 through a consolidation of the property valuation and classification appeals process.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	525.3	643.0	643.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	525.3	643.0	643.0
FTE Positions	7.0	7.0	7.0

5 Year Plan

Issue 1 Modernize the Board's Information Technology system for efficiency, accuracy, simplification for ease of use, security compliance and compatibility with stakeholder systems.

Description The Board is currently using a custom application utilizing software that is no longer supported by Microsoft. A newer application has been written in a .NET web based format which is currently supported by Microsoft. The newer application requires enhancements for ease of use and security compliance. The older application, FoxPro, has many user interface features which lend to more efficient operations than the web based application. Enhancements to the .NET application are ongoing and much progress has been made to achieve a high level of confidence that will be a future cost saving operation. The .NET application will meet current IT security compliance.

Solutions:

1.1 Funding for the enhancements to the .NET application is not an issue at this phase of the project. The Board is currently having reduced expenditures due to the reduced amount of appeals. Board resources will be redirected to absorb initial costs of analysis, exploratories and initial enhancements.

Issue 2 Information Security must be upgraded.

Description This agency will upgrade and update all hardware and software to the latest technology required to implement the State's Information Security plans.

Solutions:

1.1 The Board will utilize all state ASET available assets and resources to become compliant with all information security requirements.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	7.0	7.0	7.0
General Fund	661,000.0	671,000.0	681,000.0
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 maintain sufficient funding in order for the State Board of Equalization to be prepared for annual changes in caseloads. This will also ensure that the SBOE is able to adequately staff all hearings in Maricopa and Pima Counties and meet statutory deadlines.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Cost per appeal (in dollars)	91.20	85	138	85	75

Explanation: Statutory increase in member compensation.

Appeals received	5,461	6,500	3,812	5,500	6,000
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Explanation: Petitions received by the SBOE may contain multiple parcels.

◆ **Goal 2** To reduce the cost attributed to petitions and hearings.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Enhance training for staff members. This performance measure is for the percentage of staff members who have completed training.	25	50	75	100	100

Explanation: Create a public awareness initiative to educate potential filers.

- ◆ **Goal 3** To enhance the Board's computer system to handle the greatly increased caseloads and automate 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 the Board's electronic capabilities to include "client" counties (currently, La Paz, Mohave, Pinal, and Yavapai Counties).

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
In FY 2015 the Board identified the need based components of the IT requirements. This performance measure is a percentage of the project completion. FY 2016 will focus on transition of data and data compatibility. This performance measure is a percentage of the project completion. FY 2017 will experience software development, deployment and testing. This performance measure is a percentage of the project completion.	25	50	75	100	100

Explanation: Coordination with Maricopa County and Pima County IT departments.

- ◆ **Goal 4** To update and obtain necessary approvals of the State Board of Equalization's Rules.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
The Board will continue to seek input for modifications to expired rules. An exception request will be submitted to the governor's office exempting the Board from the Rules Moratorium. This performance measure is a percentage of the project completion. FY 2016 requires meetings with all stakeholders and to verify the various rules and changes to expired rules that have resulted from new legislative requirements. The rules package will be submitted to GRCC by July 2017. This performance measure is a percentage of the project completion. FY 2017 complete vetting and approval of Board rules. This performance measure is a percentage of the project completion.	10	85	85	100	100

- ◆ **Goal 5** To obtain legislation that will reduce the number of unnecessary appeals by, among other things, encouraging resolution of disputes at the assessor level, to ensure taxpayers will receive competent representation by tax agents and to ensure prompt, thorough and fair treatment of taxpayers by the Board by obtaining adequate resources and conducting expanded Board member training.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Become fully involved with all stakeholders in the appeal process. The stakeholders are the legislative body which makes changes to the Arizona Revised Statutes, the Department of Revenue which provides guidelines and implementing instructions for new legislation, County Assessors, County Boards of Supervisors and property owners who are the taxpayers. This performance measure is a percentage of the project completion.	100	100	100	100	100

Explanation: Work with Department of Revenue and legislators.

Agency Summary

BOARD OF EXECUTIVE CLEMENCY

Ellen Kirschbaum, Chariman
Phone: (602) 542-5646
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:

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	892.6	952.6	1,085.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	41.5	43.6	43.6
Total Funding	934.1	996.2	1,129.4
FTE Positions	14.0	14.0	14.5

5 Year Plan

Issue 1 The agency's inability to meet hearing time-frames in a timely manner.

Description Case law establishes a goal of holding revocation hearings within 60 days after a parolee or individual on community supervision has been arrested and returned to the Arizona Department of Corrections's custody. Court Case: "Morrissey Vs. Brewer, No. 71-5103 in 1972.

Solutions:

The Board is now meeting this issue by conducting revocation hearings within a 45 day timeframe.

Issue 2 Maintaining on-going staff training and development in efforts to conduct daily operations seamlessly.

Description AZBOEC is considered a small size agency due to the number of employees; 7-front line staff, executive director, 1-victim notification coordinator, 5-board members. The volume of daily work in preparation of hearings conducted Monday through Thursday creates difficulty at times when employees are out for annual and/or sick leave. Cross-training is essential.

Solutions:

Procedural Manuals have been created for each areas job functions - manuals can be accessed at anytime for reference and training processes.

- 1) Frontline staff will shadow each respective area function - this shadowing/training is throughout the year.
- 2)Hold regular weekly staff meetings in which updates are shared and experienced.
- 3) Staff are encouraged to participate in state organized training sessions to help enhance and/or develop professional skill levels.

Issue 3 Establish continuous board member training and development

Description Board members are appointed by the Governor for a 5-year term; one board member from within the panel of five is also appointed as Chairman for a 2-year term. The panel of board members changes as each term is up and/or the Chairman is switched out. The need to train members that are on-boarding is critical in their decision-making process. Members must know and understand the relevant statutes that pertain to clemency and revocation hearings. Policies and statutes change over time which necessitates regular training in order to appropriately address these changes and updates.

Solutions:

- 1) Refer to and utilize the board member policies and procedures manual. The manual contains sample case law copies, current statutes, agency policies and other training documents. Each board member will be given a copy for reference purposes.
- 2) At first appointment to the Board, there will be a comprehensive study and training period of four weeks prior to the board member to fully participate in hearing procedures.
- 3) At first appointment to the Board, the new appointee will meet with the agency counsel specific to getting familiar with State law and relevant case law pertaining to Board hearings.
- 4) Board members will participate in formal national trainings specific for parole boards.
- 5) The Board will conduct one or two trainings per quarter over each calendar year. These training sessions are varied and tie into Department of Corrections changes and or updates that affect the Board.

Issue 4 Enhance the Board's decision-making process.

Description Establish a structured decision-making process, which will provide a solid base for board members to form independent thoughts, opinions, and ultimately prudent decisions for each hearing. Moving toward a more structured decision-making process will help the Board meet its mission to ensure public safety.

Solutions:

1) Develop/enhance best practices utilizing a Structured Decision-Making Model (Arizona specific) as a guide to provide a basic framework for making decisions that more accurately predict outcomes.

2) The created standard will be incorporated into the Board's training manual for reference, routine and consistent board training sessions.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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 schedule parole hearings within a month of receiving certifications from the Department of Corrections.

◆ **Goal 2** To maintain a minimum 15 day notifications of parole and all types of clemency hearings.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of notifications for parole and clemency hearings.	3157	3200	3760	3800	3900

◆ **Goal 3** To provide customer service equally and without prejudice.

Agency Summary

EXPOSITION AND STATE FAIR BOARD

Wanell Costello, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ INTERIM EVENTS	4,478.1	4,272.8	4,272.8
➤ STATE FAIR	6,812.6	7,340.5	7,840.5
Agency Total:	11,290.7	11,613.3	12,113.3
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	11,290.7	11,613.3	12,113.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	11,290.7	11,613.3	12,113.3
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.

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

	FY2019 Estimate	FY2020 Estimate	FY2021 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

INTERIM EVENTS

Michael Searle, Deputy Director
 Phone: (602) 252-6771
 A.R.S. §§ 3-1001 to 3-1013, 5-113

Mission:

To maximize incremental income during the non-fair period by providing quality facilities and services.

Description:

The Arizona Exposition and State Fair provides rental opportunities during the non-fair period for events such as home and garden shows, gun shows, livestock shows, youth activities, competitive events, and community activities.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,478.1	4,272.8	4,272.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,478.1	4,272.8	4,272.8
FTE Positions	71.8	71.8	71.8

◆ **Goal 1** To increase the number of non-fair rental days.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Non-fair rental days over previous year	16	5	26	10	10
New promoters requesting space	7	5	15	5	5
Repeat promoters annually	21	23	29	25	25

◆ **Goal 2** To maximize the use of existing parking space.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Parking lot rentals	16	10	24	10	10
New strategic partners renting parking lots	2	1	4	2	1

Program Summary

STATE FAIR

Michael Searle, Deputy Director
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,812.6	7,340.5	7,840.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,812.6	7,340.5	7,840.5
FTE Positions	112.2	112.2	112.2

◆ **Goal 1** To develop partnerships with business, industry, community, and volunteer groups.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
New partners acquired	15	20	14	15	15
Exhibit space used by partners for business showcase (square feet)	80,000	85,000	47,200	60,000	80,000

◆ **Goal 2** To maximize all fair revenue sources.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
New revenue streams identified	7	6	8	6	6
New revenue received from alternative sources (in dollars)	491,327	20,000	408,056	80,000	80,000

◆ **Goal 3** To increase midweek fair attendance.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase Wednesday attendance	-3691	10,000	-9,212	10,000	10,000
Fair attendance (in thousands)	1,147	1,175	1,102	1,204	1,250

◆ **Goal 4** To maximize the satisfaction of fair guests.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of guest service contacts	335	345	168	200	200
Improvements implemented	20	25	26	25	25

Agency Summary

STATE DEPARTMENT OF FINANCIAL INSTITUTIONS

Robert D. Charlton, 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 verifies 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ OFFICE OF SUPERVISION	3,329.6	3,599.0	3,998.4
➤ OFFICE OF REGULATORY AFFAIRS	2,295.5	2,474.9	2,474.9
➤ RECEIVERSHIPS	320.3	561.1	253.1
Agency Total:	5,945.4	6,635.0	6,726.4
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,904.3	2,978.2	3,774.7
Other Appropriated Funds	1,837.7	2,268.1	1,872.1
Other Non Appropriated Funds	1,203.4	1,388.7	1,079.6
Total Funding	5,945.4	6,635.0	6,726.4
FTE Positions	70.1	70.1	70.1

Issue 1 Modernize the Agency’s Information Technology system for efficiency, accuracy, while providing the confidentiality required in the Financial Industry.

Description The Agency is currently dependent on a database that has been in use since 1996. The system is slow, antiquated and generally behind the technology used by all licensed industries for DFI. Licensing records are maintained in a hardcopy format. Due to the system weaknesses, current work practices involve many undocumented “shadow” systems for tracking work items and creating reports. The current system does not support efficient processes or allow for web based applications.

Solutions:

- 1.1 Continue to document, standardize, and streamline work processes throughout the Agency.
- 1.2 Purchase and implement an information management system.
- 1.3 Implement an e-Licensing system.
- 1.4 Establish web based services where applicable.

Issue 2 Meeting the requirements to conduct statutory examinations of Banks, Credit Unions, and Non-Depository Licensees.

Description The Department continues to face appropriated funding shortfalls, based on the resources required to perform the number of examinations and other regulatory activities required by Arizona statutes. DFI’s revenue streams come exclusively from Arizona financial industry sources (i.e., licensing, examination, and annual assessments). The revenue generated from banks, credit unions, and licensees' fees and assessments should be used to underwrite the Department's operations. The intensifying complexities of the licensed industries and the increasing number of licensees have significantly out-paced funds provided to DFI for coverage of required examinations.

Solutions:

- 2.1 The Agency will continue to pursue the self-funding structure to provide a better resource allocation structure.
- 2.2 Continue to establish efficiencies and conduct limited scope or electronic examinations to the extent possible.
- 2.3 Continue to supplement the examiner staff, by utilizing qualified contractors to augment examination teams.
- 2.4 The Agency will pursue legislation to reduce “mandatory” examinations for certain license types.

Issue 3 Retaining, attracting, educating and retaining qualified and key Agency personnel.

Description The Agency has been unsuccessful in its past efforts to obtain additional funding to provide examiners and other key personnel, promotional opportunities and more competitive salaries. In addition, although ongoing professional development is necessary for DFI staff to support the financial industry, lack of funding for affordable training has prevented DFI staff from timely and effective training programs to advance their knowledge base and career path. Excessive examiner turnover causes inefficiencies and can reduce DFI effectiveness; experienced examiners are easily recruited elsewhere with higher salaries. Retention of trained and experienced examiners is essential to the overall effectiveness of the Department's examination and supervisory responsibilities. With properly trained personnel, efficiencies can be met, employee satisfaction improves, and attracting replacement staff is more successful.

Solutions:

- 3.1 The Agency will seek funding for all promotional opportunities when earned.
- 3.2 Provide tiered career laddering in all departments within the Agency.
- 3.3 Pursue all appropriate training strategies within budget confines.
- 3.4 Develop and implement all aspects of the Performance Management and Compensation Pay Systems.

Issue 4 Integrate Board of Appraisal functions into DFI operations.

Description The FY 2016 Agency Consolidation Budget Reconciliation Bill (Laws 2015, Chapter 19) merged the State Board of Appraisal into DFI effective July 3, 2015. Under the merged entity, a separate Real Estate Appraisal Division was established and the Real Estate Appraisal Fund (formerly the Board of Appraisal Fund) retained its 90/10 funding structure.

Solutions:

4.1 Review Real Estate Appraisal Division functions for efficiencies and integrate into other DFI divisions.

4.2 Continue to pursue a self-funding structure, including the elimination of the current 90/10 structure of the Real Estate Appraisal Fund.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	71.1	73.1	76.1
General Fund	3,924.7	4,074.7	4,224.7
Other Appropriated Funds	2,022.1	2,172.1	2,322.1
Non-Appropriated Funds	859.6	859.6	859.6
Federal Funds	0.0	0.0	0.0

Program Summary

OFFICE OF SUPERVISION

Robert D. Charlton, Superintendent
 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 nearly 15,000 licensees (including 11,600 loan originators) as of June 30, 2016, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,811.5	2,053.3	2,695.2
Other Appropriated Funds	622.5	695.5	454.1
Other Non Appropriated Funds	895.6	850.2	849.1
Total Funding	3,329.6	3,599.0	3,998.4
FTE Positions	38.3	38.3	38.3

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of licensees scheduled to be examined annually that are examined	80	100	83	0	0
Percent of licensees scheduled to be examined biannually that are examined	79	75	72	0	0
Percent of licensees scheduled to be examined every third year that are examined	57	15	22	0	0
Percent of licensees scheduled to be examined every fourth year that are examined	36	25	27	0	0
Percent of licensees scheduled to be examined every fifth year that are examined	33	20	22	0	0
Percent of licensees examined with no examination schedule requirement	3.9	3.0	2.5	0	0
Percent of examinations receiving a satisfactory composite rating	98	85	98.0	95.0	0

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Supervisory actions taken based on examination findings	127	70	52	0	0
Formal/informal supervisory actions taken	169	115	78	0	0

◆ **Goal 3** To improve relations with licensees through the examination process.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of examination reports mailed within 25 days of completion of all examination procedures	84	85	95	0	0
Percent of licensees indicating they receive good or better service from the Department	100	98	100	0	0

Program Summary	
OFFICE OF REGULATORY AFFAIRS	
Robert D. Charlton, Superintendent	
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.

Effective July 3, 2015, the State Board of Appraisal was merged into the Department and a separate division was created (Real Estate Appraisal Division). This new division is reported as a sub-program of the Office of Regulatory Affairs.

This Program Contains the following Subprograms:

- ▶ Office of Regulatory Affairs
- ▶ Board of Appraisal

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,080.3	902.3	1,056.9
Other Appropriated Funds	1,215.2	1,572.6	1,418.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,295.5	2,474.9	2,474.9
FTE Positions	31.3	31.3	31.3

Subprogram Summary

OFFICE OF REGULATORY AFFAIRS

Robert D. Charlton, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,080.3	902.3	1,056.9
Other Appropriated Funds	683.1	757.5	602.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,763.4	1,659.8	1,659.8
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Applications processed (home office and branch)	3,186	3,775	6,896	0	0
Total applications processed (including renewals)	12,685	15,175	18,230	0	0
Licenses/renewals issued	12,447	15,175	17,534	0	0

- ◆ **Goal 2** To implement and administer a new licensing program to license all mortgage loan originators, effective July 1, 2010.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of licensed loan originators	7,887	9,800	11,600	0	0
Total number of all licensees (includes former Board of Appraisal)	11,146	13,200	17,643	0	0

Explanation: Board of Appraisal merged into DFI effective July 2015.

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average days from receipt to approval of license applications (Excluding Banks and Credit Unions)	10	12	22	0	0
Average days from receipt to approval of license applications (Excluding Banks, Credit Unions & Loan Originators)	18	20	32	0	0
Average days from receipt to approval of Loan Originator license applications.	8	10	21	0	0
Percent of license applications approved within 45 days of receipt (excluding Banks and Credit Unions)	98	95	92	0	0
License Lead Time - Collection Agency License Application (days)	0	0	0	45	0
Explanation: New measure added for FY 2017					
License Lead Time - Mortgage Broker License Application (days)	0	0	0	60	0
Explanation: New measure added for FY 2017					
License Lead Time - Mortgage Banker License Application (days)	0	0	0	60	0
Explanation: New measure added for FY 2017					
License Lead Time - Loan Originator License Application (days)	0	0	0	32	0
Explanation: New measure added for FY 2017					
License Lead Time - Money Transmitter License Application (days)	0	0	0	100	0
Explanation: New measure added for FY 2017					
License Lead Time (Permit Blitz) - Stand-alone Sales Finance Company License Application (days)	0	0	0	14	0
Explanation: New measure added for FY 2017.					
Percent of surveyed applicants who respond they received 'good' or better overall service	98	95	99	0	0

- ◆ **Goal 4** To receive and investigate consumer complaints/unlicensed activity and resolve disputes in a prompt and professional manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of calendar days from receipt to resolution of regular complaint	72	50	51	0	0
Regular complaints filed	468	500	511	0	0
Complaints received and forwarded	154	200	139	0	0
Complaints closed (reg and forwarded)	646	700	630	0	0
Unlicensed activity identified	144	150	99	0	0
Complaint Resultion Time - Regular Complaint (ex. Real Estate Appraisal Division) (days)	0	0	0	60	0

Explanation: New measure added for FY 2017

Percent of complainants indicating they receive good or better overall service from the Department	88	75	69	0	0
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Subprogram Summary

BOARD OF APPRAISAL

Debra Rudd, Division Manager

Phone: (602) 771-2840

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

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	532.1	815.1	815.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	532.1	815.1	815.1
FTE Positions	9.0	9.0	9.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of complaints received against appraisers	105	120	98	132	0
Number of complaint resolutions	106	120	68	0	0
Appraisers with more than one complaint filed	8	10	12	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average days from receipt of application to test approval	38	35	40	0	0
Average days from receipt of test scores to licensure/ certification	10	10	5	0	0
Average days from receipt of nonresident application to licensure/certification	4	3	4	0	0

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

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Disciplinary actions	22	25	14	0	0
Recidivism rate for those receiving disciplinary action	4	5	6	0	0
Average days from receipt of complaint to resolution	131	100	85	0	0
Average annual backlog of noncurrent cases	5	1	0	0	0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Processing days from receipt of registration until name appears on National Registry list	7	10	5	0	0
Days from receipt of renewal form until the list is updated	5	5	5	0	0
Number of new and existing licensees	2,079	2,000	2,659	0	0

- ◆ **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).

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
To register all AMC's as prescribed by A.R.S. 32-3662	167	160	167	0	0

Program Summary

RECEIVERSHIPS

Robert D. Charlton, Superintendent
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	12.5	22.6	22.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	307.8	538.5	230.5
Total Funding	320.3	561.1	253.1
FTE Positions	0.5	0.5	0.5

◆ **Goal 1** To promptly marshal and liquidate the assets of assigned receiverships.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Open receiverships (at any point in fiscal year)	1	1	1	0	0
Receiverships closed in period	0	1	0	0	0

◆ **Goal 2** To expedite the closure of all assigned receiverships while maximizing the recovery dollars for injured parties.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Close 'Landmarc Capital' receivership	0	1	0	0	0

Explanation: Receivership action against Landmarc Capital commenced in June 2009

Agency Summary

BOARD OF FINGERPRINTING

Matthew A. Scheller, Executive Director
Phone: (602) 265-0135
A.R.S. § 41-619.52

Mission:

To fairly, expeditiously, and responsibly determine good cause exceptions and central registry exceptions.

Description:

The Arizona Board of Fingerprinting evaluates good cause exceptions for people who require a fingerprint clearance card and whose fingerprint clearance card has been denied or suspended by the Department of Public Safety. The Board also determines central registry exceptions for individuals who fail to clear a background check.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	581.9	617.3	617.3
Total Funding	581.9	617.3	617.3
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

In FY 2016, the Board made progress on reducing the average time to process applications in all areas. The average wait time decreased by more than 7 full days, and the time that the Board spends processing the applicant decreased by more than 3 full days. Since FY 2014 the Board has reduced these timeframes by 13 full days and 6 full days, respectively. The Board was in full or nearly full statutory compliance in FY 2016.

In upcoming fiscal years, the Board will continue to take steps to reduce the time for processing applications and achieve full statutory compliance in all areas. Reducing processing time will help return eligible applicants to work more quickly.

Solutions:

- Database and technology 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
- Work with ASET on a plan to migrate the Board application process to a web based interface
- Approve funding in budgets for fiscal years 2018 and 2019

Issue 3 Review of statutes

Description A.R.S. §§ 41-1758.03 and 41-1758.07 identify the crimes that require the Department of Public Safety to deny or suspend a fingerprint clearance card. These lists of crimes were developed and modified primarily through collaboration among several state agencies: the Board, the Department of Public Safety, and the agencies that require fingerprint clearance cards. On occasion, these agencies have reviewed the lists to identify new needs and changes to the criminal code and have requested legislative changes and to identify areas where the statutes are not working well.

In 2012, the Legislature established a new function at the Board—central-registry exceptions. In 2013, the Legislature added new programs to the system of using Central Registry background checks. Since the central-registry exception application process is still a relatively new function, it may be necessary to modify statutes after a review of the process and discussion with the appropriate stakeholders.

Solutions:

- Hold regular meetings of stakeholders to discuss appropriate modification or clarification of statutes

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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	617.3	617.3	617.3
Federal Funds	0.0	0.0	0.0

- ◆ **Goal 1** To make fair and consistent determinations on good-cause-exception applications.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of investigator recommendations for expedited reviews accepted.	98.72	96	99.07	96	96
Percent of applications approved.	98.43	96	99.13	96	96
Explanation: Excludes applications that are closed administratively.					
Percent of approvals by expedited review.	92.38	95	96.57	95	95
Percent of approvals by administrative hearing.	7.62	5	3.43	5	5

- ◆ **Goal 2** To provide applicants with timely decisions on their good-cause-exception applications.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of good-cause-exception applications received.	2461	2,600	2,837	2,600	2,600
Number of applications disposed.	2564	2,600	2,832	2,600	2,600
Ratio of cases opened to cases closed.	1:1.04	1:1	1:1.99	1:1	1:1
Average number of days to dispose.	27.80	30	20.10	30	30
Average number of days spent processing application.	16.47	20	13.15	20	20
Average number of days spent processing application from receipt to expedited review.	10.48	12	9.01	12	12
Percent of applications that undergo an expedited review within 20 days (processing time).	99.79	100	99.81	100	100
Average days from expedited review to hearing.	34.66	35	33.82	35	35
Percent of applications heard within 45 days of expedited review.	97.84	100	100	100	100
Percent of applications decided within 80 days of hearing.	100	100	100	100	100

- ◆ **Goal 3** To develop fair and comprehensible rules, policies, and procedures for determining good cause exceptions.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of applications complete on initial submission.	84.10	85	86.29	85	85

Agency Summary

FORESTRY AND FIRE MANAGEMENT

Jeffery C. Whitney, State Forester
 Phone: (602) 771-1400
 A.R.S. §§ 37-1301 to 37-1426

Mission:

To protect Arizona's people, communities, and wildland areas. To champion the health of Arizona's natural resources by providing resource stewardship through strategic implementation of forest health policies, cooperative forestry practices, Nationwide fire assistance, multi-jurisdictional coordination and by enforcing the state fire code.

Description:

The Department is authorized to prevent and suppress any wildland fires on state and private lands located outside incorporated municipalities. Through cooperative fire agreements, State Forestry also provides wildfire assistance to municipalities and federal agencies. In 2015, State Forestry engaged on over 8,000 incidents, including providing initial response on 352 fires totaling 4,010 acres on State and private lands.

State Forestry also delivers cooperative forestry programs statewide. By statute, State Forestry is the primary state agency delegated to receive and manage federal grants related to forestry. Leveraging these federal dollars allows State Forestry to retain fire specialists and field foresters to increase its firefighting capabilities and land management practices to maintain and enhance ecological resource conditions. State forestry provides cooperative forest assistance programs to state and local agencies, tribal entities, landowners, communities, forest industry and non-profit groups. These cooperative programs include community wildfire hazardous fuel reduction, wildfire suppression response capacity building, forest insect and disease prevention, forest industry assistance, forest invasive plant management, forest landowner stewardship, urban and community forestry, tribal outreach and forest easements.

During last legislative session, the Office of the State Fire Marshal (Fire Marshal) was brought under the Department of Forestry and Fire Management. The Fire Marshal promotes public health and safety and reduces threats to life, limb and property by performing inspections, fire investigations, providing public information and by adopting fire protection codes.

Agency Summary: (\$ Thousands)

Program	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
➤ STATE FORESTER	48,285.1	52,894.9	53,582.8
➤ EASTERN COUNTIES ENVIRONMENT GRANTS	250.0	250.0	250.0
➤ STATE FIRE MARSHAL	0.0	914.7	1,595.1
Agency Total:	48,535.1	54,059.6	55,427.9

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,264.4	10,442.8	11,811.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	40,270.7	43,616.8	43,616.8
Total Funding	48,535.1	54,059.6	55,427.9
FTE Positions	94.7	128.3	135.3

Program Summary

STATE FORESTER

Jeffrey C. Whitney, State Forester
Phone: (602) 771-1400
A.R.S. §§ 37-1301 to 37-1426

Mission:

To manage and reduce fire risk to protect Arizona's people, communities, and wildland areas and to champion the health of Arizona's natural resources by providing resource stewardship through strategic implementation of forest health policies, cooperative forestry and fire assistance, and multi-jurisdictional coordination and by enforcing the state fire code.

Description:

Under A.R.S. § 37-1303, the Department of Forestry and Fire Management (State Forestry) is authorized to prevent and suppress any wildland fires on state and private lands located outside incorporated municipalities. Through cooperative fire agreements, State Forestry also provides wildfire assistance to municipalities and federal agencies. In 2015, State Forestry engaged on over 8,000 incidents, including providing intital response on 352 fires totalling 4,010 acres.

State Forestry's also delivers cooperative forestry programs statewide. By statute, State Forestry is the primary state agency delegated to receive and manage federal grants related to forestry. Leveraging these federal dollars allows State Forestry to retain fire specialists and field foresters to increase its firefighting capabilities and also provide cooperative forest assistance programs to state and local agencies, tribal entities, landowners, communities, forest industry and non-profit groups. These cooperative programs include community wildfire hazardous fuel reduction, wildfire suppression response capacity building, forest and rangeland insect and disease prevention, forest industry assistance, forest and rangeland invasive plant management, forest and rangeland landowner stewardship, urban and community forestry, tribal outreach and forest easements.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,014.4	9,278.1	9,966.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	40,270.7	43,616.8	43,616.8
Total Funding	48,285.1	52,894.9	53,582.8
FTE Positions	94.7	120.3	120.3

◆ **Goal 1** To enhance wildland firefighting response and management capacity and efficiency.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of fire departments under cooperative agreement for wildfire response.	97	95	78	85	90
Number of fire departments with State issued wildland fire equipment.	84	85	85	86	88
Explanation: Issuing wildland equipment allows more cooperators to participate.					
Number of State and local NWCG qualified firefighting positions in State Forestry ROSS/IQS database.	2,639	2,700	2,847	2,900	3,000
Explanation: Increased numbers of qualified firefighters increases capacity.					
Number of hours deployed on wildfires by state inmate fire crews	38,541.5	50,000	37,059	45,000	50,000
Explanation: Inmate fire crews are a cost effective means to fight wildland fire.					
Percentage of the state (excluding lands under federal jurisdiction) covered by permanent repeaters allowing radio contact with State dispatch for wildfire crews, Deputy Fire Marshals, Arizona State Land Department natural resources personnel and Arizona Department of Agriculture Law Enforcement Officers.	75	82	80	82	83
Explanation: Dispatch coverage helps ensure safety of Officers and wildland firefighting personnel.					
Percentage of State Forestry employees with active wildland firefighting qualifications.	86	90	91	95	95
Explanation: Increasing the numbers of wildland qualified employees increases capacity.					
Percentage of State jurisdiction wildfires controlled within first 24 hours.	0	0	93	97	97

◆ **Goal 2** To strengthen wildfire prevention, community preparedness, and fuel mitigation programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of acres of state and private land treated to protect communities from wildfire and increase forest and rangeland health.	3071	3000	3,208	22,200	30,000
Explanation: Treatment is a cost effective way to protect forests and communities.					
Number of communities with Firewise Recognition.	65	72	66	79	91
Explanation: Firewise communities are more resistant to wildfire.					
Number of communities with Community Wildfire Protection Plans.	0	0	466	500	520
Percentage of wildfires investigated to determine fire cause.	0	0	1	5	10

◆ **Goal 3** To increase organizational excellence and efficiency.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average time in days to audit fire bills from local agency cooperators and private contractors.	34.9	30	68.65	20	20
Explanation: Reductions in audit time result in faster payments to cooperators.					
Number of local cooperators provided with training in the fire billing process.	26	120	82	120	120
Explanation: Increased training results in less errors in billing and more efficient payments.					
Average time in days to audit fire bills from local agency cooperators.	0	0	68.65	20	20
Number of cooperators provided with training in the fire billing process.	0	0	83	120	120
Number of days State-owned primary firefighting equipment is unavailable due to unplanned maintenance.	0	0	0	265	250

Explanation: The State Forester is charged by statute with the prevention and suppression of wildfire on State and Private Lands (A.R.S. 37-1303(A)). The State's wildfire fleet must be available to respond to emergencies. This fleet includes wildland engines, crew transport vehicles, supervisor automobiles, fire management offer trucks, and district managers' vehicles.

◆ **Goal 4** To foster and develop the economic, social, and ecological benefits of forests and trees.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of landowners, lessees, and citizens receiving technical assistance and education in forest management to increase insect, disease, and fire resistance. Explanation: Proper management of private property increases resistance to disease and wildfire.	1,318	1,250	1,291	1,300	1,300
Number of land management plans (Stewardship or related) completed or revised to promote forest health and insect, disease and fire resistance. Explanation: Proper planning increases forest health, disease resistance and fire resistance.	20	25	11	25	30
Number of urban forestry training sessions in tree maintenance and care. Explanation: Teach landowners and communities proper pruning and management to maintain their urban tree canopy.	21	15	18	15	16
Number of technical assistance contacts with forest industry representatives. Explanation: Timber industry revenues allow treatment costs to be reduced.	86	85	77	85	85
Number of forestry related technical bulletins and threat advisories issued to provide information to the public regarding threats to forest and range health in urban and wildland environments. Explanation: Provides information to the public and cooperators about threats to forest health in both the wildland and urban forestry environments.	21	19	18	19	20

Program Summary	
EASTERN COUNTIES ENVIRONMENT GRANTS	
Jeffrey C. Whitney, State Forester Phone: (602) 771-1400 FILL IN	

Mission:
To manage and reduce fire risk to protect Arizona's people, communities, and wildland areas and to champion the health of Arizona's natural resources by providing resource stewardship through strategic implementation of forest health policies, cooperative forestry and fire assistance, and multi-jurisdictional coordination and by enforcing the state fire code.

Description:
State Forestry distributes funding, by agreement with the Counties, to the Eastern Arizona Counties Organization for the purposes outlined in the line item.

Funding:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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

Program Summary

STATE FIRE MARSHAL

Jeffrey C. Whitney, State Forester
 Phone: (602) 771-1400
 A.R.S. §§ 37-1301 to 37-1426

Mission:

To manage and reduce fire risk to protect Arizona's people, communities, and wildland areas and to champion the health of Arizona's natural resources by providing resource stewardship through strategic implementation of forest health policies, cooperative forestry and fire assistance, and multi-jurisdictional coordination and by enforcing the state fire code.

Description:

During last legislative session, the Office of the State Fire Marshal (Fire Marshal) was brought under the Department of Forestry and Fire Management. The Fire Marshal promotes public health and safety and reduces threats to life, limb and property by performing inspections, fire investigations, providing public information and by adopting fire protection codes.

This Program Contains the following Subprograms:

- ▶ State Fire Marshal
- ▶ Fire School

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	914.7	1,595.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	914.7	1,595.1
FTE Positions	0.0	8.0	15.0

Subprogram Summary

STATE FIRE MARSHAL

Jeffrey C. Whitney, State Forester
 Phone: (602) 771-1400
 A.R.S. §§ 37-621 to 37-661

Mission:

To manage and reduce fire risk to protect Arizona's people, communities, and wildland areas and to champion the health of Arizona's natural resources by providing resource stewardship through strategic implementation of forest health policies, cooperative forestry and fire assistance, and multi-jurisdictional coordination and by enforcing the state fire code.

Description:

The Fire Marshal promotes public health and safety and reduces threats to life, limb and property by performing inspections, fire investigations, providing public information and by adopting fire protection codes.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	742.6	1,423.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	742.6	1,423.0
FTE Positions	0.0	7.0	14.0

◆ **Goal 1** To improve the safety of the citizens of Arizona related to structural fire.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of facilities that pass their regularly scheduled fire inspection.	0	0	45	60	75
Explanation: ARS 37-1383 Enforce compliance with state fire code by conducting inspections.					
Time from request for inspection to actual inspection in days.	0	0	6	7	7
Explanation: ARS 37-1383, Enforce compliance with state fire code. Provide timely customer service.					
Percentage of regulated facilities inspected for fire code compliance within the last 12 months.	0	0	29	30	30
Explanation: ARS 37-1383, Enforce compliance with state fire code.					
Total elapsed days from submission of plan to issuance of permit.	0	0	2	2	2
Explanation: ARS 37-183 C, Review all plans and specifications for construction where OSFM has jurisdiction.					

Subprogram Summary

FIRE SCHOOL

Jeffrey C. Whitney, State Forester
 Phone: (602) 771-1400
 A.R.S. §§ 37-1301 to 37-1426

Mission:
To manage and reduce fire risk to protect Arizona's people, communities, and wildland areas and to champion the health of Arizona's natural resources by providing resource stewardship through strategic implementation of forest health policies, cooperative forestry and fire assistance, and multi-jurisdictional coordination and by enforcing the state fire code.

Description:
 This line item supports one Department employee and provides funding for the State Fire School overseen by the Arizona Fire Safety Institute.

Funding:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	0.0	172.1	172.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	172.1	172.1
FTE Positions	0.0	1.0	1.0

◆ **Goal 1** To Reduce the cost for firefighting education for smaller and rural volunteer fire departments attending Arizona State Fire School workshops.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
To increase the number of firefighters that are provided training at the State Fire School.	0	0	740	800	800
Explanation: ARS 37-183 D, Provide and coordinate training in firefighting and fire prevention.					

Agency Summary

BOARD OF FUNERAL DIRECTORS AND EMBALMERS

Rodolfo R. Thomas, Executive Director
 Phone: (602) 542-3095
 A.R.S. §§ 32-1301 et. seq.

Mission:

To maintain and enforce a set of standards that provides protection for the health, safety, and welfare of Arizona citizens by educating the consumer and by actively and impartially regulating those licensed to provide funeral goods and services.

Description:

The Board of Funeral Directors and Embalmers examines and licenses individuals that provide funeral goods and services. The Board also receives complaints against licensees, investigates allegations, and administratively adjudicates complaints. The Board oversees approximately 1,600 licensees practicing in the state and serves all Arizona citizens who receive funeral goods and services.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	338.1	373.3	397.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	338.1	373.3	397.3
FTE Positions	3.0	3.0	3.0

5 Year Plan

Issue 1 Continued Strategic Issue Information

Description Data Update and On-line Renewal Implementation:

Current data base is written in now absolute language and on Microsoft Access. Most importantly the need to create online licenses and renewal is critical to the agency. The existing system maintains duplication of data and is experiencing numerous malfunctions. The additional responsibilities of the agency's participation in the State and County Mass fatality Management in the State Emergency Plan is critical. The provider will create a system that is updated, and will include enhancements which would avoid the system from becoming obsolete over time and remain consistently functional to the agency's needs. The twenty four thousand would thousand dollars would be an annual fee broken down into the amount of two thousand a month. Therefore our annual appropriations should be increased appropriately to allow for this added and important update for the agency. Upon completion of the data base, the creation of the agency's on line licenses and renewals would commence without any increase in the requested annual amount of \$24,000. The monthly billing woul absorb the cost for creation of the On-Line Renewal process and address any problems with the system.

Solutions:

Issue 2 New SI

Description

Solutions:

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	3.9	4.0	4.0
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 licenses are only granted and renewed to competent individuals with high standards of professional and ethical conduct.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Applications received	1,635	1,650	1,642	1,655	1,660
Licenses issued	1,629	1,650	1,642	1,650	1,655
Applications denied	0	0	0	1	1
Average days to process license	30	30	30	30	30
Number of investigations	35	30	40	40	40
Number of inspections	70	100	109	90	90
Number of complaints received	11	15	12	15	18
Average number of days to investigate	30	30	30	30	30
Average number of days to renew license	2	2	2	2	1

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of consumers receiving pamphlet determined through information received through complaint investigations.	100	100	100	100	100
Disciplinary action resulting from continuing education violations	0	0	0	0	0
Number of complaints received as a measure to determine the effectiveness of boards education efforts for both licensee and consumer.	12	10	16	18	17
Number of inspections conducted to detect deficiencies or possible violations.	70	70	109	90	90

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints processed	12	14	16	14	17
Disciplinary actions taken	5	6	6	8	8
Completed establishment inspections	70	80	109	80	85
Number of complaints received	25	25	12	15	18
Average days to renew license	2	2	2	2	1
Average days to investigate complaint	30	30	30	30	30
Number of licenses	1,629	1,640	1642	1,650	1650

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ CENTRAL ADMINISTRATIVE	14,590.6	15,833.1	15,833.1
➤ WILDLIFE CONSERVATION	69,464.5	82,327.1	83,093.8
➤ RECREATION	21,265.8	24,175.4	23,834.7
Agency Total:	105,320.9	122,335.6	122,761.6
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	35,985.5	42,238.6	45,377.6
Other Non Appropriated Funds	69,335.4	80,097.0	77,384.0
Total Funding	105,320.9	122,335.6	122,761.6
FTE Positions	661.5	706.6	706.6

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; buffleggrass; 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 State with complex land ownership, and large percentages of federal land and federal regulations

Description It is challenging to implement efficient wildlife management activities due to the complexities of Arizona having many land management agencies and land owners. Federal regulations and administrative requirements are becoming increasingly burdensome, reducing the amount of resources the Department may be able to deploy to accomplish its Mission.

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.
- 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

	FY2019 Estimate	FY2020 Estimate	FY2021 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

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,373.4	8,823.1	8,823.1
Other Non Appropriated Funds	6,217.2	7,010.0	7,010.0
Total Funding	14,590.6	15,833.1	15,833.1
FTE Positions	76.0	87.5	87.5

◆ **Goal 1** To provide administrative support for wildlife conservation and compatible outdoor recreation.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of customers who use online DRAW self-service features to apply for hunting permits.	85	90	88.8	0	0
Explanation: Agency plans to convert to 100% online draw in future.					
Percent of customers who use online LICENSE self-service features for purchase of hunting and combination licenses.	33	40	34.3	0	0
Percent of customers who use online WATERCRAFT self-service features for registering boats.	38	40	42.9	0	0

Program Summary

WILDLIFE CONSERVATION

Jim DeVos, Assistant Director
Phone: (623) 236-7302
A.R.S. §§ 17-101 et seq;

Mission:

To conserve Arizona's diverse wildlife resources for current and future generations.

Description:

The Wildlife Conservation Program conserves wild mammals, birds, fish, reptiles, amphibians, mollusks and crustaceans. The Department organizes these types of wildlife into game, nongame and sportfish, each represented in its own subprogram. Additionally, this program houses the wildlife conservation subprogram that provides essential functions to enable other wildlife conservation subprograms. These support services include: enforcing of laws meant to conserve wildlife, providing governance, conserving habitat, conducting research, and providing public education.

This Program Contains the following Subprograms:

- ▶ Wildlife Conservation
- ▶ Game Wildlife Program
- ▶ NonGame Program
- ▶ Sportfish Program

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	23,722.7	27,571.3	29,915.3
Other Non Appropriated Funds	45,741.8	54,755.8	53,178.5
Total Funding	69,464.5	82,327.1	83,093.8
FTE Positions	468.1	479.6	479.6

Subprogram Summary

WILDLIFE CONSERVATION

Jim DeVos, Assistant Director
Phone: (623) 236-7302
A.R.S. §§ 17-101 et seq;

Mission:

To conserve Arizona's diverse wildlife resources for current and future generations.

Description:

The wildlife conservation subprogram provides support services to the other subprograms within the Wildlife Conservation Program. Specifically this subprogram enforces laws meant to conserve wildlife, provides governance, conserves habitat, conducts research, and provides public education.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	15,357.0	22,830.7	24,287.7
Other Non Appropriated Funds	3,884.5	5,642.5	5,642.5
Total Funding	19,241.5	28,473.2	29,930.2
FTE Positions	134.2	170.6	170.6

◆ **Goal 1** To enforce laws designed to promote wildlife conservation.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintain at least 95% compliance rate for hunting contacts.	98	95	96	0	0

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.	95	90	97	0	0
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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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Ensure 100% of submitted environmental compliance checklists are completed and accompanied by the necessary supporting documentation.	100	100	100	0	0

◆ **Goal 3** To conserve wildlife habitats.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Redevelop or construct wildlife water developments.	22	20	27	0	0

Explanation: Increase from FY 2014 to FY 2015 is due to increase in Federal wildlife restoration funds.

◆ **Goal 4** To provide science-based wildlife research.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Disseminate research findings and scientific expertise via at least 4 peer-reviewed publications annually.	4	4	6	0	0
Contribute to the body of scientific knowledge by presenting in regional and national scientific meetings.	63	30	30	0	0

Explanation: The number of presentations is six times higher than estimate in FY 2015 because starting in FY 2015 the Department started tracking presentations for the entire department (versus one branch).

Respond to at least 80% of reported wildlife mortalities and investigate those from which samples are available when further investigation is warranted.	96	80	90	0	0
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◆ **Goal 5** To educate Arizonans about wildlife.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase the number of participants attending outreach events and education classes by 5%.	159,648	160,000	254,237	0	0

Subprogram Summary

GAME WILDLIFE PROGRAM

Josh Avey, Terrestrial Wildlife 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,644.3	2,365.7	2,365.7
Other Non Appropriated Funds	18,465.2	21,853.2	21,765.5
Total Funding	25,109.5	24,218.9	24,131.2
FTE Positions	145.7	116.1	116.1

◆ **Goal 1** To maintain healthy game populations for the benefit of Arizonans.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
On an annual basis, provide the hunting public with at least 550,000 big game hunting days.	557,000	550,000	588,956	0	0
On an annual basis, provide the hunting public with at least 375,000 small game hunting days.	385,000	375,000	498,584	0	0

Explanation: Number of small game hunting days is variable from year to year. Small game population numbers are sensitive to timing and amount of precipitation.

The number of all hunting and combination licenses sold.	285,927	285,927	289,560	0	0
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Subprogram Summary

NONGAME PROGRAM

Josh Avey and Chris Cantrell, Terrestrial and Aquatic Wildlife Branch Chiefs

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	309.5	423.0	423.0
Other Non Appropriated Funds	12,073.4	15,571.4	14,748.4
Total Funding	12,382.9	15,994.4	15,171.4
FTE Positions	106.3	107.0	107.0

◆ **Goal 1** To maintain healthy nongame populations for the benefit of Arizonans

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Implement key actions to improve the population status of sensitive species.	47	30	166	0	0
Survey sensitive species and their habitat to inform management needs.	70	45	90	0	0

Subprogram Summary

SPORTFISH PROGRAM

Chris Cantrell, Aquatic Wildlife 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,411.9	1,951.9	2,838.9
Other Non Appropriated Funds	11,318.7	11,688.7	11,022.1
Total Funding	12,730.6	13,640.6	13,861.0
FTE Positions	81.9	85.9	85.9

◆ **Goal 1** To maintain healthy sportfish populations for the benefit of Arizonans.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Fish stockings	783,000	610,000	730,313	0	0
Number of all fishing and combination licenses sold.	396,492	396,492	405,992	0	0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,889.4	5,844.2	6,639.2
Other Non Appropriated Funds	17,376.4	18,331.2	17,195.5
Total Funding	21,265.8	24,175.4	23,834.7
FTE Positions	117.4	139.5	139.5

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	73.1	87.4	87.4
Total Funding	73.1	87.4	87.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure Arizonans have access to their wildlife.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Maintain the percentage of Arizona lands available for recreational access.	43.4	43.5	43.8	0	0

Explanation: 43.5% of Arizona equals 31,736,053 Acres.

Subprogram Summary

WILDLIFE RECREATION

Scott Lavin, Wildlife Recreation Branch Chief

Phone: (623) 236-7188

A.R.S. §§ 17-101 et seq;

Mission:

To provide a wide range of wildlife-related recreational opportunities to accommodate the diverse wildlife interests of Arizonans.

Description:

The Wildlife Recreation subprogram seeks to create wildlife-related recreation opportunities and develop wildlife recreationists. The Wildlife Recreation subprogram accomplishes this by guiding agency operations and developing partnerships with external organizations. It also provides progressive, incremental, effective programs to recruit, develop, and retain hunters, recreational shooters, anglers, and wildlife viewers in Arizona.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,008.9	1,070.5	1,070.5
Other Non Appropriated Funds	6,026.4	6,288.4	6,255.0
Total Funding	7,035.3	7,358.9	7,325.5
FTE Positions	34.5	36.5	36.5

◆ **Goal 1** To increase participation in hunting, fishing, and other wildlife recreation.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase all hunting and fishing license sales 5% annually.	451,009	451,009	459,390	0	0

Subprogram Summary
SHOOTING SPORTS
Vacant, 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:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	318.1	489.2	489.2
Other Non Appropriated Funds	6,098.0	7,032.9	7,032.9
Total Funding	6,416.1	7,522.1	7,522.1
FTE Positions	35.3	57.5	57.5

◆ **Goal 1** To increase participation in shooting sports.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase number of shooter days per year at Commission-owned ranges by 5%.	354,375	371,243	340,066	0	0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,562.4	4,284.5	5,079.5
Other Non Appropriated Funds	3,214.1	2,759.2	1,939.0
Total Funding	5,776.5	7,043.7	7,018.5
FTE Positions	35.6	35.5	35.5

◆ **Goal 1** To increase participation in safe boating recreation.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintain at least 75% compliance rate for watercraft contacts.	82.0	75	60	0	0
Number of boat registrations in Arizona.	129,480	129,000	128,797	0	0

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 Vehicle (OHV) 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:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,964.8	2,163.3	1,881.2
Total Funding	1,964.8	2,163.3	1,881.2
FTE Positions	12.0	10.0	10.0

◆ **Goal 1** To ensure the safety of the off-highway recreating public.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintain at least 75% compliance rate for OHV contacts.	77.5	75	94.7	0	0

Explanation: This percent is based on the number of total contacts made by Department officers versus the number of citations issued.

Increase compliance with OHV decal requirements.	93	85	93	0	0
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Explanation: Relatively new program so still calculating baseline of compliance.

Agency Summary

DEPARTMENT OF GAMING

Daniel H. Bergin, Director
 Phone: (602) 771-4263
 A.R.S. § 5-601

Mission:

To protect the public, enforce Arizona's gambling laws, ensure compliance with the gaming compacts, and regulate the gaming industry.

Description:

The Department of Gaming is responsible for enforcing Arizona's gambling laws. This includes enforcement of Arizona's illegal gambling laws (A.R.S. Section 5-602.J); regulating and monitoring tribal compliance with the Tribal-State gaming compacts including their responsibilities concerning the nature, extent, and conduct of gaming activities; public health, safety, and welfare, and other operational requirements. The Department also conducts background investigations of all prospective gaming employees, management contractors, providers of gaming services, and manufacturers and distributors of gaming devices in order to ensure that unsuitable individuals or companies are not involved in Arizona's gaming industry. On July 3, 2015, the Department of Racing consolidated into the Department of Gaming. The Division of Racing regulates the pari-mutuel horse and greyhound racing industries as well as all professional boxing and mixed martial arts contests in Arizona.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ENFORCEMENT	10,995.9	12,670.9	12,671.8
➤ CERTIFICATION	1,622.7	2,081.8	2,081.8
➤ DIVISION OF RACING	37.6	229.0	229.0
➤ COUNTY FAIR RACING	1,779.5	1,779.5	1,779.5
➤ BOXING	18.4	18.2	18.2
Agency Total:	14,454.1	16,779.4	16,780.3
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,779.5	1,979.5	1,979.5
Other Appropriated Funds	11,202.9	13,432.7	13,433.6
Other Non Appropriated Funds	1,471.7	1,367.2	1,367.2
Total Funding	14,454.1	16,779.4	16,780.3
FTE Positions	109.8	109.8	109.8

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:

STRATEGIES TO ACHIEVE THE GAMING DIVISION'S FIRST OBJECTIVE:

1. Inspection of Slot Machines:

ADG personnel inspect and certify more than 1,000 slot machines and gaming devices each month during on-site visits to casinos. Department employees inspect the machines, software, and electronic slot monitoring systems, and review casino records to make sure that the machines pay the required payout percentages and are operating properly. In connection with that responsibility, Department personnel conduct random spot checks at approximately 10 to 12 casinos each month. Technicians may test up to 50 randomly selected machines at each casino.

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:

ADG auditors conduct 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:

STRATEGIES 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 enhance 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 Gaming Division also operates a program aimed at mitigating the effects of problem gambling in the State. ADG is charged with funding and supporting problem gambling prevention, education and treatment programs throughout Arizona. ADG 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:

STRATEGIES 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, ADG 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.

Issue 4 Racing Division Objective 1: Animal Drug Testing and Enforcement

Description The Racing Division enforces and regulates the pari-mutuel horse racing industry (A.R.S. Chapter 1, Article 1 & 2). The Division oversees, supervises and issues permits for all commercial horse and county fair racing, including all live and simulcast racing; supervises off-track betting sites; conducts background investigations and licenses all racing participants; collects state revenues generated by races; promotes and encourages the breeding of horses in the state; promotes and encourages the adoption of retired racehorses and enforces laws and rules related to racing and wagering.

Solutions:

STRATEGIES TO ACHIEVE THE RACING DIVISION'S FIRST OBJECTIVE:

The Racing Division will continue to conduct the required drug testing of racing athletes as appropriate. The Racing Division continues to move forward to align its drug testing practices with the Association of Racing Commissioners International (ARCI) Model Rules, seeks consensus with the industry in areas where there may be concerns, and puts the equine drug testing policy and penalties into administrative rules. In January 2015, Governor Ducey implemented a moratorium on rule making which only allows for rule changes that meet specific criteria. The Racing Division, however, is documenting and maintaining a log of necessary rule changes for the future.

Issue 5 Racing Division Objective 2: Human Drug Testing and Enforcement

Description The Racing Division has regulatory authority to enforce the laws of Arizona and the Arizona Administrative Code 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 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 prescription may not be subject to disciplinary action.

Solutions:

STRATEGIES TO ACHIEVE THE RACING DIVISION'S SECOND OBJECTIVE:

The Department continues to monitor and ensure that Arizona commercial racing permittees provide pre-employment drug screening for new, unlicensed job applicants for positions at racetracks and off-track wagering facilities. Licensees found to be under the influence of illegal substances may be subject to disciplinary action. During the license application process applicants who indicate involvement in criminal drug offenses could be subject to a license denial. The Department's Investigative staff has received training on sample collection to ensure proper testing protocol. Additionally, the permittees grounds have been designated as "Drug Free Zone" with appropriate signage being displayed.

Issue 6 Racing Division Objective 3: License Application Process

Description The Racing Division is responsible to review and issue licenses to all qualified racing participants. In an effort to provide good customer service the Racing division continues to find ways to streamline the license application process for the benefit of both the Department and the racing participants.

Solutions:

STRATEGIES TO ACHIEVE THE RACING DIVISION'S THIRD OBJECTIVE:

The Racing Division has improved the licensing process by computerizing the license application process and staggered the expiration dates of licensees to effectively manage its workload. This automation has reduced customer wait time and made the licensing process more user friendly and efficient while still obtaining the necessary information to determine eligibility for licensure. The division continues to refine the background investigation process and has effectively reduced the number of false applications submitted by applicants.

The Department's website continues to be an avenue to access the license application with instructions for completion, list of license fees, and description of license categories, along with local and national licensing information and links. The Division 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.

Issue 7 Racing Division Objective 4: Boxing and Mixed Martial Arts Program

Description The Division also regulates (A.R.S. Chapter 2, Article 2) and supervises all professional boxing and mixed martial arts contests in Arizona.

Solutions:

STRATEGIES TO ACHIEVE THE RACING DIVISION’S FOURTH OBJECTIVE:

The staff of the Boxing and Mixed Martial Arts Commission is within the Division of Racing. The Boxing and Mixed Martial Arts Commission regulates and supervises professional boxing events and both professional and amateur MMA events. The Boxing and MMA Commission has identified a number of areas and rules that need to be improved to better regulate the sports and provide contestants, promoters, and officials with a clear understanding of applicable requirements. One of the Commissions concerns is with the implementation of rules and procedures to effectively protect contestants with stringent concussion testing prior to being authorized to participate in any scheduled contest.

During the next year, the staff will focus on implementing appropriate changes through statutory amendments and/or rulemaking. The Boxing and MMA Commission will continue their efforts in implementing new rules and procedures to effectively protect contestants with stringent concussion testing prior to being authorized to participate in any scheduled contest. Additionally, training sessions are being conducted on a quarterly basis for boxing and MMA officials. This additional training and knowledge has enhanced our officials’ credibility and competence.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	153.8	153.8	153.8
General Fund	1,979.5	1,979.5	1,979.5
Other Appropriated Funds	16,318.7	16,318.7	16,318.7
Non-Appropriated Funds	106.5	106.5	106.5
Federal Funds	0.0	0.0	0.0

Program Summary

ENFORCEMENT

Timothy Jackson, Deputy Director, Administration
 Phone: (602) 771-4263
 A.R.S. § 5-601

Mission:
To enforce Arizona's gambling laws, assure compliance with the provisions of the tribal-state gaming compacts, support and provide programs for the prevention and treatment of and education concerning problem gambling.

Description:
 The Department of Gaming enforces the State's gambling laws including ensuring Tribal compliance with the compact provisions, including those governing the nature, extent and conduct of gaming activities. This is accomplished through coordination with State and local law enforcement agencies and through inspections of the gaming facilities and records, surveillance, monitoring of card games, testing of gaming devices during both scheduled and random inspections, and testing internal controls. The Department of Gaming's enforcement functions are funded by tribal contributions established in Proposition 202, codified in A.R.S. § 5-601.02, and the Tribal-State Compacts. The Department's Office of Problem Gambling contracts with a helpline provider and with treatment providers to provide services concerning problem gambling.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	9,580.2	11,350.9	11,351.8
Other Non Appropriated Funds	1,415.7	1,320.0	1,320.0
Total Funding	10,995.9	12,670.9	12,671.8
FTE Positions	86.8	86.8	86.8

◆ **Goal 1** To enforce Arizona's gambling laws and assure compliance with compact provisions and internal control requirements

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Total number of compact compliance reviews accomplished	16	16	16	16	16
Percentage of facilities reviewed for compact compliance reviews	100	100	100	100	100

◆ **Goal 2** To maintain communication with tribal officials

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average visits per casino each month	7.5	10	7.64	10	10

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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Total number of machines inspected and certified	10396	14000	8,507	14,000	14,000
Percent of all gaming devices certified	68	90	56	90	90

◆ **Goal 4** To provide problem gambling treatment and education.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of individuals receiving treatment services	875	900	501	600	600
Number of awareness materials distributed	41752	40000	41,000	40,000	40,000

Program Summary

CERTIFICATION

Timothy Jackson, Deputy Director, Administration
 Phone: (602) 771-4263
 A.R.S. § 5-601

Mission:

To investigate and evaluate the suitability of applicants for state certification within time frames set by Tribal-State Compacts.

Description:

The Department of Gaming receives applications of persons seeking state certification or a tribal gaming license. Within 20 days of receiving a completed application for state certification of a non-tribal member, the Department issues temporary certification, unless there is evidence of criminal history sufficient to disqualify the applicant. Following the completion of a background investigation, if the applicant is found suitable, state certification is granted. At the conclusion of the background investigation of a tribal member, a recommendation is made to the Tribe as to whether the person should receive a tribal license. The Department also conducts background investigations and audits to certify corporations or other entities that provide gaming services to tribal gaming facilities in an amount that exceeds \$10,000 per month. This program is funded through certification fees and investigative costs established in Section 5(l) of the Tribal-State compacts.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,622.7	2,081.8	2,081.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,622.7	2,081.8	2,081.8
FTE Positions	23.0	23.0	23.0

◆ **Goal 1** To Ensure the Suitability of Individuals Employed by the Tribal Casinos

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of individual applications received	9,058	10,000	8,893	10,000	10,000
Total number of days elapsed from receipt of completed application to the issuance of temporary certification	2.4	5	2	5	5
Percentage of applicants granted certification or renewal	97	99	99.5	99	99
Percentage of applicants who had their certification, denied, revoked or suspended	1	1	.5	1	1

◆ **Goal 2** To Ensure the Suitability of Businesses that Provide Goods and Services to the Tribal Casinos

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of new or initial applications received	75	85	64	75	75
Total number of certifications issued	74	80	64	70	70
Total number of renewals issued	261	275	264	250	250
Total number of denials, revocations, and suspensions	0	2	1	0	0
Percent of temporary certifications issued within 20 days	96	95	98	95	98
Level of satisfaction by applicants regarding process (percent)	96	99	98	99	99

Program Summary

DIVISION OF RACING

Timothy Jackson, Deputy Director, Administration
 Phone: (602) 771-4263
 A.R.S. §§ 5-101 to 5-116

Mission:

To regulate and supervise pari-mutuel racing and wagering conducted in Arizona in order to protect both animal and human racing participants, as well as the wagering public.

Description:

The Department of Racing regulates and supervises all commercial horse and greyhound racing meetings and pari-mutuel wagering conducted on and off track in Arizona in order to enforce laws and regulations and, thereby, protect racing participants and the wagering public. The Department is committed to the regulation of foreign substances and anabolic steroids. Additionally, the Department focuses on the reduction of positive animal drug tests in both greyhound and horse racing.

This Program Contains the following Subprograms:

- ▶ Horse Racing
- ▶ Greyhound Racing

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	200.0	200.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	37.6	29.0	29.0
Total Funding	37.6	229.0	229.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

HORSE RACING

Timothy Jackson, Deputy Director Administration
 Phone: (602) 771-4263
 A.R.S. §§ 5-101 to 5-116

Mission:

To regulate and supervise all commercial horse racing meetings and pari-mutuel wagering conducted on- and off-track in Arizona in order to ensure compliance with laws and regulations and, thereby, protect racing participants and the wagering public.

Description:

The Department of Racing regulates and supervises all commercial horse racing meetings, conducts investigations, issues licenses, conducts equine drug testing, oversees wagering, hears appeals of decisions, collects revenues for the State, distributes awards to program recipients, and provides information upon request to the public and other agencies.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,468.2	2,886.0	2,886.0
Other Non Appropriated Funds	309.5	0.5	0.5
Total Funding	2,777.7	2,886.5	2,886.5
FTE Positions	40.5	37.5	37.5

- ◆ **Goal 1** To ensure that all participants and permittees involved in commercial horse racing operate and perform in compliance with applicable Arizona racing-related statutes, rules and regulations.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of Stewards' rulings issued	205	230	115	230	230
Percent of original Stewards' actions upheld on appeal	90	90.0	100	90	100
Percent of positive equine drug tests	2.0	2.0	0	2.0	0
Number of horse racing investigations conducted regarding compliance with rules	217	240	0	240	0
Number of equine drug tests conducted	2071	2,100	0	2100	0

- ◆ **Goal 2** To process license applications and conduct background investigations in a timely manner to ensure that only those eligible pursuant to Arizona racing-related statutes, rules, and regulations receive licenses.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of licenses issued	3034	2000	2124	2000	2000
Number of licenses denied	2	5	0	5	5
Number of background investigations conducted regarding licensing	2027	1,500	1099	1500	1500
Percent of license denials upheld on appeal	95.0	95.0	100	95.0	95.0
Percent of total horse racing licensees with disciplinary action	9.3	9.2	0	9.2	0
Average number of calendar days to complete fingerprint reviews from time taken to receipt of criminal history report	25	23	0	23	0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of active horse breeders	171	169	99	120	120
Percent of active breeders winning awards	34.0	30.0	73	50	50
Average number of days that awards were processed before the deadline	12	16.0	10	16	16

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Employee turnover rate	8	15.0	5	3	3
Number of employees who completed formal work-related training	10	15	8	15	15

- ◆ **Goal 5** To educate all licensees and racing participants in Arizona regarding violations involving the use of illegal substances.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of human drug tests conducted	4	10	0	10	0
Number of positive human drug test results	1	2	0	2	0
Number of refusals to test	2	2	0	2	0
Number of investigations regarding positive drug tests and refusals to test	3	4	0	4	0

Subprogram Summary

GREYHOUND RACING

Timothy Jackson, Deputy Director, Administration
 Phone: (602) 771-4263
 A.R.S. §§ 5-101 to 5-116

Mission:

To regulate and supervise all commercial greyhound racing meetings and pari-mutuel wagering conducted on- and off-track in Arizona in order to ensure compliance with laws and regulations and, thereby, protect racing participants and the wagering public.

Description:

The Department of Racing regulates and supervises all commercial greyhound racing meetings, conducts investigations, inspects facilities and hauling vehicles, issues licenses, conducts greyhound drug testing, oversees wagering, hears appeals of decisions, collects revenues for the State, distributes awards to program recipients and provides information upon request to the public and other agencies.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2.7	2.3	2.3
Total Funding	2.7	2.3	2.3
FTE Positions	0.0	0.0	0.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Stewards' rulings Issued	40	45	36	0	0
Percent of positive canine drug tests	.08	0.10	.21	0	0
Number of greyhound racing investigations conducted regarding compliance with rules	178	45	668	0	0
Percent of greyhound racing licensees with disciplinary action	0.2	0.5	.32	0	0
Number of canine drug tests conducted	2,419	2,700	1,866	0	0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of licenses issued	264	400	399	0	0
Number of licenses denied	0	1	0	0	0
Number of background investigations conducted	183	400	315	0	0
Percent of background investigations resulting in disciplinary or enforcement action	0.01	0.01	0	0	0
Percent of license denials upheld on appeal	90.0	90.0	0	0	0
Number of background investigations resulting in disciplinary action	6	6	0	0	0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of facilities licensed	9	9	7	0	0
Number of inspections conducted at facilities	170	24	288	0	0
Number of inspections resulting in violations and disciplinary action	0	1	0	0	0
Number of greyhound hauling vehicle inspections conducted	2	5	18	0	0
Number of greyhound hauling vehicle inspections resulting in violations	0	0	18	0	0
Number of inspections of greyhound puppy litters	0	2	0	0	0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of greyhound breeders winning awards. Greyhound breeders awards ended in FY2016 due to lack of funding.	60	60	0	0	0
Average number of days that awards were processed before the deadline. Greyhound breeders awards ended in FY2016 due to lack of funding.	16	16	0	0	0
Number of active greyhound breeders	3	3	3	0	0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Employee turnover rate	0	5.0	4	0	0
Number of employees who completed formal work-related training	2	2	2	0	0

Program Summary

COUNTY FAIR RACING

Timothy Jackson, Deputy Director, Administration
 Phone: (602) 771-4263
 A.R.S. §§ 5-101 to 5-116

Mission:

To promote and improve county fair racing in Arizona and regulate and supervise county fair racing to ensure compliance with laws and regulations and, thereby, protect racing participants and the wagering public.

Description:

The Arizona Department of Racing regulates and supervises all county fair horse racing meetings, provides staff to operate race meetings, conducts investigations, issues licenses, conducts equine drug testing, oversees wagering, conducts hearings on investigation referrals, collects revenues for the State and provides information upon request to the public and other agencies.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,779.5	1,779.5	1,779.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,779.5	1,779.5	1,779.5
FTE Positions	0.0	0.0	0.0

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of races supervised	232	250	256	250	250
Number of Stewards' rulings issued	1	25	2	25	25
Percent of original actions upheld on appeal	100	95	100	95	95
Number of investigations conducted	1	25	80	75	75
Number of county fair racing investigations resulting in disciplinary action	1	25	1	25	25
Number of county fair race days regulated	30	30	30	30	30
Number of county fair races supervised - including simulcasting	5,022	5,100	4,306	5,100	5,100
Number of equine drug tests conducted	290	150	256	150	150

◆ **Goal 2** To process and investigate license applications in a timely manner while ensuring that only those eligible pursuant to Arizona racing-related statutes, rules and regulations receive licenses.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of licenses issued	10	250	92	250	250
Number of licenses denied	1	5	0	5	5
Number of background investigations conducted	8	250	76	250	250
Percent of license denials upheld on appeal	100	90	100	90	90
Number of license application denials upheld on appeal	1	1	0	1	0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Amount of betterment monies distributed (thousands)	N/A	N/A	N/A	N/A	N/A

Program Summary					
BOXING					
Matthew Valenzuela, Executive Director/Boxing					
Phone: (602) 771-4263					
A.R.S. §§ 5-221 et seq.					

Mission:
To regulate and supervise boxing and mixed martial arts events conducted in Arizona to protect all participants in these events.

Description:
 The Department regulates and supervises all boxing, kickboxing, tough man, and mixed martial arts (MMA) events in Arizona to ensure compliance with laws and regulations, thereby protecting all participants.

Funding:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	18.4	18.2	18.2
Total Funding	18.4	18.2	18.2
FTE Positions	0.0	0.0	0.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of boxing & MMA licenses issued	1,294	750	1119	1,200	1200
Number of bouts	328	300	307	300	300
Percent of bouts without serious injury to contestants	< 1.0	< 1.0	2.0	< 1.0	<1.0
Number of boxing and MMA investigations versus the number of bouts	0/300	1/300	0	1/300	1/300
Number of events sanctioned	37	30	39	35	35
Number of license applications received	1320	765	1200	1200	1200
Percent of licenses issued for all applications received	98	98	97	98	98

- ◆ **Goal 2** To investigate all allegations of rules violations that may harm the athlete or the public.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of boxing & MMA investigations resulting in disciplinary action	0	1.0	0	0	0
Number of boxing investigations versus number of bouts	0/300	1/300	0	1/300	1/300
Number of boxing & MMA investigations	0	1	0	0	0

◆ **Goal 3** To ensure that all participants comply with all health requirements for their safety and the public safety.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Boxing & MMA -related medical exams submitted	1900	2,100	1,900	2,100	2,100
Percent of Boxing & MMA -related medical exams accepted	98	98	99	98	98
Percent of Boxing & MMA -related medical exams received the day of the event	1	0	0	0	0

◆ **Goal 4** To encourage employment and retention of professional staff of the highest quality in order to best serve the needs and interests of the State and the boxing industry.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of boxing employees who completed formal work-related training	3	2	2	2	2
Employee turnover rate	1	0	0	1	0

Agency Summary

DEPARTMENT OF HEALTH SERVICES

Cara M. Christ, MD, MS, 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; 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADMINISTRATION	66,138.8	54,015.6	54,015.6
➤ BEHAVIORAL HEALTH SERVICES	2,438,896.4	0.0	0.0
➤ ARIZONA STATE HOSPITAL	868.1	934.7	934.7
➤ PUBLIC HEALTH SERVICES	225.0	300.0	300.0
Agency Total:	2,506,128.3	55,250.3	55,250.3
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	411,904.8	19,267.3	19,267.3
Other Appropriated Funds	73,264.4	30,085.9	30,085.9
Other Non Appropriated Funds	2,020,959.2	5,897.1	5,897.1
Total Funding	2,506,128.3	55,250.3	55,250.3
FTE Positions	598.3	349.7	349.7

5 Year Plan

Issue 1 Align Agency Resources to Achieve Targeted Health Outcomes

Description ADHS is responsible for developing and sustaining a best in class statewide public health system to promote our mission of “Health and Wellness for all Arizonans.” ADHS will leverage the ability to influence health outcomes through procurement of resources and associated deliverables, defining the public health role in the emerging health information exchanges, alignment of public health initiatives internally and externally as a result of the work of the State Health Improvement Plan, and focused impact on vulnerable populations.

Solutions:

- Evaluate Agreements to Ensure Impact on Health Outcomes
- Plan and Implement the Agency Role in the Health Information Exchange
- Improve Coordination and Consistency Among Public Health Programs
- Align Services with Needs of Vulnerable Populations
- Implement Arizona Health Improvement Plan
- Implement Best, Promising and Evidence-Based Practices
- Practice Continuous Quality Improvement
- Improve the Customer Experience
- Foster Open Communication and Transparency

Issue 2 Maximize Agency Effectiveness

Description ADHS promotes a business model that focuses on continuous quality improvement and performance management. One particular area of emphasis in the short-term is the Arizona State Hospital.

Overall the Agency continues to analyze all opportunities to implement promising and best practices, with an emphasis on leveraging technology, to increase efficiency and effectiveness.

Solutions:

- Support State Hospital in Achieving Outcomes
- Leverage Technology to Achieve Results
- Optimize Agency Systems and Infrastructure
- Implement Performance Measures
- Implement Arizona Health Improvement Plan
- Implement Best, Promising and Evidence-Based Practices
- Practice Continuous Quality Improvement
- Improve the Customer Experience
- Foster Open Communication and Transparency

Issue 3 Make Focused Improvements in Public Health Infrastructure

Description ADHS relies heavily on our public health partners in local, tribal and border health as well as the many private and community partners we work with on a daily basis. ADHS is also seeking to increase the talent pool attracted to careers in public health by creating new cross jurisdictional partnerships and working with Universities and other professional development organizations to encourage potential talent to consider careers in public health.

ADHS is also completing the prerequisites and requirements needed for public health accreditation, analyzing our collaborations with stakeholders as well as our ability to perform effectively on the ten essential public health services: 1) Monitor health status, 2) Diagnose and Investigate health problems and hazards, 3) Inform and Educate to empower people about health issues, 4) Mobilize community partnerships, 5) Develop policies and plans, 6) Enforce laws and regulations, 7) Link people to health services, 8) Assure competent health workforce, 9) Evaluate effectiveness and quality, and 10) Research to find innovative solutions to health problems. Ultimately, the accreditation effort will improve the quality of public health services in Arizona, as well as impact public health outcomes for our citizens.

Solutions:

- Build Awareness of Public Health Value
- Improve Coordination with Health Care Partners
- Enhance Workforce Development
- Achieve and Maintain Public Health Accreditation
- Implement Arizona Health Improvement Plan
- Implement Best, Promising and Evidence-Based Practices
- Practice Continuous Quality Improvement
- Improve the Customer Experience
- Foster Open Communication and Transparency

Issue 4 Promote and Support Public Health and Safety

Description ADHS prepares for, detects, and responds to large-scale natural or intentional disease events and other public health emergencies. The Department also has a critical role to play in injury prevention and the development of a trauma system. Critical to success is the working partnerships developed with federal, county, and tribal health agencies, community-based organizations, public safety agencies, the media, the military, behavioral health providers, emergency medical service providers, hospitals, and Arizona/Sonora border agencies.

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.

Solutions:

- Prepare for and Respond to Public Health Emergencies
- Implement Strategies to Promote Non-Violent Behavior
- Address Quality of Care Issues and Public Health Risks
- Promote Healthy and Safe Community Environments
- Implement Arizona Health Improvement Plan
- Implement Best, Promising and Evidence-Based Practices
- Practice Continuous Quality Improvement
- Improve the Customer Experience
- Foster Open Communication and Transparency

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	1,418.0	1,418.0	1,418.0
General Fund	97,935.8	103,496.9	109,406.5
Other Appropriated Funds	50,197.0	51,552.3	52,944.2
Non-Appropriated Funds	115,832.1	119,000.6	122,257.3
Federal Funds	217,316.3	223,183.8	229,209.8

Program Summary

ADMINISTRATION

Paula Mattingly, Interim 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	22,470.0	19,267.3	19,267.3
Other Appropriated Funds	25,684.9	29,785.9	29,785.9
Other Non Appropriated Funds	17,984.0	4,962.4	4,962.4
Total Funding	66,138.8	54,015.6	54,015.6
FTE Positions	580.7	349.7	349.7

◆ **Goal 1** To Maximize Agency Effectiveness

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Arizona Department of Health Services Administration as a percent of total Agency costs.	1	1	.4	n/a	n/a
Percent of all prerequisites completed for public health national accreditation.	85	100	100	n/a	n/a

Explanation: .

Percent of agency staff turnover	24.74	25	34	n/a	n/a
Percent of new e-government applications implemented on schedule	100	100	100	n/a	n/a

◆ **Goal 2** To promote and protect public health and safety

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of child care license renewals granted within licensing timeframes	100	100	100	n/a	n/a
Percent of child care complaint investigations initiated within investigative guidelines	100	100	68	n/a	n/a
Percent of health care licensure renewals granted within licensing timeframes	100	100	99	n/a	n/a
Percent of health care complaint investigations initiated within investigative guidelines	47	60	23	n/a	n/a

◆ **Goal 3** To Align Agency Resources to Achieve Targeted Health Outcomes

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Arizona Health Information Exchange Action Steps Completed on Time	0	0	0	10	0

◆ **Goal 4** To Make Focused Improvements in Public Health Infrastructure

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Public Health Social Media Interactions	0	0	0	420,000	0

◆ **Goal 5** To Make Focused Improvements in Public Health Infrastructure

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Engagement Ratio on Employee Engagement Survey	0	0	0	3	0

◆ **Goal 6** To Make Focused Improvements in Public Health Infrastructure

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Retained Employees	0	0	0	100	0

◆ **Goal 7** To Maximize Agency Effectiveness

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Licensing Renewal Services Offered Online	0	0	0	100	0

◆ **Goal 8** To Maximize Agency Effectiveness

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Online Death Registration Issuance Application Milestones Completed on Time	0	0	0	2	0

◆ **Goal 9** To Maximize Agency Effectiveness

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Programs with Visual Management Implemented	0	0	0	100	0

Program Summary

BEHAVIORAL HEALTH SERVICES

Margery Ault, JD, Interim Deputy Director
Phone: (602) 364-4576
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 three 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	389,434.8	0.0	0.0
Other Appropriated Funds	47,354.5	0.0	0.0
Other Non Appropriated Funds	2,002,107.1	0.0	0.0
Total Funding	2,438,896.4	0.0	0.0
FTE Positions	17.6	0.0	0.0

Subprogram Summary

ADMINISTRATION

Margery Ault, JD, Interim Deputy Director
Phone: (602) 364-4576
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	24,954.6	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	45,062.1	0.0	0.0
Total Funding	70,016.7	0.0	0.0
FTE Positions	39.9	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of eligible Title XIX population enrolled in behavioral health treatment programs	16	16	19	n/a	n/a

Subprogram Summary

SERVICES FOR PERSONS WITH SERIOUS MENTAL ILLNESS

Margery Ault, JD, Interim Deputy Director
 Phone: (602) 364-4576
 A.R.S. § 36-503.02

Mission:

To ensure a comprehensive, unified behavioral health system for Arizonans

Description:

Behavioral Health Services provides 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, and coordinates, plans, administers, regulates, and monitors all facets of the public behavioral health prevention and treatment systems, and contracts with three 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.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	97,412.7	0.0	0.0
Other Appropriated Funds	2,250.2	0.0	0.0
Other Non Appropriated Funds	70,041.6	0.0	0.0
Total Funding	169,704.5	0.0	0.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To integrate physical and behavioral health services

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Behavioral Health seriously mentally ill clients on anti-psychotics receiving new generation psychotropic medications.	86	86	86	n/a	n/a

Subprogram Summary

CHILD AND ADOLESCENT SERVICES

Margery Ault, JD, Interim Deputy Director
 Phone: (602) 364-4576
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	436.0	0.0	0.0
Total Funding	436.0	0.0	0.0
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of Regional Behavioral Health Authority Title XIX families (with children ages 0-17) reporting they are satisfied according to an annual satisfaction survey.	86	86	86	n/a	n/a

Program Summary

ARIZONA STATE HOSPITAL

Aaron Bowen, PsyD, Chief Executive Officer
 Phone: (602) 629-7000
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	868.1	934.7	934.7
Total Funding	868.1	934.7	934.7
FTE Positions	0.0	0.0	0.0

Subprogram Summary

CLINICAL AND PROGRAM SERVICES

Aaron Bowen, PsyD, Chief Executive Officer
 Phone: (602) 629-7000
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	51,889.5	54,169.2	59,969.2
Other Appropriated Funds	5,700.1	6,546.5	2,056.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	57,589.6	60,715.7	62,025.7
FTE Positions	587.5	616.5	616.5

- ◆ **Goal 1** To maintain a stable and competent workforce

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of staff turnover during the first 12 months of employment	29.5	30	38	n/a	n/a

◆ **Goal 2** To implement strategies to promote non-violent behavior

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of direct care staff trained in non-violent crisis intervention	100	100	90	n/a	n/a

Program Summary	
PUBLIC HEALTH SERVICES	
Cara M. Christ, MD, MS, 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
- ▶ Pediatric Neurological Autoimmune Disorder

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	225.0	300.0	300.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	225.0	300.0	300.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

ADMINISTRATION AND LOCAL, BORDER AND NATIVE AMERICAN HEALTH OFFICES

Cara M. Christ, MD, MS, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	350.0
Other Appropriated Funds	0.0	0.0	500.0
Other Non Appropriated Funds	308,771.9	307,150.1	307,150.1
Total Funding	308,771.9	307,150.1	308,000.1
FTE Positions	296.3	312.4	312.4

◆ **Goal 1** To strengthen state-wide public health system

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Native Health partners technical assistance requests that are completed.	100	100	97	0	0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	125.0	125.0	125.0
Other Appropriated Funds	1,000.0	2,000.0	2,000.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,125.0	2,125.0	2,125.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To maximize ADHS effectiveness

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent accuracy in the collection and maintenance of cancer incidence data.	95	95	95	n/a	n/a
Average turnaround time in days for mail in requests to vital records.	3	3	3	n/a	n/a

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	828.2	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	828.2	990.0	990.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of calls made to the University of Arizona and Banner Poison Control centers to provide 24 hours a day, seven days a week, statewide poison and drug information to doctors, medical institutions and citizens.	100,849	100,000	96,582	n/a	n/a
Number of follow-up calls made by University of Arizona and Banner Poison Control centers to track medical outcomes of human exposures.	162,021	160,000	154,547	n/a	n/a

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,609.0	6,697.3	6,697.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,609.0	6,697.3	6,697.3
FTE Positions	24.1	24.1	24.1

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of microbiology performance testing samples that are correct.	98.7	98	98	n/a	n/a
Number of environmental labs licensed	141	142	141	n/a	n/a

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,524.4	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	1,524.4	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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Immunization rate among 2-year old children	79	80	79	n/a	n/a
Percent of infectious disease trainings provided to county health departments conducted on schedule.	100	100	100	n/a	n/a
Percent of diagnosed urgent infectious diseases reported to ADHS within legally mandated timeframes	71	75	67	n/a	n/a
Percent of communicable and infectious disease lab reports submitted electronically.	58	65	62	n/a	n/a

Subprogram Summary	
HEALTH SYSTEMS DEVELOPMENT	
Sheila Sjolander, MSW, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	46.4	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	46.4	198.0	198.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To strengthen state-wide public health system

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of areas redesignated as an HPSA within the federally mandated timeline.	100	100	100	n/a	n/a

Subprogram Summary

WOMEN'S AND CHILDREN'S HEALTH

Sheila Sjolander, MSW, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,790.0	3,568.0	3,568.0
Other Appropriated Funds	187.3	450.0	450.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,977.3	4,018.0	4,018.0
FTE Positions	1.0	1.0	1.0

◆ **Goal 1** To impact Arizona's winnable battles

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of high school youth who smoked in the last month	14.1	13	10.1	n/a	n/a

Subprogram Summary

CHILDREN WITH SPECIAL HEALTH CARE NEEDS

Sheila Sjolander, MSW, 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.

◆ **Goal 1** To strengthen state-wide public health system

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Arizona families of Children with special health care needs partnering in decision making that are satisfied with services per the State and Local Area Integrated Telephone (SLAITS) Survey.	NA	NA	66.2	n/a	n/a

Subprogram Summary

NUTRITION AND PHYSICAL ACTIVITY

Sheila Sjolander, MSW, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	387.2	400.0	400.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	387.2	400.0	400.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To impact Arizona’s winnable battles

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Arizona adults reporting they eat the recommended amount of fruits and vegetables each day.	11.3	11.5	11	n/a	n/a
Percent of Arizona adults reporting that they get the recommended amount of physical activity.	22	22.5	29.1	n/a	n/a

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.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,496.3	2,000.0	2,000.0
Other Non Appropriated Funds	5,919.0	11,305.4	11,305.4
Total Funding	7,415.3	13,305.4	13,305.4
FTE Positions	0.9	1.8	1.8

◆ Goal 1 To promote and protect public health and safety

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Arizona Biomedical Research Commission grant contractors submitting grant deliverables submitted on time.	72	75	80	n/a	n/a

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 Care Technicians (EMCT), certification and auditing of EMCT training programs; testing of EMCT 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	421.0	542.0	542.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	421.0	542.0	542.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of public health and emergency response professionals on Health Alert Network	15,012	15,256	13,995	n/a	n/a
Percent of trauma centers granted designation within Arizona Administrative Rule established time frames.	100	100	100	n/a	n/a

Subprogram Summary

PEDIATRIC NEUROLOGICAL AUTOIMMUNE DISORDER

Don Herrington, Assistant Director
 Phone: (602) 364-3855
 A.R.S. 36-2201 to 36-3855

Mission:

To help support the development of an Arizona Center of PANS/PANDAS Excellence that would provide a continuum of services to those with PANS/PANDAS, including but not limited to: increase PANS/PANDAS research, increase physician and medical professional education and awareness, increase support services to families and increase access to care.

Description:

The goal is to provide grant(s) on a competitive basis to accelerate promising research toward clinical testing and breakthroughs designed to improve the health of patients with PANS/PANDAS. ABRC will fund innovative project(s) that leverage Arizona's resources and strengthen collaboration. Multidisciplinary center(s) that conduct multidisciplinary and collaborative research and provide care to patients and their families battling PANS/PANDAS will be funded.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	250.0	250.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	250.0	250.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote and protect public health and safety.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of grant contractors submitting grant deliverables on time.	0	0	0	n/a	0

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 funding, 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 crashes 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	11,654.4	11,373.7	11,373.7
Total Funding	11,654.4	11,373.7	11,373.7
FTE Positions	12.0	12.0	12.0

5 Year Plan

Issue 1 To decrease the number of traffic fatalities from a high of 889 in calendar year 2015 to 850 in calendar year 2016.

Description In 2016 GOHS set a fatality goal of 850. Due to a increase in fatalities in 2015, GOHS has revised the 2016 goal to be 850 fatalities with a goal for 2017 of 780 fatalities.

Solutions:

GOHS will analyze statewide/local traffic data and develop our yearly Highway Safety Plan (HSP), which serves as a means for the reduction of traffic crashes, deaths, injuries, and property damage resulting from the crashes on public roads.

GOHS develops, promotes, and implements effective education and enforcement programs geared towards ending preventable crashes and reducing economic costs associated with vehicle use and highway travel. This includes requesting grant proposals from jurisdictions for highway safety projects. These proposals will be reviewed by GOHS staff to determine performance during enforcement periods, past grant award expenditures and crash data provided from the jurisdiction that indicates a serious problem.

The HSP also promotes safety belt and child safety seat use through strong, cohesive statewide enforcement and education campaigns under the banner of "Buckle Up Arizona...It's the Law!" Arizona is a secondary safety belt violation state, but the law enforcement agencies implement a zero-tolerance policy when they encounter safety belts not being used when they stop for another traffic infraction.

Issue 2 Reduce the impaired driving involvement in crashes.

Description To combat the prevalence of impaired driving from alcohol and drugs, 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 crashes, fatalities, and injuries resulting from alcohol- and drug-impaired collisions.

Solutions:

To combat the prevalence of impaired driving, GOHS devotes significant resources for overtime enforcement, equipment, and training for law enforcement officers statewide. GOHS will pursue the following strategies to reduce impaired driving on our roadways:

1. DUI enforcement program;
2. Funding for equipment and supplies (Portable Breath Testing Devices (PBT), phlebotomy supplies, drug testing kits, urine and blood kits, and gas cylinders used to calibrate PBTs, Intoxilyzers, and Livescan Instruments);
3. Officers 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 electronic search warrant program with the courts by officers;
5. Public awareness activities including media releases.

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 due to speed and aggressive driving.

Description Speeding is the number one contributing factor in the State's fatal crashes. Countless tragedies are caused by excessive speed crashes, which injure and kill innocent people. Arizona's wide thoroughfares are conducive to driving far in excess of the posted speed limit, changing lanes, tailgating, and passing dangerously on the daily commute. Some drivers ignore the most important rules of safe driving, which are common sense and courtesy.

Solutions:

GOHS supports several strategies to reduce speeding, aggressive driving, and red light running. They include:

1. Law enforcement (overtime for sustained statewide traffic enforcement campaigns conducted throughout the year);
2. Equipment purchases (vehicles, speed trailers, Laser and Radar guns);
3. Materials and support for public information and media campaigns;
4. Training for project and program managers;
5. Annual public opinion surveys

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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	1,450.0	1,450.0	1,450.0
Federal Funds	9,000.0	9,000.0	9,000.0

- ◆ **Goal 1** To decrease the number of traffic fatalities from a high of 889 in calendar year 2015 to 850 in calendar year 2016.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Grant Proposals received from jurisdictions.	300	300	249	326	330
Contracts negotiated, written, and executed.	298	277	271	234	240
Miles traveled fatality rate (prior calendar year).	1.24	1.21	1.21	1.17	1.15

Explanation: Crash data compiled on calendar year

Total statewide fatalities (prior calendar year).	889	850	850	780	760
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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 alcohol-impaired driving fatalities from 295 in year 2015 to 210 in 2016.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Contracts for any type of alcohol-detection devices.	28	15	19	21	25
Agencies funded for DUI enforcement.	63	76	55	65	75
Officers receiving standardized field sobriety/horizontal gaze nystagmus/drug recognition expert/phlebotomy training. (Based on a calendar year)	820	900	840	840	850
Alcohol-related fatalities (prior calendar year).	218	210	210	205	200

Explanation: Actual represents prior calendar year actual. Performance measures will now be calculated using a calendar year base average.

Law enforcement, prosecutors and judges attending GOHS Summit training on DUI, Speed, Seat Belt, etc.	280	280	291	295	300
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- ◆ **Goal 3** To decrease serious traffic injuries by December 31, 2016 to 4,100 and a 2017 goal of 3,950.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Agencies participating in public information & education/enforcement projects.	15	15	22	19	18
Public information & education campaigns developed each calendar quarter.	1	1	1	1	1
Enforcement/training/public information & education events.	4	4	4	4	4
Percent of seat belt use (prior calendar year).	86.1	88.0	88.0	89.0	90.0

Explanation: Actual data represents prior calendar year actual. Performance measures will now be calculated using a calendar year base average.

To decrease serious traffic injuries to 4,000	4117	4100	4,100	3,950	3,800
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◆ **Goal 4** To increase the efficiency and effectiveness of grants and programs promoting highway safety

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Agency FTE Count	0	0	12	12	0
Percent of Arizona Management System Adoption	0	0	0	0	0
Explanation: metric is pending					
Number of Regrettable Attrition	0	0	1	0	0
Number of Administrative Rules Improved	0	0	0	0	0
Number of Breakthroughs Achieved	0	0	0	0	0
Percent of Services Online	0	0	0	1	0

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 an 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, authorizes, and approves all expenditures. The Administrative Division provides finance, budget, personnel, and management support to each of the divisions. AHS certifies and supports 73 local historical societies in preserving and disseminating Arizona history. The Society also supports other board-approved community activities.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,157.2	2,722.9	3,588.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,264.6	1,171.4	1,136.7
Total Funding	4,421.8	3,894.3	4,725.4
FTE Positions	42.9	50.9	56.4

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.

Objective 1.1.1: Establish and use effective communication among staff and administration.

Objective 1.1.2: 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.

Objective 1.2.4: 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.

Information Technology Trends

1. Migration to cloud-based software and storage
2. Faster obsolescence of computer hardware and software
3. Rapidly accelerating digital and file-based acquisition of collections
4. Increasing volume of born-digital agency records
5. Decreasing reliance on local devices
6. Increased use of technology by users to interact with cultural content
7. Increased demand for digital content
8. Push to increase item-level metadata and curation of digital records

Information Technology Issues

1. Providing ample electronic storage that is cost effective and sustainable
2. Obtaining funding to refresh hardware and software in a planful manner
3. Obtaining funding for IT system support (internal and external)
4. Determining which developing technologies best meets future needs of organization

Agency Business Goals

1. Collect, preserve, interpret and provide access to materials documenting the history of Arizona
2. Engage the public in discovering and preserving the history of Arizona
3. Expand access to the AHS historical collections and resources
4. Provide educational tools and programming to students, teachers and the general public

Information Technology Plan

IT Vision

A robust Information technology infrastructure to provide a foundation for the delivery of content and services across multiple, changing platforms and devices. An IT infrastructure that is flexible, secure, and scaleable - enabling innovative uses of technology for educational and customer service excellence.

IT Mission

Working without an IT department or staff, the AHS staff works to develop IT plans and projects to strengthen IT infrastructure in order to improve and enhance digital and online information resources; adopt new technology before the existing systems become antiquated; and provide all AHS customers with fast and courteous service in an ever changing technology environment.

Goal #1 – Implement cost-effective solution to meet the storage, access and collaboration needs of the agency.

Objective #1 – Replace on-site file servers with cloud-based storage.

Current Situation – AHS has approximately 1.5 TB of agency records stored across two on-site servers and 7TB of historical records stored on multiple external hard drives. Mainstream support for the two Windows 2008 servers ended on January 13, 2015; with extended support ending on January 14, 2020. In 2015 the AHS joined the state domain allowing the staff at the four AHS locations (Flagstaff, Tempe, Tucson, Yuma) to access files on the servers. Combined the two servers have less than 1TB of available storage space. The 7TB of historical records relate to the museum and archival holdings – primarily digital surrogates of physical collections, but also includes born-digital collection material. Stored on external hard drives, access to the files is limited.

Objective #2 – Move to web-based applications to allow access from multiple devices and locations.

Current Situation - AHS has three mission critical applications on an on-site server. The application server is also a Windows 2008 server. As stated above mainstream support by Microsoft ended on January 13, 2015; with extended support ending on January 14, 2020. Access to the applications is limited to on-site use.

Related Project: Phased migration to cloud storage beginning in FY2017. The rapidly increasing volume of digital agency and historical records requires investment in easily scalable file storage. With agency staff at multiple locations around the state file access and sharing using mobile devices is crucial. Equally important is the ability to conduct work in various locations. By increasing reliance on mobile devices and reducing reliance on location based devices, agency staff can accomplish work no matter the location. Estimated cost for storage per year: \$30,000

Goal #2 – Develop information technology procedures, practices and budget to efficiently and effectively manage IT assets.

Objective #1 - Develop and implement budget for agency wide technology support

Objective: #2 - Implement 3 year computer refresh cycle to insure secure and accessible system

Objectives #3 - Reevaluate existing and identify new critical technology policies for the agency

Current Situation – The computer refresh completed in 2015 provided uniform computer technology across the agency and removed all computers running Windows XP or Windows Vista. All computers are now running the Windows 7 operating system. As with the servers, mainstream support by Microsoft ended on January 13, 2015; with extended support ending on January 14, 2020 – requiring an upgrade of all computers in the agency. The Windows 10 operating system was released in July 2015 making Windows 7 a version behind.

Related Project: Computer refresh in FY2018-19. Upgrade all computers, monitors and software to avoid system obsolescence. Refresh will allow agency to continue to perform mission services in timely and effective manner. Estimated cost: \$120,000 divided over two or three years.

Goal #3 – Improve and enhance the use of information technology to enable innovation in teaching, learning, research and scholarship

Objective: Investigate and establish a strategy that employs web and media platforms to share collections, teach students and general public, increase visibility, and augment exhibits and publications.

Objective: Develop Digital Initiatives Manager position to manage information technology initiatives planning, implementation, and monitoring of digital projects to enhance user experience and improve workflows within the agency. This includes, but is not limited to, digital initiatives such as digital curation and preservation, digital exhibits, the website, and search and discovery of library resources.

Related Project: Hire Digital Initiatives Manager to build capacity for use of information technology within the museums and archives and educational programming. The manager can seek grants and increase revenue through coordinated AHS projects. Estimated cost of the position is \$66,000 - \$90,000 (salary+ERE).

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	50.9	50.9	50.9
General Fund	2,722,900.0	2,722,900.0	2,722,900.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	1,064,400.0	1,170,800.0	1,287,800.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To interpret and disseminate the history of Arizona for a broad general audience.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Public program attendance	101,000	100,000	95,000	100,000	100,000
Number of museum visitors and researchers	52,910	55,000	63,076	65,000	70,000
Number of volunteer hours	35,500	35,000	30,000	32,500	33,000

Agency Summary

PRESCOTT HISTORICAL SOCIETY

Fred Veil, Executive Director
Phone: (928) 445-3122
A.R.S. § 41- 831

Mission:

To serve as an educational and cultural center, which fosters public and community understanding and appreciation of historical, social, cultural and natural aspects of Arizona, with emphasis on the Central Highlands, and which promotes involvement in and support for research, collections, conservation, exhibits, and related programs.

Description:

The Prescott Historical Society operates the Sharlot Hall Museum, which was founded in 1928 and is located on the grounds of the first territorial governor's residence and offices. The nearly four acre landscaped campus features eleven exhibit buildings, including four restored historic structures-- the territorial Governor's Mansion (1864), Fort Misery (1864), the Fremont House (1875), and the Victorian-era Bashford House (1877). The Lawler Exhibit Center (1977) hosts both permanent and changing exhibits, an historic theater, and storage of extensive historic and prehistoric objects. A large Archive Library (1993), houses several hundred thousand images and documents. A new, approximately, million dollar facility constructed with non-State of Arizona funds was completed in March 2013, and a new admissions building, also financed entirely with privately-donated funds was added in April, 2014. The Bob Stump VA Medical Center hosts a branch museum which interprets the history of Fort Whipple. Public programs include the annual Folk Arts Fair, Prescott Indian Art Market, Folk Music Festival, Frontier Christmas, Western History Symposium, perdiocial musical and theaterical historical productions, living history interpretations in both indoor and outdoor settings, heritage gardens, lecture series, education tours, and outreach opportunities for children and adults.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	807.4	824.5	867.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	605.1	829.8	829.8
Total Funding	1,412.5	1,654.3	1,697.0
FTE Positions	722.3	748.8	748.8

Issue 1 Excellence in Education

Description Sharlot Hall Museum is dedicated to excellence in exhibitions, programs, and preservation of its collections for public benefit. As the top priority of the institution, comprehensive plans for both internal and traveling exhibits and programs, and wide use of websites and other means will offer patrons opportunities that excite, enrich, and educate a broad range of ages and a diverse public. As an overarching goal, efforts in this area will be based on appropriate Arizona curriculum standards where possible.

Solutions:

☑Fund and continue implementation of the Museum's long-range exhibit plan

. Fund and construct an education facility to be used for presentation, festivals, lectures, training, demonstrations, and related educational and cultural activities.

☑Continue to implement and improve the Museum's education plan, with increased emphasis on school tours and youth oriented activities.

. Explore opportunities to expand the Museum's collections, including its archival materials

. Develop a plan designed to increase public awareness of the research opportunities offered by the Museum's Library & Archives.

.Evaluate and implement, as appropriate, opportunities to utilize technology in new and existing exhibits.

Issue 2 Long-Range Financial Planning

Description Sharlot Hall Museum is committed to sound and responsible stewardship of the public resources to ensure that we can continue to provide our members and visitors with an educational and cultural experience consistent with our mission.

Solutions:

☑Provide a solid development plan to obtain funds for both short term and long term needs

☑Continually evaluate the Museum's investment strategies to ensure maximum return within fiscally prudent guidelines

☑Employ cost effective management principles in administering operational funds

☑Develop resource focused upon these sectors:

1. Endowments/planned giving/major gifts/naming opportunities;

2. Annual giving and membership base expansion;

3. Corporate and institutional connections/support opportunities;

4. Governmental relations; and

5. Fund raising events with a focus on those which maximize revenues and minimize impact on the Museum staff.

Issue 3 Long-Range Facilities Planning

Description The Sharlot Hall Museum's exhibit, facilities and space utilization plans describe the facilities changes, renovations, and required upkeep to accommodate the present physical plant and future growth. This initiative ensures that facilities will meet the needs of the Museum campus and community.

Solutions:

☑Review and revise, as appropriate, these plans to reflect current needs and projected resources/sustainability to include proper space utilization

.Fund and construct a facility for education and cultural development.

☑Produce a Five-Year Capital Improvement Plan

Issue 4 Economic and Political Support

Description This initiative is designed to assist Sharlot Hall Museum in its dual efforts to provide quality of life experiences for the community and to serve as a regional economic generator through civic tourism

Solutions:

- ☒ Maintain a high profile with state, county, and local government to assure tax base funding
- ☒ Develop partnerships with community businesses, leaders, and others
- ☒ Develop partnerships with complementary institutions/entities which offer learning and coalition building opportunities, facilities and event production sharing, etc.:
 1. Indigenous tribal entities
 2. Arizona Historical Society
 3. Local historical museums/entities/events (Phippen, Smoki, Westerners Corral, etc.)
 4. Service clubs
 5. Educational institutions

Issue 5 Public and Media Relations

Description Wide ranging efforts to publicize the unique nature and extensive quality offerings of the Sharlot Hall Museum is the foundation of sustainability. The Museum can only fulfill its mission if the public is aware of existence, and the many rewards it offers.

Solutions:

- ☒ Develop solid public relations, marketing and promotion plan;
- .Continue to foster strong relationships with local media;
- ☒ Develop progressive membership plan, with increased emphasis on corporate memberships;
- ☒ Develop visitor surveys and other means to obtain audience input

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	13.0	13.0	13.0
General Fund	875.0	900.0	925.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	700.0	725.0	750.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To increase museum visitation annually.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of people served (includes museum, festival, and theatre attendees; and researchers)	30,000	32,000	33,900	34,000	35,000
Percent of museum clients pleased with service	95	95	98	95	95
Number of volunteer hours	23,000	23,000	25,000	25,000	25,000
Number of museum researchers	2,050	2,100	1,800	1,900	2,000

Explanation: In FY2008 Library closed for one month to relocate to new facility

Number of web site unique visitors	1,000,000	1,100,000	245,446	250,000	255,000
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Explanation: The numbers reported for FY2015 Actual were inaccurate

- ◆ **Goal 2** To continue phased facility expansion and modification, bringing needed square footage for exhibits and other uses to support goal 1 above.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Capital campaign dollars raised to build new square footage (in thousands)	207	50	470	750	750
Increase in number of dues-paying members	1,400	1,450	1,700	1,800	1,900

- ◆ **Goal 3** To increase the private, non-state funding support for expansion and operations

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Dollars of supplemental non-state funds per annum in thousands	715	700	950	1,250	1,250

Explanation: FY 16, 17, & 18 includes funds restricted for capital projects

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	23,484.3	30,561.1	30,561.1
Total Funding	23,484.3	30,561.1	30,561.1
FTE Positions	16.0	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 today's current environment, there is a persistent threat of terrorist attacks – both nationally and internationally. It's not a matter of if, but when these attacks may occur. Hence, it is more important than ever to provide as many resources as possible to homeland security initiatives to ensure the safety and security of Arizona's residents. There is an ongoing challenge to maintain and sustain the capabilities and capacity levels achieved over the past several years with the continuous looming potential 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 grant program.

As is the case with many federal grant programs, AZDOHS leadership is aware of the potential in reduced homeland security grant funding and continues to work with stakeholders to maximize the use of current grant funds. The FFY 2016 grant funds are 56.0% lower than the FFY 2010 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 grant 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 residents; the capability and capacity to conduct border security operations, maintain emergency response plans, 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.

Reduced funding impacts 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 residents 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.

The challenge is sustaining or enhancing the capacity levels in accordance with increasing threats/hazards in the current homeland security environment.

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.

The 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 2016 funding cycle. To address this issue, the AZDOHS will focus on the furtherance of enhancing regional partnerships and collaborative information-sharing activities.

It is the goal of the 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 regionally 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.

If federal funds are reduced, state agencies and local jurisdictions would be encouraged to seek maintenance and sustainment support through their local governing body.

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. The 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 2010, Arizona’s homeland security grant funds have decreased by more than 56.0%. Regardless of any potential reductions of the grant programs, the SAA must still maintain compliance and meet all reporting requirements well after the end of a grant performance period.

While the AZDOHS has made every effort to be exemplary stewards of the funds awarded to the state, the department would be impacted by a reduction of funds.

A substantial reduction in funds will directly result in a reduction of current AZDOHS staffing levels. A reduction in current staffing levels 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 state and federal reporting requirements. 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 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 would be affected.

Should federal homeland security grant funding be reduced, the overarching impact to the State of Arizona will negatively affect border security and counter-terrorism efforts. In addition, emergency management, preparedness and response efforts will also be impacted. Reduced funding could affect the sustainment of Arizona’s current levels of security, preparedness and emergency response.

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 the AZDOHS, the department has and will continue to analyze and assess the internal budget.

Annual reviews and assessments will be conducted to determine viability of staff levels to maintain ongoing department responsibility requirements. If reduction in funds is experienced, reduction in force recommendations will be made to the director accordingly.

With limited resource options, it will be difficult to sustain the standards of excellence the AZDOHS has attained to be good stewards of the homeland security funds awarded to Arizona.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	16.0	16.0	16.0
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	22,000.0	22,000.0	22,000.0

◆ **Goal 1** To improve regional collaboration on homeland security issues within Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Conduct at least four Regional Advisory Council meetings within each region each fiscal year	20	20	15	n/a	n/a
Explanation: 4 Regional Advisory Council Meetings in each of 5 Regions					
Operation Stonegarden Vehicle Stops	0	0	0	41,756	0
Explanation: Total number of vehicle stops during Operation Stonegarden					
Operation Stonegarden Apprehensions	0	0	0	1,273	0
Explanation: Total number of illegal aliens turned over to Border Patrol during Operation Stonegarden					
Operation Stonegarden OT Hours	0	0	0	107,008	0
Explanation: Total number of overtime hours worked during Operation Stonegarden					

◆ **Goal 2** To provide strategic direction for enhancing regional preparedness.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Obligate funds from federal grants within 45 days of receipt of grant award	100	100	100	n/a	n/a
Explanation: Result expressed as percentage.					
Review and update the State Homeland Security Strategy annually	Y	Y	Y	n/a	n/a
Explanation: Result expressed as yes (Y) or no (N).					

◆ **Goal 3** To effectively manage Federal homeland security funds.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Comply with all federal mandates for the efficient allocation of federal dollars in advance of suspense dates Explanation: Results expressed as a percentage.	100	100	100	100	0
Conduct 28 sub-grantee site visits per year Explanation: Sub-grantee site visits review equipment, reimbursements, & compliance	28	28	46	n/a	n/a
Projects Monitored Explanation: Total combined number of projects AZDOHS has monitored via site visits and desk reviews to ensure grant compliance	0	0	0	40	0
Reimbursement Process Improvements Explanation: Decrease the AZDOHS average reimbursement processing time from 42 to 28 calendar days to minimize stakeholder capital outlay	0	0	42	28	0
Total amount of unexpended grant funds reverted to the Federal Government Explanation: Total amount of unexpended grant funds reverted to the Federal Government	459,890	315,000	285,105	n/a	n/a
Funding Reallocated Explanation: Total amount of funding reallocated to prevent funds from reverting back to the Federal government	0	0	0	2,000,000	0
Projects Reallocated Explanation: Total number of projects reallocated to prevent funds from reverting back to the Federal government reallocated to prevent funds from reverting back to the Federal government	0	0	0	50	0
Drawdown Rate Explanation: Total amount of expended grant funds, not reverted to Federal government	0	0	0	98	0

◆ **Goal 4** To create a more efficient Arizona Department of Homeland Security

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
# of Agency FTE Count	0	0	16	16	0
Explanation: Number of active employees in HRIS (excluding board and commission members, interns, volunteers, and "pool" positions)					
# of Regrettable Attrition	0	0	0	1	0
Explanation: The number of voluntary separations of employee's whose performance ratings were meets expectations or better (e.g. MAP score of 2.0 or higher) AND whom the agency indicated they had planned to retain the employee, represented as a monthly total.					
# of Administrative Rules Improved or Repealed	0	0	0	0	0
Explanation: "# of administrative rules eliminated or streamlined by your agency - An improved rule is defined as the repeal of a rule that is overly burdensome, antiquated, contradictory, redundant, or nonessential; or modification of a rule to reduce regulatory burden, administrative delay or uncertainty "					
# of Breakthroughs Achieved	0	0	0	6	0
Explanation: Number of breakthrough plans completed where a +50% efficiency gain has been sustained					
% of Services Online	0	0	0	33	0
Explanation: "# of agency services provided online Online defined as where the entire process from the customer perspective can be completed electronically. (No physical mail, wet signature, or office visit requirements)"					

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. As of January 1, 2015 the Board is mandated to regulate licensees who graduate from an approved school of homeopathic medicine and who become licensed by the Board to practice as a Doctor of Homeopathy.

Description:

The Board of Homeopathic and Integrated Medicine Examiners regulates the practice of homeopathic medicine in Arizona. The Board reviews and examines the education, experience, and background of applicants to determine if they possess the qualifications required by law to practice homeopathic medicine and any of the subspecialties within the scope of practice. The Board conducts investigations into complaints against physicians and holds hearings, taking disciplinary action as necessary to protect the public safety. The Board also registers homeopathic medical assistants that work under the direct supervision of licensed homeopathic physicians.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	74.3	103.0	87.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	74.3	103.0	87.3
FTE Positions	1.0	1.0	1.0

5 Year Plan

Issue 1 Complete rulemaking for doctor of homeopathy rules. Prepare written examination.

Description Proposed rules have been drafted to provide a framework for interested and qualified individuals seeking to obtain license a a Doctor of Homeopathy (D.H.).

Solutions:

An exemption to rulemaking moratorium was granted in January 2016.

The Board must complete rulemaking process with particular emphasis on procedures relative to foreign trained applicants and delineating the amount of science credits that will be accepted to meet this particular educational criteria.

Issue 2 Seek Legislative Approval to Revise Fees to Support Board Operations

Description Fees remain capped by statute and have not been changed since 1995. The Board unsuccessfully sought legislative changes in 2013 to raise some of its fee caps and to add new fees to support the cost of reviewing continuing education, providing re-examinations, and re-couping the true cost of holding an annual license. Staff hours were reduced to support operations at a base level. The rising cost of rental space, the new mandate to train board members, and ongoing costs relating to rulemaking for the new homeopathic doctor licensing necessitate another effort to request legislative approval to adjust fees.

Solutions:

Continue Cost saving measures with reduced staff time

Enlist help from a legislative sponsor familiar with the cost of running a board and commission

Issue 3 In concert with the expressed goals of the Arizona Department of Administrations Strategic Enterprise Technology (ADOA-/SET) office the Board would explore alignment with other boards and commissions to implement E-licensing

Description The Governor has expressed a data systems initiative designed to automate and create paperless, on-line solutions to assist applicants, customers and stakeholders to access information more quickly. The Board is supportive of such efforts although significant hurdles exist.

Solutions:

Several key components would have to merge for the Board to be part of this initiative:

- 1) sufficient and ongoing additional funding and actual revenue;
- 2) an updated computer to enable the programming changes that would affect the database programming;
- 3) an innovative method by which the Board would be allowed to participate in the initiative given the small number of current and prospective licensees that would benefit.

The Board with the approval of the legislature may wish to consider a method to pay back the initial costs of implementing the system. This may include an ongoing agreement to reimburse the general fund for any loan that may be provided to implement the system. In addition, the Board (in alignment with issue 2) may seek to raise fees sufficient to support board operations.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	1.0	1.0	1.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	103.0	103.0	103.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Applications received (includes physicians, assistants, and dispensing permits filed with an initial application)	7	10	11	10	9
Explanation: FY 2016 : 7 medical assistants, 0 dispensing permit, 4 physicians					
New licenses issued (physicians and medical assistants and dispensing permits)	8	12	9	12	12
Explanation: FY 2016: 7 medical assistants, 2 physicians, 0 dispensing permits,					
Licenses eligible for renewal (physicians, dispensing permits, and medical assistants)	117	129	118	130	130
Explanation: Eligible FY16 Renewal: Dispensing=29; Physicians=75; Assistants=14					
Number of licenses renewed	117	119	107	114	114
Explanation: FY 2016: Total includes 71 physicians, 27 dispensing permits, 9 assistants.					
Average number of days from receipt of completed application to issuance or denial of certification	73	65	34	50	45
Explanation: This figure is an average of 9 applications divided into a total of 309 calendar days					

◆ **Goal 2** To receive, investigate, and adjudicate complaints consistent with the performance objectives of the board.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of complaints resolved within 180 days.	75	72	63	70	75
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 4 total complaints)					
Number of complaints or inquiries received	5	6	8	7	8
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)	0	2	0	1	1
Suspension/Revocation	0	1	0	1	1
Average number of days per investigation from start to final adjudication	175	150	62	120	140
Explanation: Based on the total number of calendar days (369) accrued in adjudicating the closed complaints divided by total number of closed complaints (6)					
Percent of licensees with disciplinary action	1 Percent	2 Percent	2	2	2
Explanation: 77 licenses and of that total 1 on probation, reflects current fiscal year actions					
Total number of investigations conducted	3	5	7	6	6
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of information inquiries responded to within 24 hours	94	95	82	85	85

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. 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. The Department also regulates the manufactured housing industry.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ HOUSING DEVELOPMENT AGENCY	92,626.3	98,981.3	111,107.7
➤ HOUSING FINANCE AUTHORITY	7,294.7	5,978.6	0.0
Agency Total:	99,921.0	104,959.9	111,107.7
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	811.4	0.0
Other Appropriated Funds	318.5	318.5	318.5
Other Non Appropriated Funds	99,602.5	103,830.0	110,789.2
Total Funding	99,921.0	104,959.9	111,107.7
FTE Positions	65.0	77.0	76.0

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; regulating the activities of the manufactured housing industry; 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, health care providers, 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; (5) collaborating with community partners to end homelessness by providing permanent supportive housing; and (6) operating at the speed of business to provide timely inspection services to manufactured housing plants and installation sites.

Issue 2 Homeownership: providing a safety net for homeowners struggling in the aftermath of the housing crisis and removing the roadblocks to homeownership for the next generation

Description As the foreclosure crisis wanes and the housing market improves, the Department is transitioning from its main focus over the past seven years of providing foreclosure-related assistance, to now also removing roadblocks to homeownership for the next generation. While everyone is familiar with the devastating effects of the housing crisis which resulted in record numbers of foreclosures and underwater mortgagees who have yet to financially recover, another well documented side affect was the delayed formation of new households which has added to the prolonged drag on the national and state economy.

Assisting struggling homeowners

While the foreclosure crisis has abated, with foreclosure levels falling to pre-housing 2008 levels, close to 18 percent of Arizona mortgage holders are still underwater and thousands of homeowners are still unable to afford their mortgages, as they are unable to find employment opportunities that match their pre-recession incomes. Negative equity and stagnant wages continue to be impediments to a full housing market recovery. Through a grant from the U.S. Department of the Treasury, the Department has identified 17 communities in Arizona that are lagging in recovery when compared to the state as a whole, and has created a special incentive program to help jump start a housing recovery in those communities.

Removing roadblocks to homeownership

The homeownership rates in Arizona mirror the national average, which is at the lowest rate in almost two decades. New household formations, a leading indicator of homeownership, while improving, are below historical averages with Millennials being the largest group of underrepresented homeowners. With low interest rates available for mortgages, and rental prices continuing to rise, many creditworthy renters could realize a significant savings by becoming homeowners. Research has found that Millennials are now actually more eager to own a home than older Americans, but their biggest challenge is coming up with enough money for a down payment. In Arizona, where a moving housing market remains critical to the State's economic health, improving homeownership rates for responsible borrowers is an important factor in the state's recovery.

Solutions:

The Department is taking a two pronged approach, by continuing to offer foreclosure assistance and at the same time, expanding the availability of assistance to new homebuyers.

To assist struggling homeowners

To assist still struggling homeowners, the Save Our Home AZ (SOHAZ) program continues to successfully assist Arizona homeowners who are either facing a potential foreclosure or are significantly underwater with their mortgage payments. Moving forward, the Department will: (1) continue to offer principal reduction assistance to homeowners who are living with the negative effects of paying against underwater mortgages; (2) continue to provide principal reduction assistance, when feasible, to buy down mortgages to an affordable payment for underemployed Arizonans; and (3) the Program will also continue to provide monthly mortgage assistance to homeowners who are completely unemployed or for whom a principal reduction is not a feasible solution. Such financial assistance is given as a loan so that as the housing market improves, homeowners who sell an assisted property may be repaying a portion of the assistance back to the State to recycle for future use.

Removing roadblocks to homeownership

With the escalating increase in rents, many creditworthy renters are finding it more and more difficult to save for a down payment. Thanks to the HOME Plus and Pathway to Purchase programs, this obstacle has been removed. Through these programs, homebuyers will have access to: (1) an affordable 30-year fixed-rate mortgage, and (2) through HOME Plus, down payment assistance grant equal to between 2 and 5 percent of the mortgage amount (depending on the type of loan), or through the Pathway to Purchase program, which is offered in 17 underperforming communities, up to 10 percent of the purchase price up to \$20,000, with the down payment funding provided by the AHFPFC. The program's objective is to assist creditworthy renters who can afford a monthly mortgage payment but lack the resources for the down payment, eliminating a major obstacle in the marketplace and presenting qualified renters a pathway to homeownership.

The State's mortgage programs are available statewide to buyers with an annual household income not exceeding \$92,984, purchasing homes with a purchase price not exceeding \$371,936. First-time and boomerang homebuyers should find the program especially helpful. Qualified homebuyers must work through an approved and participating lender to obtain a qualified mortgage in order to qualify for the down payment assistance.

Issue 3 Coordinating efforts to end homelessness throughout the state

Description Since the State began addressing the issue of homelessness, decades ago, there has not been a collective conscience fighting this issue until recently. In order for Arizona to make progress it will take a coordinated effort. Despite numerous challenges and obstacles, such as inadequate resources, significant progress has been made towards achieving our ongoing objective to end homelessness in Arizona.

In Phoenix, we have put an end to chronic homelessness among our veteran population. A coordinated effort between the city, state, and federal governments, business leaders, the faith community and non-profit community led Phoenix to become the first city in America to end chronic homelessness among its veteran community. Additionally, by utilizing strategies like the “Housing First” concept, we are working to remove the instability that comes with being homeless. We have seen firsthand how people’s lives have been transformed once they are stabilized in housing that is supported with services that assist people to become self-sufficient.

Some of those same lessons learned, as well as new strategies will be needed to address chronic homelessness in Maricopa County. The Men’s Overflow Shelter (MOS), operated by Central Arizona Shelter Services (CASS), in Phoenix, began in 2007 as a temporary, short term shelter in response to unusually high temperatures and heat related deaths of individuals experiencing street homelessness. However, the facility was not intended to remain open on a permanent basis despite housing an average of 500 people a night. In January 2014, the state fire marshal cited the MOS with five code violations. Various structural issues and upgrades to basic living conditions were cost prohibitive necessitating the need to close the facility. Working with our collaborative partners, Valley of the Sun United Way, Maricopa County, and the city of Phoenix we found short-term, mid-term, and long-term solutions to housing the individuals who depended heavily on the MOS facility. This coming together to work out a solution for the MOS has led to a renewed effort to look at the totality of all of these public and private efforts to end homelessness and a concerted effort to end homelessness together within the next five years.

Solutions:

People experiencing homelessness are identified through various outreach efforts and referred to the access points either for singles or families. Individuals generally access emergency shelters first and then are assessed for the appropriate housing interventions. Outreach teams identify individuals and families experiencing homelessness. The common assessment tool known as the Service Prioritization Decision Assessment Tool (SPDAT) is now being utilized to assess the needs of the individuals or families and match them to the most appropriate intervention. Often this can entail diversion, rapid-re-housing, or permanent supportive housing. The SPDAT has undergone rigorous testing. It has been reviewed by experts in healthcare, mental healthcare, housing and homelessness. It is effective in a range of population from an age, gender, and cultural perspective. The core premise is to get the right household to the right program at the right time to end homelessness, based upon evidence of strengths, understanding of needs and housing status.

The SPDAT has enhanced the homeless assistance providers’ ability to better serve in that it has reduced subjectivity and increased objectivity in referring and working with people to see that they obtain the best service and housing for their needs. With agreement on using the same assessment tool, there is now consistency in the evaluation process. The use of SPDAT will greatly improve the screening processes, better serving homeless populations to get to the type of assistance they individually need.

The Department is focused and committed to finding permanent supportive housing options which are more effective and less costly than traditional shelter services. It does this by providing funding to build rental facilities that are designed to address the needs of formerly homeless individuals and families, and by providing Rapid Re-housing rental assistance, to assist those homeless individuals and families to simply need a stabilized living situation to recover. Working with our housing partners, we will continue to work on permanent supportive housing solutions, and other ways to reduce Arizona’s homeless population.

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	77.0	77.0	77.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	328.0	328.0	337.0
Non-Appropriated Funds	22,789.5	15,295.4	15,073.5
Federal Funds	98,013.4	95,803.8	98,377.9

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	811.4	0.0
Other Appropriated Funds	318.5	318.5	318.5
Other Non Appropriated Funds	92,307.8	97,851.4	110,789.2
Total Funding	92,626.3	98,981.3	111,107.7
FTE Positions	63.5	76.0	76.0

◆ **Goal 1** To provide homeownership opportunities and a mix of rental options for Arizonans.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of households assisted with eviction or foreclosure in order to prevent homelessness	2,230	1,561	3,771	n/a	n/a
Explanation: Number of households assisted with eviction or foreclosure assistance.					
Total funds committed to homeownership programs	5,374.4	3,159.2	3,204.9	n/a	n/a
Explanation: Includes construction and acquisitions, rehabilitation of new and existing units, and first-time buyers.					
Total number of households assisted with homeownership assistance	160	91	294	n/a	n/a
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.	241,215.7	200,042.7	238,023.2	n/a	n/a
Explanation: Total funds expected to be committed to development of affordable rental units. Includes the 10 year value of federal tax credits, HOME and Housing Trust Fund resources for development as well as resources utilized for rental assistance payments.					
Total number of affordable rental units assisted/produced	10,839	10,120	10,504	n/a	n/a
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	144,445	148,778	170,902	n/a	n/a
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	2,923	2,510	3,270	n/a	n/a
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of agency turnover	6.67	7	11	n/a	n/a
Employee Engagement Rate	7.2:1	7.4:1	3:1	n/a	n/a
Number of Agency FTE count.	0	0	0	77	0
Percent of Arizona Management System Adoption (metric is pending)	0	0	0	80	0
Number of regrettable attrition.	0	0	0	10	0
Number of Administrative Rules Improved.	0	0	0	1	0
Percent of services online.	0	0	0	50	0

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, through bond issuances and other mortgage products to finance the development and sustainability of affordable rental units and promote homeownership opportunities in rural Arizona.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,294.7	5,978.6	0.0
Total Funding	7,294.7	5,978.6	0.0
FTE Positions	1.5	1.0	0.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total funds utilized for homeownership program through AzHFA mortgage products.	168,690.0	177,124.9	565,108.6	n/a	n/a
Explanation: Total amounts of mortgages and purchase assistance provided through the AzHFA's homebuyer assistance program. No tax dollars are utilized for the purchase assistance.					
Total number of low-income households assisted into homeownership through the homeownership program	1,050	1,103	3,264	n/a	n/a
Explanation: Total number of first-time homebuyers assisted through AzHFA programs.					
Total number of rental projects approved	1	1	0	n/a	n/a
Explanation: The AzHFA expects to receive an average of one request for multi-family bonding each year.					
Total number of rental units created in approved rental projects	60	60	0	n/a	n/a

Agency Summary

INDEPENDENT REDISTRICTING COMMISSION

Raymond Bladine, Executive Director
Phone: (602) 542-5221
Constitution Art. 4, Part 2, Section 1

Mission:

To administer the fair and balanced redistricting of congressional and legislative districts for the State of Arizona.

Description:

The Independent Redistricting Commission was established with the approval of Proposition 106 by voters in November 2000. The Commission has five members, four of whom are selected by the House and Senate majority and minority leadership. The final member 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,093.9	1,115.3	1,115.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,093.9	1,115.3	1,115.3
FTE Positions	3.3	3.3	3.3

Agency Summary

INDUSTRIAL COMMISSION OF ARIZONA

James Ashley, Director
 Phone: (602) 542-4411
 A.R.S. § 23-108.01

Mission:

To efficiently and effectively administer and enforce all applicable laws, rules, and regulations not specifically delegated to others relative to the protection of life, health, safety, and welfare of Arizona employees.

Description:

The Industrial Commission of Arizona (ICA) was created in 1925. It oversees the state workers' compensation system. The ICA's role includes employee-related issues such as minimum wage laws, occupational safety and health, youth employment laws, resolution of wage related disputes, vocational rehabilitation of injured workers, and providing workers' compensation benefits to claimants of uninsured employers, and bankrupt self-insured employers.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADMINISTRATIVE SERVICES	4,884.5	5,093.9	5,093.9
➤ WORKERS COMPENSATION CLAIMS ASSURANCE	3,077.0	3,025.8	4,043.2
➤ ADJUDICATION OF DISPUTES	4,949.2	5,107.5	5,107.5
➤ LABOR LAW ADMINISTRATION	747.4	761.3	761.3
➤ OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION	6,538.1	6,871.2	6,871.2
➤ SPECIAL FUND CLAIMS PROCESSING	17,646.4	18,455.9	18,455.9
➤ LEGAL COUNSEL	1,307.5	1,529.4	1,529.4
Agency Total:	39,150.1	40,845.0	41,862.4
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	19,136.3	19,881.3	20,898.7
Other Non Appropriated Funds	20,017.2	20,967.1	20,967.1
Total Funding	39,153.5	40,848.4	41,865.8
FTE Positions	270.0	270.0	270.0

Issue 1 MODERNIZATION OF THE WORKERS’ COMPENSATION CLAIMS SYSTEM

Description The Industrial Commission (ICA) is the agency responsible to ensure that Arizona workers’ compensation claims are processed in accordance with the provisions of Chapter 6 of A.R.S. Title 23. This responsibility primarily rests with the Commission’s Claims Division. To meet this responsibility, the Claims Division deployed a customized computer system in 1991 to manage claims processes and documents.

Over time, this system has become increasingly outdated and burdensome to the agency’s stakeholders. In its current state, the system cannot accept essential claim information in an electronic format from insurance carriers and self-insured employers because of the nature of the 1991 data processing design. These ICA customers must manually file over two million documents each year with the Claims Division. The system also experiences frequent system outages causing delays in claims processing due to outdated and unsupported software.

In order to continue providing essential claims processing services that meet customer needs, the ICA must replace the current Claims Division computer system. This will significantly improve efficiency and accuracy for all functional areas as well as capture substantial new data and statistics for work related injuries. Most importantly, it will give the agency’s external customers the ability to electronically interface with the Claims Division computer system.

Eight of the ICA’s eleven FY17 agency scorecard metrics rely on the Claims Division computer system for achievement.

Solutions:

The ICA requests funding for the modernization of the workers’ compensation claims system. This project would be paid from the ICA’s Administrative Fund. No General Fund monies are required.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	235.2	235.2	235.2
General Fund	0.0	0.0	0.0
Other Appropriated Funds	19,881,300.0	19,881,300.0	19,881,300.0
Non-Appropriated Funds	17,806,800.0	17,806,800.0	17,806,800.0
Federal Funds	3,160,300.0	3,160,300.0	3,160,300.0

Program Summary

ADMINISTRATIVE SERVICES

Sylvia Simpson, Chief Financial Officer
 Phone: (602) 542-4654
 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, and workers’ compensation self-insurance program services; Management Information Services; Human Resources; and Special Services, which provides facilities management, procurement, and mail services.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,873.5	5,083.5	5,083.5
Other Non Appropriated Funds	11.0	10.4	10.4
Total Funding	4,884.5	5,093.9	5,093.9
FTE Positions	44.0	44.0	44.0

◆ **Goal 1** To process all personnel actions in an effective manner on a timely basis.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Actions processed	13,377	13,377	10,307	n/a	n/a
Percent of Agency staff turnover	15.0	20.0	11.0	n/a	n/a
Administration as a percent of total cost	10.0	10.0	8.0	n/a	n/a

◆ **Goal 2** To process all accounting transactions correctly on a timely basis.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Invoices processed	42,086	42,000	47,665	47,500	0
Warrants, checks and ACH payments completed	14,091	14,000	12,894	13,000	0
Purchase orders processed	430	400	1,196	1,200	0
Number of days to process an invoice upon receipt by the agency.	0	0	30	30	0

◆ **Goal 3** To process all self-insurance new applications and renewal applications efficiently and in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Self-Insurance licenses issued.	0	0	79	n/a	n/a
Number of days to complete a self-insurance renewal application.	0	0	60	54	0
Number of days to complete a new self-insurance application.	0	0	70	63	0

Program Summary

WORKERS COMPENSATION CLAIMS ASSURANCE

Molly Jones, 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 oversees 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 oversees the administration of medical and indemnity benefits for workers' compensation claims. This Division also includes the Ombudsman's office, which provides assistance to stakeholders.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,947.9	2,880.8	3,898.2
Other Non Appropriated Funds	129.1	145.0	145.0
Total Funding	3,077.0	3,025.8	4,043.2
FTE Positions	59.0	59.0	59.0

◆ **Goal 1** To ensure that permanent disability awards (loss of earning capacity awards) are issued in timely manner.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Awards issued	2,053	2,500	1,933	0	0
Percent of awards issued within 75 days	82.0	85.0	71.97	0	0

◆ **Goal 2** To complete injured worker average monthly wage determinations in most effective, efficient manner possible.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of wage determinations issued	13,384	14,175	12,857	0	0
Percent determined within 75 days	95.0	95.0	95.0	0	0

◆ **Goal 3** To process lump sum commutation requests in the most efficient manner.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Lump sum requests processed	11	15	14	0	0
Percent of lump sum decisions issued within 15 business days	100.0	100.0	100.0	0	0

◆ **Goal 4** To process initial filing of Workers Compensation Claims on timely basis.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of claims for workers' compensation processed	91,810	94,000	92,064	0	0
Percent of claims established within five days	92.0	95.0	96.0	0	0

◆ **Goal 5** To ensure that workers' compensation claims are processed in a timely and efficient manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction rating for workers' compensation program (Scale A=Excellent, B=Above Average, C= Average, D=Below Average, F=Fail)	A	A	B	0	0

◆ **Goal 6** To provide information and assistance to injured workers in an efficient manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of claimants contacted	3,302	3,360	3,205	0	0

◆ **Goal 7** To reduce decision time for LEC Awards from 95 days to 46 days (51% reduction)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of days from receipt of all necessary information to issuance of LEC award.	0	0	97	46	0

◆ **Goal 8** To reduce the number of work related injuries by 2%

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of workers' compensation claims notified (processed). End of year validation: Calculate % reduction and adjust for change in FY17 # of Arizona workers as compared to same calculation for FY16.	0	0	74,357	72,870	0

◆ **Goal 9** To report the number of Average Monthly Wage (AMW) determinations issued.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of AMW determinations issued.	0	0	9,984	9,984	0

◆ **Goal 10** To reduce the decision time for AMW determinations from 27 days to 24 days for all cases (15% reduction)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of days from date of receipt of completed AMW information to date of determination.	0	0	27	24	0

Program Summary

ADJUDICATION OF DISPUTES

Michael A. Mosesso, Chief Judge
 Phone: (602) 542-5241
 A.R.S. § 23-941

Mission:

To adjudicate legal disputes in the areas of workers' compensation, 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, youth employment labor, and minimum wage cases.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,949.2	5,107.5	5,107.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,949.2	5,107.5	5,107.5
FTE Positions	44.0	44.0	44.0

◆ **Goal 1** To process and set hearings so that they are heard in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of petitions for hearing received: workers compensation	6,813	7,000	6,190	0	0
Petitions for hearing received: OSHA	69	75	119	0	0
Awards issued: Workers' Compensation	6,388	6,500	6,158	0	0
Average number of days to resolve a case by the administrative law judge division	108	110	126	0	0

◆ **Goal 2** To process requests for hearing in the most efficient, cost effective manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Awards issued without hearing	2,607	2,660	2,648	0	0
Number of hearings conducted by the administrative law judge division	5,548	5,600	5,389	0	0

◆ **Goal 3** To reduce ALJ average case processing time from 126 days to 110 days (12% reduction).

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
# of days from ALJ case assignment to decision or award.	0	0	126	122	0

◆ **Goal 4** To reduce average decision time for all substantive ALJ Awards to 30 days with no case decided later than 60 days.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of days from case submission to issuance of ALJ Awards.	0	0	19	30	0
Percent of substantive Awards issued each month within 60 days of case submission divided by total number of substantive Awards issued each month.	0	0	94	100	0

Program Summary	
LABOR LAW ADMINISTRATION	
Steve Welker, 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 and youth employees.

Description:

The program shall enforce all statutes and rules concerning the resolution of wage complaint disputes, the enforcement of youth employment laws which involve the issuing of penalties for violations, and the enforcement of minimum wage laws.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	747.4	761.3	761.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	747.4	761.3	761.3
FTE Positions	12.0	12.0	12.0

◆ **Goal 1** To efficiently enforce the Child Labor Laws in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of injury reports reviewed	488	450	514	0	0
Child labor law violations investigated	35	30	36	0	0
Violations confirmed	0	2	2	0	0
Turnover time (time violations known to Labor to time violation confirmed in days)	40	40	36	0	0

◆ **Goal 2** To efficiently process and investigate wage claims in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of claims filed	2,882	2,850	2,892	0	0
Average months to complete investigation	3.0	3.0	3.0	0	0

◆ **Goal 3** To efficiently process and monitor the licensing of private employment agencies.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average months to complete investigation	1.0	1.0	1.0	0	0
Percent of licenses processed within 90 days	100.0	100.0	100.0	0	0
License applications processed	4	5	2	0	0
Complaints investigated	2	2	0	0	0

◆ **Goal 4** To efficiently process, investigate minimum wage claim complaints and enforce minimum wage laws.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints filed	31	32	35	0	0
Average months to complete investigation	2.0	2.0	2.0	0	0
Inquires	263	300	228	0	0
Complaints resolved through administrative determinations	0	3	0	0	0
Complaints mediated and resolved	17	20	14	0	0
Audit of Payroll Records & Compliance investigations completed	1	3	0	0	0

◆ **Goal 5** To reduce resolution time for of all completed wage claims from 82 days to 68 days (17% reduction).

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of days from date of receipt of completed wage form to date of resolution.	0	0	82	71	0

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 through a State Plan with Federal OSHA. 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 safety and oversees boiler safety. ADOSH focuses its efforts on both compliance and consultation/training.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,721.1	3,837.1	3,837.1
Other Non Appropriated Funds	2,817.0	3,034.1	3,034.1
Total Funding	6,538.1	6,871.2	6,871.2
FTE Positions	75.0	75.0	75.0

◆ **Goal 1** To effectively enforce all OSHA standard in safety compliance and industrial hygiene.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of health compliance inspections	233	305	287	0	0
Health violations	486	550	752	0	0
Number of safety compliance inspections	818	800	960	0	0
Safety violations found	1,059	1,100	1,587	0	0

◆ **Goal 2** To provide effective and timely voluntary consultation services to aid employers in recognizing and abating work place hazards.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Safety consultation surveys	159	250	198	0	0
Hazards	601	550	1,021	0	0
Health consultation surveys	163	170	170	0	0
Hazards	509	550	752	0	0

◆ **Goal 3** To provide statewide training programs to employees concerning specific safety related functions that are timely and effective.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Programs	586	500	843	0	0
Employers trained	1,602	1,600	2,839	0	0
Employees trained	3,098	3,200	1,937	0	0

◆ **Goal 4** To ensure that there is no danger to employees or the general public from Arizona boilers or elevators.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Boilers inspected	3,163	3,500	3,357	0	0
Deficiencies identified	1,182	1,450	1,468	0	0
Elevators inspected	7,283	6,900	6,498	0	0
Deficiencies identified	4,564	3,588	3,274	0	0

◆ **Goal 5** To effectively investigate OSHA Discrimination Cases.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Discrimination Complaints Received	123	130	103	0	0
Number of complaints where initial decision was reached within 90 days (includes cases administratively dismissed without investigation)	71	75	48	0	0

◆ **Goal 6** To increase the number of safety consultations for construction employers in FY17 by 30% as compared to FY16.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of safety consultations for construction employers in FY17 minus # of consultations in FY16 divided by # of consultations in FY16 .	0	0	126	164	0

◆ **Goal 7** To increase the number of participants in SHARP, VPP and PEPP in FY17 by 7% as compared to FY16.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of participants in FY17 minus FFY16 average divided by FY16 average.	0	0	70	75	0

Program Summary

SPECIAL FUND CLAIMS PROCESSING

Ruby Tate, 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 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	694.3	794.1	794.1
Other Non Appropriated Funds	16,952.1	17,661.8	17,661.8
Total Funding	17,646.4	18,455.9	18,455.9
FTE Positions	16.0	16.0	16.0

◆ **Goal 1** To process claims of injured Special Fund claimants in timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average days between receipt of claims notice and issuance of award	20.0	21.0	15.8	0	0
Pre-1973 Supportive care awards issued	26	11	13	0	0
Open Pre-1973 supportive care claims	231	219	193	0	0
Open No Insurance claims	783	822	592	0	0
No insurance determinations issued	1,599	1,644	0	0	0
Rehabilitation awards issued for scheduled and unscheduled injury types	125	144	113	0	0
Reimbursement request processed on second injury claims	632	663	649	0	0
A.R.S.§ 23-966 Determinations made	175	10	3	0	0
Open A.R.S. 23-966 claims	923	27	26	0	0

◆ **Goal 2** To increase number of Special Fund Voluntary Settlements from average of 2-3 per month to average of 5 per month where appropriate (94% increase).

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Special Fund cases settled.	0	0	31	60	0

◆ **Goal 3** To reduce injured worker initial indemnity payment time from 93 days to 74 days for no insurance claims (20% reduction).

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of days from acceptance of no insurance claim to first indemnity payment.	0	0	93	74	0

Program Summary

LEGAL COUNSEL

Jason Porter, 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 identifies Arizona employers who are operating without workers' compensation insurance.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,199.5	1,413.6	1,413.6
Other Non Appropriated Funds	108.0	115.8	115.8
Total Funding	1,307.5	1,529.4	1,529.4
FTE Positions	20.0	20.0	20.0

◆ **Goal 1** To provide quality legal representation to the Agency in contested legal matters.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
No Insurance cases referred for hearing	146	150	172	150	0
OSHA cases referred for hearing	69	75	124	75	0
Apportionment/Supportive Care Matters	73	90	76	90	0
Number of wage claim appeals	4	5	8	5	0
Litigation investigations completed	65	50	48	50	0
Civil Penalty Cases referred to hearing	27	40	25	40	0
Legal opinions & other miscellaneous	133	150	91	150	0
Rulemaking/Regulatory/Compliance/Legislation	23	25	2	5	0
Writs	63	75	86	75	0
Mandates	62	75	89	75	0

◆ **Goal 2** To effectively collect debts owed to the state and the Industrial Commission.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Collection investigations initiated	188	150	2	0	0
Collection files opened	481	450	320	0	0
Subrogation files opened	6	10	7	0	0

◆ **Goal 3** To effectively enforce compliance by Arizona employers with Arizona Workers' Compensation Insurance requirements.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of compliance referrals	3,017	3,500	2,662	0	0
Employers identified as uninsured	954	1,400	521	0	0
Compliance investigations completed	947	750	694	0	0
Civil penalties issued	203	200	148	0	0
Employers insured through our efforts	332	300	295	0	0
Injunctive proceeding initiated	70	60	53	0	0

Agency Summary

DEPARTMENT OF INSURANCE

Leslie R. Hess, Interim Director

Phone: (602) 364-3100

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 insurance premium taxes, license fees, and other revenues that benefit the General Fund.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ POLICY AND ADMINISTRATION	1,252.6	1,540.5	1,540.5
➤ SOLVENCY REGULATION	17,958.1	18,065.7	98,065.7
➤ CONSUMER SUPPORT	3,201.5	4,116.9	3,447.0
➤ FRAUD INVESTIGATION AND DETERRENCE	908.2	1,184.0	1,179.6
➤ LICENSING	791.5	670.4	670.4
➤ PREMIUM TAX COLLECTIONS AND ANALYSIS	247.0	253.2	253.2
➤ CAPTIVE INSURER PROGRAM	210.2	398.6	398.6
Agency Total:	24,569.1	26,229.3	105,555.0
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	5,036.4	5,824.3	5,824.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	19,532.7	20,405.0	99,730.7
Total Funding	24,569.1	26,229.3	105,555.0
FTE Positions	101.3	102.3	102.3

Issue 1 Renewed Federalism - State-based Insurance Regulation

Description One of the most critical issues facing Arizona and all other states is the modernization and preservation of state-based insurance regulation. State officials have successfully regulated the insurance industry for nearly 150 years, promoting the public interest, ensuring competitive markets, facilitating fair and equitable consumer protections, and maintaining the financial strength and solvency of the insurance industry.

Solutions:

STRATEGY 1.1: Work cooperatively with industry and consumer groups, the ADOI, and other state insurance regulators to continuously improve the efficiency and effectiveness of state-based regulatory system to foster a sound, competitive, and market-responsive insurance industry, both nationally and globally.

STRATEGY 1.2: Work with Arizona policymakers and insurance industry representatives to propose and enact legislation that makes Arizona laws consistent with standards developed with other state insurance regulators through the National Association of Insurance Commissioners (“NAIC”).

STRATEGY 1.3: Effectively direct and manage ADOI’s resources to ensure ADOI continues to meet NAIC accreditation standards, and continues to satisfy the needs and expectations of its customers and stakeholders.

STRATEGY 1.4: Communicate and coordinate with industry, other state regulators, federal entities and international supervisors to ensure effective and cooperative oversight of global insurance market.

Issue 2 Economic Competitiveness - A Vibrant, Competitive, and Financially Sound Insurance Industry

Description Arizona’s economy and its citizens benefit from conditions that attract insurance business in Arizona and from other appropriate measures designed to increase competition, keep insurance prices down, make a wide array of insurance products and services available to individuals and businesses, and encourage investment in related business products, which generate tax revenue.

Solutions:

STRATEGY 2.1: Administer solvency oversight responsibilities with resources and practices that meet or exceed NAIC accreditation standards.

STRATEGY 2.2: Enforce Arizona insurance laws in a reasonable and consistent manner that promotes fair and strong competition among industry participants and in a manner that minimizes bureaucracy and red tape.

STRATEGY 2.3: Vigorously investigate, prosecute and otherwise deter insurance fraud.

Issue 3 Modernizing State Government - Operational Efficiency and Effectiveness

Description Like any other enterprise, ADOI must update its equipment, software and systems, must train employees on new insurance laws, products and approaches, and should encourage innovation, in order to provide better service at lower costs.

Solutions:

STRATEGY 3.1: Continue to update technology systems and to automate processes to allow ADOI to manage a growing workload while minimizing resource requirements.

STRATEGY 3.2: Actively engage employees in ADOI’s mission by demonstrating ADOI’s commitment to them.

STRATEGY 3.3: Cross train employees, where practicable, to reduce risks associated with employee attrition.

STRATEGY 3.4: Regularly communicate with customers, stakeholders, and policymakers concerning ways to improve the efficiency, effectiveness and focus of insurance industry oversight.

Issue 4 Education Reform –Industry Competency, and Consumer Education and Awareness

Description Education is important to ensure that Arizonans are being served by insurance professionals who have sufficient knowledge and understanding of insurance and financial instruments, and to help Arizonans make informed insurance-related decisions.

Solutions:

STRATEGY 4.1: Routinely evaluate the quality of pre-license examinations and the availability of insurance continuing education opportunities.

STRATEGY 4.2: Continually improve ADOI’s internet web site, publications, and other resources to inform and educate Arizona’s insurance industry and insurance consumers.

STRATEGY 4.3: Provide insurance policyholders affected by catastrophes with literature and assistance with claims issues.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	81.0	81.0	81.0
General Fund	5,824.3	5,824.3	5,824.3
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	19,564.6	19,564.6	19,564.6
Federal Funds	0.0	0.0	0.0

Program Summary

POLICY AND ADMINISTRATION

Scott B. Greenberg, Assistant Deputy Director

Phone: (602) 364-3764

A.R.S. Title 20; A.R.S. Title 20; AZ Const. Art. 15, § 5

Mission:

To provide leadership, direction, coordination and support, enabling ADOI to achieve its overall mission.

Description:

This program develops and implements administrative and regulatory policies and procedures, and coordinates process improvement; 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,171.9	1,449.5	1,449.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	80.7	91.0	91.0
Total Funding	1,252.6	1,540.5	1,540.5
FTE Positions	12.5	12.5	12.5

- ◆ **Goal 1** To efficiently and effectively coordinate, facilitate and support accomplishment of department-wide and divisional goals and objectives.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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.	71.7	75.0	66.7	70.0	70.0

◆ **Goal 2** To provide a satisfying work environment for agency employees.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of employee separations to average filled FTE positions	21.5	15.0	18.9	16.5	15.0

Explanation: As of June 30, 2016, 10 of 75 employees were eligible for retirement. An additional 14 employees will be retirement-eligible by June 30, 2021.

Percentage of Insurance Department employees surveyed who responded they were "satisfied" with their jobs	80.4	80.0	74.1	80.0	80.0
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◆ **Goal 3** To provide quality accounting, budgeting, personnel and procurement services to internal customers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of Insurance Department employees surveyed who responded they were "satisfied" or better with the Business Services Section	80.4	85.0	76.0	80.0	80.0

◆ **Goal 4** To provide quality information technology support to internal customers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of Insurance Department employees surveyed who responded they were "satisfied" or better with the Information Services Division	76.1	80.0	84.0	80.0	80.0

◆ **Goal 5** To promptly fulfill appropriate public records requests and subpoenas.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average days to fulfill a public records request or respond to a subpoena from date received	9.4	5.0	2.9	3.0	3.0

Program Summary

SOLVENCY REGULATION

Kurt A. Regner, Assistant Director

Phone: (602) 364-3999

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	241.4	160.8	160.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	17,716.7	17,904.9	97,904.9
Total Funding	17,958.1	18,065.7	98,065.7
FTE Positions	23.3	23.3	23.3

◆ **Goal 1** To efficiently and effectively analyze financial filings of insurers.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percentage of domestic multi-state insurer financial filings reviewed within timeframes prescribed by the National Association of Insurance Commissioners (NAIC).	0	0	91.8	95.0	95.0

◆ **Goal 2** To timely, efficiently and effectively examine domestic insurers.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percentage of domestic insurers examined within statutory timeframes	100.0	100.0	100.0	100.0	100.0
Number of new domestic receiverships	0	N/A	0	2	N/A

Explanation: No one can predict the number or timing of insurance company insolvencies.

◆ **Goal 3** To efficiently and effectively administer the Guaranty Funds.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percentage by which investment earnings of the Guaranty Funds exceeded the 90-day T-bill rate	0.16	0.20	0.18	0.18	0.18
Claims handling audit score for claims handled by the Guaranty Funds office (perfect score = 100)	N/A	N/A	N/A	90	90

Explanation: Because of the low volume of claims, the small total of loss payments and the small total of loss adjustment expenses, the ADOL determined it inefficient to have a claims audit performed.

Program Summary

CONSUMER SUPPORT

Scott B Greenberg, Assistant Deputy Director
 Phone: (602) 364-3764
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,884.9	2,314.8	2,314.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,316.6	1,802.1	1,132.2
Total Funding	3,201.5	4,116.9	3,447.0
FTE Positions	40.0	40.0	40.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of major medical health insurers that submitted timely pay and grievance reports that complied with the requirements of ARS § 20-3102(F).	100.0	100.0	88.0	100.0	100.0

- ◆ **Goal 2** To efficiently and effectively evaluate and secure corrective action to deficiencies in prepaid dental plan network adequacy, plan management, member services, and quality improvement systems.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of prepaid dental plan organization quarterly reports reviewed for compliance with laws and regulations	100.0	100.0	100.0	100.0	100.0

- ◆ **Goal 3** To efficiently and effectively analyze and examine insurers' marketing, claims, underwriting, and rating practices.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of market conduct examination reports filed within one year after exit from company for reports filed during the year	83.0	85.0	85.7	90.0	90.0
Amount of restitution recovered through market conduct examinations (in thousands of dollars)	154.3	50.0	6.4	10.0	10.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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	132.0	135.0	177.0	150.0	150.0

◆ **Goal 5** To efficiently and effectively review Property and Casualty rate filings to determine compliance with Arizona law.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average calendar days to review required property and casualty form filings.	0	0	12.3	8.0	6.0

Explanation: Average calendar days to close (approval/denial/withdrawal of) required property/casualty form filing from date received to date decision sent. Actual result for FY 2015 was 18.7 days.

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
THIS MEASURE SHOULD BE DELETED. Percentage of form filings submitted electronically	99.0	100.0	100.0	100.0	100.0

Explanation: Includes life, health, and property and casualty form filings.

Average calendar days to review all required rate and form filings.	0	0	TBD	17.2	16.0
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Explanation: Average calendar days to close (approve/deny/see withdrawal of) required form/rate filing from date received to date decision sent.

◆ **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.

**THIS GOAL SHOULD BE DELETED. The Department of Insurance is consolidating its consumer complaint resolution activities into Goal 9.

◆ **Goal 8** To efficiently and effectively administer health insurance external appeals process.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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	99.5	100.0	100.0

◆ **Goal 9** To efficiently and effectively render assistance to consumers and other constituents on insurance-related matters.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of survey respondents indicating satisfied or better with assistance rendered	64.9	66.0	57.5	65.0	70.0

Explanation: Results are the result of only 40 survey responses to a survey administered online and promoted in notices provided to individuals who submitted complaints to which the Department responded.

Average calendar days to resolve insurance consumer complaints.	0	0	76.7	70.4	38.0
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Explanation: Average calendar days to close a consumer request for assistance or investigation from date received to date response sent to consumer.

◆ **Goal 10** To efficiently and effectively make insurance-related information available to the public.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of subscribers to Department of Insurance electronic mailing lists as of June 30.	1,094	1,500	1,273	1,400	1,600

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	907.6	1,179.6	1,179.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.6	4.4	0.0
Total Funding	908.2	1,184.0	1,179.6
FTE Positions	11.0	11.0	11.0

◆ **Goal 1** To efficiently and effectively investigate fraud referrals.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of investigations completed from referrals	71	100	165	110	110
Explanation: Excludes major cases, which are large-scale investigations involving multiple referrals and a common set of suspects.					
Number of fraud referrals received from insurers	2,474	2,500	2,540	2,400	2,400
Explanation: Excludes major cases.					
Number of insurer-referred cases submitted for prosecution (including citations in lieu of detention)	30	37	56	40	40
Explanation: Excludes major cases.					
Number of convictions from insurer-referred cases	74	30	28	30	30
Explanation: Excludes major cases.					
Average days to complete investigation of insurer-referred cases for cases completed during the year	366.0	350.0	297.0	350.0	350.0
Explanation: Excludes major cases.					
Total restitution ordered from investigations of insurer-referred cases (in thousands of dollars)	197.0	250.0	126.0	200.0	200.0

◆ **Goal 2** To efficiently and effectively target and investigate major fraud cases.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of major case investigations completed	2	2	4	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.	2	2	4	2	2
Number of major cases that resulted in convictions	4	2	2	2	2
Total restitution ordered from major case investigations (in thousands of dollars)	464.0	350.0	157.0	350.0	350.0

Program Summary

LICENSING

Scott B. Greenberg, Assistant Deputy Director
 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. Title 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:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	583.6	466.4	466.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	207.9	204.0	204.0
Total Funding	791.5	670.4	670.4
FTE Positions	8.8	8.8	8.8

◆ **Goal 1** To efficiently and effectively process insurer license applications.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average calendar days to decide insurance company license/expansion applications.	0	0	71.7	60.8	60.0

Explanation: Average calendar days to decide insurer application for an Arizona Certificate of Authority from date application received to date decision sent to applicant or date withdrawn.

Average calendar days to approve a foreign unauthorized insurer as a surplus lines insurer.	0	0	9.3	16.1	5.0
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Explanation: Average calendar days to add a foreign unauthorized insurer to the list of qualified surplus lines insurers from the date the certificate of financial requirements compliance is received from the sponsoring broker to the date the broker and insurer are notified of the outcome of the review (approval or denial).

◆ **Goal 2** To provide quality service to professional service license customers. *The Department recommends deleting this goal because it is addressed through Goal 3.

◆ **Goal 3** To efficiently and effectively process professional service license applications.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Producer license and renewal applications received	62,497	61,018	67,690	69,022	69,908
Total producers licensed at June 30	208,036	218,438	221,549	235,000	249,200
Average calendar days required to render a decision on an insurance professional license application/renewal application from date received to date decision rendered (lead time).	4.7	3.7	2.1	2.2	2.2

Explanation: Average calendar days to decide insurance professional license/renewal application from date received to date notification of decision sent to applicant or date withdrawn.

Average calendar days to review third-party administrator (TPA) registration applications.	0	0	50.6	15.8	10.0
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Explanation: Average calendar days to decide TPA certificate of registration application from date received to date notification of decision sent to applicant or date withdrawn.

Average calendar days to decide service company renewal applications	0	0	12.2	13.0	10.0
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Explanation: Average calendar days to decide renewal application for a service company from the date application received to date decision sent to applicant or date withdrawn.

Percentage of insurance professional license/renewal applications submitted online	0	0	90.4	91.0	91.5
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Explanation: Percentage of the total number of insurance professional license and renewal applications received electronically to the total number of license and renewal applications received.

Program Summary

PREMIUM TAX COLLECTIONS AND ANALYSIS

Scott B. Greenberg, Assistant Deputy Director
 Phone: (602) 364-3764
 A.R.S. §§ 20-224 et. seq.

Mission:

To collect, efficiently deposit and accurately forecast insurance premium tax revenues.

Description:

This program develops and provides tax report forms and information to taxpayers, collects and deposits premium tax revenues, audits premium tax reports and communicates with taxpayers concerning discrepancies, assesses late payment penalties and interest, and forecasts premium tax revenues.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	247.0	253.2	253.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	247.0	253.2	253.2
FTE Positions	3.2	3.2	3.2

◆ **Goal 1** To fully collect the premium tax required by law.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Amount of tax, interest and penalties recovered through audits (in millions of dollars)	1.0	1.0	0.5	0.5	0.5

◆ **Goal 2** To efficiently deposit premium tax revenues.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of premium tax (installment and annual) reports and payments received electronically	22.3	25.0	37.1	40.0	42.0

◆ **Goal 3** To accurately forecast premium tax revenues.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Difference (absolute value) between tax revenue forecast and actual fiscal-year tax revenues collected	0	3.0	9.5	3.0	3.0

◆ **Goal 4** To provide quality service to premium taxpayers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of insurance premium taxpayers surveyed who reported they were "satisfied" or better with the Premium Tax Unit.	50.0	65.0	86.4	85.0	85.0

Explanation: Beginning in FY 2016, the Department included survey questions on the tax report completed by insurers and received over 300 responses. In prior years, the Department received fewer than 30 responses.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	210.2	398.6	398.6
Total Funding	210.2	398.6	398.6
FTE Positions	2.5	3.5	3.5

◆ **Goal 1** To enable growth of the domestic captive insurance industry.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of new captive insurers licensed	12	6	6	6	6

◆ **Goal 2** To efficiently and effectively process captive insurer license applications.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Calendar days to decide a captive insurer license application from the date received to the decision date.	0	0	42.0	45.0	45.0

◆ **Goal 3** To efficiently and effectively oversee the soundness of domestic captive insurers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of captive insurer annual reports analyzed within 120 calendar days of receipt	59.8	75.0	60.3	60.0	60.0

Program Summary

OSHA REVIEW BOARD

Phone:

A.R.S. Ch. 4, Art. 14, Title 20; AZ Const. Art. 15, § 5

Mission:

Description:

Agency Summary

JUDICIAL SYSTEM

Hon. Scott Bales, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADJUDICATION	4,240.9	4,660.0	4,660.0
➤ ADMINISTRATIVE SUPERVISION (COURTS AND AOC SUPPORT)	11,591.2	11,713.8	11,713.8
➤ REGULATORY ACTIVITIES	2,775.5	3,295.0	3,295.0
➤ COURT ASSISTANCE	39,310.5	49,452.3	48,253.6
➤ FAMILY SERVICES	6,940.0	10,350.8	8,140.8
➤ JUDICIAL NOMINATIONS AND PERFORMANCE REVIEW	412.4	409.1	409.1
➤ COMMISSION ON JUDICIAL CONDUCT	504.9	498.6	498.6
➤ JUDICIAL COMPENSATION	8,216.1	8,448.5	8,479.2
➤ ADULT PROBATION SERVICES	31,779.3	34,292.2	35,076.0
➤ JUVENILE PROBATION SERVICES	39,941.4	45,227.5	45,227.5
➤ COURT OF APPEALS DIVISION I	9,964.8	9,963.9	10,112.7
➤ COURT OF APPEALS DIVISION II	4,326.7	4,316.5	4,403.7
➤ ADULT AND JUVENILE DRUG COURT	993.6	993.6	993.6
Agency Total:	160,997.3	183,621.8	181,263.6
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	105,800.7	113,017.7	110,909.5
Other Appropriated Funds	32,130.2	41,162.1	40,912.1
Other Non Appropriated Funds	23,066.4	29,442.0	29,442.0
Total Funding	160,997.3	183,621.8	181,263.6
FTE Positions	731.1	742.1	760.6

Issue 1 Goal 1 Promoting Access to Justice

Description Arizonans look to our courts to protect their rights and to resolve disputes fairly and efficiently. To serve these ends, Arizona’s judicial branch must work to ensure that all individuals have effective access to justice. This goal is advanced not only by examining legal representation for moderate and low-income persons, but also by helping self-represented litigants and others navigate the judicial process and by using technology to make courts more accessible to all.

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Solutions:

1-A Access to Justice

Our courts should work with others in government and our communities to assess the legal needs of modest to low-income individuals and to develop strategies to better serve those needs.

- Create a statewide commission, including members of the public, to study and recommend ways to promote access to justice.
- Identify ways to promote participation by lawyers in access to justice initiatives and recognize them for their professional and financial contributions.
- Identify ways to improve funding for the judicial branch and the courts’ ongoing ability to provide access to court services.

1-B Services for self-represented litigants

Many people cannot afford or choose not to obtain legal representation in court proceedings. Consequently, the courts must be prepared to assist self-represented individuals in understanding court processes and legal procedures.

- Expand access to web-based forms, e-filing, and information describing legal terms and court procedures.
- Ensure court forms and information, whether in electronic or paper form, are easily understandable.
- Collaborate with legal services agencies and the Arizona Foundation for Legal services and education to develop strategies to expand legal and other self-help services for modest- to low- income litigants.
- Provide front-end triage and referral services to assist self-represented litigants in identifying and obtaining appropriate services.
- Explore programs to recruit and train college students and other volunteers to work in legal self-help centers to:
 - o Assist with legal workshops,
 - o Help complete legal forms, and
 - o Provide information and referrals.
- Explore the use of technology-based access to justice solutions being developed in other courts.

1-C Services for limited English proficient litigants, defendants, and other court participants

Limited English language skills should not be a barrier to accessing justice. Arizona’s courts have significantly expanded access to interpreter services and translated forms, instructions, and court information. Work remains to be done, however, particularly given our evolving and diverse population and changing technology.

- Develop strategies for increasing the availability and quality of court interpreters and interpreter services, including:
 - o Expanding the remote video interpreting project, and
 - o Identifying other opportunities to use technology in providing language assistance services to litigants, witnesses, and others.
- Develop strategies to expand the use of alternative language court forms, instructions, and information both at courthouses and online.

1-D Access to courts and court information using technology

Technological change provides ongoing opportunities for the court system to enhance and increase access to courts, court proceedings and court information. Previous strategic agendas have set Arizona courts on a path to increased electronic access for

the public and court community alike. This agenda continues those efforts and seeks to further advance the ability for court users to locate information, file documents and receive court notifications electronically, and remotely participate in court proceedings.

- Expand electronic access to court documents and data with appropriate protections for security and privacy.
- Extend e-filing to courts statewide.
- Establish a web-based online payment system for drivers wanting to plead responsible and pay civil traffic tickets and minor misdemeanor charges.
- Create an electronic noticing system to remind parties, probationers, and other court participants of upcoming court dates.
- Identify other opportunities for video hearings and other remote electronic court appearances.

Issue 2 Goal 2 Protecting Children, Families, and Communities

Description The Arizona Judiciary has long made it a priority to protect our state’s most vulnerable populations. We have reformed our juvenile courts to provide timely hearings and due process in child neglect and dependency cases. We have reformed our probate rules and laws to ensure our elderly have adequate protections against exploitation and abuse. Every day, we protect our communities by holding juvenile and adult probationers accountable and providing the treatment and rehabilitative services they need to once again become productive and law-abiding members of the community.

While continuing our commitment to protecting the young and elderly, we also should expand the use of problem solving courts to better serve individuals who may have specialized needs. Our communities look to courts not only to decide cases, but also to solve problems.

Solutions:**2-A Center for evidence-based practices**

“Evidence-based practices” are identified by rigorously studying the effects of different policies and processes. Important research regarding evidence-based practices in the legal system is underway throughout the nation. Although the Arizona judiciary has successfully incorporated evidence-based practices in probation services, Arizona’s courts must stay current with this research and remain a leader in implementing successful approaches. The Arizona Center for evidence-Based Practices will support these efforts. The Center will bring together judicial leaders, researchers, and practitioners to design the best programs to promote juvenile and adult offender accountability, rehabilitation, crime reduction, and community protection.

- Improve and expand the use of evidence-based practices to determine pre-trial release conditions for low-risk offenders.
- Evaluate and, as appropriate, implement new or expanded evidence- based programs for Arizona’s Adult and Juvenile Probation services. Programs to evaluate include:
 - o Supervision of the seriously mentally ill,
 - o Positive adult mentoring of juvenile probationers,
 - o Effective practices to reduce the risk of violence, especially gun violence involving probationers,
 - o Effective community re-entry for adults and youth after incarceration or detention,
 - o Family inclusive probation supervision and services, and
 - o Effective community supervision programs to reduce adult and juvenile recidivism.
- Encourage and support the use of evidence-based services and interventions for children and families for reunification and permanency in dependency cases.
- Encourage and support the educational needs of all youth under court supervision as a critical factor in future well-being.

2-B Problem-solving courts

Problem-solving courts must also follow evidence-based practices to succeed. Although some Arizona courts have implemented problem-solving courts, there is a continuing need to create courts designed to serve the distinct needs of certain individuals, such as homeless courts, drug courts, veterans courts, and mental health courts.

- Collaborate with justice partners, treatment providers, and other community service entities to expand problem-solving courts including drug, homeless, veterans, mental health, and domestic violence courts.
- Develop evidence-based practices bench books, training, and other information for judges assigned to problem-solving courts.
- Identify strategies, including statutory changes, allowing multi-court collaboration and use of technology to establish and expand problem-solving courts across jurisdictional boundaries.

2-C Regulating the practice of law to protect the public

The Supreme Court regulates the practice of law in order to protect the public. Litigants and other represented parties expect competency and professionalism from their lawyers. The Supreme Court promotes these goals by establishing and enforcing standards of competency and ethical conduct and by taking disciplinary action against those who violate these standards.

- Review attorney admission requirements and protocols to determine if changes are needed to promote higher standards of lawyer competency and professionalism.
- Review the current Supreme Court Rules establishing the State Bar to assess how well the current governance structure allows the State Bar to fulfill its mission of protecting the public and improving the legal profession.

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- Review rule changes proposed by the American Bar Association’s “Commission on Ethics 20/20” to determine if changes to the ethical rules for Arizona attorneys are desirable.
 - Continue to evaluate the Arizona Bar examination requirements to ensure that the exam is evidence-based, tests lawyer competency, protects the public, and improves the legal profession.
 - Develop best practices training for parents’ counsel in juvenile dependency cases.
 - Explore ways to enhance mentoring for new attorneys.

2-D Human trafficking

Human trafficking, often referred to as modern-day slavery, is commanding increased attention from courts and communities across the nation. Trafficking threatens some of our most vulnerable individuals, including young people who have been involved in the foster care system or juvenile courts. Human trafficking raises many challenges for state courts, which need to better identify human trafficking crimes and victims, develop strategies to handle such cases, assist persons who are victimized, and protect those at particular risk of becoming victims.

- Collect and analyze information on the scope and impact of human trafficking-related cases in Arizona courts and develop recommendations on the appropriate role of the state court system in addressing this issue.

Issue 3 Goal 3 Improving Court Processes to Better Serve the Public

Description Providing access to justice requires our courts to continually strive to maintain and improve upon existing processes and systems which ensure effective and efficient case management and use of information and resources. Judges and court staff need the appropriate resources and training to ensure all cases are heard in a timely manner and processed efficiently. Also, our justice system partners and the public should be able to access courts and court information in the most efficient ways possible. While implementing planned technology improvements, we must also find ways to improve existing practices and policies to further ensure that public resources are used effectively, efficiently, and accountably.

Solutions:**3-A Judicial system process improvement**

As case filings increase and more people interact with the courts each day, the court system must continue to identify ways to improve judicial system processes. This effort requires that judges, clerks, court administrators, and staff have the tools needed to timely and efficiently process cases.

- Improve timeliness and efficiency of civil, criminal, juvenile, family, and probate case processing in Arizona courts by:
 - Adopting case processing time standards,
 - Revitalizing caseload management efforts statewide, including principles of differentiated case management, court control over the pace of litigation, and compliance with rules governing case processing time requirements,
 - Providing case management system enhancements, including reporting capabilities,
 - Implementing e-bench tools that allow judges to more efficiently manage and resolve cases,
 - Providing judicial workload tools to assist presiding judges when making case assignments, and
 - Implementing relevant performance, customer service, and case management measures.
- Identify and implement ways to improve the process of jury selection and service.
- Review certain Arizona Rules of Court to restyle, simplify, and clarify the rules.
- Identify and implement case management and judicial officer assignment practices for commercial litigation to timely resolve cases and reduce costs to litigants and the court.

3-B Courthouse facilities and security

Arizona's courts are forums for resolving difficult issues that affect people in vital aspects of their lives, including cases involving domestic relations, parental rights, and individual liberty. Emotions can run high in court proceedings. Our courthouses must be a safe place for all who enter their doors.

- Establish courthouse and courtroom security standards.
- Conduct a needs assessment for courthouse security infrastructure.
- Develop training standards and skill development opportunities for court security officers.

3-C Next generation case management systems

Case management systems support the work of the courts and probation services. Many of these systems have been in place for more than a decade and require updating or replacement. This effort will take time and considerable investment of human and financial capital.

- Implement Arizona Judicial Automated Case System (AJACS) in limited jurisdiction courts.
- Fully implement Juvenile On-Line Tracking System (JOLTSaz) in juvenile courts.
- Integrate Adult Probation Enterprise Tracking System (APETS) with AJACS.
- Enhance or replace appellate case management systems.

3-D Court data repositories and justice system data exchanges

Technology has enabled the court system to vastly improve court processes and provide quick access to court information. New technologies and data exchange protocols create new opportunities for data sharing among justice system entities. The judicial branch must continue initiatives to provide criminal justice system participants access to accurate and complete data needed to perform their duties.

- Implement the Central Case Index system to enable the flow of critical court data to and from federal, state, and local justice

system entities.

- Collaborate with other justice system entities to develop and implement data collection and exchange strategies that leverage technology, including:
 - o Expanding e-warrants project to other justice system entities,
 - o Modernizing the state's warrant repository system,
 - o Making mental health court orders available to appropriate criminal justice and treatment officials,
 - o Making condition of release information available to appropriate criminal justice officials, and
 - o Improving accuracy and completeness of the state's criminal history repository and National Instant Criminal Background Check System (NICS).

Issue 4 Goal 4 Enhancing Professionalism within Arizona's Courts

Description Judicial excellence, staff competency, and professionalism are critical to maintaining Arizona's national reputation for innovation and leadership within its judiciary. Court personnel at every level must maintain the high level of service and professionalism exhibited daily in courts across the state.

Solutions:

4-A Judicial excellence

A highly respected judiciary is at the core of judicial excellence. The judicial branch must continue the professional development of new and veteran judges to ensure they adhere to the highest standards of competence, conduct, integrity, professionalism, and accountability.

- Examine current systems for ensuring new and veteran judges are well-prepared for the courtroom, including but not limited to:
 - o Assessing new judge training and orientation,
 - o Establishing a skill enhancement program for experienced judges based on mentoring and education services, and
 - o Ensuring an efficient and effective judicial oversight process exists to monitor judges' performance and to address public concerns.
- Expand educational opportunities for appellate judges.
- Collaborate with the State Bar on educational programs of mutual interest to judges and lawyers.
- Conduct a judicial education needs assessment to identify new or enhanced training for judges including, but not limited to:
 - o Cultural competency and implicit bias,
 - o Procedural fairness,
 - o Forensic science,
 - o Delinquency case processing, and
 - o Effective use of technology on the bench, in chambers, and remotely.
- Develop web-based training on best judicial practices for protective order procedures and criminal case proceedings involving child victims.

4-B Judicial branch leadership

Developing effective court leadership is essential to maintaining a high level of professionalism and competency within the judicial branch.

- Develop judicial leadership and leadership team programs.
- Prepare court leadership for next generation case management systems and technology.
- Provide resources for presiding judges and other court leaders to effectively plan for succession in court management.

4-C Workforce development

Judicial branch employees who are not judges must possess the tools and skills needed to properly and timely process cases, accurately maintain court records, and properly supervise juvenile and adult offenders in the community. Our workforce development plans must include training methods that are convenient, timely, and relevant.

- Enhance the use of web-based video/audio conference capability to train court employees.
- Develop guidelines on the use of social media by court employees in the workplace.
- Continue efforts to recruit and retain a culturally diverse workforce at all levels within the judicial branch.
- Evaluate the need for wellness initiatives for judicial and other court staff.

Issue 5 Goal 5 Improving Communications and Community Participation

Description Public awareness of the role of the judicial branch and what courts do on a daily basis is essential to ensuring trust and confidence in a judicial system that seeks to provide fair and impartial access to all. With so many media and social networking choices available today, courts can improve how they inform the public about court events and opportunities to serve as volunteers.

Solutions:

5-A Volunteerism

Arizona’s courts at all levels depend on volunteers to assist in fulfilling the judiciary’s many functions and responsibilities—from judicial selection and performance review, to foster care review boards and CASA volunteers, to providing community outreach. While each component of the judiciary continually seeks out a talented and diverse volunteer base, the judicial branch as a whole can do more to enhance the importance and reward of serving as a volunteer in court programs.

- Establish public service recruitment and recognition programs to further engage community participation in our judicial system.
- Identify ways to enlist the help of retired judges and lawyers to provide community outreach and to act as ambassadors for the judiciary.
- Continue efforts to recruit volunteers who reflect the diversity of our communities.

5-B Communications with the public and education communities

In a world of nearly instantaneous access to information, Arizona courts must be proactive in communicating with the general public, elected officials, and other government entities.

- Communicate effectively with the public about the role of courts in a free society, how courts serve our communities, and progress in achieving this agenda’s goals.
- Promote civic education by supporting programs such as “We the People,” mock trial, and iCivics; partnering with teachers and others in the education community; and conducting appellate arguments in local schools and other community locations.
- Use juror “downtime” to provide prospective jurors with information about the role of courts and public involvement in the justice system.
- Update speaker’s toolkit for judges and other court leadership to use when making presentations.
- Increase use of social media to improve communications with the public.

5-C Communications within the branch and with other branches of state and local government

The judicial branch has many components. Although increased integration and technology have improved communications, Arizona courts should strive to further enhance communications across programs, jurisdictions, and branches of government.

- Reinststitute the “View from the Bench” program for the Superior Court and limited jurisdiction courts and invite local and state policy makers to participate.
- Publish an electronic newsletter and identify other ways to improve communication within the branch regarding projects and important events.
- Identify ways to improve communication among the branches of county and city governments.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	469.8	469.8	469.8
General Fund	110,909.5	110,909.5	110,909.5
Other Appropriated Funds	40,912.1	40,912.1	40,912.1
Non-Appropriated Funds	27,831.6	27,831.6	27,831.6
Federal Funds	0.0	0.0	0.0

Program Summary

ADJUDICATION

Kevin Kluge, Division Director/CFO

Phone: (602) 452-3395

AZ Constitution, Article VI, Section 2; A.R.S. § 12-101

Mission:

To dispense justice in a fair and equitable manner and to provide judicial and administrative supervision over the Arizona Judicial Department as mandated by Arizona law and the Constitution.

Description:

The Supreme Court may choose to review decisions of the intermediate appellate courts when a petition for review is filed; hears direct criminal appeals in cases with a death sentence imposed; hears direct appeals in election cases; may accept direct special actions brought in the Supreme Court against state officials; regulates activities of the State Bar of Arizona and oversees admission of new attorneys to the practice of law; reviews charges of misconduct against attorneys, and has authority to suspend or disbar an attorney; serves as the final decision-making body when disciplinary recommendations are filed against Arizona judges by the Commission on Judicial Conduct; adopts rules of procedures for all courts of the state; provides administrative supervision over all courts of the state; and chairs the Commissions on Appellate and Trial Court Appointments.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,235.3	4,653.0	4,653.0
Other Appropriated Funds	5.6	7.0	7.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,240.9	4,660.0	4,660.0
FTE Positions	40.0	42.0	48.0

- ◆ **Goal 1** To provide fair and expeditious determination of cases. (Supreme Court activity is difficult to predict; estimates are based on FY 2014 activity level)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
All cases on file	1,374	1,374	1,475	1,475	1,475
All cases terminated	978	976	1,057	1,057	1,057
Cases pending	396	398	418	418	418
Explanation: Cases pending are as of 6/30					
New case filings	1,037	1,037	1,038	1,038	1,038
State Bar matters on file	62	62	90	90	90
State Bar matters terminated	55	55	74	74	74
State Bar activity reports	2,608	2,223	2,395	2,395	2,395
All other cases on file	12	12	13	13	13
All other cases terminated	9	9	10	10	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 in FY 16 and FY 17 include funding from the Appropriation SLI for Probation Operations and Probation Centralized Services.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,591.2	11,713.8	11,713.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	11,591.2	11,713.8	11,713.8
FTE Positions	107.2	111.0	111.0

◆ **Goal 1** To identify operational and administrative problems and recommend solutions and to uphold the integrity and independence of the judiciary.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Operational reviews completed	20	22	25	25	25
Average days to complete an operational review report	252.1	204	204	204	204
Average reviews per specialist	4.8	5	5	5	5

◆ **Goal 2** To ensure that automation services are provided that support statewide programs and systems.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Internal and external users connected to the Arizona Judicial Information Network	9,212	9,250	9,243	9,250	9,250
Infrastructure cost per user (dollars)	853	800	866	850	850
Uptime of network availability during normal operating hours (percentage)	99.9	99.9	99.9	99.9	99.9
Uptime of systems availability during normal operating hours (percentage)	99.98	99.98	99.98	99.98	99.98
% of courts with automated accounting and case management systems	100	100	100	100	100
% of courts using COT approved and/or standard case management systems	97	97	97	97	97
% of users with AJIN access (percentage)	100	100	100	100	100

◆ **Goal 3** To provide accurate, prompt and professional responses to questions or problems concerning court operations, procedures and/or other technological issues received by the AOC Support Center.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total Number of Questions/Issues Received	53,733	55,000	56,722	55,000	55,000
Number of Questions/Issues Received - Urgent Priority	94	100	70	100	100
Percent of Questions/Issues Resolved Within 1 Business Day - Urgent Priority	96	90	80	90	90
Number of Questions/Issues Received - High Priority	372	400	284	400	400
Percent of Questions/Issues Resolved Within 2 Business Days - High Priority	76	85	74	85	85
Number of Questions/Issues Received - Medium Priority	20,202	25,000	19,510	25,000	25,000
Percent of Questions/Issues Resolved Within 3 Business Days - Medium Priority	91	95	86	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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	746.9	1,195.1	1,195.1
Other Non Appropriated Funds	2,028.6	2,099.9	2,099.9
Total Funding	2,775.5	3,295.0	3,295.0
FTE Positions	34.5	34.9	34.9

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,028.6	2,099.9	2,099.9
Total Funding	2,028.6	2,099.9	2,099.9
FTE Positions	20.6	21.0	21.0

◆ **Goal 1** To promptly process and review certification applications and reports for issuance, renewal or denial of certification

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Applications received (new and renewal)	12	440	379	12	380
Certifications granted	10	440	22	10	0
Certifications denied	1	1	0	1	1
Average number of days from receipt of application to decision regarding certification	60	60	85	60	60
Number of certified reporters (end of year)	440	440	452	440	440

◆ **Goal 2** To investigate and process complaints against certified court reporters to ensure compliance with Arizona law and administrative orders and rules adopted by the Arizona Supreme Court.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints received	3	5	6	5	5
Complaints closed	8	7	4	8	8
Disciplinary action	0	2	0	2	2
Average number of days from receipt of complaint to resolution by dismissal or disciplinary action	548	300	348	300	300
Complaint closure rate (percent)	160	150	60	150	150
Percent of cases closed within 22 month standard	100	100	100	100	100

Subprogram Summary

CONFIDENTIAL INTERMEDIARY

Mark Wilson, Division Director
 Phone: (602) 452-3362
 A.R.S. § 8-134

Mission:

To train, certify and monitor Confidential Intermediaries to facilitate contact between adoptees or adoptive parents and birth parents and biological siblings while protecting court and agency records and anonymity of those who desire it.

Description:

The Board certifies Confidential Intermediaries (CIs), as specified by the court, to act as a liaison between an adoptive parent, guardian or an adoptee or a birth parent or birth sibling in establishing contact. The CI has statutory authority to access confidential court and agency adoption records to facilitate the search. The program facilitates voluntary contact, while protecting the confidentiality of those who desire their adoption records to remain sealed. The Arizona Supreme Court has adopted rules and procedures to implement and operate the program, and established fees, training, and standards of conduct for CIs with appropriate disciplinary action as necessary. Effective January 1, 2008, CIs have the statutory authority to facilitate contact between siblings who have been separated as the result of dependency/foster care.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	70.4	170.0	170.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	70.4	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of applicants for certification	4	10	2	10	10
Average number of days from receipt of complete application requirements to decision regarding certification	90	90	160	90	90
Number of individuals granted certification	4	8	3	8	8
Number of individuals denied certification	3	0	0	0	0
CIs certified (end of year)	33	35	37	35	35

◆ **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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of applications received	33	NA	NA	35	NA
Number of individuals granted recertification	33	NA	NA	35	NA
Number of individuals denied recertification	0	NA	NA	0	NA
Number of days from submission of complete renewal application to decision regarding renewal	90	NA	NA	90	NA

◆ **Goal 3** To provide initial training to individuals eligible for certification and renewal training for certified CIs.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of individuals receiving initial training	5	10	3	10	10

◆ **Goal 4** To assist CIs to provide high quality service.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Cases closed	45	45	45	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints received	0	1	0	1	1
Complaints closed	0	1	0	1	1
Disciplinary action	0	0	0	0	0
Number of days from receipt of complaint to resolution by dismissal or disciplinary action	NA	120	NA	120	120
Explanation: No complaints received in FY16					
Complaint case closure rate (percent)	NA	100	NA	100	100
Explanation: No complaints received in FY16					
Percent of cases closed within standard of 22 months	NA	100	NA	100	100
Explanation: No complaints received in FY16					

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	223.8	318.9	318.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	223.8	318.9	318.9
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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of applications received	34	30	31	30	30
Number of individuals licensed	25	25	25	25	25
Number of applications denied	0	1	2	1	1
Number of days from receipt of complete application requirements to decision regarding licensure	60	60	117	60	60
Number of fiduciaries licensed at end of year	262	275	267	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 FY15 or FY17.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of applications received	NA	290	313	NA	300
Number of individuals granted recertification	NA	270	5	NA	270
Number of applications denied recertification	NA	0	2	NA	2
Number of days from submission of complete renewal application to decision regarding renewal	NA	60	545	NA	60

◆ **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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of complaints received	25	20	20	20	20
Number of complaints closed	8	15	30	15	15
Number of disciplinary actions	2	5	10	5	5
Number of days from receipt of complaint to resolution by dismissal or disciplinary action	329	275	657	275	275
Complaint case closure rate (percent)	32	100	150	100	100
Percent of complaints resolved within 22 month standard	100	90	74	90	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of notice of engagement letters	0	10	5	10	10
Fieldwork completed	NA	10	5	10	10

Explanation: No audits conducted in FY15

Corrective Action Plans in Place	NA	2	0	2	2
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Explanation: No audits conducted in FY15

Number of final reports completed	NA	10	0	10	10
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Explanation: No audits conducted in FY15

Subprogram Summary

DEFENSIVE DRIVING SCHOOL REGULATION

Mark Wilson, Division Director
 Phone: (602) 452-3362
 A.R.S. §§ 28-3391 to 28-3399

Mission:

To train, certify and monitor the use of defensive driving schools and defensive driving instructors by the Arizona courts.

Description:

The program certifies and monitors defensive driving schools and instructors that may be used by the Arizona courts for diversion of traffic offenses and provides information to courts on the operation of the program. A statewide database is maintained to record defensive driving course completion and to verify eligibility for participation in the diversion program.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	452.7	706.2	706.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	452.7	706.2	706.2
FTE Positions	7.8	7.8	7.8

◆ **Goal 1** To ensure defensive driving schools and instructors meet established standards for administrative and educational quality.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Operational reviews of schools completed	0	5	62	50	50
Percent of instructors rated that are in compliance with Arizona Code of Judicial Administration (ACJA 7-205) and Statutes.	97	95	95	95	95
Instructors monitored	66	75	0	75	75

◆ **Goal 2** To ensure the statewide database provides accurate and timely information for eligibility and fee payment verification.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average days to complete error change requests from schools	1	1	2	1	1
Percent of student completions reported by schools on time	99	99	99	99	99
Court information change requests processed	422	400	400	400	400

◆ **Goal 3** To provide continuing training opportunities for instructors to improve the quality of the defensive driving classes.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Current instructors receiving ongoing training	120	120	125	120	120
Percent of instructors indicating training programs are responsive to their needs	99	98	99	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of bi-monthly school reports/fee payments reconciled monthly	98	99	98	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints received	13	10	28	10	10
Complaints closed	13	10	23	10	10
Complaint case clearance rate (percent)	260	200	82	200	100
Disciplinary actions	15	5	20	5	5
Average number of days from receipt of complaint to closure	272	180	196	180	180
Percentage of complaint cases closed within 22 month standard	100	100	100	100	100

- ◆ **Goal 6** To promptly process and review applications for certification.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Applications received	17	25	68	25	25
Certifications granted	15	20	65	20	20
Certifications denied	0	3	1	3	3
Average number of days from receipt of complete application to decision regarding certification (Instructors)	60	60	150	60	60
Number of certified schools (end of year)	106	106	152	106	106

Program Summary

COURT ASSISTANCE

Kevin Kluge, Division Director/CFO
Phone: (602) 452-3395
See Individual Programs

Mission:

To aid Arizona courts in protecting children, families, and communities while providing swift, fair access to justice.

Description:

Various divisions within the Administrative Office of the Courts provide support throughout the Arizona Judicial Department by administering and monitoring various statutorily created funds and Arizona Supreme Court established programs to assist in the improvement of Arizona court processes.

*Funding in FY 16 and FY 17 include General Fund funding for Automation.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,286.0	5,216.4	4,267.7
Other Appropriated Funds	18,117.9	24,173.2	23,923.2
Other Non Appropriated Funds	16,906.6	20,062.7	20,062.7
Total Funding	39,310.5	49,452.3	48,253.6
FTE Positions	223.6	227.3	227.3

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	96.9	109.3	109.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	96.9	109.3	109.3
FTE Positions	1.1	1.1	1.1

◆ **Goal 1** To provide continuing education to all members of the judiciary.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of sessions offered to judges (limited, general and appellate jurisdictions)	306	255	434	255	350
Number of sessions offered to probation, detention and surveillance officers	803	655	845	675	700
Number of sessions offered to judicial staff	279	300	349	300	300
Number of judges participating in Education Services Division sponsored programs	1,055	1,000	935	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	1,458	1,000	1,011	1,100	1,100
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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	999	1,000	1,378	1,000	1,000
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◆ **Goal 2** To assure a comprehensive system of judicial education for all categories of personnel

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of educational hours offered to judges (limited general and appellate jurisdictions)	425	500	560	500	525
Number of educational hours offered to probation, detention and surveillance officers	1,994	1,500	2,008	1,600	1,800
Number of educational hours offered to judicial staff	440	500	537	500	525
Percent of judges in compliance with annual continuing education mandate	100	100	100	100	100
Percent of probation, detention and surveillance officers in compliance with annual continuing education mandate	99	100	100	100	100
Percent of judicial staff in compliance with annual continuing education mandate	99	100	100	100	100

◆ **Goal 3** To assure appropriate use of available resources to support a comprehensive system of judicial education

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of faculty used to train judges	315	300	429	300	350
Number of faculty used to train probation, detention and surveillance officers	524	500	493	500	500
Number of faculty used to train judicial staff	283	250	409	250	300
Percent of total faculty used paid for services to train judges	8	10	4	10	10
Percent of total faculty used paid for services to train probation, detention and surveillance officers	5	10	4	10	10
Percent of total faculty used paid for services to train judicial staff	9	10	6	10	10
Cost per participant hours from total budget to train judges	22	20	14	20	20
Cost per participant hours from total budget to train probation, detention and surveillance officers	7	15	8	15	15
Cost per participant hours from total budget to train judicial staff	2	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of seminars/workshops	82	60	64	65	70
Total number of conferences	5	6	6	6	6
Total number of residential programs	25	25	24	25	25
Total number of broadcasts	22	25	18	25	25
Total number of computer based programs	4,778	5,000	24,083	5,000	20,000
Total number of publications	61,615	60,000	113,763	60,000	65,000
Total number of WENDELL website "hits"	114,404	100,000	140,673	100,000	100,000
Total number of materials checked out of resource library	1,636	1,500	2,184	1,500	1,800

Subprogram Summary

DOMESTIC RELATIONS

Theresa Barrett, Program Manager
 Phone: (602) 452-3364
 A.R.S. § 25-323.01

Mission:

To provide leadership, coordination, and technical support for the development of family law and child support enforcement programs and policies and to improve the administration of justice in Arizona communities on issues of domestic violence.

Description:

This program coordinates and supports the activities of Supreme Court committees/commissions/subcommittees/workgroups established to evaluate best practices in the areas of family law and child support; to identify possible changes in court rules or business practices; and, to make recommendations aimed at facilitating access and efficient processing of family law cases. In addition, this program provides staff support for the Committee on the Impact of Domestic Violence and the Courts, established by Administrative Order of the Supreme Court.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	610.4	613.4	613.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	610.4	613.4	613.4
FTE Positions	5.3	5.3	5.3

- ◆ **Goal 1** To provide timely and effective administrative and technical support to domestic relations education on children's issues program administrators, to review standards and evaluate statewide domestic relations education on children's issues programs in accordance with statute and Supreme Court administrative order.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percentage of annual reports received and analyzed from prior fiscal year.	100	100	93	100	100
Number of alternative format programs reviewed.	4	1	3	1	1

- ◆ **Goal 2** To provide timely, effective administrative and technical support to all judges and court personnel and the Committee on the Impact of Domestic Violence and the Courts.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of time minutes were provided in 20 days & notice 48 hours prior to meeting	100	100	75	100	100

- ◆ **Goal 3** To provide on site monitoring and assessment of state and local proceedings and services related to domestic violence issues.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Monitoring and evaluation contacts made with state and local contacts to ensure proceedings and services follow statutes and court rules.	106	100	76	100	100

- ◆ **Goal 4** To maintain the competence of judicial officers in the appropriate determination and effective management of domestic violence cases.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of necessary annual updates done for the Bench Book for Orders of Protection and Injunctions Against Harassment in Domestic Violence Cases and related court policies	100	100	100	100	100
Percent of conducting at least one bi-annual statewide training conference specifically devoted to domestic violence issues	100	NA	NA	100	NA
Appropriate judicial officers and court personnel educated in policies and procedures that help counties effectively address the needs of domestic violence victims	804	200	669	200	200

Subprogram Summary

STATE GRAND JURY

Kevin Kluge, Division Director/CFO
 Phone: (602) 452-3395
 A.R.S. § 21-428(B)

Mission:

To provide for reimbursement of grand jury expenses as required by law.

Description:

The program provides the mechanism for reimbursement of the direct costs incurred by a county for impaneling a grand jury and the related costs associated with the grand jury's function and duties. Expenses that are reimbursed include juror fees, lodging, meals and mileage, attorneys, interpreters, investigators and expert witnesses appointed to a particular case and transcript preparation.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	97.9	97.9	97.9
Other Appropriated Funds	0.0	250.0	0.0
Other Non Appropriated Funds	691.0	685.7	685.7
Total Funding	788.9	1,033.6	783.6
FTE Positions	0.2	0.2	0.2

◆ **Goal 1** To provide for reimbursement of valid grand jury expenses, in accordance with Constitutional mandates.

Performance Measures

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Claims processed	6	7	6	6	6

Subprogram Summary

POST CONVICTION RELIEF

Kevin Kluge, Division Director/CFO
 Phone: (602) 452-3395
 A.R.S. § 13-4041

Mission:

To provide reimbursement to counties for state-funded representation of indigent defendants in first-time capital post conviction relief proceedings.

Description:

Laws 1996, Chapter 7, 7th Special Session provides that all indigent prisoners under a capital sentence are entitled to the appointment of counsel to represent them in the state PCR proceeding and requires the Supreme Court to appoint this counsel after the mandate affirming the defendant's conviction and sentence is issued. This legislation establishes a flat fee of \$7,500 to be paid to appointed counsel in a first state PCR proceeding unless the counsel is employed by a publicly funded office. The Supreme Court is required to reimburse the county, upon certification by the county that the amount is owed.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Claims processed	18	20	22	22	22

Subprogram Summary

JUDICIAL ASSISTANCE

Kevin Kluge, Division Director/CFO

Phone: (602) 452-3395

AZ Const., Art. VI, Section 19, 20, A.R.S. §§ 12-143, 38-813

Mission:

To provide for reimbursement of judges pro tempore and retired judges called to serve in the superior and appellate courts of Arizona.

Description:

The program provides the funding mechanism for payment of salaries of judges pro tempore when serving in the Superior Court, payment of retired judges' differential pay, and payment of travel expenses.

◆ **Goal 1** To provide reimbursement as required for judges pro tempore and retired judges called to serve in the superior and appellate courts of the state. <=Funding for this program has been eliminated through budget cuts.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,399.8	2,945.1	2,945.1
Other Non Appropriated Funds	14,158.9	17,353.3	17,353.3
Total Funding	16,558.7	20,298.4	20,298.4
FTE Positions	52.1	54.7	54.7

- ◆ **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 Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of counties' criminal cases processed within 90 days (target is 65%)	45	60	41	65	65
Explanation: FY16 data reflects 9 of 15 counties reporting					
Percent of counties conducting criminal case processing improvement projects	93	80	93.3	80	80

Subprogram Summary	
JUDICIAL COLLECTION ENHANCEMENT	
Marcus Reinkensmeyer, Division Director	
Phone: (602) 452-3334	
A.R.S. § 12-116	

Mission:
To improve, maintain, and enhance the ability of the courts to collect and manage monies assessed or received by the courts and to improve court automation projects likely to improve case processing or the administration of justice.

Description:
 The Judicial Collection Enhancement Fund (JCEF) is used to improve, maintain and enhance the judiciary's ability to collect and manage monies, including child support, restitution, fines and civil penalties. Funds are used for automation of courts, projects to improve case processing and the administration of justice, and to educate courts about revenue enhancement techniques and technology.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,390.8	4,305.8	3,357.1
Other Appropriated Funds	10,878.0	14,481.0	14,481.0
Other Non Appropriated Funds	591.5	704.6	704.6
Total Funding	14,860.3	19,491.4	18,542.7
FTE Positions	121.9	123.4	123.4

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of annual increase in court revenue in prior fiscal year	-1.7	-1.7	-2.2	-2.2	-2.2
Difference in percentage change from previous fiscal year in court revenue collections and case filings	2.2	0	4.5	4.5	4.5

◆ **Goal 2** To fund court automation projects likely to improve case processing or the administration of justice.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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.	.9	0	-8.3	0	0
Clearance rate (dispositions/filings) for all cases at all court levels in prior fiscal year.	1.09	1.05	1.07	1.00	1.00

◆ **Goal 3** To expedite the processing of grant requests in a cost-effective manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Mean cycle days receipt of request to court notification of approval/denial	5	10	8.02	10	10
Grant management budget as percent of total budget	1.0	1.0	1.0	1.0	1.0

Subprogram Summary

DEFENSIVE DRIVING

Marcus Reinskensmeyer, Division Director
 Phone: (602) 452-3334
 A.R.S. § 28-493

Mission:

To assist courts in enhancing case processing.

Description:

This program oversees the funds in excess of those needed to administer the Defensive Driving Regulation program. These excess funds are placed into the Traffic Case Processing Fund to aid courts. This is done by establishing new and better automation systems that will improve case management, fine collections, paperwork processing and Motor Vehicle Division reporting, and will reduce traffic case backlogs.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,740.7	3,492.3	3,492.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,740.7	3,492.3	3,492.3
FTE Positions	19.8	20.3	20.3

◆ **Goal 1** To develop automation systems to process all court cases.

Note: Program proposes deleting this goal and corresponding measure.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of courts with a uniform statewide automation system	81	81	82	82	82

Subprogram Summary**DRUG ENFORCEMENT**

Dori Ege, Acting Program Manager
 Phone: (602) 452-3324
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,247.6	1,057.9	1,057.9
Total Funding	1,247.6	1,057.9	1,057.9
FTE Positions	0.4	0.0	0.0

- ◆ **Goal 1** To enhance the ability of the courts and probation departments to process drug related cases more expediently and effectively.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average days drug case processing	76	75	80	0	0
Percent of quarterly financial and progress reports submitted according to schedule	100	100	100	100	100
Cases that are over 361 days to disposition	869	895	934	0	0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	217.6	261.2	261.2
Total Funding	217.6	261.2	261.2
FTE Positions	1.6	1.8	1.8

- ◆ **Goal 1** To create, improve, maintain, or enhance alternative dispute resolution programs in superior court and justice of the peace courts.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of volunteer mediators trained	116	130	103	130	130
Number of volunteer mediator training sessions held	8	10	8	10	10

Subprogram Summary					
CASE PROCESSING ASSISTANCE					
Amy Wiood, Program Manager					
Phone: (602) 452-3337					
A.R.S. § 41-2401.(D)(8)					

Mission:

To enhance the ability of the courts to process criminal and delinquency cases.

Description:

The Case Processing Assistance Fund (CPAF) is used to enhance the courts' ability to process criminal and juvenile delinquency cases and to process orders of protection. Monies are used to fund judges pro tempore and support staff, and to purchase necessary equipment and supplies that courts are unable to obtain through their local funding sources. CPAF also is used to fund innovative projects to improve criminal and delinquency case processing and processing orders of protection.

*Total FTEs do not include grant funded and field FTEs.

Funding:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,099.4	3,004.8	3,004.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,099.4	3,004.8	3,004.8
FTE Positions	21.2	20.5	20.5

- ◆ **Goal 1** To enhance the ability of courts to process juvenile delinquency cases.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent growth in filings in prior fiscal year	-10.1	-10.0	-10.1	-10.1	-10.1
Prior fiscal year clearance rate (dispositions/filings) of 1.00 or greater annually	.97	1.0	1.0	1.0	1.0
Months for disposition of pending cases in prior fiscal year	8.1	8.0	5.1	5.0	5.0

- ◆ **Goal 2** To enhance the ability of the courts to process criminal cases.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent growth in filings in prior fiscal year	1.8	1.0	4.1	0	0
Prior fiscal year clearance rate (dispositions/filings) of 1.00 or greater annually	1.1	1.0	1.1	1.0	1.0
Months for disposition of pending cases in prior fiscal year	15.2	15	16	15	15

◆ **Goal 3** To expedite the processing of grant requests in a cost-effective manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Mean cycle days receipt of request to court notification of approval/denial	8	10	8	10	10
Grant management budget as percent of total budget	1.4	2.7	1.0	1.0	1.0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,639.6	6,616.1	4,406.1
Other Appropriated Funds	2,681.2	2,943.2	2,943.2
Other Non Appropriated Funds	619.2	791.5	791.5
Total Funding	6,940.0	10,350.8	8,140.8
FTE Positions	60.0	61.8	74.3

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,205.0	3,178.5	3,968.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	619.2	791.5	791.5
Total Funding	3,824.2	3,970.0	4,760.0
FTE Positions	50.7	52.5	65.0

- ◆ **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.

<u>Performance Measures</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Children eligible for review during the fiscal year	23,922	26,314	24,771	26,010	27,311
Number of child reviews held during the fiscal year	28,593	31,452	30,451	31,974	33,573
Total number of reviews conducted within the fiscal year	16,512	18,163	17,418	18,288	19,202
Percent of reviews during fiscal year for which the board found that progress was being made towards establishing permanency	56.28	59.08	54.79	57.53	60.41

◆ **Goal 2** To establish, maintain and train sufficient volunteers to perform high quality case reviews.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
FTEs to support volunteers (Does not include Support Pool)	44.9	44.9	44.4	44.9	44.9
Number of active volunteers during the fiscal year	592	622	668	701	736
Average length of volunteer service during the fiscal year	5.99	6.00	4.52	5.00	5.00
Number of volunteers meeting or exceeding the yearly training requirement	263	289	331	347	364

◆ **Goal 3** To provide accurate information to families in a caring, respectful manner

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Hotline Calls	762	812	706	800	800

◆ **Goal 4** To increase public and agency awareness of the Parent Assistance Hotline

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Yellow Page referrals	1	1	1	1	0
Agency Referrals	340	388	326	375	400
Calls attributable to brochures (DES)	22	25	23	25	25
Calls attributable to other advertising	399	455	356	400	375

Subprogram Summary

COURT APPOINTED SPECIAL ADVOCATE

Nancy Molever, Program Manager
 Phone: (602) 452-3583
 A.R.S. § 8-522

Mission:
To administer and monitor a community-based volunteer advocacy program in the Juvenile Court System for abused and neglected children.

Description:
 The Arizona CASA Program is comprised of the state office, county programs, and volunteers who serve abused and neglected children. The state office administers the program by monitoring county programs to ensure compliance with all relevant statutes, orders, policies and procedures, and funding agreements. In addition, the state office provides services, including recruiting tools, training opportunities, and technical assistance and support to county programs and volunteers. County programs educate communities in order to recruit, maintain, and supervise qualified volunteers to advocate for children involved in juvenile court proceedings as required by A.R.S. §§ 8-522 to 8-523, and Arizona Rules of Court, Rules 22 and 22.1.

CASA volunteers are specially trained citizens who are appointed to an individual dependency case by presiding juvenile judges and function as independent advocates for children who are wards of the court. Volunteers help ensure that a child's right to a safe, permanent home is actively pursued. The CASA volunteer has three main roles: 1) to conduct an independent assessment of the case and advocate for needed services for the child and family; 2) to provide written reports and testimony to the juvenile court judge to enable the judge to make the best decision possible; and 3) to be a consistent presence in the child's life, acting as an advocate throughout the court proceedings.

The Court Appointed Special Advocate Fund receives 30 percent of unclaimed state lottery prize money pursuant to A.R.S. § 5-518 and 8-524.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,681.2	2,943.2	2,943.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,681.2	2,943.2	2,943.2
FTE Positions	8.3	8.3	8.3

◆ **Goal 1** To maintain an adequate number of certified volunteer advocates.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Children eligible for CASA assignment during the year	23,922	25,836	24,771	25,650	26,560
Children with CASA assigned as of 6/30	1,756	1,896	1,767	1,778	1,780
Total Number of volunteers as of 6/30	989	1,069	1,030	1,073	1,117
Volunteers serving during the year	1,243	1,343	1,290	1,339	1,390
Number of Assigned CASAs as of 6/30	787	861	843	903	967
Number of volunteers during the year completing the required number of hours	705	775	986	1,019	1,061
Percent of number of volunteers serving during the year completing the required number of hours	73	80	97	95	95
Average number of in-service training hours volunteers received	23	25	18	20	22

◆ **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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of volunteer files reviewed	119	151	181	140	130
Percent of required items reviewed and found to be in compliance	76	85	78	90	80
Total number of case files reviewed	119	150	159	115	150
Percent of required items reviewed and found to be in compliance	86	90	92	92	92

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	434.6	3,437.6	437.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	434.6	3,437.6	437.6
FTE Positions	1.0	1.0	1.0

◆ **Goal 1** To reduce the time frame from removal to permanency.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of petitions that met preliminary protective hearing requirements (within 5-7 days of removal)	58	50	69.1	75	80
Average number of days to adjudication	59	65	88	80	75
Percent of petitions for which a permanency hearing was completed within required timeframe (six months for children under 3 years old and 12 months for children ages 3 and older).l	92	91	85	87	90

Program Summary

JUDICIAL NOMINATIONS AND PERFORMANCE REVIEW

Kevin Kluge, Division Director/CFO

Phone: (602) 452-3395

AZ Constitution, Article VI, Sections 36, 42

Mission:

To nominate highly qualified individuals for appointment to the Supreme Court, the Court of Appeals, and the Superior Court in Maricopa, Pima and Pinal counties and to evaluate the performance of all justices and judges who stand for retention and provide the results of those evaluations to the voters before each retention election.

Description:

Vacancies on the Supreme Court or the Court of Appeals are filled by appointment by the Governor from a list of not less than three nominees for each vacancy submitted by the 16-member Commission of Appellate Court appointments. Vacancies on the Superior Court for Maricopa, Pima and Pinal Counties are filled by appointment by the Governor from a list of not less than three nominees for each vacancy as submitted by the 16-member Commission on Trial Court Appointments for Maricopa, Pima and Pinal Counties. The four commissions operate under Rules of Procedure adopted by the Supreme Court.

Judicial Performance Review provides a mechanism for surveying attorneys, litigants/witnesses, jurors, peers, court staff, and administrative contacts about the performance of all merit retention justices and judges. The surveys are conducted twice during each term of office. The "pre-election" includes public hearings and the opportunity to comment on a specific judge in writing. Information is disseminated to the public before each general election as part of the Secretary of State's "Voter Information Guide." This program complies with the Americans with Disabilities Act and Federal Minority Rights Voting Act requirements. The information is also reviewed with the judge as a tool for professional growth and improvement. The Commission operates under Rules of Procedure adopted by the Supreme Court.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	412.4	409.1	409.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	412.4	409.1	409.1
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Applications received from minorities and women as a percent of all applications	60	50	55	50	50
Nominations of minorities and women as a percent of all nominations	40	50	59	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Cost per appellate court vacancy (dollars)	0	2,000	3,500	3,000	2,000
Cost per trial court vacancy (dollars)	1,800	4,000	5,500	2,000	4,000

◆ **Goal 3** To provide survey forms during each survey period for distribution to individuals who interact with a merit/retention judge.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Survey forms distributed	7,900	60,000	64,000	8,000	64,000
Survey forms returned	1,400	12,000	13,000	1,500	13,000

◆ **Goal 4** To widely disseminate the results of the survey and review process.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Pamphlets distributed (in thousands)	100	50	64	100	64

Explanation: Pamphlets are not distributed in a non-election year.

Telephone Contacts	60	200	200	60	200
Website Hits	501,677	520,000	599,000	500,000	600,000

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	504.9	498.6	498.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	504.9	498.6	498.6
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 calendar-year data)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints processed	413	360	354	360	360
Explanation: FY15 data is based on calendar year (1/1/14 - 12/31/14)					
Formal and Informal Advisory Opinions	237	200	147	150	150
Explanation: FY15 data is based on calendar year (1/1/14 - 12/31/14)					
Preliminary investigations	82	100	96	100	100
Explanation: FY15 data is based on calendar year (1/1/14 - 12/31/14)					
Motions for reconsideration	43	40	26	30	30
Explanation: FY15 data is based on calendar year (1/1/14 - 12/31/14)					
Sanctions and other warnings	27	30	47	40	40
Explanation: FY15 data is based on calendar year (1/1/14 - 12/31/14)					

Program Summary

JUDICIAL COMPENSATION

Kevin Kluge, Division Director/CFO

Phone: (602) 452-3395

AZ Constitution, Article VI, Section 9, A.R.S. § 12-120

Mission:

To fund the state portion of the salary and employee related expenses of Superior Court judges.

Description:

The Arizona Superior Court, which has at least one judge in every county, is the state's only general jurisdiction court. Additional Superior Court judges may be authorized in each county having a census greater than 30,000 inhabitants and upon petition by the Board of Supervisors to the Governor. A Superior Court judge may be authorized for each 30,000 inhabitants or majority fraction thereof. Superior Court judges hear all types of cases except small claims, minor offenses or violations of city codes and ordinances. One-half of the Superior Court judges' salaries are provided by the state as required by A.R.S. § 12-128.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,216.1	8,448.5	8,479.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	8,216.1	8,448.5	8,479.2
FTE Positions	82.8	83.1	83.1

- ◆ **Goal 1** To provide fair and expeditious determination of cases. (Court activity is difficult to predict; projections are based on FY 2014 activity level, which also is an estimate. Cases pending are as of 6/30.)

* The 2015 actual total reflects an estimated figure.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
All cases on file in prior fiscal year	406,083	405,000	396,165	405,000	405,000
All cases terminated in prior fiscal year	199,631	200,000	196,753	200,000	200,000
Cases pending in prior fiscal year	207,424	205,000	206,693	205,000	205,000
New filings (includes transfer in cases) in prior fiscal year	201,299	200,000	190,611	200,000	200,000
Other proceedings in prior fiscal year	48,000	48,000	46,474	48,000	48,000

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	20,534.4	22,256.5	23,040.3
Other Appropriated Funds	7,321.7	7,715.1	7,715.1
Other Non Appropriated Funds	3,923.2	4,320.6	4,320.6
Total Funding	31,779.3	34,292.2	35,076.0
FTE Positions	7.3	8.7	8.7

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 FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,575.3	13,090.1	13,873.9
Other Appropriated Funds	4,205.8	3,774.1	3,774.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	15,781.1	16,864.2	17,648.0
FTE Positions	0.0	0.0	0.0

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Operational reviews conducted	5	4	3	4	5
Percent of operational reviews completed within prescribed time frame	100	100	60	100	100
Percent of follow-up reviews on non-compliance issues completed within prescribed time frame	100	100	100	100	100

◆ **Goal 2** To promote victim and community restoration and hold adult standard probationers accountable while providing opportunities for behavioral change consistent with the needs of public safety.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of court-ordered restitution paid by active standard probationers	31	35	27	30	35
Percent of community service hours completed	51	52	56	55	57
Percent of probationers exiting standard probation and not committed to county jail or DOC	76	78	79	80	82

- ◆ **Goal 3** To assist in enhancement of education and training of probation officers and staff by providing regionalized and statewide training.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Certification Academies conducted	4	4	4	4	4
Regional training events	133	125	73	80	90
Percent of probation personnel in compliance with COJET requirements	99.8	100	100	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of probation departments in compliance with 65:1 mandate	93	100	64	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	74	75	77	76	77
Average annual state cost per probation slot (in dollars) in prior fiscal year	1,414	1,425	1,273	1,300	1,400

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 FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,635.2	8,831.7	8,831.7
Other Appropriated Funds	1,562.5	1,535.2	1,535.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	10,197.7	10,366.9	10,366.9
FTE Positions	0.0	0.0	0.0

- ◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of eligible IPS probationers participating in a treatment program	42	44	40	42	44
Percent of IPS probationers maintaining full-time employment	44	46	42	44	46
Percent of IPS probationers not testing positive for illegal drug use	68	70	66	70	72
Explanation: 14 of 15 counties reporting					
Percent of court-ordered restitution paid by active IPS probationers	33	36	35	39	40
Explanation: 14 of 15 counties reporting					
Percent of community service hours completed	55	60	63	62	63
Percent of probationers exiting IPS and not committed to county jail or DOC	46	48	48	50	50

- ◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of probation departments in compliance with statutorily prescribed caseload	71	100	72	100	100
Percent of probation departments provided sufficient operating motor vehicles	100	100	100	100	100
Percent of probationers successfully completing probation	73	74	86	85	88
Average annual state cost per probation slot (in dollars) in prior fiscal year	8,504	8,500	7,320	7,500	8,000

- ◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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

Steven Lessard, 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 FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,407.9	2,310.3	2,310.3
Other Non Appropriated Funds	466.3	684.5	684.5
Total Funding	1,874.2	2,994.8	2,994.8
FTE Positions	0.7	1.7	1.7

◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of active probationers who received CPP funded services	3,883	3,900	3,417	3,600	3,800

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 FTE's do not include those FTE's funded in the Field.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	323.9	334.7	334.7
Other Appropriated Funds	143.3	92.8	92.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	467.2	427.5	427.5
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To facilitate the transfer and supervision of probation cases through the interstate compact.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of transfer investigation requests completed within forty-five days of receipt, as required	98	99	97	98	98
Percent of victim assistance fund payments collected	57	58	66	60	62

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 FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2.2	2.7	2.7
Other Non Appropriated Funds	3,456.9	3,636.1	3,636.1
Total Funding	3,459.1	3,638.8	3,638.8
FTE Positions	6.6	7.0	7.0

- ◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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	4,458	4,500	4,514	4,500	4,500
Number of probationers convicted of an ARS 13-901.01 1st or 2nd offense that received DTEF funded treatment services	1,151	1,200	941	1,250	1,250

Subprogram Summary

GLOBAL POSITIONING SYSTEMS (GPS)

Steven Lessard, 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of probationers on GPS	189	225	240	300	350

Program Summary					
JUVENILE PROBATION SERVICES					
Joe Kelroy, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	37,095.7	37,931.7	37,931.7
Other Appropriated Funds	3,256.9	5,128.5	5,128.5
Other Non Appropriated Funds	-411.2	2,167.3	2,167.3
Total Funding	39,941.4	45,227.5	45,227.5
FTE Positions	31.3	28.9	28.9

Subprogram Summary

STANDARD PROBATION

David Redpath, 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 FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,355.5	3,700.6	3,700.6
Other Appropriated Funds	0.0	150.0	150.0
Other Non Appropriated Funds	1,375.4	3.2	3.2
Total Funding	4,730.9	3,853.8	3,853.8
FTE Positions	0.5	0.0	0.0

◆ **Goal 1** To ensure proper supervision of youth on probation.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of juvenile probation departments in compliance with mandated case load ratios of 35:1	100	100	100	100	100
Percent of youth who successfully complete their term of probation	88	85	89	85	85
Percent of juvenile probation departments (15) undergoing on-site visits	100	100	100	100	100
Average annual cost per probation slot (in Dollars) in prior fiscal year	2,317	2,300	2,268	2,300	2,300

◆ **Goal 2** To manage and monitor the efficient and effective allocation and distribution of state appropriated funds.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of juvenile probationers ordered to pay restitution, who pay	94	95	87	90	90
Percent of juveniles ordered to pay probation fees, who pay	71	80	67	75	75

Subprogram Summary

INTENSIVE PROBATION

David Redpath, 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 FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	5,272.3	5,612.4	5,612.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,272.3	5,612.4	5,612.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure the proper level of intensive supervision of high risk probationers .

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of JIPS case load monthly reports reviewed	100	100	100	100	100
Percent of juvenile probation departments (15) visited	100	100	100	100	100
Percent of county JIPS programs (15) receiving informal on site monitoring reports	100	100	100	100	100
Percent of departments exceeding 95% compliance with contact standards as measured in quarterly performance audits	100	80	93	80	80
Average annual cost per probation slot (in dollars) in prior fiscal year	14,303	14,500	13,748	14,500	14,500

◆ **Goal 2** To ensure that JIPS officers are trained and meet established standards.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of JIPS youth who successfully complete JIPS	70	67	77	67	67

◆ **Goal 5** To promote victim and community restoration by holding juvenile intensive probationers accountable for their court ordered financial and community service obligations.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of the juvenile intensive probationers ordered to pay restitution who are paying	98	95	82	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.

*Total FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	19,937.8	19,960.9	19,960.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-1,664.3	2,164.1	2,164.1
Total Funding	18,273.5	22,125.0	22,125.0
FTE Positions	3.4	4.0	4.0

◆ **Goal 1** To audit and evaluate treatment programs for contract compliance and effective service delivery.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Service contractors audited for compliance with program standards	41	40	58	50	50
Percent of contractors monitored in satisfactory compliance with established program standards (70%+)	95	87	95	95	95
Average cost per contract to audit (dollars)	1,400	1,400	1,415	1,425	1,425
Average hours per contract to audit and write report	41	80	69	70	70

◆ **Goal 2** To provide a comprehensive array of services and interventions for youth on probation.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Youth served	6,466	6,400	6,215	6,000	6,000
Youth provided out of home services	580	575	516	500	500
Youth provided day support services	504	550	164	175	175
Youth provided counseling intervention	3,072	3,000	3,458	3,500	3,500
Youth provided drug testing	5,648	5,000	5,275	5,000	5,000
Youth provided evaluations and other services	3,239	3,000	1,811	1,800	1,800
Youth provided educational and vocational services	172	170	218	225	225
Percent of youth who don't re-offend within 12 months of program completion in prior fiscal year	53	50	59	55	55
Percent of youth with successful outcomes in functional family therapy	75	70	84	80	80
Percent of youth with successful outcomes in high impact residential	49	80	57	65	65

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 FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	490.8	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	490.8	500.0	500.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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	954	950	956	950	950
Average cost per family (dollars) in prior fiscal year	689	900	900	900	900
Average age of youth participating in program in prior fiscal year	15	15	15	15	15
Average sessions per family in prior fiscal year	12	12	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 FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,039.3	8,157.8	8,157.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-122.3	0.0	0.0
Total Funding	7,917.0	8,157.8	8,157.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure diversion eligible referrals are processed in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of juveniles with an intake interview within 30 days of receipt of referral by the juvenile court	34	55	37	35	35

- ◆ **Goal 2** To promote victim and community restoration by holding diversion youth accountable for their assessed financial obligations.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of diversion youth assessed restitution, who pay	100	95	100	95	95
Percent of parents of diversion youth assessed one-time parental assessment fee, who paid	89	90	87	90	90

- ◆ **Goal 3** To ensure consequences are successfully completed.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Community Work Service case closures that were successfully completed	86	85	89	85	85
Percent of Counseling case closures that were successfully completed	85	85	85	85	85
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	82	90	83	90	90
Percent of Non-Residential Rehabilitation or Supervision case closures that were successfully completed	100	95	100	95	95
Percent of diversion programs showing a minimum of 15% positive change between pre and post test	87	90	90	90	90

Subprogram Summary

JUVENILE CRIME REDUCTION

Steve Tyrell, 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 FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,256.9	4,978.5	4,978.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,256.9	4,978.5	4,978.5
FTE Positions	27.4	24.9	24.9

◆ **Goal 1** To manage and monitor the distribution of JCRF grant funds.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of on-site monitoring visits conducted (non-random sample)	33	50	100	100	100
Percent of programs in compliance with financial requirements	100	100	99	100	100
Percent of programs in compliance with program requirements	100	100	99	100	100

◆ **Goal 2** To promote the development of promising community-based programs for youth.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Local programs funded	26	26	24	26	26
Explanation: Excludes LEARN Labs					
Youth served in local programs	60,512	65,000	37,174	40,000	40,000
LEARN labs	4	4	4	4	4

◆ **Goal 3** To oversee the distribution of federal education monies to the counties for juvenile detention education services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Counties receiving funds	15	15	15	NA	NA
Juveniles served	6,609	7,000	7,309	NA	NA
Percent of on-site fiscal and program audits conducted	38	75	42	NA	NA
Percent of programs audited in compliance	100	100	100	NA	NA

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Operational reviews conducted	3	5	5	5	5
Percent of departments reviewed that are in compliance	100	100	100	100	100

◆ **Goal 5** To support the administration and programs of the Arizona juvenile court system.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Automation projects funded	2	3	3	3	3
Loss prevention issues addressed in detention centers	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. Division I has the statewide responsibility for all Writs of Certiorari from these eight counties, and rate appeals from the Corporation Commission. Division I also has 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	9,964.8	9,963.9	10,112.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	9,964.8	9,963.9	10,112.7
FTE Positions	98.3	98.3	98.3

◆ **Goal 1** To provide fair and expeditious determination of cases.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
All cases on file	4,736	4,836	4,910	4,984	4,916
All cases terminated	2,457	2,467	2,553	2,302	2,185
Cases pending	2,279	2,565	2,357	2,335	2,313
Explanation: Cases pending are as of 6/30					
New case filings	2,725	2,800	2,698	2,648	2,485
Customer Satisfaction rating for settlement program	NA	NA	92	93	93
Cases decided in which a Supreme Court review was not sought, excludes those cases dismissed in which no petition for review can be filed.	2,007	1,987	1,973	1,960	1,950
Cases decided where Supreme Court review was denied	322	350	410	415	420
Cases decided which Supreme Court review was granted and decision upheld	27	30	27	30	29

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,326.7	4,316.5	4,403.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,326.7	4,316.5	4,403.7
FTE Positions	38.5	38.5	38.5

◆ **Goal 1** To provide fair and expeditious determination of cases.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
All cases on file	1,660	1,850	1,750	1,850	1,850
All cases terminated	961	1,100	1,064	1,100	1,100
Cases pending	699	800	669	825	825
Explanation: Cases pending are as of 6/30					
New case filings	1,018	1,100	1,051	1,200	1,200
Customer Satisfaction rating for settlement program (Scale 1-8)	7.8	7.8	7.8	7.8	7.8
Cases upheld upon review	893	980	1,037	1,150	1,150

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.

*Total FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	993.6	993.6	993.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	993.6	993.6	993.6
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of Participants sentenced to drug court.	859	900	789	850	900
Number of Participants retained at 180 day point	1,479	1,500	1,412	1,450	1,475
Number of Graduates from drug court	348	375	393	390	395

◆ **Goal 2** To measure the number of Juvenile participants screened, admitted and graduated from drug courts.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of Participants admitted to drug court	182	200	102	150	150
Number of Participants retained at 180 day period	203	210	132	175	175
Number of graduates from drug court	65	70	40	75	75

Agency Summary

DEPARTMENT OF JUVENILE CORRECTIONS

Dona Marie Markley,
 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 Arizona Department of Juvenile Corrections (ADJC) 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ HOUSING	25,033.2	20,465.4	20,465.4
➤ REHABILITATION	10,354.4	11,515.9	11,515.9
➤ ADMINISTRATION	7,315.8	10,003.2	8,903.2
Agency Total:	42,703.4	41,984.5	40,884.5
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	25,357.3	24,180.4	24,180.4
Other Appropriated Funds	15,982.0	16,479.8	15,379.8
Other Non Appropriated Funds	1,364.1	1,324.3	1,324.3
Total Funding	42,703.4	41,984.5	40,884.5
FTE Positions	574.5	444.0	444.0

Issue 1 TRANSFORMATIONAL MANAGEMENT - Creating a more effective state managed juvenile corrections system

Description Under the leadership of Governor Douglas A. Ducey, the Arizona Department of Juvenile Corrections (ADJC) has developed a roadmap for creating a more effective state managed juvenile corrections system through continuous delivery of customer value and vital mission outcomes. Beginning in FY 2017, ADJC will rely on structured problem-solving and data-driven decision-making to continuously evaluate and improve how we perform key agency functions. Using measurable results, ADJC will adjust agency priorities, management systems, and operational processes to better serve the citizens of Arizona by improving the lives of at-risk children, increasing youthful offender success, protecting public safety, developing an empowered ADJC workforce, and effectively managing state resources.

Guided by principles of the Arizona Management System, ADJC will implement system-wide changes to improve process delivery and correct deficiencies in an effort to enhance mission outcomes while further consolidating resources. ADJC will adopt system models that are structured to maximize the therapeutic services provided to the youth in our care and ensure all employees have the tools needed to succeed and fully engage in youth treatment. The ongoing success of these efforts will create a cohesive continuum of care for committed youth and provide additional opportunities for staff development.

At ADJC, staffing costs continue to represent the largest portion of agency expenditures. In recent years, ADJC has endured historically high turnover rates for the critical Youth Corrections Officer (YCO) series, which accounts for 40% of all agency staff. This has limited our ability to fully provide committed youth with the structured environment and service delivery continuity essential for successful community reintegration. To succeed, ADJC must apply new, innovative human capital management strategies to mitigate attrition and ensure a sustainable workforce.

In FY 2016, ADJC completed a number of successful efforts intended to increase overall staff retention through improved development and recognition activities. In FY 2017, ADJC will adopt models and systems for optimal staffing that create the correct balance between workload and performance, treatment/therapeutic service provision, and corrections/security practices. ADJC will design and implement alternative system models for secure care, community corrections (parole), and administration; models that integrate treatment services and collapse functions to maximize youth outcomes while streamlining costs. New staffing models will correct the current allocation of agency resources to ensure employee workload is manageable and equitable. Additionally, new models will aim to fully integrate youth treatment into daily operations and will delineate clear responsibilities for the delivery of treatment to ensure accountability. ADJC will also develop strategies to integrate secure care and community corrections functions through a bridge program that will provide greater continuity of care for youth transitioning from secure care to the community. Participation of ADJC staff is critical to developing successful management systems that will increase employee satisfaction and improve outcomes. The success of these efforts will ensure youth receive consistent and effective therapeutic services while providing additional opportunities for staff development and career advancement.

Also of paramount importance is the continuous improvement of decision models that monitor and evaluate processes and operations for completion and efficacy. Currently, ADJC utilizes a web-based inspections system, referred to as GAR (Green Amber Red inspections system), which timely monitors and ensures compliance with pre-determined facility and operational competences related primarily to safety, security, and service and process fidelity. As staff begin to engage in continuous improvement activities across the agency, it will be crucial that new processes be continuously evaluated for efficacy as well as completion. To accomplish this, it is essential that employees at all levels are informed of agency priorities and participate in the effective collection and assessment of data. Ensuring that staff is engaged and informed, agency-wide, enhances ADJC's ability to continually improve safety, security, and treatment practices.

In FY 2016, agency-wide seminars were conducted to brief employees at all levels on principles of the Arizona Management System and upcoming agency priorities as identified in the agency scorecard, which was developed the same year under the leadership of Governor Ducey. The scorecard uses data to regularly measure and evaluate agency performance pertaining to key functions. Each function listed on the scorecard is assigned a specific performance indicator (metric) to demonstrate results in relation to chosen targets. The scorecard also identifies a "breakthrough metric" for which the agency will strive to make significant performance gains. Scorecard outcomes are reported and discussed by executive staff each month and key staff members are responsible for improving metric performance by engaging their staff in activities to improve processes within the scope of the related function. ADJC will aim to improve overall agency performance by more than 60% by the end of FY 2017. To accomplish this objective, ADJC will

focus on ensuring all employees have the resources and training necessary to contribute to the effective delivery of mission outcomes identified on the scorecard.

ADJC's commitment to providing a safe and secure environment for our shared communities, employees, and the youth entrusted to our care must be manifest in a transformational management framework designed to maximize agency resources and promote a culture of continuous improvement through measurable results.

By creating a more effective and efficient state managed juvenile corrections system based on Arizona Management System principles, ADJC is able to demonstrate to the citizens of Arizona that we are faithful stewards of the monies entrusted to us and that we will continuously seek innovative ways to improve service delivery while reducing costs.

Solutions:

1. To adopt a culture of continuous improvement by delivering customer value and cost-effective mission outcomes.
2. To create a safe and positive environment for staff and committed youth.
3. To safeguard the public, staff, and committed youth using sound corrections practices.
4. To provide necessary and appropriate medical, dental, and mental health care to committed youth.
5. To provide optimal services for committed youth efficiently and cost effectively.

Issue 2 TREATMENT/REHABILITATIVE SERVICES - Maximizing treatment therapies to improve youth outcomes

Description The Arizona Department of Juvenile Corrections (ADJC) is committed to providing the youth under our care and supervision with effective, efficient, and high quality rehabilitative and transformative services in support of our vision, mission, and values. These services currently include treatment, education, and pro-social activities for secure care youth.

In FY 2014, ADJC re-engineered our education system and moved from a traditional academic term to an “extended block” schedule to increase student success by maximizing credits earned and moving students more quickly toward a high school diploma and GED. As a result, ADJC youth educational achievements soared in FY 2015. Despite challenging personal circumstances for the youth entering our care, youth educational achievements continued to improve in FY 2016. Over 79% of youth received credit for attempted coursework in FY 2016, an increase from 76.7% the previous year. In FY 2017, ADJC will rely on data analysis to target and deploy intervention strategies to improve educational success for underperforming youth groups.

Beginning in FY 2017, ADJC will review the type of treatment services offered to committed youth and how these services are delivered, with the intent to re-engineer our systems to optimize the provision of secure care treatment services and ensure continuity of care for youth transitioning from secure care to community corrections (parole).

The rehabilitative treatment a secure care youth receives is determined based upon a comprehensive behavioral health assessment, including a criminogenic and protective risk and needs assessment, which determines the presence, nature, and severity of behavioral health problems or strengths. Currently, ADJC provides all secure care youth with core behavior therapy treatment that addresses dysfunctional thinking as it contributes to problematic and delinquent behaviors. This treatment uses Cognitive Behavior Therapy (CBT) and Motivational Enhancement Therapy (MET), which are social learning, risk factors management, and relapse prevention approaches. In addition to core behavior therapy treatment, ADJC also provides specialty treatment for severe conduct disorder, substance dependency, mental health issues, and sexual behavior disorder to youth as needed. In FY 2017, ADJC will begin exploring new strategies for providing crisis intervention behavior management. As ADJC moves forward, all secure care programs will undergo review from the perspective of the direct role they play in a youth’s successful reintegration into the community. Adjustments will be made based upon ongoing program assessment and current academic research findings.

Research indicates that better youth outcomes are directly related to treatment dosage (frequency and length of treatment). Recommended treatment dosages vary for each youth and the type of treatment he or she requires. In FY 2016, the average length of stay for youth in ADJC secure care was 10.7 months, an increase from 8 months in FY 2015; however this increase may be attributed in part to an influx of high-risk, high-need youth committed to the Department in recent years. Despite a smaller youth population, the risk and need level of committed youth was approximately one-third higher in FY 2016 than the previous year. In FY 2017, ADJC will develop targeted strategies to ensure that youth are appropriately progressing through treatment stages as identified in the individual youth case plan and from secure care to parole.

Our youth have repeatedly indicated that what they value most is a caring adult; therefore ADJC employees play a critical role in the effective rehabilitation of committed youth. In FY 2017, ADJC will aim to engage all staff in the delivery of youth treatment through standard work and management system designs that ensure consistency and accountability. ADJC will also focus on providing more robust services and advocacy for youth released from secure care to parole to ensure continuity of treatment programming throughout transition to the community.

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. Our intent is to better engage youth in the treatment process, to strengthen their commitment to remaining in treatment, to improve life skills and decision making, and to move youth more quickly and effectively from secure care to community corrections.

Solutions:

1. To prepare committed youth to be successful upon release through an integrated array of academic and career-oriented educational programming.
2. To develop law abiding behavior in committed youth by providing an integrated array of treatment services based on individual needs.

3. To ensure committed youth contribute to the successful restoration of communities and families.

Issue 3 COMMUNITY-BASED SOLUTIONS - Developing programs that move youth back into viable community placements

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). Additionally, research has overwhelmingly demonstrated that for many juvenile offenders, lengthy placements in corrections facilities do not produce better outcomes, and in certain instances, can be counterproductive. Seeking to reduce recidivism and achieve better returns on their juvenile justice spending, several states have recently enacted laws that limit which youth can be committed to these facilities and moderates the length of time they can spend there.

In Arizona, recognizing that younger children and low-risk offenders are better served in community rather than corrections settings, Governor Ducey advocated for reform and in 2015, Arizona enacted law prohibiting commitment to the Arizona Department of Juvenile Corrections (ADJC) of youth under the age of 14 and youth without a felony offense history (unless they have a serious mental illness). This change has helped to focus the use of Arizona's secure care juvenile corrections facility and intensive programming for serious offenders who present a higher risk of reoffending, while supporting more effective community-based programs for others. For ADJC, this means concentration on both successful release of youth from secure care to community corrections (parole) and successful discharge of youth from ADJC's jurisdiction before they turn 18 years of age.

Although we know that many youth achieve better results in community-based settings and lengthy secure care stays do not always produce better outcomes, the average length of stay in ADJC secure care has been increasing since FY 2011 (from 7 months to 10.7 months in FY 2016) while overall the average length of stay in ADJC community corrections has been decreasing (6.4 months in FY 2011 to 4.5 months in FY 2016). With the goal of deemphasizing institutionalized care for low-risk offenders, reducing the costly ADJC secure care footprint, and ensuring the successful re-entry of youth returning to the community, energies will be directed towards integrating secure care and community corrections functions to maintain the continuum of care throughout transition, while simultaneously increasing community outreach and transition activities and successful community placement.

ADJC will strive to increase the number of successful releases from secure care to community corrections in FY 2017. Arizona law states that if a youth is not likely to be a threat to public safety if released and continued treatment, rehabilitation, and education in a less restrictive setting are consistent with the public's safety and interest, the youth may be released to the community. A key strategy will be developing secure care programs that move youth more quickly and effectively back into viable community placements in a way that both maintains the highest level of public safety and continues to improve youth outcomes.

Beginning in FY 2017, ADJC will develop system models to engage both secure care and community corrections staff in youth treatment from the time of commitment to the time a youth is discharged. More robust transition plans will be developed to match youth with the appropriate community-based rehabilitative services following release from secure care and throughout the youth's length of stay in community corrections. ADJC will also focus on expanding community outreach activities and soliciting partnerships with public and private entities with the capacity to provide a broad range of community-based services to paroled youth.

In FY 2015 and FY 2016, ADJC focused on youth success in the community and increasing the number of discharges from ADJC's jurisdiction. Arizona law provides that when a youth has successfully completed or made sufficient progress in treatment and education and there is a reasonable probability that the youth will observe the law and will not be a threat to public safety if at liberty; the youth may be granted a discharge from ADJC's jurisdiction (absolute discharge). In most cases having an absolute discharge enables the youth to petition the court to have his or her juvenile record destroyed. In FY 2016, an average of 6.2% of youth on parole for 120 or more days received an absolute discharge per month. ADJC will strive to increase this amount by 20% in FY 2017 and has identified this objective as a top agency priority.

To accomplish this, ADJC must focus on streamlining and simplifying the absolute discharge application process and establishing clear and consistent guidelines for eligibility. Additionally, ADJC will develop mechanisms to further engage community corrections staff in secure care youth treatment and to educate youth on the importance and benefits of achieving an absolute discharge at the time of commitment. ADJC will also monitor a youth's length of stay in community corrections and deploy intervention tactics for youth who are not adequately progressing within a treatment plan.

Solutions:

1. To deemphasize institutionalized care for low-risk offenders and ensure timely and successful release of youth to community corrections (parole).
2. To maximize youth participation in programming opportunities within the community, including restorative justice and community service, and facilitate successful youth discharge from back into the community.
3. To develop law abiding behavior in paroled youth by providing an integrated array of individualized community-based services.

Issue 4 VALUING EMPLOYEES - Creating a positive culture that rewards continuous innovation and achievement

Description To effectively move forward, the Arizona Department of Juvenile Corrections (ADJC) must continue to adjust its practices in order to 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 agency culture and an engaged workforce that embraces and rewards innovation and achievement at all levels of the organization.

For ADJC, the need for change 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 2016, the agency turnover rate was 39% and the Youth Corrections Officer (YCO) turnover rate was 60%. Both rates have increased in recent years. As a result of this trend, the proportion of tenured employees who possess the institutional knowledge and experience needed to provide support and guidance to new staff in a demanding work environment has steadily declined.

In FY 2016, a number of successful efforts were made to create a culture that celebrates success and rewards high-performing employees. The percentage of uncovered employees receiving merit-based incentive payments increased from 69% in FY 2015 to 76% in FY 2016. Additionally, certain employee groups received a base level salary increase to better align their compensation with industry standards. ADJC will continue these activities in FY 2017, while also making targeted efforts to mitigate attrition through development of a highly skilled and competent workforce with clear access to career advancement and professional development opportunities.

Key strategies to address employee turnover will include review and revision of current staffing systems to correct any imbalances in workload and deploy resources as needed in order to increase scheduling flexibility. The agency has already begun to engage employees in the development of more effective and accommodating management and scheduling systems. Success of these efforts is emphasized by a need to develop standard work and consistent expectations amongst staffing groups. ADJC will also take advantage of a declining employee population to create opportunities for mobility and career development by accommodating employees interested in other areas of work within the agency.

Solutions:

1. To create and sustain a positive culture that embraces and rewards innovation and achievement at all levels of the organization.
2. To create a competent and diverse workforce.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	738.5	738.5	738.5
General Fund	24,180.4	24,180.4	24,180.4
Other Appropriated Funds	14,848.3	14,848.3	14,848.3
Non-Appropriated Funds	98.9	98.9	98.9
Federal Funds	1,124.6	1,124.6	1,124.6

Program Summary

HOUSING

Dona Marie Markley, Director
Phone: (602) 364-4051
A.R.S. § 41-2802

Mission:

To enhance public protection by providing safe, secure, and 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	10,445.5	6,595.3	6,595.3
Other Appropriated Funds	13,972.9	13,260.1	13,260.1
Other Non Appropriated Funds	614.8	610.0	610.0
Total Funding	25,033.2	20,465.4	20,465.4
FTE Positions	392.0	269.0	269.0

Subprogram Summary

FACILITIES MANAGEMENT

Dona Marie Markley, Director
Phone: (602) 364-4051
A.R.S. § 41-2802

Mission:

To provide a safe, clean, and functional physical plant and a sound operational structure for committed juveniles.

Description:

The Facilities Subprogram provides a safe, clean, and functional physical plant and a sound operational structure by ensuring that support services, inspections, and maintenance activities are conducted in an appropriate and timely manner.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	5,247.8	3,039.6	3,039.6
Other Appropriated Funds	1,972.9	2,000.1	2,000.1
Other Non Appropriated Funds	614.8	610.0	610.0
Total Funding	7,835.5	5,649.7	5,649.7
FTE Positions	61.0	26.0	26.0

◆ **Goal 1** To create a safe, clean, and functional physical plant and sound operational structure.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of fire & health inspection discrepancies corrected before the next inspection	100	100	100	n/a	n/a
Percent of facility/operational compliance as measured by the GAR inspection system	87	87	94	n/a	n/a
Percent of youth who feel safe in secure care	83	87	81	n/a	n/a

Subprogram Summary

SECURITY

Dona Marie Markley, Director
 Phone: (602) 364-4051
 A.R.S. § 41-2802

Mission:

To enhance public protection by maintaining a secure environment for committed juveniles that supports positive behavioral programming.

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 facilities.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,231.7	795.9	795.9
Other Appropriated Funds	12,000.0	11,260.0	11,260.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	15,231.7	12,055.9	12,055.9
FTE Positions	294.0	220.0	220.0

◆ **Goal 1** To safeguard the public, staff, and committed youth using sound corrections practices.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of youth-on-youth assaults in secure care per 100 youth	0	0	6.1	5.8	0
Explanation: Agency scorecard metric. Calculation is equal to the monthly average for the FY.					
Percent of youth in secure care not engaging in assaultive or violent behaviors	63	63	79	n/a	n/a
Number of escapes	0	0	0	n/a	n/a

Subprogram Summary

HEALTH CARE

Dona Marie Markley, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,966.0	2,759.8	2,759.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,966.0	2,759.8	2,759.8
FTE Positions	37.0	23.0	23.0

◆ **Goal 1** To provide necessary and appropriate medical, dental, and mental health care to committed youth.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Medical services average annual cost per youth	8,680	8,680	6,518	n/a	n/a
Percent of youth assessed with significant mental health needs	39	39	50	n/a	n/a
Mental health services average annual cost per youth	6,008	6,008	7,173	n/a	n/a

Program Summary

REHABILITATION

Dona Marie Markley, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,790.8	8,842.6	8,842.6
Other Appropriated Funds	2,009.1	2,119.7	2,119.7
Other Non Appropriated Funds	554.5	553.6	553.6
Total Funding	10,354.4	11,515.9	11,515.9
FTE Positions	120.0	116.5	116.5

Subprogram Summary

EDUCATION

Dona Marie Markley, Director
Phone: (602) 364-4051
A.R.S. § 41-2831

Mission:

To support the mission of ADJC 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,012.1	1,126.9	1,126.9
Other Appropriated Funds	1,509.8	1,588.2	1,588.2
Other Non Appropriated Funds	500.8	499.9	499.9
Total Funding	3,022.7	3,215.0	3,215.0
FTE Positions	35.0	23.0	23.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of education credits earned per term	0	0	79.1	83.1	0
Explanation: Agency scorecard metric. Calculation is equal to the per term average for the FY.					
Percent of youth entering secure care at two or more grades below grade level	42	42	65	n/a	n/a
Overall grade level increase in mathematic achievement in secure care (average length of stay is 10.7 months)	1.7 grade	1.7 grade	1.5 grade	n/a	n/a
Overall grade level increase in reading achievement in secure care (average length of stay is 10.7 months)	1.6 grade	1.7 grade	2.0 grade	n/a	n/a
Number of youth in secure care earning a high school diploma	80	80	62	n/a	n/a
Explanation: Despite a decline in the number of high school diplomas awarded from the previous FY, the percentage of youth in secure care earning a high diploma increased from 13% to 14% in FY 2016.					
Number of youth in secure care earning a GED	107	130	69	n/a	n/a

Subprogram Summary

SECURE CARE TREATMENT

Dona Marie Markley, 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. Rehabilitative treatment is determined based upon a comprehensive behavioral health assessment, including a criminogenic and protective risk and needs assessment, which determines the presence, nature, and severity of behavioral health problems or strengths. ADJC provides all secure care youth with core behavior therapy treatment that addresses dysfunctional thinking as it contributes to problematic and delinquent behaviors and that uses Cognitive Behavior Therapy, Motivational Enhancement Therapy, social learning, risk factors management, and relapse prevention approaches. In addition to this core treatment, ADJC provides specialty treatment for severe conduct disorder, substance dependency, mental health issues, and sexual behavior disorder to youth as needed. The main treatment program modality is group, with individual sessions occurring on a regular basis to address identified needs. Psychology staff provides group psychotherapy, while psycho-educational groups are conducted by youth program staff, whose work is aligned with and supports the psychotherapy groups. In addition, transition services are available to each youth based upon his/her Continuous Case Plan.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,481.3	4,559.4	4,559.4
Other Appropriated Funds	263.6	283.9	283.9
Other Non Appropriated Funds	53.7	53.7	53.7
Total Funding	3,798.6	4,897.0	4,897.0
FTE Positions	44.0	58.5	58.5

- ◆ **Goal 1** To develop law abiding behavior in committed youth by providing an integrated array of treatment services based on individual needs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of youth making treatment progress pursuant to individual youth case plan	0	0	63.6	70.0	0

Explanation: Agency scorecard metric. Calculation is equal to the monthly average for the FY.

Ratio of "good behavior/positive reinforcements" earned by youth to "bad behavior/rule violations" earned by youth	15:1	15:1	20:1	n/a	n/a
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- ◆ **Goal 2** To ensure committed youth contribute to the successful restoration of communities and families.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Dollar amount of court ordered restitution collected from youth in secure care	9,434	9,434	4,868	n/a	n/a

Subprogram Summary					
COMMUNITY CARE TREATMENT					
Dona Marie Markley, 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 (parole).

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,297.4	3,156.3	3,156.3
Other Appropriated Funds	235.7	247.6	247.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,533.1	3,403.9	3,403.9
FTE Positions	41.0	35.0	35.0

- ◆ **Goal 1** To develop secure care programs that move youth more quickly and more effectively back into viable and sustainable community placements.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Percent of youth in secure care released to parole 0 0 18.4 20.3 0

Explanation: Agency scorecard metric. Calculation is equal to the monthly average for the FY.

Average length of stay (in months) for a youth in secure care 8.5 8 10.7 n/a n/a

Explanation: Youth risk & need level increased by approximately 1/3 in FY 2016

Average length of stay (in months) for a youth on parole 4.3 4.7 4.5 n/a n/a

- ◆ **Goal 2** To maximize youth participation in an integrated array of individualized programming opportunities within the community, including restorative justice and community service.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Percent of paroled youth productively involved in education or employment activities or programs 0 0 66.5 73.2 73.2

Explanation: Agency scorecard metric. Calculation is equal to the monthly average for the FY.

Percent of victims reporting satisfaction with restorative justice services received from ADJC 100 100 100 n/a n/a

- ◆ **Goal 3** To engage paroled youth in community-based services, family programming, and pro-social activities that develop law abiding behavior and facilitate successful youth discharge back into the community.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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Percent of paroled youth returning to secure care for a new delinquent offense 0 0 4.6 3.8 0

Explanation: Agency scorecard metric. Calculation is equal to the monthly average for the FY.

Percent of paroled youth receiving an absolute discharge 0 0 6.2 7.4 0

Explanation: Agency scorecard breakthrough metric. Calculation is equal to the monthly average for the FY.

Percent of youth incarcerated within 12 months of release 0 0 26.9 n/a n/a

Explanation: Includes parole revocation return to ADJC secure care for new delinquent offense only; recommitment to ADJC; & commitment to the Arizona Department of Corrections. FY 2015 Actual = 24.3.

Percent of juveniles incarcerated within 12 months of release 41 30 37 30 30

Explanation: Includes parole revocation return to ADJC secure care for technical violation or new delinquent offense; recommitment to ADJC; & commitment to the Arizona Department of Corrections

Percent of youth incarcerated within 36 months of release 0 0 32.3 n/a n/a

Explanation: Includes parole revocation return to ADJC secure care for new delinquent offense only; recommitment to ADJC; & commitment to the Arizona Department of Corrections. FY 2015 Actual = 38.9.

Program Summary

ADMINISTRATION

Dona Marie Markley, Director
 Phone: (602) 364-4051
 A.R.S. § 41-2802

Mission:

To provide ADJC 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 required to change the lives of youth under ADJC 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,121.0	8,742.5	8,742.5
Other Appropriated Funds	0.0	1,100.0	0.0
Other Non Appropriated Funds	194.8	160.7	160.7
Total Funding	7,315.8	10,003.2	8,903.2
FTE Positions	62.5	58.5	58.5

- ◆ **Goal 1** To engage in continuous process improvement in order to improve outcomes, cut costs, reduce waste, and help the agency meet its obligations to the public.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average daily population for youth in secure care	324	TBD	231	n/a	n/a
Daily cost per youth in secure care	316.56	TBD	406.78	n/a	n/a
Average daily population for youth on parole	344	TBD	286	n/a	n/a
Daily cost per youth on parole	57.61	TBD	68.53	n/a	n/a

- ◆ **Goal 2** To create and sustain a positive culture that embraces and rewards innovation and achievement at all levels of the organization.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Agency FTE count	0	0	562	506	0

Explanation: Statewide scorecard metric. FY 2016 Actual (baseline) = agency headcount as of February 4, 2015.

Regrettable attrition (number of voluntary separations of employees whose performance ratings met or exceeded expectations & whom the agency planned to retain)	0	0	7	7	0
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Explanation: Statewide scorecard metric. Calculation equal to the monthly average for the FY. Data unavailable before January 2016.

Percent of staff indicating that their supervisor shows care & concern for employees	70	70	73	n/a	n/a
Annual Youth Corrections Officer (YCO) turnover rate	51	35	60	n/a	n/a

Agency Summary

STATE LAND DEPARTMENT

Lisa A. Atkins, 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 9.2 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ TRUST MANAGEMENT AND REVENUE GENERATION	15,063.4	17,268.0	20,519.9
➤ OUTSIDE ASSISTANCE AND GRANTS	878.6	1,006.8	1,102.3
Agency Total:	15,942.0	18,274.8	21,622.2
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	12,401.8	12,491.4	13,403.8
Other Appropriated Funds	1,866.9	4,797.4	7,247.4
Other Non Appropriated Funds	1,673.3	986.0	971.0
Total Funding	15,942.0	18,274.8	21,622.2
FTE Positions	129.7	129.7	129.7

5 Year Plan

Issue 1 Establish and Implement Goals and Strategies to Bridge Gap Between Current State and Desired Future State

Description The Department continues to work to identify cultural and operational opportunities to improve performance in key business areas. The ongoing internal analysis has revealed prospects for future growth through the alignment of management and the integration of a comprehensive strategic plan into daily operations. Enhancing overall efficiency is key to the Department’s goal of operating more effectively as a multi-generational, perpetual Trust on behalf of the Beneficiaries and customers.

Solutions:

Through the implementation of the Arizona Management System, the Department is working to bridge the gap between its current state and our desired future state through an overall improvement culture. The improvement culture will facilitate and encourage effective team collaboration, a systematic approach to business decisions and transactions, development of a proactive asset management system, and the creation of a flexible and dynamic business model allowing the Department to respond to varying market conditions.

Developing clear goals will bring clarity to the daily work of each member of the State Land Department team, further aligning that work with the Department’s mission. Outcomes guided by goals and executed through daily work will be measured through performance metrics at the section, division, and agency level, which will roll-up into the Governor’s state-wide metrics. The data-driven approach will increase transparency to both internal and external customers, will enhance efficiency and effectiveness, and through the metrics cascade, track achievements from both the perspective of fulfilling the Trust’s mission and adding value for our customers.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	129.7	129.7	129.7
General Fund	13,435.0	13,435.0	13,435.0
Other Appropriated Funds	7,247.4	7,247.4	7,247.4
Non-Appropriated Funds	971.0	971.0	971.0
Federal Funds	0.0	0.0	0.0

Program Summary

TRUST MANAGEMENT AND REVENUE GENERATION

Will Palmisano, Budget & Procurement Manager
 Phone: (602) 542-1619
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,820.0	11,910.1	12,712.0
Other Appropriated Funds	1,716.9	4,536.9	6,986.9
Other Non Appropriated Funds	1,526.5	821.0	821.0
Total Funding	15,063.4	17,268.0	20,519.9
FTE Positions	127.7	127.7	127.7

◆ **Goal 1** To administer Trust resources to optimize revenue over time.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total revenue generated (in millions)	203.3	239.6	157.1	0	0
Total expendable receipts, excluding interest on permanent fund and school leases (millions)	63.4	46.9	48.6	0	0
Total annual revenue to permanent fund (millions)	136.3	186.7	101.5	0	0
Number of participation sales	0	0	0	0	0
Number of auctions where broker commission is paid	4	2	3	0	0

◆ **Goal 2** To protect unique Trust resources and provide environmental protection to maintain the long-term value of the asset.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Proposed land use and disposition actions reviewed for cultural resource considerations	421	525	204	0	0
Number of hazardous materials sites remediated	0	4	0	0	0
Number of nonhazardous materials sites remediated	0	25	0	0	0

◆ **Goal 3** To improve the Department's efficiency in application or transaction processing.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average processing time for long-term leases (tracked by months)	14.6	14.0	24	0	0
New short-term lease processing time (in months)	9.5	10.0	12	0	0
Average processing time for sales applications (tracked by months)	16.5	18.0	20	0	0
In-house appraisal turnaround time (days from administrator request to receipt by section manager)	54	50	48	0	0
Contract appraisal turnaround time (days from administrator request to receipt by section manager)	82	85	96	0	0
Average trust land earnings per acre sold (in dollars)	82,786	155,154	176,182	0	0
Average trust land earnings per acre on new long-term commercial leases	424,216	10,893	34,001	0	0

◆ **Goal 4** To improve the availability of actual information and increase analytical capabilities of the agency.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Combined parcels (surface, minerals, special permits, etc.) accessible through PALMS	66,327	67,000	66,870	0	0
Number of data sets accessible through PALMS	527	550	519	0	0

Program Summary

OUTSIDE ASSISTANCE AND GRANTS

Will Palmisano, Budget & Procurement Manager
 Phone: (602) 542-1619
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	581.8	581.3	691.8
Other Appropriated Funds	150.0	260.5	260.5
Other Non Appropriated Funds	146.8	165.0	150.0
Total Funding	878.6	1,006.8	1,102.3
FTE Positions	2.0	2.0	2.0

Subprogram Summary

ARIZONA CENTER FOR GEOGRAPHIC INFORMATION, COORDINATION AND SERVICES

Jill Pernice, Assistant Administration and Budget Director
 Phone: (602) 542-3179
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	191.8	191.8	191.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	146.8	165.0	150.0
Total Funding	338.6	356.8	341.8
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Datasets transferred	3,262	4,000	4,560	0	0
Geospatial datasets under development or revision	189	200	237	0	0
Datasets accessible through AGIC, ALRIS or SCO websites	230	250	277	0	0

- ◆ **Goal 2** 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Users accessing AGIC, ALRIS or SCO websites for information or data	45,119	50,000	59,690	0	0
Participation in coordination activities with organizations which improve access and utilization of geographic datasets	38	36	38	0	0

Subprogram Summary

NATURAL RESOURCE CONSERVATION DISTRICTS

Jill Pernice, Assistant Administration and Budget Director
 Phone: (602) 542-3179
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	390.0	389.5	500.0
Other Appropriated Funds	150.0	260.5	260.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	540.0	650.0	760.5
FTE Positions	0.0	0.0	0.0

Agency Summary

LEGISLATIVE - AUDITOR GENERAL

Debbie Davenport, Auditor General
 Phone: (602) 553-0333
 A.R.S. § 41-1279

Mission:

To provide information, assistance, and recommendations to improve Arizona government for its citizens.

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 audits (or reviews) 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.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	17,933.3	18,066.5	18,066.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,956.3	1,960.3	1,960.3
Total Funding	19,889.6	20,026.8	20,026.8
FTE Positions	204.4	204.4	204.4

◆ **Goal 1** To use efficient and value-added processes to ensure our reports are issued in a timely manner

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of administrative recommendations implemented or adopted within two years for performance audits	84	90	98	90	90
Percentage of single audit recommendations implemented or adopted within one year for financial audits	58	75	72	75	75
Percentage of legislative recommendations implemented or adopted within two years	100	60	100	60	60

◆ **Goal 3** To hire, develop, and retain a high-quality workforce

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of staff turnover	9	15	15	15	15

Agency Summary

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

John Cocca, Director
 Phone: (602) 542-9020
 A.R.S. § 4-111 et seq.

Mission:

To ensure all Divisions in the Department of Liquor Licenses and Control operate in a cost-effective manner, all operational activities conform to statutory requirements and other guidelines, staffing is provided to the State Liquor Board, and alleged violations are resolved in a timely manner.

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 youth to reduce underage drinking.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADMINISTRATION	1,107.2	973.1	1,779.1
➤ INVESTIGATIONS	2,304.0	2,236.1	2,336.1
➤ LICENSING	647.9	746.1	746.1
Agency Total:	4,059.1	3,955.3	4,861.3
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	41.7	0.0	0.0
Other Appropriated Funds	2,861.6	3,007.4	3,913.4
Other Non Appropriated Funds	1,155.8	947.9	947.9
Total Funding	4,059.1	3,955.3	4,861.3
FTE Positions	35.0	36.0	36.0

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

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 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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	42.0	42.0	45.0
General Fund	3,500,000.0	3,500,000.0	4,000,000.0
Other Appropriated Funds	1,500,000.0	1,500,000.0	2,000,000.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

Program Summary

ADMINISTRATION

Pearlette Ramos, Assistant Director
 Phone: (602) 542-9021
 A.R.S. Title 4

Mission:

To ensure all Divisions in the Department of Liquor Licenses and Control operate in a cost-effective and efficient manner, all operational activities conform to statutory requirements and other guidelines and staffing is provided to the State Liquor Board.

Description:

Daily departmental operations include communications, budget preparation, human resources, payroll, insurance, accounting for and distribution of revenues, accounts payable, accounts receivable, accounting for all authorized non-reverting funds, purchasing, the operation of the Department's automated and electronic data banks, records retention, and information flow. The program also provides personnel to staff the State Liquor Board, a separate quasi-judicial body appointed by the Governor. The division maintains a relationship with governmental agencies as well as all businesses dealing with spirituous liquor.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	41.7	0.0	0.0
Other Appropriated Funds	1,065.5	973.1	1,779.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,107.2	973.1	1,779.1
FTE Positions	6.0	5.0	5.0

◆ **Goal 1** To ensure timely and accurate reporting of revenue and expenses

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Revenue and Expense reports to be completed by the 15th of the month	100	98	99	98	98

◆ **Goal 2** To ensure timely payment of invoices.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
To pay all invoices within 30 days of receiving invoice	100	98	98	98	99

◆ **Goal 3** To perform restaurant audits expeditiously.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of days to perform an audit	0	0	25	30	30

Program Summary

INVESTIGATIONS

Michael Rosenberger, Deputy Director
 Phone: (602) 542-9076
 A.R.S. § 4-112, 4-113, 4-213

Mission:

To investigate liquor law violations and maintain open lines of communication with licensees and the law enforcement community in order to obtain the maximum level of compliance with State statutes and rules.

Description:

The Investigations Division conducts criminal and administrative liquor law related investigations initiated by citizen and law enforcement complaints as well as by the agency, in order to maintain public safety and ensure that licensees are complying with ARS Title 4 and Departmental rules; provides training and support to local law enforcement agencies enhancing their ability to enforce liquor laws; conducts criminal background checks through fingerprint records of all individuals associated with liquor licenses in Arizona; liaisons with State and federal law enforcement agencies, as well as city, town and tribal police departments, and sheriff's offices; conducts covert operations and collaborates with other law enforcement agencies to investigate Title 4 violations; conducts routine liquor inspections of licensed establishments; maintains an investigative database accessible to police agencies. The Compliance Unit receives actionable reports of liquor law violations and resolves those cases through communication with licensees and issues formal compliance actions when appropriate.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,148.2	1,288.2	1,388.2
Other Non Appropriated Funds	1,155.8	947.9	947.9
Total Funding	2,304.0	2,236.1	2,336.1
FTE Positions	16.0	18.0	18.0

◆ **Goal 1** To investigate and resolve all citizen initiated complaints of liquor law violation in an efficient and timely manner

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of calendar days to complete a citizen initiated complaint investigation	0	0	n/a	70	35
Percentage of liquor law compliance cases processed in less than 90 calendar days	0	0	99	99	99

◆ **Goal 2** To conduct Title 4 Training to police officers as well as industry groups

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of training classes conducted	34	35	68	45	50

◆ **Goal 3** To resolve compliance cases so that fewer cases go to hearing

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of compliance cases set for hearing	0	0	4	6	6

Program Summary

LICENSING

Lee Hill, Assistant Director
 Phone: (602) 364-1936
 A.R.S. Title 4

Mission:

To efficiently license qualified applicants and deliver exceptional customer service.

Description:

The License Division is responsible for issuing liquor licenses to qualified applicants. The License Division's seven (7) Customer Service Representatives assist licensees with the documents required by A.R.S. Title 4 to operate an Arizona liquor-licensed business or temporary event.

Within the License Division is the Records Unit. Records Unit staff are responsible for creating forms and instructions, processing payments, the secure exchange of documents between local governments and the agency, and to ensure that liquor license records are safe, legible, and readily accessible.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	647.9	746.1	746.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	647.9	746.1	746.1
FTE Positions	13.0	13.0	13.0

◆ **Goal 1** To review and issue a Series 6 liquor license in less than 80 days

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of new licenses, transferred licenses, and renewals issued	12,703	13,500	13,821	13,500	14,000
To review and issue a Series 6 license in less than 80 days	86	85	84.2	80	0

◆ **Goal 2** To identify and eliminate steps in the application process that are not required by statute, rule, or necessary for public safety.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Identify and eliminate steps in the application process that are not required by statute, rule or necessary for public safety	0	0	n/a	5	5

◆ **Goal 3** To review and issue a series 7 liquor license in less than 80 days

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
To review a series 7 liquor license in less than 80 days	0	0	88	80	0

◆ **Goal 4** To review and issue a series 9 liquor license in less than 80 days

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
To review and issue a Series 9 liquor license in less than 80 days	0	0	86	80	0

◆ **Goal 5** To review and issue a series 12 liquor license in less than 80 days

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
To review and issue a Series 12 liquor license in less than 80 days	0	0	81	80	0

Agency Summary

LOTTERY

Gregory R. Edgar, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	97,520.4	113,437.8	117,056.6
Other Non Appropriated Funds	1,305,883.4	1,325,554.8	1,325,554.8
Total Funding	1,403,403.8	1,438,992.6	1,442,611.4
FTE Positions	98.8	98.8	101.8

Issue 1 Digital Transformation

Description The Arizona Lottery's digital footprint is in need of a significant upgrade to be able to achieve the agency's core business objectives. The heart of our technology is an AS400 mainframe system which is an antiquated system based on programming technology that is over 30 years old. This outdated system is the driver of every department within the Lottery resulting in significant inefficiencies. Beyond the inefficiency factor, the Arizona Lottery is in need of a digital platform that is more responsive to department needs and adaptable to the changing lottery marketplace.

Solutions:

The agency, through the Arizona Department of Administration, has engaged the Arizona Strategic Technology Office to do a full review of the agency's business needs and develop a plan for the digital transformation of the agency. Based on this review, the Lottery plans to request funding in the FY18 budget submittal to address this issue. The agency's objectives are: to be at the forefront of the state's effort to transform licensing and permitting as a state initiative; provide Arizona Lottery a twenty-first century IT platform; create better alignment and leverage the state's new accounting system; streamline retailer interaction; and provide a more secure system for our Audit and Security teams.

Issue 2 Product Mix and Price Points

Description In just 10 years, instant ticket game sales have increased a total of 85.5% and have shifted from 53.3% to 67.8% of the Arizona Lottery's gross sales. Changes in consumer demand, industry technology advancements, and retail merchandising have all contributed to the historic increase in Scratchers® tickets and the decline in popularity of on-line draw games. During this time frame, the Lottery has reported record sales and transfers to beneficiaries. With anywhere from 28 to 32 Scratchers ticket products in market at any given time, a need exists to better optimize ticket facings to maximize profits. Moreover, price points are currently offered at \$1, \$2, \$3, \$5, \$10 and \$20 but these price points need to be studied further and priced with purpose.

Solutions:

With the help of the agency's finance and accounting staff, the Products and Marketing team will provide a game by game analysis of Scratchers games ended over a 24 month period, as well as Scratchers games currently in market, to realize true profitability. A game planning predictor tool will then be developed to better guide the ongoing development and management of product lines along with price points. Consumer favorability predictors will also be generated from an exclusive panel of on-line players to better assess game outcomes moving forward.

Additionally, the agency will leverage business intelligence to better manage the online draw game portfolio. Suffering from a decline in consumer interest as well as unpredictable windfall jackpots, the draw game category for Arizona Lottery will be optimized by first examining the profitability and popularity for all draw games. Consideration will be given to ending games that steal share within the category and are at the end of game life cycle. Secondly, existing games which demonstrate potential and high affinity will be considered for revitalization to address player concerns and improve acceptability rates. Finally, new draw games that demonstrate incremental revenue potential without stealing significant category share will be researched, vetted and developed for launch.

Issue 3 Beneficiary Funding

Description The Arizona Lottery's mission is to serve the designated beneficiary funds set forth by the Arizona Legislature in A.R.S. § 5-572. Changes to the statute in 2008 were implemented without a set protocol for how exactly the agency was to pay designated beneficiaries. In 2009, in order to implement protocols to fund beneficiaries in an efficient and predictable manner, the Lottery worked with the Governor's Office to develop a set process. The plan utilized the funding caps and percentages, as well as the prescribed waterfall order laid out in the statute. While the Arizona Lottery has been operating under an executive memo to implement this protocol, this process was never codified within the statute.

Additionally, certain beneficiaries are directly tied to the agency's unclaimed prizes. Unclaimed prize amounts vary in any given year and this structure creates difficulty for budgeting and planning efforts of the Court Appointed Special Advocates (CASA) beneficiary because they do not know what their budget is going to be at the start of each fiscal year. Using unclaimed prizes to fund beneficiaries is also problematic for the Lottery from a perception standpoint. Efforts to increase player redemption of unclaimed tickets aesthetically appears to be taking dollars out of the hands of beneficiaries who rely on those dollars.

Furthermore, in many states, unclaimed prizes are utilized to subsidize the state's Lotto game, which in Arizona is The Pick. Presently, The Pick has to roll 4 or 5 times before the jackpot is funded by game sales which creates an unfunded liability for the Lottery that in FY15 cost the agency approximately \$1.5 million. Additionally, the unfunded jackpot impacts the speed at which the jackpot grows and the overall sales of the game.

Solutions:

The agency will work with the Governor's Office and the Legislature to clarify the governing statute to reflect the best practices of filling beneficiary funds to meet overall funding objectives. Further, Arizona Lottery recommends moving beneficiaries that are tied to unclaimed prizes into the general distribution waterfall. This would enable these agencies to better set budgets and receive distributions in a more efficient manner. It will also give Arizona Lottery the ability to utilize remaining prizes more effectively without impacting the funding of CASA.

The agency recommends restricting the use of unclaimed prizes to meet objectives of the agency such as the establishment of a carryover pool that supports the funding of our signature state game The Pick as well as other games to achieve greater budget management and solidify the starting level of The Pick jackpot.

Issue 4 Employee Retention and Development

Description The Arizona Lottery has experienced a 42.9% turnover rate in the past fiscal year. This attrition was driven mostly in the sales and IT departments. Over the past five years, Arizona Lottery has experienced a much higher turnover rate than in previous years in large part due to the salaries paid. This high turnover rate impacts our service delivery, our institutional knowledge, and our overall agency efficiency.

Solutions:

The agency secured a Human Resources Manager who is developing programs and initiatives aimed at reducing turnover rate and regrettable attrition. The focus is on developing professional development programs that provide growth opportunities to Lottery employees. In FY17, the agency will also institute a review of agency-wide position descriptions to better align the work that employees are performing with their job descriptions. This analysis will allow the agency to implement strategies to better compensate the team that is in place.

Issue 5 Retailer Growth

Description The Arizona Lottery has maintained a 1% annual growth rate in its retail base over the past 5 years. Presently, the Lottery has approximately 2,991 retailers licensed to sell Lottery products. In recent years the agency has opened new avenues for growth with the addition of retailers in the age-restricted category, but has relied upon outside vendor for the development of that retail category. The Lottery has not applied a consistent, overall strategy for retail growth.

Solutions:

The agency is in the process of developing an overall strategy to expand its retail base and open new partnership opportunities. The objective is to increase our overall retail base by 7% by the end of FY18. To achieve this objective, the Lottery will look at the development of new markets opportunities, expansion of existing relationships, and growth of the current Pull Tab line of products.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	101.8	101.8	101.8
General Fund	0.0	0.0	0.0
Other Appropriated Funds	126,306.2	131,041.2	135,999.5
Non-Appropriated Funds	611,904.0	640,064.0	669,504.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To increase transfers to the State.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Dollar amount of instant ticket sales (in millions)	547.2	589.9	590.7	628.0	0
Dollar amount of draw game sales (in millions)	202.8	211.1	274.2	242.0	0
Dollar amount of pull tab sales (in millions)	0	0	6.1	7.5	0
Dollar amount of all game sales (in millions)	750.0	801.0	871.0	n/a	n/a
Increase/(decrease) in instant ticket sales from prior year (in millions)	58.9	42.7	49.6	n/a	n/a
Increase/(decrease) in on-line sales from prior year (in millions)	(32.9)	8.3	71.4	n/a	n/a
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.	261,100	280,000	279,400	n/a	n/a
Out of stock percentage for ticket vending machines.	4.4	4.4	4.0	n/a	n/a
Total Lottery dollars distributed to State programs (in millions)	176.0	184.2	193.6	n/a	n/a
Percent of lottery ticket sales distributed to state beneficiaries	23.5	23.0	22.2	23.0	0

◆ **Goal 2** To increase agency efficiency.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of hours draw games system not available for processing transactions (operational hours: 20 hrs per day x 365 = 7300 hrs)	3.6	3.5	3.5	n/a	n/a
Number of hours instant ticket validation system not available for processing transactions (operational hours: 20 hrs per day x 365 = 7300 hrs)	3.6	3.5	3.5	n/a	n/a
Percent of Lottery program expenditures outsourced	91.1	92.7	92.4	n/a	n/a
Administration as a percentage of total cost	5.4	5.0	4.4	n/a	n/a
Average number of days required to pay vendors	7	7	13	n/a	n/a
Percent of vendor invoices paid within 30 days	97.8	96.5	90.2	n/a	n/a
Percent of Arizona Management System adoption	0	0	n/a	n/a	0

Explanation: Metric target for FY17 not available at time of submission.

Number of breakthroughs achieved	0	0	n/a	n/a	0
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Explanation: Metric target for FY17 not available at time of submission.

Percent of services conducted online	0	0	n/a	n/a	0
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Explanation: Metric target for FY17 not available at time of submission.

Number of administrative rules improved	0	0	n/a	n/a	0
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Explanation: Metric target for FY17 not available at time of submission.

◆ **Goal 3** To maintain an effective retailer compliance program.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of active retailer accounts in good standing	99.5	99.5	99.3	n/a	n/a
Percent of routine retailer inspections in compliance with underage wagering requirements	99.9	99.9	99.9	n/a	n/a
Percent of routine retailer inspections resulting in discovery of a rule violation or criminal activity	.9	1.3	.9	n/a	n/a
Number of "at risk" retailers requiring immediate investigation (2800 total retailers)	53	60	25	n/a	n/a

Explanation: Measure depicts retailers that require immediate inspections as compared to routine compliance inspections. In FY16, non-routine work issues impacted the ability to conduct investigations.

◆ **Goal 4** To increase player engagement.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of general public indicating the Lottery is a good way to raise money for the state of Arizona	71	74	n/a	n/a	n/a

Explanation: No data available for FY16 due to change in research tracking vendor.

Average "open" rate for Lottery product email blasts	14	14	17	n/a	n/a
Average page views per visit to the Lottery website	20	21	4.4	n/a	n/a
Number of players joining the Lottery's loyalty club	0	0	n/a	20,000	0

◆ **Goal 5** To enhance retailer relationships.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of retailers achieving additional .5% commission incentive	29.0	30.0	32.9	n/a	n/a
Total instant tab game commissions earned by charitable organizations	1,028,100	1,180,000	1,157,200	n/a	n/a
Percent of retailers expressing overall satisfaction with Lottery services	97	96	98	n/a	n/a

◆ **Goal 6** To attract and retain high quality employees.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of agency staff turnover	18	14	42.9	n/a	n/a
Number of regrettable attrition	0	0	n/a	n/a	0
Agency FTE count	0	0	n/a	89	0

◆ **Goal 7** To deliver quality customer service.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of customer complaints	0	0	n/a	438	0
Percent of general public indicating the Lottery is run honestly and with integrity	76	79	70	n/a	n/a
Average number of days to issue a retailer license.	0	0	0	10	0

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, sexual activity, and unprofessional conduct.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	425.0	470.1	490.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	425.0	470.1	490.0
FTE Positions	5.0	5.0	5.0

5 Year Plan

Issue 1

Description

Solutions:

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	5.0	5.0	5.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	438.7	438.7	438.7
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Massage therapy applications received for initial licensure and biennial renewal.	4,829	4,900	4,796	4,800	4,800
Average number of days to process an application	34	36	35.5	36	36

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints received against massage therapists	38	40	37	35	35
Complaints resolved in the same fiscal year.	25	25	30	25	25
Average number of days to resolve a massage therapy complaint	126	100	112	110	110

Agency Summary

ARIZONA MEDICAL BOARD

Patricia E. McSorley, 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 (“MDs”), 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 Boards regulate over 25,000 licensees.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,472.3	6,463.6	7,364.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,472.3	6,463.6	7,364.0
FTE Positions	178.6	61.0	68.0

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 focus on essential agency functions and concentrate on those matters that directly affect the health and well-being of the people of Arizona. The Boards will continue their advances toward providing clear direction through policy and statutory initiative, participating in ongoing educational opportunities and advances in streamlined 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 enhanced information technology applications

Description The Agency has had a successful electronic licensing renewal (e-licensing) for over eight 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 processes and as financial transactions take place.

The IT infrastructure will continue to evolve as other electronic functions are made available to licensees and the public as well. The Agency implemented the on-line initial MD Application in December 2015. This online process provides a method for physicians to track the status of their application. The database also tracks staff progress during the investigative and post adjudication processes. This allows for a more robust statistical data analysis and potential identification of process improvement

Solutions:

Maintaining or improving upon prior year performance levels in license processing,

Maintaining or improving upon prior year performance levels in complaint investigation and case resolution, and

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	61.0	61.0	61.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	7,364.0	7,364.0	7,364.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of substantive policy statements, guidelines, rules, or rule revisions adopted	2	2	2	2	2
Number of instances where a Board or staff member attends a professional training event relevant to the Board's functions and or the appropriate delivery of healthcare.	19	20	65	20	20
Number of public awareness activities, training opportunities, and other public notifications published on the Board website or transmitted to licensees via e-mail blasts.	3	25	13	22	18

Explanation: Publications are based on actual need and material for communication. The key is managing consistent and important information relay.

- ◆ **Goal 2** To improve efficiency of licensing, other regulatory measures, and information dissemination processes.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average time to approve an MD license from receipt of application	27	30	19	30	30
Average time to approve a PA license from receipt of application	18	17	11	17	17
Average number of days to process an initial medical doctor license upon receipt of completed application	15	7	9	7	7
Average score of agency-wide customer service satisfaction surveys (scale of 1-8)	7.0	7.5	7.3	7.5	7.5
Average number of days to complete an medical doctor investigation	151	140	176	155	155
Average number of days to complete an physician assistant investigation	124	130	154	140	140
Average number of days to resolve a medical doctor case	191	180	264	215	200
Average number of days to resolve a physician assistant case	167	180	201	200	195
Medical doctor cases referred to formal hearing	17	20	12	18	18

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. The 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 administers reclamation financial assurance and 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. The Office conducts complaint investigations, issues mine owner compliance notifications, and identifies, assesses, and secures mine safety hazards. The Office also 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ MINING SAFETY ENFORCEMENT	975.1	1,017.8	1,191.8
➤ ABANDONED MINES	459.5	227.5	558.0
➤ EDUCATION AND TRAINING - FEDERAL GRANT	300.6	376.4	401.5
➤ MINED LAND RECLAMATION	30.3	112.9	177.0
Agency Total:	1,765.4	1,734.6	2,328.3
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,161.9	1,212.5	1,781.1
Other Appropriated Funds	30.3	112.9	112.9
Other Non Appropriated Funds	573.2	409.2	434.3
Total Funding	1,765.4	1,734.6	2,328.3
FTE Positions	18.0	18.0	24.0

Issue 1 Inspection Division

Description The Arizona State Mine Inspectors Office is a constitutional office that has been charged with the Health and Safety of the Miner, it is a Life Safety Agency with legally mandated requirements.

The Arizona State Mine Inspector / ASMI, is required to inspect at least once a year every mine in the state for compliance to the Arizona Revised Statutes and the Rules and Regulations. In ARS 27-124 the inspector is further required to inspect the mining operation for conditions, safety appliances, machinery, equipment, sanitation and ventilation, the means of ingress and egress, the means taken to protect the lives, health and safety of the miners. Arizona Revised Statute 27-309, ASMI must investigate the cause of fatal accidents resulting in a death occurring at the mine and file written report. Arizona Revised Statute 27-308, ASMI is required to investigate written safety complaints and will accept verbal complaints that are reasonably likely to be fatal.

Inspections has been reduced by one Inspector, from five to four Inspectors, 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 Inspections 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 spent performing the actual required Health and Safety inspection at each mine in an attempt to keep up. Currently three of the four Inspectors are eligible for retirement. Mine Inspectors are very specialized, requiring knowledge in mine safety, mine processes and regulatory requirements.

It is imperative that ASMI prepare for succession by recruiting an additional inspector and to have a minimum of 3 years to develop the knowledge, skills and abilities to inspect mine sites for health and safety inspections on the regulatory side. If the Agency is not funded for this mandatory obligation it will leave the Agency and the state of Arizona open to multiple liabilities for subsequent administrations.

Arizona Revised Statute 27-303 requires the operator to notify ASMI when a mine will be temporarily or permanently closed. In the case of temporary suspension of operations excluding labor disputes, exceeding six months or in the case of permanent termination of mining operations, the operator shall notify the inspector, in writing, before the suspension or termination date. All shafts, portals, adits or other openings shall be secured to prevent unauthorized entry and to protect public health and safety pursuant to ARS 27-318. With a reduction of inspectors, mines that have closed do not get inspected for compliance resulting in potential exposure to legal action.

The Arizona State Mine Inspector's office in order to comply with ARS 27-318 after receiving notification of ARS 27-303 inspects the closed, abandoned or inactive mining shafts, portals, pits or other excavations which are dangerous to persons legally on the premises. ASMI inspects and issues notices of violations to mine operators who fail to cover, fence, fill or otherwise secure the mine hazards and post warning signs. A reduction in inspections would result in non-compliance to 27-318 and promote abandoned mine hazards at a later time when the mine operator cannot be found or is no longer in business, leaving the problem for the land owner and the State of Arizona with potential exposure to legal action. Mine closures in the aggregate industry has increased in the last four years with decline of the economy.

Inspections Training, Continuing Education and Certifications:

To reduce legal liability and stay current in inspections, codes and equipment, continuing education for 2018 budget would include:

- MSHA Conferences & Inspections Training in Beckley WV.
- Tailings and Impoundment Dam Safety
- Industrial Hygiene
- Elevators
- Hoist & Lifting Gear
- Boilers & Pressure Vessels
- NFPA, UFC, UBC Codes

Solutions:

Request additional funding for one additional Inspector, equipment and continued education for inspectors.

Issue 2 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 in past budget submittals, at least three (3) more positions are needed to operate an effective abandoned mines inventory and closure program. Two abandoned mines supervisors would coordinate and partner with the mine industry, private sector, and other government groups to determine how a needed closure can be most effectively and efficiently completed. Additional duties are: visit abandoned mine sites to locate and survey, inventory, classify and eliminate public safety hazards and participate in the actual implementation of mine closures. An administrative assistant to assist with data entry, issuing and tracking of Notice of Violations and corrective actions as a result of issuing Notice of Violations.

Solutions:

Request additional appropriations for abandoned mine staff and closures during the Fifty-Third Legislature (2018).

Issue 3 Education and Training Division**Description**

The FY2017 Congressional Budget Justification calls for the \$8.4 million to be fully funded for the State Grant Program.

Arizona's mining incident and injury rate (1.3 Lost Time Incident Rate) has been below the national average rate (3.0 Lost Time Incident Rate) for many years, due to the training materials and mandatory MSHA training courses conducted by the Arizona State Mine Inspector's Education and Training Program. At a time when the mining industry continues to expand to meet an increased demand for natural resources the state grants program will be an important program to assist mine operators in maintaining safe and healthful workplaces, and ensure that miners are provided adequate health and safety training. ASMI believes that the recognition and understanding of workplace hazards are the most critical building block for a safe and healthful workplace. This building block is constructed and supported through effective training.

The majority of metal and nonmetal mines are small business operations, and many have no formal safety program. However, smaller mines do not mean fewer risks; mine hazards are inherent in the work of moving and processing extremely large volumes of materials. Just as mining is vital to the American economy, a safe and healthy workforce is critical to the continued successful operation of the mining industry.

The training coordinator position is vital to the education and training department. The training coordinator maintains an order of professionalism and communication between the training staff and administration and contacts with mining companies, contractors and others who request training and information concerning all departments of the agency. The training coordinator conducts timely tasks and duties, such class scheduling, processing phone and web site class registration requests, class fee and policy processes and entries, roster and data input. The E&T fee program has greatly increased the amount of time it takes to register individuals and companies for classes. Fees and credit card information must be processed, validated, tracked and receipts mailed to customers. The increase of training requests and training sessions adds to the demands and responsibilities on the training coordinator position. The training coordinator also sets up training facilities and contacts, obtains and relays clear class locations and directions to instructors, companies and class registrants. The training coordinator also develops mandated data reports to Federal MSHA and the yearly ASMI legislative reports and oversees the ordering and restocking of training books, manuals, supplies and researches vendor listings and contacts. Develops and issues training manuals, pamphlets and handouts and assists in implementation of the agencies out-reach training, abandoned mines awareness and other safety programs.

Solutions:

Continue with class registration fees and request funding for a Training Coordinator.

Issue 4 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 from 2010 through 2016 which is creating an ownership and reclamation responsibility tracking problem. Therefore, continual tracking of mining site facility transfers and financial assurance is extremely vital, especially in the state of Arizona's current economic environment. If the reclamation bonds and tracking of the aggregate mine sites does not continue to occur, it will be difficult to track the mining companies who are currently responsible for the reclamation of the mining disturbances. This is a timely process of reviews and site compliance inspections. This includes issues of any safety or surface disturbance damages caused by the mining, especially when the properties are abandoned or left in disrepair temporarily or permanently. The state and local municipalities (or flood control districts) could then be left with the responsibility for a remedial or rehabilitation of the property for safety and surface reclamation damages, which would impact the State Mine Inspector's office.

The traditional way of filing, managing, and tracking files for the Reclamation Division presents a number of challenges and time consuming process that limits the ability of the employee to concentrate and tackle other important tasks in the Division. Some examples include the multiple amounts of lists that have to be managed and maintained which in turn, causes inconsistencies and may contain inaccurate information. Another problem is the process of creating letters for overdue annual reports and financial assurance. Often times, there are multiple addresses and phone numbers that cause confusions and require an investment in time in order to address it. Creation of overdue annual and financial report letters has also been proven

to be time consuming especially with 200+ mine sites being managed. This requires the employee to look-up individual dates and information specific for each plan. This, in turn, offers a possibility that the wrong information would end up in these letters especially to those multiple reclamation plans that are operated by the same company. Furthermore, making multiple copies for every report made/received also contributes to increased use of paper and printer toner.

This project has developed a process to completely replace the traditional system of tracking and managing of Reclamation plans and documents. It also has introduced new concepts of plan management that has benefited the agency, and information has been a benefit to the public who wishes to acquire information in the office. Streamlining data management in one place has greatly improved efficiency and accuracy of all the data that has come in and out of the Reclamation Division. It has yielded a more efficient way of managing and accessing digital files and date tracking as well as increased accuracy, and reduced steps to creating notice letters resulting to other opportunities to tackle other projects.

- Streamlined tracking of dates for all correspondence for each reclamation plan.

Before, the department used to have at least 12 different lists for tracking different parts of the reclamation plans located in different locations in the shared drive. These lists are ranging from plan submissions, correspondence, plan amendments, annual reports, to financial assurance, bond information, etc. Currently, everything is streamlined to one page with multiple tabs for easy access and viewing.

- A more organized and accessible file management system for digital files.

Before, in order to view a single PDF file or any other document, one should have to find it in the shared drive combing through different folders hoping to find the right document. Now, Every folder for each individual mine site and the scanned reclamation folder is now accessible by clicking a button. A file attachment option is also available to new incoming documents for an easier way to view and sort the digital copies of the files. This eliminates repetitive frustration of looking into multiple folders in the shared drive.

- Automatic creation of past due Annual Report and Financial Assurance letters.

This feature now automatically produces a letter which utilizes the information provided by the user in the database. This eliminates human error of mixing up information and ensures accuracy as long as the right data is entered in the fields.

- A more organized up to date regulatory contact for each plan.

A separate section is provided to contain the most up to date information about the mine site's regulatory contact. This eliminates multiple locations that can contain multiple names and addresses. Change in ownerships and

regulatory contact will also be updated in this section.

- Flexible, user-preferred sorting and report generation.

Every field that is available for data entry is also available for sorting. This gives the user the flexibility of producing custom made lists and graphs by category according to a person's liking. Hundreds of combinations are available and can be exported to MS Excel to further enhance formatting and reporting style. This takes away the limitations of the previous lists that are only limited to the specific category that they are made for.

- Interactive overview of the actual mine site using the embedded google earth (satellite view).

This is a new feature that will benefit us in different ways. First of all, a tab is dedicated for displaying an interactive satellite image from google earth. This enables us to have quick access and review of the location and an overview image of the mine site without getting the hard copy of the area proximity maps (which is inconvenient and time consuming). This will also generate an automatic location and/or address for a more accurate driving direction to the site (some even provides street view!).

This is also convenient for the public that comes in the office requesting for immediate information.

- Digital copy of the approved reclamation plan.

A separate tab and window is also available for viewing the full PDF copy of the approved reclamation plan. It provides convenience for quick reviews and research. Again, this eliminates pulling out the hard copy of the reclamation plan from the library which is time consuming especially with big binders.

- Enables multiple users to contribute to the data bank without causing inconsistencies.

The database is shared with only registered users enabling them to work all at the same time inside the database. Note that only one person per record is allowed to enter or edit data. Fields are also arranged by category for less confusion when entering data.

- Streamlined email generation

A button is available to send a quick email to the regulatory contact on file. An email address must be present in the e-mail field for it to work.

- Statue guidelines for easier and accessible viewing while entering date.

Some categories in the database are hyperlinked to show the appropriate statute for that category. You can click these hyperlinks and a popup will show the applicable statute as it appears on the ARS guidelines. This can be useful for quick lookups whenever a person wants to double check certain information regarding that statute.

- Automatically tracks overdue annual reports on its exact due date.

A calculation was made to automatically change its status to red which means from "in compliance" to "not in compliance", whenever a report becomes past due. Alternatively, when a mine site submits an annual report, the status turns green which means "in compliance" until the next report is due the following year. Buttons are also available to query sites that have overdue and missing annual reports or financial assurance.

- Print a summary/report of a specific mine site with a click of a button.

A summary of the Reclamation Plan timeline is available. This includes financial assurance information, annual report information, location, driving location, as well as notes regarding a specific mine site. This is useful when any of the inspectors decide to identify the status of a certain reclamation plan and if it is in compliance or not. This is also available for public information requests.

Current State of the Project

Currently, the database is now being utilized in the reclamation department and is having success in meeting its goals. Although we are still in the process of migrating data into the database, new information coming in to the office is now streamlined into the data bank. The main focus for now is to completely migrate the information for aggregate mines into the database. This includes new, approved, denied, and closed reclamation plans. Some hard rock sites are in the system but more work needs to be done for it to utilize the full potential of the system. Improvements and recommendations will be made as we go further in the project.

Conclusion

Migrating into this new system of tracking and managing reclamation plans by using this new innovation is a remarkable way to increase productivity in the Reclamation Department. Although the previous system of tracking worked fine, this fresh look seeks to improve what the department was currently using by renovating and introducing new processes using the resources that are available for efficiency and effectiveness. In effect, the database will also aid in easing the transition in the case of an employee turnover in the future. There are still room for improvement and further modernization, yet it has utmost capability to allow individuals to track accurate information and ensure the precision of dates and other details. So far, it has proven to help the process go smoother and more efficient.

Solutions:

Project complete.

Issue 5 Vehicle Replacement

Description The Arizona State Mine Inspector's office (ASMI) will have 2 vehicles that will exceed the criteria set through legislative action for replacement policy. The policy states “that the department not replace vehicles until an average or 120,000 miles or later”. ASMI currently has two (2) vehicles that will meet these criteria in fiscal year 2018.

Solutions:

Notify the Governor's office that a minimum of two vehicles will need to be replaced by FY2018

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	18.0	18.0	18.0
General Fund	1,215.2	1,215.2	1,215.2
Other Appropriated Funds	112.8	112.8	112.8
Non-Appropriated Funds	65.0	65.0	65.0
Federal Funds	293.9	293.9	293.9

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	975.1	1,017.8	1,191.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	975.1	1,017.8	1,191.8
FTE Positions	12.0	12.0	13.5

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent mandated inspections completed	100	100	100	100	100
Number of reportable (lost time) mine accidents	151	218	139	139	139

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	10	14	14	10	10
Number of safety inspections completed	711	665	690	690	690
Customer satisfaction rating for Mines (scale 1-8)	7.2	7	7.4	7.4	7.4

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	186.8	194.7	525.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	272.6	32.8	32.8
Total Funding	459.5	227.5	558.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of abandoned mine openings secured	1	70	45	70	70
Explanation: Secured on State Lands					
Number of abandoned mine complaints handled. See AML Coplaints File "s drive".	6	12	6	6	6
Number of prior abandoned mine closures reviewed	3	10	12	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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	300.6	376.4	401.5
Total Funding	300.6	376.4	401.5
FTE Positions	4.0	4.0	4.5

◆ **Goal 1** To eliminate fatal accidents and reduce the number and severity of lost time due to accidents.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Arizona miners and contractors trained	2746	3500	2946	2700	2700
Average course content rating	4.8	4.7	4.8	4.8	4.8
Average instructor rating	4.8	4.7	4.8	4.8	4.8

Explanation: A decrease in performance measures due to medical leave and one retirement during FY2011.

Program Summary

MINED LAND RECLAMATION

Amanda Lothar, Reclamation Specialist
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	64.1
Other Appropriated Funds	30.3	112.9	112.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	30.3	112.9	177.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of annual mined land reclamation compliance reviews	194	200	207	207	207

Agency Summary

NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS

Gail Anthony, Executive Director
 Phone: (602) 542-8242
 A.R.S. §§ 32-1501

Mission:

To protect the public through the regulation of the practice of naturopathic medicine.

Description:

The Board issues licenses and certificates to applicants who meet the requirements of Arizona law for naturopathic medicine, including issuing specialty certificates and certificates to dispense. Further, the Board certifies naturopathic students to engage in clinical training programs, naturopathic assistants, and graduates who participate in postdoctoral training programs. The Board conducts investigations and hearings into allegations of medical incompetence and unprofessional conduct.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS	163.7	184.2	184.2
Agency Total:	163.7	184.2	184.2
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	163.7	184.2	184.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	163.7	184.2	184.2
FTE Positions	2.0	2.0	2.0

5 Year Plan

Issue 1 Automate renewal system for all certificates

Description During last years Sunset Review, it was determined the Board is meeting its license and certificate processing time frames established in administrative rule; however because board staff was tracking time frames by hand, the Auditors recommended implementation of a centralized electronic mechanism for tracking these time frames. Although the Board was able to implement an electronic tracking system during FY15, it has not functioned properly with our outdated database. Currently online renewal is only offered for medical license and certificates to dispense. The Board is looking into implementing online renewals for all certificates to include, clinical training, preceptorships and medical assistants. However, it is a priority to have a new database built.

Solutions:

The Board will be working to update the database to include online renewal options for all types of certifications.

Issue 2 Review of all Statutes and Rules

Description The Board will begin a review of the current board statutes and rules to ensure consistency. Although a few areas regarding rules have been identified, at this time the Board has not prepared a rules package. Because of the rules moratorium, the Board must first seek approval from the Governors Office.

Solutions:

Throughout the year, the Board will be reviewing the statutes and rules for consistency. Where inconsistencies are found, the Board will address through requested statute or rule change.

Issue 3 Complaint Resolution, automate complaint tracking .

Description The Office of the Auditor General has found that Arizona regulatory boards should resolve complaints within 180 days of receiving them.

Solutions:

Staff will work with appropriate IT personnel to make changes to the tracking system. However updating the database has become a priority.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	2.0	2.0	2.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	184,200.0	184,200.0	184,200.0
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	163.7	184.2	184.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	163.7	184.2	184.2
FTE Positions	2.0	2.0	2.0

◆ **Goal 1** To process all completed license and certificate applications within the required time frame.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total Applications Received for Licensure and Certificates during the fiscal period. Explanation: Number includes initial and renewal applications.	1,752	1,760	1,984	1,995	1,995
Total Licenses and Certificates issued during the fiscal period. Explanation: Number includes initial issuance and renewals.	1,752	1,752	1,931	1,935	1,935
Average number of days to process initial licensure and certificate applications. Explanation: Number reflects initial applications processed during fiscal period.	9.79	9.79	13	10	10
Active physician licenses Explanation: Active at the end of the Fiscal Period.	955	980	960	965	965
Active certificates. Explanation: Active at the end of the fiscal period. Number includes all certificate types.	1,041	1,050	815	1,050	1050

◆ **Goal 2** To fully investigate and adjudicate complaints in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints received against licensed or certified persons	27	28	33	33	33
Explanation: Complaints of illegal use of title are also investigated by the Board.					
Complaints resolved in same fiscal year	23	25	33	25	25
Explanation: These numbers include resolution of complaints involving illegal use of designation.					
Average number of days to resolve complaints - same fiscal year	164	164	171	164	164
Complaints received against unlicensed individuals in the fiscal year	2	2	3	2	2

Agency Summary

NAVIGABLE STREAM ADJUDICATION COMMISSION

George Mehnert, Director
Phone: (602) 542-9214
A.R.S. § 37-1101 to 37-1156

Mission:

To determine navigability of watercourses. The Arizona Navigable Stream Adjudication Commission (ANSAC) is a single program agency. The primary mission of ANSAC is to determine which of Arizona's 39,039 rivers and streams were navigable at the time of statehood, February 14, 1912, and secondary following determinations of navigability is to determine the public trust values of those rivers and streams that are determined to have been navigable. In addition, the Commission must litigate cases in court including defending appeals and other legal actions that are filed in State Court against the Commission and must complete Commission reports to be recorded in each appropriate county following the appeals processes.

Description:

The Commission is charged with gathering evidence, holding hearings, and making determinations regarding navigability of the 39,039 streams and rivers in Arizona as of February 14, 1912.

Part of this is to respond to issues raised by the Arizona Court of Appeals and returned to the Commission for additional hearings regarding specific topics. These hearings relate to five rivers, only, (NOTE: There were six rivers but two rivers were consolidated into a single case) and it is clear that parties involved in these cases consider the present proceedings being held by the Commission as the final hearings by virtue of the length of the present hearings (9 days of hearings regarding the Gila River, and 23 days of testimony regarding the Salt River as examples).

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	121.3	124.0	124.0
Other Appropriated Funds	170.9	200.0	400.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	292.2	324.0	524.0
FTE Positions	1.0	1.0	1.0

5 Year Plan

Issue 1 Recording of Final Reports

Description Recording in appropriate counties all of commission final reports following completion of hearings and appeals regarding the now five pending cases. (six pending cases were reduced to five when two rivers were consolidated).

Solutions:

Issue 2 ANSAC is near to completing the balance of hearings and determinations regarding the final five rivers of Arizona's 39,039 rivers and streams. Following completion of these hearings ANSAC will enter the appeal stage and will defend its determination regarding any of the five pending rivers that are appealed to Superior Court.

Description The five cases presently under consideration by ANSAC have involved hearings that are much greater in length than during any earlier rounds of hearings. During previous proceedings hearings lasted no more than slightly in excess of a day and presently every case is lasting for eight days or more and the most recent hearing on the Salt River included 23 days of witness testimony and thousands of pages of documentary evidence.

Solutions:

To complete the hearings and determinations on the five pending rivers and to defend any appeals in Superior court. ANSAC may also file legal actions of its own regarding any of these five rivers.

Issue 3 Hearings and determinations.

Description To complete hearings and final determination on five remaining cases returned by the Arizona Court of Appeals and by Maricopa and Pima County Superior Court. (NOTE: The five cases were originally six cases but two cases have been consolidated into a single case and will hopefully save time and funds.

NOTE: Six pending cases have been reduced to five pending cases with the consolidation of two cases.

NOTE: ANSAC is scheduled to Sunset June 30, 2020.

Solutions:

Collect evidence, hold hearings and complete legal processes for five remand cases, plus include appeal times and defend appeals in court.

Issue 4 Defense of Determinations in Court and Filing Legal Actions by ANSAC/

Description ANSAC must necessarily defend any of its determinations that are appealed to Superior Court. ANSAC may also bring legal actions of its own regarding the appeal processes.

Solutions:

To hold public trust value proceedings as necessary.

Issue 5 Public Trust Value Hearings

Description In the event courts rule specific watercourses are navigable, there is a statutory requirement that ANSAC hold proceedings to determine the Public Trust Value of such watercourses..

Solutions:

To record reports in appropriate counties as cases are completed and as appeal times have expired.

Issue 6 Sunset June 30, 2020

Description ANSAC hopes to complete all of its designated work and be able to Sunset by June 30, 2020.

Solutions:

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	1.0	1.0	0.0
General Fund	126.6	126.6	0.0
Other Appropriated Funds	200.0	200.0	0.0
Non-Appropriated Funds	0.0	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Arizona rivers and streams adjudicated, including the necessity to alter and ratify remaining reports that comport with information requested by courts.	0	3	0	5	0
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	3	5	5	0
Number of final reports approved by Commission	0	2	0	5	0
It appears likely the five remaining cases (there were six but two cases were consolidated into a single case) will be filed on appeal during either 2017 or 2018 and the Commission will need to defend these appeals and potentially file legal actions of its own.	0	3	0	5	5
Five total cases are pending with the likelihood of completing all five in 2017.. NOTE: These five cases were six cases but two were consolidated into a single case.	0	3	0	5	0
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.	0	3	5	5	0

- ◆ **Goal 2** To defend in State and Federal Court all Appeals of Commission determinations. The Arizona Court of Appeals returned six cases to the Commission in 2012 for additional work/hearings. Two of those cases have been consolidated into a single case, therefore five case remain and are in various stages of the hearing process which including writintg Commission final reports.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
To defend any actions filed against the Commission regarding the six remand cases retuned to the Commission on October 21, 2011 for the Commissions consideration. NOTE: While six cases were returned to the Commission for additional work two of those cases were consolidated into a single case so five, not six, cases remain and are presently in various hearing stages.	0	3	0	1	0

- ◆ **Goal 3** To defend all other legal actions filed against the Commission, and to file legal actions by the Commission deemed appropriate. Presently five cases are in various stages of hearings following return to the Commission by the Arizona Court of Appeals.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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.	0	3	0	1	0

Explanation: There are no numbers included as there are no actions pending other than actual appeals and legal actions related to those.

- ◆ **Goal 4** 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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.	0	2	0	1	0

- ◆ **Goal 5** To insure all legal proceedings are held correctly and thoroughly to comply with court directives.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Default performance measure	0	0	0	0	0

- ◆ **Goal 6** 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. This number was reduced to five following consolidation of two cases. The Commission is presently in the process of holding hearings on these five cases.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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.	0	3	0	1	0
Directives by Commission are met regarding court cases.	3	2	0	0	0
To insure hearings and court cases are litigated in a manner so the Commission prevails.	0	3	0	1	0

Agency Summary

BOARD OF NURSING

Jo Elizabeth Ridenour, Executive Director
Phone: (602) 771-7801
A.R.S. §§ 32-1601 to 32-1669

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ LICENSING AND REGULATION - RN/LPN	4,701.8	4,276.2	4,557.2
➤ NURSING ASSISTANT	414.3	923.3	1,027.2
Agency Total:	5,116.1	5,199.5	5,584.4
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,701.8	4,784.8	5,065.8
Other Non Appropriated Funds	414.3	414.7	518.6
Total Funding	5,116.1	5,199.5	5,584.4
FTE Positions	55.2	55.2	110.4

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 Practicie Act are made, ensuring that the State's nursing statutes and rules reflect contemporary practice.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	58.0	58.0	58.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	5,019.3	5,019.3	5,019.3
Non-Appropriated Funds			
Federal Funds	420.0	420.0	420.0

Program Summary

LICENSING AND REGULATION - RN/LPN

Jo Elizabeth Ridenour, Executive Director
 Phone: (602) 771-7801
 A.R.S. §§ 32-1601 to 32-1669

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,701.8	4,276.2	4,557.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,701.8	4,276.2	4,557.2
FTE Positions	42.0	42.0	84.0

◆ **Goal 1** To reduce the cycle time needed to issue certificates and licenses for examinee, endorsement and renewal applicants.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average score on customer service survey (Scale of 1 - 8)	7.03	7.3	6.92	7.4	7.0
Average days from application received to RN/LPN renewal license issued	.02	4	1.7	1.5	1.0
RN/LPN renewals issued (4-year cycle)	16,970	18,200	17,554	18,158	18,702
Total licensees Registered Nurses and Licensed Practical Nurses	92,468	92,000	93,132	93,801	94,470

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total complaints received	1,160	1,200	980	1,200	1,200
Percent of licensees with disciplinary action	1.6	1.8	2.2	1.6	1.6
Average hours per investigation needed to complete a case	25	25.0	25.0	25.0	25.0
Average months needed to complete investigations and present cases to the Board	9.6	7.8	10.2	7.8	7.8
Average calendar days from receipt of RN/LPN complaint to resolution	278	215	279	240	240
Average calendar days per investigation from start to final adjudication	350	260	229	270	270
Percent of investigations resulting in disciplinary enforcement action	65	70	31	70	70

- ◆ **Goal 3** To effectively provide a non-disciplinary Chemically Addicted Nurse Diversion Option (CANDO) program.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Licensees in CANDO program	181	190	208	190	215
Licensees completing CANDO program (%)	62	65	71	65	70

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Nursing programs monitored for non-compliance	8	9	5	9	9
Examinees from program successfully passing NCLEX	3,068	3,500	3,220	3,100	3,100

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	508.6	508.6
Other Non Appropriated Funds	414.3	414.7	518.6
Total Funding	414.3	923.3	1,027.2
FTE Positions	13.2	13.2	26.4

◆ **Goal 1** To operate the program efficiently and effectively.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of applicants or certificate holders reporting very good or excellent service	6.98	7.0	6.92	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	350	300	352	300	300
Total individuals certified as nursing assistants	27,158	28,500	27,582	28,013	28,450
Total complaints received	854	850	573	850	850
Average calendar days from receipt of CNA complaint to resolution	402	255	361	255	255
Percent of CNA's with disciplinary action	1.5	1.7	1.2	1.6	1.6
Total investigations conducted - status closed	737	700	405	750	750
Percent of investigations resulting in disciplinary enforcement action	34	60	42	40	40
Average calendar days per investigation from start to final adjudication	276	280	250	280	250

Agency Summary

BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ADULT CARE HOME MANAGERS

Allen Imig, Executive Director
Phone: (602) 542-8156
A.R.S. § 36-446.02

Mission:

To protect the health, welfare, and safety of Arizona citizens who seek and use the services of nursing care institution administrators and assisted living facility managers.

Description:

The Board evaluates and processes initial applications and renewals from individuals seeking nursing home administrator licenses and assisted living facility manager certificates. Since both administrators and managers are required by law to meet continuing education requirements, the Board also approves continuing education programs. The Board approves, renews, and regulates assisted living facility manager and caregiver training programs. The Board investigates complaints received from the public or the Department of Health Services and imposes disciplinary action on licensees or certificate holders when necessary. All Board functions are accomplished through a fee-financed program of examination, licensure, and regulation.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	379.5	445.4	445.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	379.5	445.4	445.4
FTE Positions	4.0	6.0	6.0

5 Year Plan

Issue 1 Electronic licensing and payment systems.

Description The Board would like to implement electronic licensing and payment systems to ensure efficient and quality customer service.

Solutions:

1. Secure ongoing appropriation funding in FY 2017 to implement an electronic licensing renewal system which incorporates electronic payments.
2. By January 1, 2017, have the basic service operating which includes electronic renewals and payments.
3. In FY 2018 through FY 2020, enhance the electronic licensing service to include initial applications and payments for all services, track investigations through the process

Issue 2 Qualifying administrators from other states.

Description The Board would like to make it easier for qualified administrators from other states to become licensed in Arizona to eliminate redundant regulations and ensure great customer service.

Solutions:

1. By January 1, 2017, amend the rule on reciprocity for nursing care institution administrators.
2. In FY 2018 through FY 2020, amend statutes and rules as needed which includes a health care executive credential and portability.

Issue 3 Desktop and Laptop Computer Refresh in FY19

Description Fthe Board purchased the computer equipment in FY12 and FY13 of which the HP warranty has ended. The refresh would bring with it up to date thechnology, new hardware, warranty, software ond conversion install.

Solutions:

In FY19 secure one time funding of and estimated cost of \$9,000.00 for updating desktop and laptop computers.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	6.0	6.0	6.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	454.4	445.4	445.4
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To ensure consistent and timely investigations of complaints and enforcement action in accordance with statutes and rules.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints opened	66	75	102	105	110
Disciplinary actions	29	35	34	40	40
Fiscal Year Complaints resolved	59	65	80	85	90
Average number of days from open to close of complaint, within fiscal year	82	120	86	120	120
Number of complaint and application investigations conducted	69	75	93	95	95

◆ **Goal 2** To ensure that licenses and certificates are granted or renewed to qualified administrators and managers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of existing licenses and certificates	2794	2800	2663	2850	2800
Number of new applications filed	277	330	361	350	350
Number of new licenses issued	232	275	261	280	280
Number of new and existing licenses	3,026	3,075	2,924	3,000	3,010
Number of renewal applications processed	1874	650	716	1900	750
Average calendar days to renew a license	3	4	1	4	4

◆ **Goal 3** To ensure that agency operations are effective and efficient.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction (scale of 1-8) with 8 being very satisfied.	7.9	7.5	7.83	7.5	7.5
Administration as percent of total cost	5.4	5.5	5.5	5.5	6.4

◆ **Goal 4** To ensure quality continuing education is approved

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of new CE sponsor hours approved	730	550	990	1000	1000
Average number of days to process CE sponsor applications	3	5	3	5	5

◆ **Goal 5** To ensure public information requests and license verifications are completed timely.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of days to process a public records request	4	4	4	4	4

Explanation: Implemented starting FY07

Average number of days to process a license verification	4	5	5	5	5
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Explanation: Implemented starting FY07

Agency Summary

BOARD OF OCCUPATIONAL THERAPY EXAMINERS

Karen Whiteford, Executive Director
 Phone: (602) 589-8353
 A.R.S. §§ 32-3401 to 32-3446

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 therapists 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ BOARD OF OCCUPATIONAL THERAPY EXAMINERS	169.2	170.7	220.7
Agency Total:	169.2	170.7	220.7
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	169.2	170.7	220.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	169.2	170.7	220.7
FTE Positions	1.5	1.5	1.5

Program Summary

BOARD OF OCCUPATIONAL THERAPY EXAMINERS

Karen Whiteford, Executive Director
 Phone: (602) 589-8353
 A.R.S. §§ 32-3401 to 32-3446

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	169.2	170.7	220.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	169.2	170.7	220.7
FTE Positions	1.5	1.5	1.5

◆ **Goal 1** To investigate and adjudicate complaints within 120 days

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of occupational therapy complaints received	5	5	9	10	11
Number of complaints resulting in disciplinary action	2	3	6	7	8
Complaints resolved within 120 days	5	5	9	10	11
Percent of complaints resolved within 120 days	100	100	100	100	100

◆ **Goal 2** To ensure that licenses and renewals are issued in a timely manner to Occupational Therapists and Occupational Therapy Assistants with high standards of professional and ethical standards.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of license renewal applications received and renewed (OTs and OTAs)	2004	2400	1546	1167	1825
Number of Licensees (OTs and OTAs)	3854	3900	3359	3620	3791
Number of initial license applications received (OTs and OTAs)	630	650	495	495	425
Number of Initial Licenses Issued (OTs and OTAs)	628	650	495	450	425
Average calendar days to process a renewal application	5	5	8	8	4

Explanation: FY18 Estimate is based on approval of funding for Statewide Licensing Solution.

Average calendar days to issue an initial license	5	5	5	5	5
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◆ **Goal 3** To continually improve customer satisfaction by providing consistency in carrying out the Board's policies and procedures.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of licenses issued within 10 days of approval	100	100	100	100	100
Number of individuals licensed as occupational therapists	2,103	2,300	2,155	2,208	2,263
Customer Satisfaction rating (scale 1-8)	8.0	8.0	8	8	8

Agency Summary

BOARD OF DISPENSING OPTICIANS

Lori D. Scott, Executive Director
Phone: (602) 542-8158
A.R.S. § 32-1671

Mission:

To protect the visual health of the citizens of Arizona by regulating and maintaining standards of practice in the field of opticianry.

Description:

The Board of Dispensing Opticians licenses professionals to practice in the field of opticianry, and licenses optical establishments. This Board is distinguished from the Board of Optometry, which regulates optometrists, whereas dispensing opticians fill orders for and fit persons with corrective eyewear. The Board of Dispensing Opticians accepts complaints against licensees, and unlicensed entities, investigates, and adjudicates.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	119.4	140.0	164.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	119.4	140.0	164.0
FTE Positions	69.8	70.5	70.5

Issue 1 5 yr Strategic Plan

Description ARIZONA STATE BOARD OF DISPENSING OPTICIANS

FIVE-YEAR STRATEGIC PLAN

8/18/2016

Mission:

To protect the visual health of the citizens of Arizona by regulating and maintaining standard of practice in the field of opticianry.

To this end, the Board regulates the opticianry profession through administering examinations, issuing licenses to qualified opticians and optical establishments, proposing legislation, enacting rules and regulations and investigating complaints brought to the Board against licensed opticians and optical establishments

Description:

The Board of Dispensing Opticians examines and licenses professionals to practice in the field of opticianry and licenses optical establishments. This Board is distinguished from the Board of Optometry, which regulates optometrists, whereas dispensing opticians fill orders for and fit persons with corrective eyewear. The Board of Dispensing Opticians accepts complaints against licensees, investigates allegations, and administratively adjudicates complaints.
Goals and Objectives

Goal #1: To ensure high standards of professional and ethical conduct in the field of opticianry through efficient processing of examination, establishment and optician license applications and administration of the State Board Practical Examination.

Objective #1: By December 2016, the Board Exam committee will review National Organizations' Practical Examinations. The Board will bring any recommendations for a full Board vote.

Objective #2: By December 2016, the Board members will meet with other states who are utilizing the National Practical Examinations and verify results.

Objective #3: Update database to allow for on-line application and renewal.

The Board has available resources to accomplish objective #1: however, an increase in out-of state travel funds will be necessary to accomplish objective #2. Objective #3 will require an increase to baseline funding of approximately \$24,000 a year. The Board has the available resources in the Dispensing Opticians Fund to accommodate an increase in appropriations.

Goal #2: To investigate and adjudicate consumer and Board initiated complaints in accordance with statutes and rules in order to protect the public from incompetent services and unprofessional and unethical conduct.

Objective #1: By the end of fiscal year 2017, the Executive Director will increase the number of optical establishments visited and inspected.

Objective #2: By the end of fiscal year 2017, the Board will actively recruit more retired licensed opticians to serve as investigators.

The Board will request another increase in travel funds to accommodate the establishment inspections and increased board investigators. The Board has the available resources in the Dispensing Opticians Fund to accommodate an increase in appropriations.

Goal #3: To better protect the public through the administration of the continuing education requirement in order to

upgrade the profession of opticianry in accordance with the Board's mandate.

Objective #1: The Board will implement a Rule package, when allowed by GRRC, to increase the number of continuing education hours required by rule for opticians to have completed in every three year period.

Existing funds will be used to initiate action to attain goals and accomplish objective. Requests have been made to implement an update to the rules, however, this is waiting on the approval of the Governor's office.

Goal #4: To maintain consistency in opticianry licensure and regulation with other states through membership in governmental and industry associations (FARB, CLEAR, AADO, OAA, NCSORB and ABO) and to interact with the optical industry on a statewide basis.

Objective #1: At least one Board member or the Executive Director will attend no less than one governmental or industry related seminar each fiscal year.

Objective #2: Development of an annual newsletter and mailing list containing an update on changes in regulation, etc., to be mass mailed to licensees and other members of the ophthalmic industry within Arizona and in other states.

An increase in appropriations will be necessary to implement these goals and accomplish objectives. The Board has the available resources to accommodate an increase in appropriations.

Solutions:

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Optician licenses issued	35	60	59	50	50
Optician renewal applications processed	831	850	832	850	850
Establishment licenses issued	18	15	24	15	15
Explanation: 64 locations were sold and obtained new licenses in fiscal year 2014. 14 were new locations.					
Establishment renewal applications processed	362	370	392	395	395
Average number of days from receipt of application for establishment license to granting of license	17	15	15	15	15
Explanation: 64 applications were received two days before issuance.					
Percentage of renewals within 3 days	100	99	99	99	99
Customer satisfaction rating (Scale 1-8)	8	8	8	8	8
Number of licensees (new and existing)	1222	1250	1,234	1,245	1,245

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints about licensees received and investigated	1	5	15	5	5
Complaints resolved	0	5	9	5	5
Disciplinary action	0	5	1	5	3
Number of days from receipt of complaint until completion	116	60	81	60	60

Explanation: Number of days is an average of all complaints

Establishment Inspections	104	180	89	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of licensees fulfilling continuing education requirement	96	96	95	97	97
Number of licensees fulfilling requirement	185	479	452	187	201

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	204.0	210.1	260.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	204.0	210.1	260.1
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

	FY2019 Estimate	FY2020 Estimate	FY2021 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 ensure that licenses are granted or renewed to qualified optometrists.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
New licenses issued	62	60	68	62	62
License applications received	65	70	74	70	70
Active licensees	1,153	1,175	1,171	1,175	1,171
Average time to process an initial license application (in days)	20	20	20	20	20
Average calendar days to renew a license	1.5	2	2	2	2

◆ **Goal 2** To effectively investigate and adjudicate complaints pursuant to statutes and rules.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of complaints received	25	35	74	60	60
Total number of complaints resolved	20	35	25	35	35
Average number of days from receipt of complaint to resolution	56	70	74	70	70
Total number of disciplinary actions	1	3	0	3	0

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of written public information requests	165	250	179	200	200

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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

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 regulates osteopathic physicians in the State of Arizona. The Board is responsible for the licensure of osteopathic physicians and residents, the enforcement of standards of practice, and the review and adjudication of complaints.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	756.2	940.5	944.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	756.2	940.5	944.5
FTE Positions	6.3	6.3	6.3

Issue 1 Identifying and resolving pending complaints on a more timely basis. Complete the investigation so they can be resolved more timely by the Board.

Description This is a critical issue to our Board and to a number of parties (stakeholders) that we are current with our complaint caseload. As we prepare for the sunset review this year, this may be of concern to the legislature.

We have spent the past 48 months working very diligently to address a backlog of old cases all while trying to keep up with an increasing number of newly reported complaints. In FY16, we received 291 complaints, investigated 297 and resolved 348 cases. During FY15, we received 299 complaints, a significant increase over the previous year. As a comparison, in FY12, we received 176 new complaints and 217 in FY13, 262 in FY14. Between FY15 and FY16, we did not have a significant increase in the number of complaints received.

We have worked very hard to complete the investigations on the older cases and continue to do so. Our pending complaints are comprised of cases received in 2015 and 2016.

During FY15, we resolved 336 cases compared to 234 in FY14. In FY13, we were successful in resolving 233 complaints, in comparison to 146 in FY12. During FY16 we resolved 348 cases.

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 more often for assistance which includes filing complaints. We anticipate the newly reported complaints to remain around the 300 per year mark.

Solutions:

In an effort to address and reduce the pending backlog of complaints, thus far, we have utilized several methods to do so. We will continue to pursue other options to assist us with this issue. With the increase in newly reported complaints, we will need to continue to identify methods to stay current (up to date) with the complaint caseload to reach the state's goal of completing investigations or resolving complaints within 180 days (6 months).

In mid FY13, we increased the Medical Consultant's hours from 20 to 30 hours per week. Due to funding, we were not able to sustain this through FY14. With the increase we received in our appropriation for FY15, we increased her hours back to a 30 hour work week. This has helped significantly and is a direct correlation to the increase in completed investigations and resolved cases.

We have also increased the number of cases that are being referred for outside medical review. We are seeking methods to identify these more quickly and receive our reports on a more timely basis. As more and more doctors are becoming board certified, it is necessary to utilize the 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 to continue or increase in the future. To receive accurate medical opinions, cases involving a high degree of specialty medicine must be sent to outside reviewers for review. As such, more cases will be referred to our investigator for review and investigation completion.

We are looking into the option of hiring an assistant for the medical consultant to assist with follow up with outside medical consultants and helping with the workflow to maximize efficiency. If we were to hire someone on a contractual basis to serve as an outside medical consultant, I would anticipate we would have to pay them close to \$100 to \$150 per hour. As the number of complaints is quite high, it would be more cost effective to increase our current consultant's hours to a full 40 hour position. This would mean an increase to our appropriation of approximately \$55,000 per year.

We have streamlined a number of our internal processes to create more efficiency and timeliness in the complaint process. In addition, the Board has agreed to add extra meetings to address the backlog.

By reducing 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. The average number of days to complete an investigation and resolve cases in FY15 was 143.5 and 264. In FY16 we investigated in an average of 107.65 days and resolved in 234 days. Both numbers are a significant improvement over the previous years. Through ongoing assessment, we continue to improve our timeframes for addressing complaints.

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 complaint process within 180 days.

Description Our goal is to reduce the average number of days to investigate and resolve a complaint to an average of 180 days or less. Our FY16 numbers reflect that our investigations are completed well within the timeframe at 107.6 days. 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. We are trying to identify these cases before they go to the Board in anticipation of their request. Other factors such as continuances at the request of the licensee can also extend the timeframes for resolving these cases.

On average, we should meet the timeframes. Cases that go for an Investigative Hearing or that are sent to the Office of Administrative Hearings can take an extended period of time to resolve as these cases may result in a revocation or an extended suspension of a license. However, we will continue to strive to timely resolve 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, the Board addresses these matters on an immediate basis and with possible summary suspensions.

Solutions:

This issue is tied with our first strategic issue. We continue to reduce the outstanding number of complaints and we continue to receive a large number of new complaints. As the Board works through resolving all of the outstanding complaints, we are able to more timely address the newer complaints and we believe this has been the case, considering our reductions in timeframes to investigate and resolve complaints.

We continue to reduce our number of days to complete an investigation from 194 days in FY14, to 143 days in FY15, and to 107.6 in FY16. This is close to a 50% reduction in the time to investigate complaints over a three year period.

The Board has increased their number of meetings to allow an opportunity to hold more Investigative Hearings. We anticipate 8 meetings in FY17. More meetings will allow the Board 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 initial review.

We have undertaken a number of methods to increase our output of completed investigations and our Board has been very supportive of increasing their workload (ie: board meetings) to respond to and address the backlog. By holding the extra meetings it has enabled us to resolve more complaints. In addition, we have revised our reviewer process to allow for a more timely initial review of the cases.

We continue to evaluate our processes to determine if there are methods or processes available to us to increase our complaint resolution rate. We may seek to offer more Consent Agreements to the licensees rather than going thru the entire hearing process.

We believe that to continue the reduction in timeframes we must also take into account the number of pending complaints. As we review and revise our processes, we have been able to stay on top of the increasing complaint numbers while clearing out the backlog.

Issue 3 Our agency continues to process applications as efficiently as possible 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 continue 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. Our average time to approve a license is 22 days.

Currently, the medical profession is encountering pressures from outside groups to pursue national licensure using as an example, the doctor who wants to provide telehealth must be licensed in the state that he provides care. The argument is that it takes too long for many of the jurisdictions to process the applications and that every state has different requirements. The response has been to consider a state licensing compact for physicians. Arizona passed legislation in 2016 to become part of the Interstate Medical Licensure Compact.

Many agencies are utilizing more online processes in response to demands from the public and applicants. We must continually evaluate what forms we provide on the internet and what information is provided on our website. We strive to be proactive in this area and we are open to customer suggestions or requests. Currently, applicants for licensure and dispensing registrations must send the forms into our office. We will explore moving to an online application submission while still assuring compliance with the statutes and rules. However, to date the expense to move to such a system is not justified and we do not have the funding to do so. We are working with our software vendor to assess the online application but we are likely another year out (FY18) before we are ready to move forward.

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-two days. Cases where a license is denied would take longer because that would have to go before the Board.

We recently revised our statutes and the rule but we will continue to look at revising our rules and statutes 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 the most efficient model possible. 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.

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 22 days, we hope to reduce this figure by 5% over the next two years. Thus far, in the past three years we have taken an average of over 60 days and reduced it to 22.

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 establish 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 currently have one of the least amounts of time required. 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 Interstate Compact is now up and running and this may assist in improving timeframes beginning in 2017.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	7.0	8.0	8.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	905.0	925.0	925.0
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 and in an effective manner

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of new and existing licenses	2,992	3,070	3,017	3,150	3200
Number of applications for new license received (does not include Post Graduate permits or dispensing registrations)	254	250	255	275	275
Number of new license applications issued	238	225	248	250	250
Average days to issue new license	25	22	22	20	20

Explanation: Timeframe to process applications

Percentage of renewals done online vs. paper/manually	90	92	93	93	94
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◆ **Goal 2** To investigate and resolve complaints in a timely manner

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Complaints received	299	320	292	310	310
Complaints investigated	325	300	297	300	300
Licensees who had disciplinary action taken	9	14	14	14	14
Average calendar days to resolve a complaint	296	275	263	250	240
Average calendar days to investigate a complaint	143	120	108	110	105
Number of complaints closed/resolved	336	320	348	350	350

◆ **Goal 3** To administer the agency efficiently and provide customer service to the public

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Administration as percent of total cost	7	8	7	7	8
Customer satisfaction rating (1-8)	5	5	5	5	5

Agency Summary

STATE PARKS BOARD

Sue Black, 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:

The Arizona State Parks Board was created in 1957 by the legislature to enhance the economies of rural Arizona while also protecting Arizona's most precious historic and natural resources that now attract more than 2.6 million visitors each year, one-half of which are typically visitors to the state. Arizona State Parks developed, and in collaboration with partners, manages 34 State Parks and Natural Areas and provides safe and enjoyable facilities and programs throughout the state. There are over 65,000 acres of State Park property for the public to enjoy.

Arizona State Parks serves as an economic engine to the State of Arizona. Rural economies depend on open, well-kept and well-staffed state parks. Other agency programs include 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 also coordinates outdoor recreation & cultural preservation grant programs and statewide resource planning, public involvement and educational opportunities through partnerships for public purposes. Arizona State Parks is comprised of the Director's Office and three divisions: Park Development and Operations, Partnerships and Grant and Administrative Services.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ PARK DEVELOPMENT AND OPERATION	18,214.1	29,454.8	19,929.8
➤ PARTNERSHIPS AND GRANTS	8,128.5	5,745.7	3,083.6
➤ ADMINISTRATION	3,575.2	4,484.6	4,484.6
Agency Total:	29,917.8	39,685.1	27,498.0
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	423.0	0.0	0.0
Other Appropriated Funds	12,652.6	15,986.9	0.0
Other Non Appropriated Funds	16,842.2	23,698.2	27,498.0
Total Funding	29,917.8	39,685.1	27,498.0
FTE Positions	222.9	272.0	272.0

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 58 years, 33 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 2.3 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 65,000 plus acres of natural resource lands.

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 2017: 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 2017, 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 believes there can be significant enhancements to public services and shared revenues through private concessions. In 2017, the ASP will continue to explore the expansion of concession opportunities available statewide.

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.

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.

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.

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 ASP will continue to work with Federal, State and Local granting agencies to determine what resources are available to assist in providing support to the agency.

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 and we will continue to develop a finalized report in FY2016.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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

PARK DEVELOPMENT AND OPERATION

James Keegan, 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 Operations Section is responsible for the operation and maintenance of Arizona's State Parks, and Natural Areas. The agency utilizes a staffing model with both full-time and part-time employees. There are also 15 Arizona State Parks Friends Groups. The Operation Section is also responsible for overseeing the daily activities of the agency Archaeologist, Historian/Curator, Gift Shop Merchandise Sales, Safety and Training, Reservations and Natural Resource Research and Science.

The Planning and Development Section is responsible for the planning, design, and construction of Arizona State Parks, Arizona State Historic Parks, and Arizona State Natural Areas. Major responsibilities of the Section include: creating and updating park master plans, the selection and management of consultants for project design and construction, and management, budgeting, and permitting of projects from conception to completion. Staff is also responsible for the preparation of the agency's capital improvement plan and the management of funding allocations to each project over time.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	423.0	0.0	0.0
Other Appropriated Funds	12,581.9	15,986.9	0.0
Other Non Appropriated Funds	5,209.2	13,467.9	19,929.8
Total Funding	18,214.1	29,454.8	19,929.8
FTE Positions	172.4	209.2	209.2

◆ **Goal 1** To manage and conserve Arizona's natural, cultural and recreational resources for the benefit of the public, both in our parks and through our partners.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Parks Open to the Public	96	96	94	97	0
Percent of parks open 7 days per week	84	90	84	84	0
Percent of parks managed by Arizona State Parks without financial assistance	60	80	78	78	0
Percent of parks operated by Arizona State Parks with partner assistance	40	20	25	22	0
Number of Non-Paid Hours Provided by Volunteers and Site Stewards (000)	200	205	162	163	0
Parks that are break even or net positive in operating margins.	15	16	15	16	0

◆ **Goal 2** To provide safe, meaningful, and unique experiences for our visitors, volunteers, and citizens

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of parks completing facility upgrades	8	22	11	15	0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of private concessionaire agreements	7	12	5	5	0

- ◆ **Goal 4** To increase visitation by 5% (FY17 Arizona Management System Breakthrough goal)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase visitation 5%	0	0	2,680,000	0	2,815,789

- ◆ **Goal 5** To increase online reservation usage by 1% (FY17 Arizona Management System goal)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase online reservation usage by 1%	0	0	0	0	58

- ◆ **Goal 6** To maintain occupancy rate (FY17 Arizona Management System goals)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintain occupancy rate of 41%	0	0	0	0	41

- ◆ **Goal 7** To sustain customer satisfaction (FY17 Arizona Management System goal)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Sustain customer satisfaction (mean of 4.5 or above)	0	0	0	0	4.5

- ◆ **Goal 8** To increase volunteer hours by 1% (FY17 Arizona Management System goal)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase volunteer hours by 1%	0	0	0	0	163,539

- ◆ **Goal 9** To increase agency revenues by 3% (FY17 Arizona Management System goal)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
To increase agency revenues by 3%	0	0	0	0	16,661.9

Program Summary

PARTNERSHIPS AND GRANTS

James Keegan, 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 and Grants Division consists of the Resources & Public Programs section, the Off-Highway Vehicle Program, and the State Historic Preservation Office, and the Marketing and Public Information section.

The Resources & Public Programs (R&PP) Section manages the following programs: grants; statutorily mandated statewide and system research and planning; and coordination with outdoor recreation advisory groups. This section is responsible for managing approximately \$4.3 million in grants available to Arizona communities annually. Funded programs include federal Recreation Trails Program, both motorized and non-motorized, federal Land and Water Conservation Fund projects, and Off-Highway Vehicle (OHV) Recreation Fund. The Statewide OHV Program Coordinator interacts with the Off-Highway Vehicle Advisory Group and OHV stakeholders statewide to promote safe and responsible OHV use and see that the funds available for motorized projects are used in the best manner.

The Arizona State Historic Preservation Office: SHPO, a division of Arizona State Parks, assists private citizens and institutions, local, state and federal agencies and tribes 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). Activities of the SHPO include:

- 1) Statewide survey to identify and evaluate historic structures and archaeological sites;
- 2) Nomination of eligible historic and archaeological properties to the National Register of Historic Places;
- 3) Review of federal and state actions that may affect historic and archaeological properties;
- 4) Technical assistance to state and federal agencies, and Tribes;
- 5) Technical assistance to owners of historic properties;
- 6) Technical assistance to Certified Local Governments/local preservation commissions;
- 7) Public education and awareness programs;
- 8) Administration of the Main Street program;
- 9) Assistance through matching grants; and assistance to property owners seeking tax credits and incentives.

The Marketing and Public Information Office coordinates marketing and public information through traditional mediums and emerging channels. The section also coordinates agency printing, (including annual passes, park maps, banners, and Junior Ranger Program materials) and digital delivery of public information including managing the agency website and social media channels (e.g., Facebook & Twitter). They also create content for and manage video distribution through online channels such as YouTube.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2.3	0.0	0.0
Other Non Appropriated Funds	8,126.2	5,745.7	3,083.6
Total Funding	8,128.5	5,745.7	3,083.6
FTE Positions	24.6	28.8	28.8

◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic and human resources.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of SHPO correspondence processed	2000	2000	1918	2000	0

◆ **Goal 2** To provide safe, meaningful and unique experiences for our visitors, volunteers and citizens

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Attendance at Special Events (in thousands)	35	37	150	150	0
Number of Special Events	50	52	81	81	0

◆ **Goal 3** To document our progress through planning, analysis and research.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of studies monitoring the health of Kartchner Caverns State Park and other parks	2	10	20	4	0

◆ **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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of new or renewed partnership agreements.	13	13	19	20	0

◆ **Goal 5** To effectively communicate with the public, policy makers, our partners, peers, and ourselves.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Public visits to agency web site (000)	2000	2100	2165	2250	0

Explanation: Public visits to agency web site

Number of Facebook fans	55000	100000	85,186	120,000	0
Number of Twitter followers	16000	25000	17,687	20,000	0
Number of media exposures (millions)	500	600	4,579	4,500	0

◆ **Goal 6** To increase digital traffic by 7% (FY17 Arizona Management System goal)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase digital traffic by 7%	0	0			42,800

◆ **Goal 7** To sustain SHPO Section 106 compliance submitted electronically (FY17 Arizona Management System goal)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Sustain SHPO Section 106 compliance submitted electronically	0	0	0	0	33

◆ **Goal 8** To report the percent of agency services available online (FY17 Arizona Management System goal)

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of agency services available online	0	0	0	0	0

Program Summary

ADMINISTRATION

James Keegan, 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 Administrative Services Division provides general support and services to the other divisions of the State Parks. This includes Fiscal Management, Property and Asset Management, Human Resources, Procurement, Contracts Management and Information Technology.

This section develops revenue and expenditure projections and costs estimates; assists in preparing and presenting the Department's budget request and provides financial analysis and reports for the Divisions of the Department.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	68.4	0.0	0.0
Other Non Appropriated Funds	3,506.8	4,484.6	4,484.6
Total Funding	3,575.2	4,484.6	4,484.6
FTE Positions	25.9	34.0	34.0

◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic and human resources

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintain a positive margin on overall park system revenues less park level expenditures.	28	28	35	30	0
Number of information technology infrastructure upgrades/systems deployed	0	0	76	60	0
Percent of eligible employees recognized through Agency Service Awards	0	0	100	100	0

◆ **Goal 2** To provide sustainable management of our natural, cultural, recreational, economic and human resources.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
To provide sustainable management of our natural, cultural, recreational, economic and human resources.	0	0	0	0	0

◆ **Goal 3** To report the number of regrettable attrition

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of employees lost to regrettable attrition	0	0	0	0	0

◆ **Goal 4** To increase the number of Administrative rules improved

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of administrative rules improved	0	0	0	0	0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	269.7	375.3	375.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	269.7	375.3	375.3
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. It must be pointed out that 27% of the workforce are still covered employees and have appeal rights. Still, fewer appeals have been filed; in FY15, 30 disciplinary action appeals and 4 whistleblower complaints were filed.

And again, fewer appeals were filed in FY16, 26 disciplinary action appeals, 0 whistleblower complaints.

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.

While it is recognized that fewer appeals are being filed, due process still must be provided to those that are filed.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	384.5	394.7	394.7
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of appeals/complaints filed	34	50	26	40	40
Hearing days	20	50	7	30	30
Average days from receipt of an appeal/complaint until the Board issues a final order	110	115	105	115	115
Average cost of an appeal/complaint (dollars)	1,400	1,400	1,100	1,100	1,100

◆ **Goal 2** To ensure customer/client satisfaction with process.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of cases appealed to Superior Court	3	4	1	5	5
Number of cases remanded from court	0	0	0	0	0
Percent of customers rating overall hearing process as good to excellent	100	100	100	98	98

Explanation: Rec'd only 1 survey; rated very good; 4.2 out of 5.

◆ **Goal 3** To continuously implement changes that will increase effectiveness and internal capacity to deliver services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of training classes attended by staff	25	10	10	10	5

◆ **Goal 4** To strengthen relationships with stakeholders (agencies and constituents).

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of meetings/input from stakeholders	5	5	5	5	5
Number of pamphlets distributed (approximate)	40	50	35	50	50

Agency Summary

BOARD OF PHARMACY

Kam Gandhi, 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, stores selling over-the-counter (OTC) products, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,066.6	2,135.2	2,359.7
Other Non Appropriated Funds	976.0	1,123.7	1,123.7
Total Funding	3,042.5	3,258.9	3,483.4
FTE Positions	20.0	20.0	25.0

5 Year Plan

Issue 1 Growth and modernization of sterile drug compounding pharmacies without oversight from the U.S. Food and Drug Administration. Epidemic situation with Controlled Substance Abuse.

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.

Prescription controlled substance abuse has become a national epidemic. Ninety % plus of the controlled substances prescribed and use takes place in the United States.

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.
3. Educate prescribers on utilization of the controlled substance prescription monitoring program (CSPMP)
4. Encourage utilization of the CSPMP for better patient care.

Issue 2 Drug Supply Chain Securities Act (DSCSA)

Description All product via prescription grade or OTC should be trackable and traceable. This process will require ASBP to revisit existing language to mirror federal guidelines. The ultimate goal is to eliminate counterfeit drugs from entering the supply chain.

Solutions:

- More detailed inspections monitoring accurate records.
- Authority to visit and inspect location that are not currently permitted through ASBP

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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 ensure that licenses and permits are only granted to US citizens/lawful residents who are competent applicants with high standards of professional and ethical conduct.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Disciplinary actions/100 Registered Pharmacists & Technicians	0.12	0.12	0.12	0.14	0.14
Complaints per 100 practitioners (Pharmacists & Technicians)	0.5	0.5	0.5	0.5	0.5
Continuing education seminars conducted for pharmacists	5	5	5	5	5
Quarterly writing and distributing newsletters to all interested parties by listserve. Subscription can be added or deleted online. Disciplinary actions required to be published by statute are also contained in each newsletter.	4	4	4	4	4
Conference calls	3	3	3	5	5
Pharmacy audits	10	10	10	10	10
Board Meetings	6	6	6	6	6
Miles Driven-Inspections	110560	110,000	110,000	125,000	125,000
Pharmacies-Inspections	1000	1,000	1,000	1,200	1,200
Explanation: reduced staff for 1/2 of the fiscal year					
Compressed medical gas suppliers & distributors-Inspections	5	5	5	5	5
Manufacturer-Inspections	14	14	14	14	14
Non-Prescription Drug Permit-Inspections	3000	3,000	3,000	3,200	3,200
Wholesaler-Inspections	90	90	90	90	90
Re-inspections	14	12	12	16	16
Total number of inspections conducted	3950	4,000	4,000	4,100	4,100
Default Performance Measure	0	0	5	5	5

◆ **Goal 2** To maintain a comprehensive electronic Controlled Substance Prescription Monitoring Program.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Use prescription monitoring program fund to maintain and improve prescription monitoring program approved by legislature in 2007.	435000	435,000	435,000	435,000	435,000
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).	1100	1,100	1,100	2,500	2,500
About how many licensed PRESCRIBERS were there?	30500	31,169	31,169	31,500	31,500
About how many licensed/permitted DISPENSERS were there?	4100	4,100	4,100	4,200	4,200
for PRESCRIBERS: How many solicited reports were produced?	3000000	3,000,000	3,000,000	3,000,000	3,000,000
For PRESCRIBERS: How many unsolicited reports were produced?	1500	1,500	1,500	2,500	2,500
for DISPENSERS: How many solicited reports were produced?	1500000	1,500,000	1,500,000	1,500,000	1,500,000
for DISPENSERS: How many unsolicited reports were produced?	0	0	0	0	0
For Law Enforcement INVESTIGATIONS OR COMPLAINTS: How many solicited reports were produced?	1375	1,500	1,500	1,500	1,500
For Law Enforcement INVESTIGATIONS OR COMPLAINTS: How many unsolicited reports were produced?	25	30	30	30	30
For Professional Licensing Board INVESTIGATION OR COMPLAINTS: How many solicited reports were produced?	625	650	650	650	650
For Professional Licensing Board INVESTIGATIONS OR COMPLAINTS: How many unsolicited reports were produced?	45	50	50	50	50

Agency Summary

BOARD OF PHYSICAL THERAPY EXAMINERS

Charles D. Brown, Executive Director
Phone: (602) 274-1088
A.R.S. § 32-2001

Mission:

To process applications for licensure as a physical therapist and certification as a physical therapist assistant, and to enforce the statutory provisions of the Arizona Physical Therapy Practice Act for purposes of protecting the health, safety and welfare of the public from the incompetent, unethical and/or illegal practice of physical therapy.

Description:

The Board licenses physical therapists, certifies physical therapist assistants, registers physical therapy business entities, investigates and adjudicates complaints, assesses continuing competence, and enforces the standards of practice for the physical therapy profession. The Board also regulates business entities that provide physical therapy services.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	438.7	484.2	488.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	438.7	484.2	488.2
FTE Positions	4.0	4.0	4.0

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. In 2016 Arizona passed legislation to join the Physical Therapy Licensure Compact a requirement to implement the Compact will be adding physical therapist assistants to the continuing professional competence program. A request to allow the rulmaking changes to impliment this change will be made to the Governor's Office in September 2016.

Solutions:

1.The Board is currently working with the Arizona Physical Therapy Association to update current requirements for continuing competence activities for licensed physical therapists and certified physical therapist assistants.

a.The taskforce working on the matter expects to approach the Board in 2014 with recommended changes to include, a minimum requirement of 10 hours of continuing competence activities.

b.The taskforce also plans the Board require completion of an Arizona Jurisprudence exercise hosted on the agency website as a mandatory condition for completing the renewal process.

c.The earliest implementation of any changes to continuing competence activities requirements would be in the 2018 renewal cycle.

D.On August 27, 2013, the Board announced its intention to change rules to require continuing competence activities for Physical Therapist Assistants. The response to EO 15-01 Rules requireing amendments reflects the need for the change. With the requirements in the Physical Therapy Licensure Compact we anticipate this change will be ready for the 2018 or 2020 renewal cycles.

Issue 2 2.Regulate the practice of physical therapy by interpreting and enforcing this chapter.

Description a.The Board received between 50 and 70 complaints per year.
b.The Board currently maintains a 1 FTE to investigate all complaints received against physical therapists, physical therapist assistants, and business entities.
C.The Board has seen an increase in the number of complaints filed beginning in 2009 as well as an increase in the complexity of the cases. However, in 2016 we saw a decrease in the number of complaints filed. We will be tracking these figures and monitoring the numbers. The Board believes its efforts at education of students, licensees and certificate holders is contributing to a reduction of cases being forwarded to the Board.

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.

The Board has seen marked improvement in investigations completeness time frames. However, a backlog of formal hearings remains. The Board has increased its ISA for a half time AAG designated to the Board of Physical Therapy. The backlog of cases has been reduced and is anticipated to be resolved in 2017.

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. In calendar year 2014 the Board received 810 applications in total, which is an increase of 64% in five years.
b.The national examinations for physical therapist and physical therapist assistants have been changed from tests given on a continuous basis on almost every day of the year to tests provided only four times each per year.

Solutions:

3.The Board physical therapy is currently addressing the need for improved processes for the increased number of applicants and the change in their availability of national tests.

A. On March 15, 2012, changes in the timing of allowing applicants to attempt passage of their national examinations were signed into law. A.R.S. §32-2024 was modified to allow applicants to test for their national examinations before completing their full educational programs, which allows increased options in taking one or more of the four tests allowed per year. The average time awaiting licensure from the time it is administratively complete dropped to 7.2 days in FY 2013.

b.The Board is tracking applicants using the early testing option to ensure unforeseen consequences do not out way the benefit of increased testing options. From March 2012 to August 1, 2014 275 applicants tested before graduation with 21 failures.

C.The Board has implemented a new preapproval process for all applicants. The process allows most applicants to receive approve for licensure or certification once the application is complete with the exception of test scores and receipt of transcripts. The process allows licensure or certification to be issued upon receipt of these final applicant requirements.

D. The Board received approval in FY 2017 for an appropriation increase to acquire e-Licensing software solution to better increase consumer access to Board services online, receive payments online, and process services such as applications online. The Board is participating in the Statewide Enterprise eLicensing project to identify a system that works for the Board and other state agencies. In FY 2016, the Board completed a process to document all agency functions and system operations, which was one of the contributing documents for the Statewide Enterprise eLicensing project.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	494.0	494.0	494.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of physical therapist licenses or physical therapist assistant certificates issued within the required time frames to eligible applicants.	100	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	629	550	665	550	600
Average time, in calendar days, between receipt of completed application to issuance or denial of licensure or certification.	2	6	1	6	6
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	0	2	2
Explanation: Agency tracks and reports number of applications denied.					
Number of licenses/certificates renewed	5,325	0	0	5,500	0
Explanation: FY 2016 actual reflects that renewals did not begin until FY 2017. The renewal is every two years. FY 2016 Will not have a renewal cycle.					
Number of applications received	730	580	806	700	700
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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	61	70	40	70	70
Explanation: Total number of complaints received.					
Total number of disciplinary actions issued	27	30	30	30	25
Explanation: Total number of disciplinary actions issued.					
Number of licenses suspended/revoked/voluntarily surrendered	4	5	3	5	5
Explanation: Number of licenses suspended/revoked/voluntarily revoked					
Total number of unlawful practice investigations received by the Board for investigation	6	2	1	10	4
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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.	519	500	582	500	500
Explanation: Board staff tracks and reports the number of requests received.					
Number of written requests for public records received.	56	70	50	70	70
Explanation: Agency tracks and reports the number of public records requests filed.					
Average number of business days to process written requests for public records	3	7	4	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.	7.2	7	7	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of physical therapist licensees whose continuing competence records were successfully audited by the Board for compliance.	5	0	0	5	0
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. The audit is done every two years following renewal. Some years will have no results.	100	0	0	100	0
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) 277-2750
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 91 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,745.2	6,174.6	6,492.7
Other Non Appropriated Funds	88.4	28.1	28.1
Total Funding	5,833.6	6,202.7	6,520.8
FTE Positions	89.8	103.0	103.0

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 and admissions to 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 evaporative coolers have recently been installed as well as a larger CFI evaporative cooler for the dining room and kitchen area. The "Men's ward" has just been remodeled with new flooring, repair and painting of walls and new blinds. The Men's ward has been changed to the "womens ward" where highest accuity female residents are housed. The previous womens' ward is currently under remodeling. The Home's fire panel has been updated with new software as has the south iinfirmary call system. Currently we are also addressing the resident chairs in the lobby, assessing floor replacement in the "Hobbies N More" room and updating medical equipment. We will also be assessing some bathroom remodels this FY.

Issue 3 To provide care and resident services that meet or exceed the highest standards and best-practice standards for long-term care.

Description The Home is dedicated to providing the highest level of health care to its' residents.

Solutions:

The Home will hire and retain the best staff available and provide on-going training and counseling to obtain the highest level outcomes. The Pioneers' Home Nursing Administration with support and input from the Superintendent have implemented an improved QA/QI program addressing major issues in nursing in particular but with other departments also. We continuously look to improve resident safety, satisfaction and quality of life issues. During the past year significant effort was pursued to reduce resident falls with excellent success. The Home is providing on-site medical provider care to the major portion of the Home's residents resulting in a very short waiting period for a resident to receive care and doing so in a cost efficient manner but reducing transportation and other assoicated costs.

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	103.0	103.0	103.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	6,606.8	6,606.8	6,606.8
Non-Appropriated Funds	50.0	55.0	60.0
Federal Funds	0.0	0.0	0.0

- ◆ **Goal 1** To increase the visibility, awareness and admissions of the Arizona Pioneers' Home to residents of Arizona counties, other than Yavapai County.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of residents from counties other than Yavapai and Maricopa.	17	16	20	20	20

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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintain internal and external integrity and décor of the Home with respect to historical significance.	1	1	1	1	1

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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of citations from inspections	0	0	2	0	0
Residents rating of good or excellent (percent)	99	98	98	98	99

- ◆ **Goal 4** To maintain the efficacy of services provided in the most cost conscious manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average census	96	88	98	102	102

Agency Summary

BOARD OF PODIATRY EXAMINERS

Ryan P. Edmonson, Executive Director
Phone: (602) 542-8151
A.R.S. § 32-801 et seq.

Mission:

To protect the health, safety and welfare of the citizens of Arizona by regulating and maintaining standards of practice in the field of podiatric medicine.

Description:

The State Board of Podiatry Examiners licenses and regulates doctors of podiatric medicine who specialize in the diagnosis and treatment of the foot, ankle and lower leg. The Board evaluates the professional competency of podiatrists seeking to be licensed in the State of Arizona. Further, the Board promotes continued competency and fitness by investigating complaints made against practitioners, holding hearings, monitoring the activities of its licensees and enforcing the standards of practice for the podiatric profession as set forth by law.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	118.6	148.4	172.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	118.6	148.4	172.4
FTE Positions	1.0	1.0	1.0

5 Year Plan

Issue 1 Seek rule moratorium exemption to amend fees to better support board operations.

Description Fees are set by statute and promulgated in rule. The Board has room under their statutory caps to increase the fees for licensing.

Solutions:

Executive Director will research other jurisdictions and their fee structure(s) for issuing licenses and seek approval from the Board to grant a rule revision for increasing its fees.

Issue 2 Seek opportunities to update/amend the Board's statutes and rules through either legislation or rule making.

Description The current statutes and rules are dated and there is several areas where improvement is needed.

Solutions:

Hold meetings with current Board members to seek input, draft new statutes to run a bill through legislation and seek an exemption of rule-making moratorium to amend rules.

Issue 3 Seek a new licensing database that is both functional and secure.

Description The Board of Podiatry Examiners currently uses a database that is outdated and offers very little efficiency to the Board and none to the public. The Board's existing database has consistent data fields that collect history, but does not easily allow for changes in output for other data that is useful for the function of the Board or dissemination to the public.

A new database will allow for more user efficiencies, plus it will offer better public integration, such as online renewals and online payment.

Solutions:

To work alongside ADOA ASET and other Boards to identify a vendor who will meet the goals of the state and each respective agency. The strategy is to allow ASET to take the lead with their knowledge and expertise in the information and technology environment, who will award the contract to the most deserving vendor.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	1.0	1.0	1.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	172.4	172.4	172.4
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To ensure that licenses are granted or renewed to qualified podiatrists.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
New licenses issued	25	22	21	22	22
Renewal licenses issued	388	414	398	400	400

◆ **Goal 2** To efficiently investigate complaints pursuant to the Board's statutes and rules

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of complaints opened	21	15	29	20	20
Number of complaints resolved	6	15	58	25	25
Average number of calendar days to resolve a complaint	147	180	518	180	180

◆ **Goal 3** To effectively and accurately respond to public record requests

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of written public information requests received	30	40	32	35	35

Agency Summary

COMMISSION FOR POSTSECONDARY EDUCATION

Dr. April Osborn, Executive Director
Phone: (602) 258-2435
A.R.S. § 15-1851

Mission:

To expand access and increase success in postsecondary education for Arizonans.

Description:

The Arizona Commission for Postsecondary Education (ACPE) comprises sixteen Commissioners, fourteen of whom are Governor appointed. Commissioners represent both public and private postsecondary education and its constituencies. Core responsibilities of the ACPE are related to student financial assistance programs including administration of state grants, scholarships, forgivable loans, and the Arizona Family College Savings (529) Program. The Commission provides timely and effective communication and programs to assist students and their families plan, transition, and succeed in postsecondary education. The Commission offers the single forum where all sectors of postsecondary education dialogue, collaborate, and problem-solve issues of mutual interest.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,396.8	1,396.8	2,073.9
Other Appropriated Funds	1,299.8	1,534.1	1,534.1
Other Non Appropriated Funds	728.9	1,060.9	1,060.9
Total Funding	3,425.5	3,991.8	4,668.9
FTE Positions	9.5	9.5	11.5

Issue 1 Student financial assistance dollars have been reduced and the scarcity of funding is impeding access and completion of postsecondary education for Arizonans.

Description Arizona’s postsecondary students have been highly impacted over the past 6 years by a reduction of over \$7M in state student aid and the loss of \$3.7M of federal student aid. Student aid programs on suspension since FY 2011 include the Postsecondary Education Grant and the Private Postsecondary Education Student Assistance Program. Unfortunately, the legislation establishing the Postsecondary Education Grant expired last July. Moreover, the Early Graduation Scholarship Grant was repealed in the 51st Special Legislative Session. The denial of Arizona’s College Access Challenge Grant Maintenance of Effort Waiver request by the U.S. DOE, along with the prior termination of federal LEAP and Special LEAP, represent an additional loss of \$2.1M for low-income student grants in both FY 2015 and FY 2016.

As the state’s representative to the National Association of State Student Grant and Aid Programs, Commission staff recognize many states have experienced reductions, but few lost nearly 80% as experienced in Arizona. The reduction of the Commission budget by \$11M directly reflects pass through funds that today’s Arizona’s students are missing. The Commission staff members are dedicated to making sure each dollar of student aid remaining is available in a timely manner and that existing financial aid programs are well administered.

An important response of the Commission to the meager levels of state and federal student aid, has been to heighten efforts to raise the awareness and participation in the Arizona Family College Savings (529) Program (AFCSP). This state-sponsored program provides investments where earnings grow tax-deferred and distributions are tax-free when used for qualified college expenses. Moreover, contributions of up to \$4,000 for a married filer are annually deductible from Arizona income tax. The AFCSP provides a great opportunity for families to prepare for college expenses and achieved \$1B in assets under management in March of 2015. The strategies under Goal 1 are designed to address the loss of financial aid for Arizona students.

Solutions:

Goal 1: Maximize student financial assistance available and support efforts to restore and increase student aid.

Strategy 1.1: Provide effective and efficient administration of the Arizona Leveraging Educational Assistance Partnership (AzLEAP).

1. Maintain administration similar to state and federal guidelines to provide consistency for both institutions and students.
2. Survey postsecondary institutions regarding effectiveness of administration.
3. Identify and implement areas for administrative improvement annually.
4. Develop, test, and implement streamlined processes.
5. Prepare and distribute reports on students served by program to policy makers.

Performance Measures:

- Achieve 90% satisfaction with administration of program as evaluated by institutional constituencies.
- Document the number of processes annually reviewed.
- Document the number of process improvements implemented and their benefit to better administration.
- Complete and distribute an annual report to policy leaders informing them about participants and the benefits to the State.

Strategy 1.2: Ensure that the Arizona Math, Science, Special Education (MSSE) Teacher Loan Forgiveness program is bringing about equity by attracting quality students into teaching preparation programs who will take on a mission of service in order to repay their loans in one of three ways: by teaching low-income students (Title 1 schools) in the named disciplines, teaching in rural counties with a certifiable teacher shortage, or teaching in an Arizona tribal school.

1. Revise the Arizona MSSE Teacher Loan Forgiveness Program to better meet the State’s needs for equity and elimination of the achievement gap for Arizona’s low-income and minority children.
2. Increase the appropriated funds for this program by \$500,000 in order to begin to increase the teacher pipeline for Title 1, rural, and tribal schools. Raise the number of pre service teachers served to 57-67 individuals and raise the maximum amount of the loan

to \$10,500.

3. Identify ways to recruit and financially support individuals who are seeking teacher certification as a second career and who fit the profile of someone motivated to achieve equity and to take steps in the school and the classroom to close the achievement gap for low-income and minority K-12 students.
4. Integrate the MSSE Teacher Loan Forgiveness Program into the AzGrants website providing a simple application for student aid.
5. Develop a marketing plan and promote to all Arizona high school juniors and seniors, college freshmen and sophomores, as well as students already enrolled in public and private teacher education programs for maximum exposure of these opportunities to eligible students.
6. Prepare an annual report describing student and institutional participants as well as teacher retention, loan forgiveness, and loan repayments.

Performance Measures:

- MSSE Program represents a cohesive forgivable loan program with achievable and measurable goals which will increase equity and begin to reduce the attainment gap for low-income and minority Arizona K-12 students.
- Application process is simple for students and integrated into the AzGrants web portal to benefit students' understanding of potential financial aid programs.
- Students apply and receive funds in a timely manner contributing to the success of the program and its goals.
- Adequate numbers of eligible students apply and receive funds.
- An annual report to policy leaders is compiled and distributed including data regarding pre-service student participation, institutions participating, data on teacher service in shortage areas, and teacher retention data.

Strategy 1.3: Ensure the sustainability of the AzGrants secure web portal which supports access to state student grants, scholarships, forgivable loans, and additionally serves as the web portal for the exchange of sensitive data and reports for high schools for both FAFSA Finish Line, College Application Campaign, and College Goal FAFSA Student Progress Reports.

1. Single web portal is maintained which accepts student applications and is programmed to complete the back end administrative processes necessary to award student financial aid.
2. Portal provides high school staff and designated entities secure access to individual Student Progress Reports.
3. Portal provides financial aid professionals from postsecondary institutions across the state secure and user-friendly access for verification and certification of student eligibility for financial aid.
4. Portal allows students to track the progress of their application.
5. Website provides links to financial aid options and resources.
6. Data is collected through website regarding students and institutions to be used for reports and data-rich policy decisions.

Performance Measures:

- Inform decision-makers of the return on investment and the need to financially support the maintenance and hosting expenses necessary to maintain this web portal:
 - Number of grants, scholarships, loans issued annually.
 - To achieve the transfer of sensitive data in a secure manner e.g. individual FAFSA Finish Line reports and Student Progress Reports.
- Website allows the Commission to support high schools with up to the minute data on applications (both college and FAFSA); thereby providing the means to securely transmit reports for high school staff to target needs and aid the student in the completion of an application.
- Gather information from postsecondary institutions regarding their assessment of the portal use and the functions it provides.
- Survey high school personnel campaigns regarding the effectiveness of the web portal for their needs.
- Assessment of enhanced security provided through the portal.
- Determine the value of annual reports to policy leaders describing characteristics of students, the institutions participating, as well as data from students regarding barriers and incentives to persistence to degree.

Strategy 1.4: Provide effective and efficient administration and oversight for the Arizona Family College Savings (529) Program (AFCSP).

1. Strategic use of a national-level investment advisor provides program-specific data and analysis grounded in a national

perspective is delivered to staff, Oversight Committee members, and Trustees enabling them to guide the AFCSP and its products to a high level of quality, nationally.

2. Through on-going research and participation in professional development venues, Commission staff apprise Commissioners and Oversight Committee members of SEC, MSRB, federal regulations, and national 529 plan issues and trends
3. Commission staff, trustees (Commissioners), and Oversight Committee members use knowledge of best practices and successes of other state programs to improve Arizona 529 plan administration and offerings.
4. Processes to ensure the interest of the state and the needs of Arizona residents are being met are in place.
5. Improved processes and procedures are developed, tested, and implemented annually.
6. Staff, with a public relations firm, develop and implement an on-going public awareness/marketing plan to inform and encourage Arizona families to prepare for the expenses of postsecondary education through a tax-advantaged 529 plan.
7. Commission staff provides measures of the success of the 529 plan, using various sources of data and program mission and goals.

Performance Measures:

- Program administration, operating procedures, and offering materials comply with regulatory and College Savings Plan Network standards, reflecting best practices of the industry.
- Director and Executive Director attend national meetings, participate in professional organizations, and bring research and best practices to the trustees, Oversight Committee, and administration of the AFCSP.
- Expert advice is sought from a recognized industry expert for issues of product and trend analysis, evaluation of program manager service, as well as advice on matters of legal and regulatory import.
- Director, with investment advisor, holds monthly meetings with representatives of program managers, reviewing the interests of the state, and ensuring program participants needs are being considered as well as compliance with contract obligations.
- Management reports are prepared and distributed among constituencies.
- Public awareness of 529 plan benefits are increased through public awareness efforts.
- The number of Arizona families benefiting from the AFCSP increases annually by a predetermined annual goal.
- Number of publications (digital or print) distributed and unique web visits

Strategy 1.5: Offer a quality college savings (529) program by maximizing the contribution of the AFCSP Oversight Committee.

1. Oversight Committee mission and goals are presented to Trustees for approval.
2. Oversight Committee member expertise is maximized in areas of evaluation of program, knowledge of investment offerings, operations, and marketing.
3. Oversight Committee is apprised of advice from investment advisor firm at decision points and kept up-to-date on advice and new directions from investment advisor firm at regular meetings.
4. Effective Oversight Committee meetings take place five times per year to make recommendations; Trustees meet 4 times a year to make decisions.
5. Staff provides research, daily oversight, and measurement of processes against goals.
6. A productive and on-going annual provider review process results in informed decision-making by Trustees regarding program managers' contracts and investment products.

Performance Measures:

- Mission, goals, and investment policies are developed and are used to direct program administration.
- Oversight Committee and Trustee meetings are held and evaluated effective by participants.
- Outputs from the Oversight Committee meetings include recommendations to trustees regarding:
 - decisions related to program
 - manager contracts and modification,
 - mission and goals for the AFSCP Oversight Committee,
 - operational procedures,
 - quality and affordable investment products for Arizona families, and
 - quality of financial institutions and investment products continually improve as evidenced by successful public comparison to other states' programs and meeting savings growth goals.

Issue 2 Fifty-two percent of Arizona K-12 students live at 200% of poverty or below and therefore these families are inexperienced and unaware of the necessary steps to enroll, finance, and complete a postsecondary education.

Description As compared to other states across the nation Arizona has

- (1) one of the lowest college-going rates with only 50.5% of the 2013 seniors enrolling in a postsecondary education experience leaving 31,630 students with no further education options, likewise
- (2) one of the lowest college attainment rates with only 25.8% of a senior class (2008) graduating from a 2-year or 4-year postsecondary institution 6 years following high school graduation; and only
- (3) 27% of all Arizonans over the age of 25 holding a bachelor's degree or higher.

These outcomes coexist with the prediction from Anthony Carnevale's "Help Wanted: Projections of Jobs and Educational Requirements through 2018" published by Georgetown Public Policy Institute's Center on Education and the Workforce that 3 out of five jobs in Arizona, or 61%, will require some training beyond high school by 2018. No longer is high school graduation the finish line. Arizona must improve the education outcomes of our K-12 and postsecondary education systems in order to meet projected workforce and social capital needs.

College and Career Goal Arizona (C2GA) is a statewide senior year initiative coordinated by the Arizona Commission for Postsecondary Education. It promotes partnerships with Title 1 high schools statewide to implement strategies designed to (1) increase the number of students making an application to a postsecondary education institution and (2) increase the number of seniors applying for and securing student financial aid, and (3) builds a sustainable college-going community to support future students college dreams.

College and Career Goal Arizona (C2GA) includes the Arizona College Application and College Goal FAFSA Campaigns, along with FAFSA Finish Line Reports. The College and Career Goal Arizona Campaign promotes equity by providing a supported, cohort approach where high school staff and peer support together, take on the role played in middle class families by an experienced, college knowledgeable adult. The role of this family member includes informing, motivating, and even prodding students toward submitting, on time, a college application. In order to participate in the Arizona College Application Campaign (CAC), high school principals and counselors sign a pledge to provide an event, generally over 1-3 days, when every student is provided computer time to complete at least one application for postsecondary education. High schools also agree to a goal of 100% participation

More than ½ Million applications were filed in 50 states following this format last fall through the American College Application Campaign organized by the American Council on Education and with financial support from Lumina. Arizona mounted a very successful fourth year campaign last November with 46 high schools representing 14,333 seniors who participated in the 2015 CAC events.

College Goal FAFSA also provides cohort support for seniors to file the Free Application for Federal Student Aid or FAFSA. All high schools participating in the College Application Campaign were invited to join the College Goal FAFSA Campaign in 2016. Twenty-eight chose to put on 52 workshops and 19 chose to receive FAFSA Finish Line Reports. The College Goal FAFSA effort of the Arizona Commission has relied heavily over the past 20 years on the strength of an 18-member Advisory Committee and manpower from the Arizona Association of Student Financial Aid Administrators. These partnerships continue; however, funding from USA Funds is no longer available requiring the funding to be supplied from other sources. An additional challenge present for College Goal FAFSA is the application requirement of a parent signature on the youth's FAFSA application. FAFSA completion must be a family affair. The expectation from implementation of College and Career Goal Arizona in Title I high schools statewide is that increasing the number of Arizona seniors who complete a college application and successfully file the Free Application for Federal Student Aid or FAFSA will result in an increased college-going rate in participating high schools. Moreover, the environment in these high schools and their communities will support postsecondary education options for all graduates into the future.

Solutions:

Goal 2: Provide support from knowledgeable professionals and accurate and timely information to help students and families take the steps to enroll, finance, and succeed in postsecondary education.

Strategy 2.1: Establish College and Career Goal Arizona to develop and support a college-going culture within Arizona high schools and communities where every high school senior is encouraged and expected to apply and seek financial assistance to support a postsecondary education

experience.

- 1.Promote the C²GA senior year initiative statewide.
- 2.Establish and develop relationships with key decision-makers and pertinent staff at Arizona postsecondary education institutions and high schools.
- 3.Encourage Community “buy in” via three groups 1) ACPE Commissioners, 2) the 38 member AzCAC Committee and 3) an 18-member College Goal FAFSA Task Force.
- 4.Groups will assist in establishing partnerships and collaborations, identifying and securing funding, and recruiting volunteers.
- 5.Develop a Fundraising/ Partnership Plan inclusive of a case statement, goals, strategies, outcomes, and indicators for success.
- 6.Execute the College and Career Goal Arizona Fundraising/Partnership plan.
- 7.Adjust activities and outcomes to meet the budget.

Performance Measures:

- Key leadership supports the statewide initiative.
- Funding, collaborations, partnerships provide desired assistance in specific areas of need for FY 2017, FY 2018, FY 2019, and FY 2020.
- Increase the number and proportion of Arizona high school graduates going on to college over a four-year period of time.
- Increase the number and proportion of college-going high schools and communities in Arizona. Evidence demonstrates movement toward expectations that ALL students can benefit from and progress toward a postsecondary education experience.

Strategy 2.2: Coordinate the statewide College Application Campaign.

- 1.Secure external funding sources to implement program elements.
- 2.Develop marketing and public relations materials.
- 3.Identify and develop relevant web-based content rich materials for AzCAC website to support high schools, volunteers, and postsecondary institution personnel.
- 4.Recruit high schools with focus on Title 1.
- 5.Connect with non-profit volunteer organizations and college access organizations to share resources and collaborate.
- 6.Develop partnerships and collaborations with postsecondary institutions from all three sectors to ensure adequate support is provided for each of the participating high schools and staff.
- 7.Evaluate all aspects of the AzCAC program and act upon data collected.

Performance Measures:

- Program is adequately funded to support data analysis, high school giveaways, promotional materials, and evaluation.
- Increased number of high schools and seniors participating while retaining the focus on Title 1.
- Volunteer groups provide manpower for events at high schools.
- Postsecondary institutions’ admissions professionals (all 3 sectors) attend high school events and provide expert advice for program success.
- Media and newspaper coverage promotes AzCAC and touts the outcomes.
- Data on program success is gathered from all stakeholders and analyzed for program improvements to be implemented.
- Promote program success at all levels.
- Successful school personnel will be invited to participate as a College Goal FAFSA high school.
- Increase the number and proportion of Arizona high school seniors who apply to a postsecondary education institution in the fall of their senior year.

Strategy 2.3: Coordinate the statewide College Goal FAFSA events.

- 1.Secure external funding sources to implement program elements.
- 2.Promote College Goal FAFSA events.
- 3.Develop relevant, web-based, content rich materials in order to support high school personnel, student, family, and postsecondary institution needs.
- 4.Coordinate and execute the on-going statewide College Goal FAFSA community weekend events along with high school-based events to assist college-bound seniors, their families, and returning adults in filing the Free Application for Federal Student Aid

(FAFSA).

5. Mentor site coordinators via email, phone calls, visits as needed.

6. Recruit more than 200 financial aid professionals from all sectors of postsecondary education to staff College Goal FAFSA weekends and high school nights.

7. Evaluate site coordinator, funder, and family/student surveys, analyze data, and make improvements.

Performance Measures:

-Dollars are available to support program elements.

-College Goal FAFSA weekend event staffed by financial aid professionals are held and well-attended.

-Financial aid professionals in postsecondary institutions and AASFAA members provide expert advice for program support both at postsecondary sites and high school events.

-College and Career Student Progress reports indicate target audience is served and benefits are realized.

-Number of FAFSA's completed at participating high schools.

-Number of publications distributed and website visits.

Strategy 2.4: Provide student level FAFSA status data to participating secondary schools, Local Education Agencies, and designated entities for the purpose of increasing student FAFSA completion.

1. Commission secures written agreements with high schools, Local Education Agencies (LEAs), and designated agencies, following the U.S. Department of Education requirements.

2. Commission secures state appropriation for technology, web portal, upkeep and maintenance, and 1 FTE to work with high schools to prepare and disseminate FAFSA Finish Line reports.

3. Manuals and professional development are provided for counselors and advisors to understand data and how they can assist seniors.

4. A secure portal is established and maintained by the Commission so that high schools, LEAs, and designated entities can upload requests for informational reports every week with the goal of providing targeted assistance to students allowing them to complete their FAFSA.

Performance Measures:

-Contracted schools, LEAs, and designated entities receive both a manual and instruction about the use of the portal and reports.

-High schools act on information and specific knowledge to assist students to complete their FAFSA.

-High school personnel statewide become aware of the value of the

-FAFSA Completion reports and identify strategies to assist students in completion of individual FAFSA's.

-High schools and designated entities statewide see a significant

increase in students FAFSA completions; thereby students obtain more funds for college attendance.

Strategy 2.5: Provide current and relevant web and print-based information on college-going and financial assistance for families and students.

1. Secure external funding sources.

2. Develop content/program elements.

3. Identify outreach/distribution methods using partnerships and collaborations.

4. Implement, maintain, and evaluate the publications and websites including the Arizona College and Career Guide (print and online) and ACPE websites including College Goal Arizona, ACPE website, azgrants.gov, and AZ529.gov.

Performance Measures:

-Funds are adequate to support each project.

-Number of visits per website, numbers of publication requests

-Constituency feedback regarding value of communication and information.

-Staffing is adequate to plan, maintain, and evaluate a quality product.

Strategic Issue 3: Private and public postsecondary education sectors can enhance student success and leverage resources by

working together.

The postsecondary education system in Arizona comprises 3 public universities, 10 community college districts, and more than 250 private universities, colleges, technical, and vocational schools. The membership of the Arizona Commission for Postsecondary Education has representation from these three sectors and additionally two K-12 superintendents and one individual from commerce and industry, all at the senior management level.

The composition of the Commission provides a unique opportunity for discussion, identification of problems and opportunities, and consideration of solutions from many perspectives. Commissioners benefit from the diverse perspectives among the group and gain a depth of knowledge about all sectors of postsecondary education. Through its work described previously in this report in the areas of equity in postsecondary opportunity and efforts to assist in closing the gap in postsecondary education attainment for low income and minority students. The Commission, through its work in these areas, seeks to strengthen relationships among all sectors of higher education, as well as encourage cooperation between levels of education.

Issue 3 Private and public postsecondary education sectors can enhance student success and leverage resources by working together.

Description The postsecondary education system in Arizona comprises 3 public universities, 10 community college districts, and more than 250 private universities, colleges, technical, and vocational schools. The membership of the Arizona Commission for Postsecondary Education has representation from these three sectors and additionally two K-12 superintendents and one individual from commerce and industry, all at the senior management level.

The composition of the Commission provides a unique opportunity for discussion, identification of problems and opportunities, and consideration of solutions from many perspectives. Commissioners benefit from the diverse perspectives among the group and gain a depth of knowledge about all sectors of postsecondary education. Through its work described previously in this report in the areas of equity in postsecondary opportunity and efforts to assist in closing the gap in postsecondary education attainment for low income and minority students. The Commission, through its work in these areas, seeks to strengthen relationships among all sectors of higher education, as well as encourage cooperation between levels of education.

Solutions:

Goal 3: Provide a forum where all sectors of postsecondary education dialogue, partner, and problem solve issues of mutual interest.

Strategy 3.1: Use the ACPE meetings, statewide programs, and conferences both to problem solve and identify opportunities that cross sectors of postsecondary education

1. Hold effective meetings at least four times per year; conference every other year.
2. Use expertise of Commissioners and constituents to identify areas of opportunity and problems.
3. Use a sub-committee or collaborative task force structures to achieve the identified goals.
4. Promote work of these groups to capitalize on opportunities and solve problems.
5. Evaluate outcomes of meetings, conferences, and revise plan annually.

Performance Measures:

- Commissioners rate meetings as effective in achieving goals
- Areas of opportunity and problems are identified through conversation and interaction.
- Collaborative work groups are established with Commissioner participation and leadership to achieve solutions or engage opportunities.
- Plans are revised and adapted to meet changing needs

Strategy 3.2: Encourage, lead, and participate in collaboration/partnerships to promote college access and success.

1. Seek avenues to encourage collaboration/partnerships that contribute to the ACPE mission, such as College and Career Goal Arizona Advisory Committee, the Arizona Family College Savings Program Oversight Committee, and College Goal FAFSA Task Force and lead these groups in a manner that maximizes community input and buy-in.
2. Participate and contribute to collaborative initiatives such as the Arizona College Access Network, the Arizona Career Leadership Network, Thriving Together, Expect More Arizona, and ACT Statewide Council.
3. Review the effectiveness of existing initiative investments.
4. Share resources to assist in sustaining or initiating appropriate efforts.
5. Complete an annual review of these efforts and re-allocate personnel and resources as necessary.

Performance Measures:

- Number of collaborations/partnerships investments.
- Assessment of contributions received and those gained.

- Reallocation of resources based on evaluation.

Strategy 3.3: Initiate research through the Arizona Minority Policy Analysis Center that promotes equity and supports the closing of the achievement gap in order to accomplish the mission of ACPE.

1. Develop and support policy analysis center(s).
2. Use research to identify necessary initiatives and goals.
3. Identify research and infrastructure partners.
4. Disseminate and use research to promote policy change.

Performance Measures:

- Maintain every two years publication of the Arizona Minority Student Progress report to serve as a benchmark for progress and to analyze Arizona's success in closing the achievement gap over time
- Take on issue or policy studies in between regular 2- year schedule
- Number of studies produced that forward opportunity and best practices
- Sustain AMEPAC through leadership, infrastructure, and fundraising support.
- Research and its findings are promoted among the community.
- Identify impact of the studies.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	7.0	7.0	7.0
General Fund	1,509.9	1,509.9	1,509.9
Other Appropriated Funds	2,095.7	2,095.7	2,095.7
Non-Appropriated Funds	890.0	890.0	890.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To maximize student financial assistance available to students and families

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of LEAP student awardees	3,241	3,000	2,972	3,000	3,000
Number of Arizona Family College Savings Program accounts	77,838	82,000	82,057	86,500	86,500

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Arizona College & Career Guides distributed	348	5,000	481	0	0
Number of Arizona College & Career Guide (ACCG) on-line visits	3,303	3,000	2,306	3,000	3,000
Attendees at College Goal Sunday	982	1,500	2,743	3,000	3,000

Explanation: Program has changed . College Goal Sunday is now College Goal FAFSA and has two workshop components.

College & Career Goal Arizona student and parent materials distributed	8000	8,500	109,530	99,000	99,000
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Explanation: *The College and Career Goal Arizona programs consist of the Arizona College Application Campaign and College Goal FAFSA and is a grant and sponsorship supported program that distributes materials to students/families through high schools and college access programs.

- ◆ **Goal 3** To provide a forum where all sectors of postsecondary education dialogue, partner and problem solve issues of mutual interest

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of statewide committees or task forces collaboratively seeking solutions to issues in postsecondary education	4	3	4	3	3
Numbers of research studies published to examine issues of postsecondary access and success	0	1	1	1	1

Agency Summary

POWER AUTHORITY

Robert W. Johnson, Interim 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	34,817.7	37,652.0	37,652.0
Total Funding	34,817.7	37,652.0	37,652.0
FTE Positions	6.0	7.0	7.0

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	9.0	9.0	9.0
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 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Hoover annual revenue requirements (in thousands).	61,009	63,736	54044.00	63736.0	69018.00

- ◆ **Goal 2** To analyze and critically review the transmission system costs and other factors associated with the delivery of Hoover power.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Cost of Intertie Transmission (\$/kW-year)	19.32	19.32	19.32	19.32	19.32
Cost of Parker-Davis Transmission (\$/kW-year)	15.36	16.08	16.08	17.16	17.16

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customers purchasing power from Arizona Power Authority	29	29	29	29	65

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 238 private postsecondary educational institutions who serve approximately 398,540 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ LICENSING AND REGULATION	996.2	396.1	486.9
➤ STUDENT TUITION RECOVERY FUND	271.1	277.0	277.0
Agency Total:	1,267.3	673.1	763.9
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	996.2	396.1	486.9
Other Non Appropriated Funds	271.1	277.0	277.0
Total Funding	1,267.3	673.1	763.9
FTE Positions	5.0	5.0	5.0

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 238 private postsecondary educational institutions, serving approximately 398,540 students annually. The Board acts on license applications, determines compliance, investigates complaints and violations, and takes disciplinary action.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	996.2	396.1	486.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	996.2	396.1	486.9
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of institutions licensed	260	261	238	236	240
Total number of renewal licenses approved	241	242	226	228	230
Total number of Supplemental Licenses approved	413	420	399	400	400
Number of adverse actions taken (Higher bonds, reporting/monitoring required, C&D issued)	56	57	53	55	58
Number of annual inspections conducted	26	27	19	22	25
Number of students enrolled in private institutions	590,722	570,000	398,540	400,000	410,000
Number of licenses denied	0	1	0	1	1
Number of institutional closures	25	20	15	20	15

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of annual student complaints investigated	8	15	8	10	10
Number of student complaints resolved/dismissed	5	10	6	6	6
Number of student complaints resulting in disciplinary action	1	3	1	2	2
Number of Student Complaints Pending	2	2	1	2	2
Number of non-student complaints investigated	5	10	12	15	15
Number of non-student complaints resolved	2	5	4	5	5
Number of non-student complaints resulting in disciplinary action	2	5	5	5	5
Number of non-student Complaints Pending	1	0	3	5	5
Number of written inquiries (Letter of Intent, Inquiries, State Authorization Letters and student questions)	382	400	375	380	380

◆ **Goal 3** To efficiently and effectively administer the licensing and regulation program of the Board.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Administration as a percentage of total cost	0	3.9	2.8	2.8	2.8

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	271.1	277.0	277.0
Total Funding	271.1	277.0	277.0
FTE Positions	1.0	1.0	1.0

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of claims filed	102	80	73	70	70
Number of claims rejected	62	20	35	10	10
Number of claims paid/settled/closed	40	60	38	50	50
Number of claims pending	0	0	0	0	0
Average number of calendar days to pay claims	60	60	60	60	60

◆ **Goal 2** To collect or secure monies sufficient to provide for student financial restitution.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of institutions billed	0	0	0	0	0
Amount of assessments collected (in thousands)	0	0	0	0	0
Amount available to students (in thousands)	445.3	733.6	783.6	526.1	377.6
Amount paid in Student Claims	91.5	150.	93.3	20.0	20.0

◆ **Goal 3** To provide students access to their educational records in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of student record requests processed.	2959	3200	4,404	4,500	4,700
Average number of days to process requests	12	30	10	7	5

Agency Summary

BOARD OF PSYCHOLOGIST EXAMINERS

Cindy Olvey, Psy.D., Executive Director
Phone: (602) 542-3018
A.R.S. §§ 32-2061, et seq.

Mission:

To protect the health, safety, and welfare of Arizona citizens by regulating the professions of psychology and behavior analysis.

Description:

The State Board of Psychologist Examiners licenses and regulates professionals to practice in the fields of psychology and behavior analysis. The Board accepts complaints against licensees, investigates allegations, and administratively adjudicates complaints.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	415.3	475.4	555.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	415.3	475.4	555.5
FTE Positions	4.0	4.0	4.0

5 Year Plan

Issue 1 The only forms of payment accepted by the agency are cash, money order, or check.

Description The agency receives payment from licensees and members of the public for services such as applications for licensure, initial license fees, public records requests, and license verifications. A.R.S. § 32-2067 authorizes the agency to establish fees and penalties. Today's marketplace increasingly operates through the use of electronic payments, and the general public has come to expect the option to use credit and debit cards to pay for services. Currently, the agency is only able to accept payment by cash, check, or money order, which may create inconvenience for some licensees as well as members of the public wishing to conduct business with the agency. The agency is implementing a system to allow for payments to be made by debit or credit card.

Solutions:

In the FY2015 budget, the agency was authorized an increase in appropriation to establish a payment system in order to accept online payment by debit/credit cards in addition to the current payment methods accepted by the agency. The agency is currently developing and testing this system.

Issue 2 The agency is unable to offer online applications for licensure.

Description Currently, all applications for licensure are available for downloading on the agency website. However, applications may not be completed online and must be printed, completed and sent to the agency. The agency would like to offer applicants the option to apply for licensure through the agency website. Establishing an online application would increase convenience and efficiency for all applicants. Due to budget limitations, the agency has postponed the necessary system development that would be required to implement such a feature on the website.

Solutions:

In the FY2015 budget, the agency was authorized an increase in appropriation to begin development of an online application for license renewal. The agency is currently developing the online renewal application which will be available for the 2017 renewal cycle. The next step will be to develop an online application for initial licensure for both psychologists and behavior analysts. In addition, the national ASPPB (Association of State and Provincial Psychology Boards) has developed an online universal application for initial licensure that the Board is currently exploring.

Issue 3 Providing psychological services via telepractice has been an ongoing discussion at both the state and national levels for several years. Guidelines for providing psychological services via telepractice within Arizona as well as across state lines have not been established.

Description Effective January 1, 2015, insurers are required to provide health care coverage for services provided through telemedicine in rural regions if those services would otherwise be covered if provided in person. Services include mental health disorders that may be provided by psychologists. Effective January 1, 2018, this coverage will no longer be limited to rural regions only, but will expand to include services provided in Arizona. A.R.S. 32-2061(14) defines telepractice and A.R.S. 32-203(A)(12) authorizes the Board to make rules for telepractice.

Solutions:

Final rules for telepractice have been submitted by the agency to the Governor's Regulatory Review Council for consideration. The national ASPPB (Association of State and Provincial Psychology Boards) has developed a compact for telepractice (PSYPACT) whereby interested states may participate in an agreement across states. Arizona was the first state to pass legislation, which was signed into law by Governor Ducey, on May 9, 2016, to participate in the PSYPACT. Once a total of seven states have adopted the compact, implementation will begin.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	475,400.0	475,400.0	475,400.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of applications received for initial behavior analyst licensure	58	60	49	50	50
Number of new behavior analyst licenses issued	62	60	47	50	50
Number of behavior analyst licensees (active/inactive)	160	200	206	250	300

Explanation: FY 2014 was the first year for this performance measure

- ◆ **Goal 2** To protect the public from incompetent practitioners of behavior analysis and unprofessional/unethical conduct through timely investigation and adjudication of behavior analysis-related complaints.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of behavior analysis-related complaints received	1	2	1	1	2
Average number of days to resolve a behavior analysis-related complaint	22	50	24	38	38

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of applications received for initial psychologist licensure	147	150	162	150	150
Number of new psychologist licenses issued	116	110	109	110	110
Number of licensees (active/inactive)	1,932	2,000	2,026	2,000	2,070

Explanation: Number represents only licensed psychologists

Average number of days to administratively process a psychologist application for licensure (from receipt to substantive review)	2	2	1	2	2
Average number of days to substantively process a psychologist application for licensure (from administrative completion to Board adjudication and/or issuance of license)	24	24	26	24	24

- ◆ **Goal 4** To protect the public from incompetent practitioners of psychology and unprofessional/unethical conduct through timely investigation and adjudication of psychology-related complaints.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of investigations	58	50	49	50	50
Explanation: Includes non-jurisdictional complaints and complaints against alleged title-violators					
Number of complaints opened regarding psychologists	40	35	38	39	39
Number of psychology-related complaints received involving unlicensed practitioners/title violators/non-jurisdictional issues	18	15	11	11	11
Number of psychology-related complaints resolved at the Complaint Screening Committee level	24	24	23	22	22
Average days from date a psychology-related complaint is opened to resolution at Complaint Screening Committee	42	40	52	44	44
Number of psychology-related complaints resolved at the Board level through Board actions	13	12	18	13	13
For psychology-related complaints referred to the full Board, average days from receipt of complaint to Board resolution/Board action	134	100	100	100	100

Explanation: Does not include complaints dismissed at the Complaint Screening Committee level.

Number of disciplinary actions taken against psychologists	7	7	6	5	5
Number of non-disciplinary/rehabilitative actions taken against psychologists	1	2	1	2	2

- ◆ **Goal 5** To protect the public through the auditing of continuing education hours of psychologists to ensure licensees are kept apprised of current standards of practice.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of audited licensees in compliance with continuing education requirements	**	n/a	100	n/a	90

Explanation: Audit conducted every other fiscal year, based on renewals received during prior fiscal year

- ◆ **Goal 6** To encourage public input regarding the Board's performance through customer surveys.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction rating (scale 1-8)	7.4	7.4	7.6	7.4	7.4

Agency Summary

DEPARTMENT OF PUBLIC SAFETY

Frank L. Milstead, Director
Phone: (602) 223-2464
A.R.S. §§41-1711 to 41-1794

Mission:

To protect human life and property by enforcing state laws, deterring criminal activity and providing vital support to the State of Arizona and its citizens.

Description:

The Arizona Department of Public Safety enforces state law with primary responsibility in the areas of traffic safety, criminal interdiction, narcotics, organized crime, auto theft, and specific regulatory functions. Services include homeland security, criminal intelligence, scientific analysis, aviation support, criminal information system, training, and statewide communications. Operational and technical assistance is provided to local and state agencies and other components of the criminal justice community. The Department also promotes and enhances the quality of public safety through cooperative enforcement and community awareness programs.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ AGENCY SUPPORT	47,246.9	90,807.3	86,731.0
➤ HIGHWAY PATROL	133,775.7	142,726.1	149,904.8
➤ CRIMINAL INVESTIGATIONS	64,256.4	95,953.5	76,897.6
➤ TECHNICAL SERVICES	62,374.5	65,827.2	73,508.1
➤ ARIZONA PEACE OFFICER STANDARDS AND TRAINING	6,591.4	6,414.5	8,528.6
Agency Total:	314,244.9	401,728.6	395,570.1
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	91,456.4	121,195.7	128,562.5
Other Appropriated Funds	160,179.1	171,389.1	169,090.5
Other Non Appropriated Funds	62,609.4	109,143.8	97,917.1
Total Funding	314,244.9	401,728.6	395,570.1
FTE Positions	2,143.6	2,213.2	2,236.3

5 Year Plan

Issue 1 Adequate Material Resources and Infrastructure to Meet Law Enforcement-Customer Expectations.

Description Aging vehicle and aviation fleet reduce response times and limit proactive enforcement.

Aging public service facilities decrease employee pride and public confidence in the Department image.

Solutions:

Issue 2 Essential IT and Communications Systems for Police and Support Activities

Description Current information technology and records management systems are antiquated.

Communications systems supporting first responders do not provide for interoperability.

Electronic reporting and payment systems that are in the planning stages but not currently in use.

Solutions:

Issue 3 Critical Personnel for Public Safety Services

Description Recruitment, retention and internal development of a diverse workforce for public safety services in fulfilling the Department mission and meeting customer needs.

Staffing to provide 24-hour patrol and enforcement of 6,000+ miles of highway.

Staffing to support criminal investigations and task force responsibilities essential to deterring criminal activity.

Support staffing for mandated criminal justice support services.

Internal focus on the professional development for current employees.

Focus on the reallocation of resources and applications of new technologies to increase the availability of current employees.

Solutions:

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	2,194.0	2,249.0	2,305.0
General Fund	122,156.6	128,264.4	134,677.6
Other Appropriated Funds	172,964.7	181,613.0	190,693.6
Non-Appropriated Funds	41,503.1	43,578.3	45,757.2
Federal Funds	37,412.3	39,283.0	41,247.1

Program Summary

AGENCY SUPPORT

Wayde Webb, Assistant Director
Phone: (602) 223-2454
A.R.S. § 41-1713

Mission:

To provide critical support assistance to the Arizona Department of Public Safety through management, training, and administrative services.

Description:

The Agency Support Division focuses on maintaining and supporting current and planned department operations by providing human resources services, management services (records, planning, asset forfeiture, safety and loss prevention), training, material resources (vehicles, supply/warehouse), facilities, and the Arizona Law Enforcement Academy.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	26,377.3	33,515.5	33,276.7
Other Appropriated Funds	7,336.9	7,197.3	6,570.6
Other Non Appropriated Funds	13,532.7	50,094.5	46,883.7
Total Funding	47,246.9	90,807.3	86,731.0
FTE Positions	219.0	216.5	219.5

◆ **Goal 1** To deliver exemplary service

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of employees terminating employment (excludes non- Department of Public Safety task force members and retirements)	1	3	1.1	n/a	n/a
Explanation: Percent of employees terminating employment (excludes non-Department of Public Safety task force members).					
Conduct advanced training courses by Training with a minimum of ten students.	32	30	40	n/a	n/a
Explanation: Accidental deletion. FY2014 estimate was 20.					
Percentage regular review of operational areas.	0	0	89	89	0
Improve LE services statewide (provide training to DPS and other agency personnel).	0	0	61	65	0
Percentage average of 45 calendar days from start of vehicle build to assignment.	0	90	45	n/a	n/a
Explanation: New measure for FY2016.					
Decrease average age of trooper residences to 25 years.	0	24	24	n/a	n/a
Explanation: New measure for FY2016. No FY2015 data.					
Decrease the average age of Department-owned office space to 26 years.	0	25	28	n/a	n/a
Explanation: New measure for FY2016. No FY2015 data.					
Percentage of 20 cadet troopers provided to each academy class that has a DPS presence.	0	80	50	n/a	n/a
Explanation: New measure for FY2016. No FY2015 data.					
Average number of calendar days from availability/request to customer delivery.	0	10	5.5	n/a	n/a
Explanation: New measure for FY2016. No FY2015 data.					
Response to public records requests.	0	0	8.3	7.4	0
Number of public outreach events supporting highway safety.	0	100	327	n/a	n/a
Explanation: New measure for FY2016. Combined figure from PIO, HPD, and CID.					
Participate in community alliance coalitions or community group events supporting strategic intelligence.	0	24	65	n/a	n/a
Explanation: New measure for FY2016. Combined total from PIO, HPD, CID.					
Response to public records requests.	0	0	7	30	0
Pay bills ontime	0	0	38	25	0

◆ **Goal 2** To embody professionalism and maintain public trust.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage met of an average of 45 days to review and deliver to the Director upon receipt of the critical incident report in the Management Services Bureau. Explanation: New measure for FY2016. No FY2015 data.	0	90	59	n/a	n/a
Provide leadership class opportunities to DPS and outside agency personnel. Explanation: New measure for FY2016. No FY2015 data.	0	5	8	n/a	n/a
Percent of first-line supervisors who have attended Department-sponsored basic supervision training within one year of promotion. Explanation: New measure for FY2016. No FY2015 data.	0	90	69	n/a	n/a
Percent of minority representation of troopers. Explanation: New measure for FY2016. No data for FY2015.	0	25	20	n/a	n/a
Percent of female representation of troopers. Explanation: New measure for FY2016. No data for FY2015.	0	5	4.5	n/a	n/a

Program Summary

HIGHWAY PATROL

Daniel Lugo, Assistant Director
Phone: (602) 223-2354
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,000.0	1,267.0	11,453.6
Other Appropriated Funds	114,848.1	118,483.3	119,342.2
Other Non Appropriated Funds	15,927.6	22,975.8	19,109.0
Total Funding	133,775.7	142,726.1	149,904.8
FTE Positions	972.2	982.7	1,020.5

Subprogram Summary

PATROL

Daniel Lugo, Assistant Director
Phone: (602) 223-2354
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 state and federal highways and the Capitol Mall and enforce Arizona traffic, criminal, state, and federal laws, as well as commercial vehicle regulations. The Patrol additionally investigates traffic collisions; controls motor vehicle traffic; conducts criminal interdiction programs; makes criminal arrests; supports other law enforcement agencies; promotes traffic awareness and safety through public awareness programs; and provides specialized training to other criminal justice agencies.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	1,250.0	9,650.7
Other Appropriated Funds	95,760.6	97,826.1	98,665.2
Other Non Appropriated Funds	8,153.4	8,334.2	7,006.2
Total Funding	103,914.0	107,410.3	115,322.1
FTE Positions	781.9	784.0	824.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Fatal highway collisions on Department of Public Safety patrolled roads	225	200	257	228	0
Clearance of roadways in minutes	0	0	23	23	0
Percentage reduction of fatal collisions relating to impaired drivers.	19	8	3.45	n/a	n/a
Explanation: Changed in FY2016 to a percentage reduction from a number count.					
Percentage reduction of fatal collisions that are secondary collisions.	2.4	2.9	30	n/a	n/a
Explanation: FY2016 measure changed to include "reduction".					
Percentage reduction of total collisions that are secondary collisions.	5.8	6	5.61	n/a	n/a
Explanation: FY2016 measure changed to specify "reduction".					
Percentage increase of seatbelt citations.	34	2	15.25	n/a	n/a
Explanation: Measure changed in FY2016 from a number count to percentage increase.					
Percentage increase of citations related to collision-causation factors.	70	3	13.89	n/a	n/a
Explanation: Measure changed in FY2016 from a number count to a percentage increase.					
Percentage increase of DUI arrests.	6	3	2.35	n/a	n/a
Explanation: Measure changed in FY2016 from a number issued to a percentage increase.					
Percentage improvement of the trooper vacancy rate in high collision areas.	0	14	12.91	n/a	n/a
Explanation: New measure for FY2016. No FY2015 data.					
Current percentage reduction compared to previous year.	0	2	-8.56	n/a	n/a
Explanation: New measure for FY2016. No FY2015 data.					
Percentage reduction in collisions resulting in a fatality.	0	2	-12.72	n/a	n/a
Explanation: New measure for FY2016. No FY2015 data.					
Increase the number of driving under the influence task force deployments.	0	40	47	n/a	n/a
Explanation: New measure for FY2016. No data for FY2015.					
Percentage increase in child restraint citations issued.	0	2	22.47	n/a	n/a
Explanation: New measure for FY2016. No data for FY2015.					
Increase the number of aircraft enforcement details.	0	18	4	n/a	n/a
Explanation: New measure for FY2016. No data for FY2015.					
Increase number of hazardous moving violations.	0	0	11,687	11,690	0

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase number of seatbelt citations.	0	0	1,899	2,332	0
Number of highway fatalities.	0	0	257	228	0
Percentage increase in drug arrests.	0	2	20.5	n/a	n/a
Explanation: New measure for FY2016. No data for FY2015.					
Percentage of SWAT and explosive ordnance detail calls responded to.	0	100	99.5	n/a	n/a
Explanation: These were two separate measures combined as one.					
Number of interdiction training sessions provided to criminal justice agencies.	0	3	9	n/a	n/a
Explanation: New measure for FY2016. No FY2015 data.					

Subprogram Summary

COMMERCIAL VEHICLE ENFORCEMENT

Daniel Lugo, Assistant Director
Phone: (602) 223-2354
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	20.8
Other Appropriated Funds	13,587.5	12,657.2	12,657.2
Other Non Appropriated Funds	5,525.7	13,668.2	11,129.4
Total Funding	19,113.2	26,325.4	23,807.4
FTE Positions	136.5	142.7	140.5

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage reduction of fatal commercial vehicle-involved collisions.	34	8	-13.89	n/a	n/a
Explanation: Measure changed in FY2016 to a percentage reduction versus number count.					
Percentage reduction of commercial vehicle-involved collisions.	1,895	3	-11.83	n/a	n/a
Explanation: Measure revised in FY2016 to a percent reduction from a number count.					
Percentage reduction in commercial vehicle involved and responsible collisions.	1,122	2	-11.68	n/a	n/a
Explanation: Measure revised in FY2016 to a percent reduction from a number count.					
Percentage increase in driver vehicle examination reports (DVER) completed.	43,759	1	-3.15	n/a	n/a
Explanation: Measure changed in FY2016 to percent increase from a number count.					
Reduce the percentage rate of school buses placed out of service compared to the previous year.	27	18.5	30.43	n/a	n/a
Explanation: Measure changed in FY2016 from placing out of service to reducing placing out of service.					
Number of school buses inspected.	0	7,500	6,770	n/a	n/a
Explanation: New measure for FY2016.					
Permit blitz, school bus certifications.	0	0	45	4	0
Number of school bus training and education sessions.	0	8	16	n/a	n/a
Explanation: New measure for FY2016.					

Subprogram Summary

AVIATION

Wayde Webb, Assistant Director
 Phone: (602) 223-2454
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,000.0	17.0	1,782.1
Other Appropriated Funds	5,500.0	8,000.0	8,019.8
Other Non Appropriated Funds	2,248.5	973.4	973.4
Total Funding	10,748.5	8,990.4	10,775.3
FTE Positions	53.8	56.0	56.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average percent of time twin-engine aircraft available for service.	51	75	60	n/a	n/a
Average percent of time single-engine aircraft available for service.	45	100	86	n/a	n/a
Average percent time helicopter(s) available for service.	55	60	55	n/a	n/a

Program Summary

CRIMINAL INVESTIGATIONS

Kenneth G. Hunter, Assistant Director
Phone: (602) 223-2433
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; 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	46,969.3	73,009.6	59,559.4
Other Appropriated Funds	7,058.1	9,357.1	5,952.8
Other Non Appropriated Funds	10,229.0	13,586.8	11,385.4
Total Funding	64,256.4	95,953.5	76,897.6
FTE Positions	385.8	441.2	427.5

◆ **Goal 1** To promote public safety in Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of computer forensic examinations identified as priorities completed within 6 months.	74	90	93	n/a	n/a
Percent of ACTIC tips and leads assigned to DPS resolved within 30 days.	87	90	90.5	n/a	n/a
Explanation: Measure revised in FY2014 to remove the word "investigated."					
Percentage of administrative investigations completed within 60 days.	100	90	100	n/a	n/a
Explanation: Measure changed in FY2016 from "projected timelines" to "within 60 days".					
Number of identified and disrupted organized/transnational groups.	0	225	702	n/a	n/a
Explanation: New measure for FY2016.					
Number of multi-agency/multi-bureau gang enforcement operations targeting specific gangs, affected neighborhoods or fugitive gang members.	0	12	116	n/a	n/a
Explanation: New measure for FY2016.					
Number of violent repeat offender investigations.	0	18	147	n/a	n/a
Explanation: New measure in FY2016.					
Drug seizures.	0	0	2,210	3,635	0
Facilitate/conduct multi-agency intelligence sharing meetings and briefings.	159	75	93	n/a	n/a
Explanation: Number of.					
Develop and facilitate work groups in the areas of money laundering, cartels, Indian country, critical infrastructure, cyber-crime and other topics in support of the Arizona Counter Terrorism Information Center (ACTIC).	0	5	9	n/a	n/a
Explanation: New measure in FY2016.					
ACTIC investigation of statewide tips/lead (percentage of tips/leads closed within 30 days).	0	0	92	90	0

Program Summary

TECHNICAL SERVICES

Timothy E. Chung, Assistant Director
Phone: (602) 223-2371
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 electronic communications systems.

This Program Contains the following Subprograms:

- ▶ Scientific Analysis
- ▶ Communications and Information Technology
- ▶ Criminal Information and Licensing

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	15,109.8	13,403.6	22,158.7
Other Appropriated Funds	30,936.0	36,351.4	37,224.9
Other Non Appropriated Funds	16,328.7	16,072.2	14,124.5
Total Funding	62,374.5	65,827.2	73,508.1
FTE Positions	542.6	551.8	547.8

Subprogram Summary

SCIENTIFIC ANALYSIS

Timothy E. Chung, Assistant Director
Phone: (602) 223-2371
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	1,150.0	1,955.3
Other Appropriated Funds	17,593.8	14,775.1	15,070.3
Other Non Appropriated Funds	2,269.4	2,865.7	1,577.4
Total Funding	19,863.2	18,790.8	18,603.0
FTE Positions	163.1	166.3	162.3

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average number of days required to analyze a blood alcohol submission from evidence receipt to result delivery.	46	24	24	n/a	n/a
Average number of days required to screen a sex assault case from evidence receipt to result delivery.	63	30	36	n/a	n/a
Improve DNA processing times in the crime lab.	0	0	96	115	0

◆ **Goal 2** To deliver exemplary service.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of crime lab cases over 30 days old	12	5	6.2	n/a	n/a

Subprogram Summary

COMMUNICATIONS AND INFORMATION TECHNOLOGY

Timothy E. Chung, Assistant Director
 Phone: (602) 223-2371
 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. The subprogram also oversees the statewide Arizona Criminal Justice Information System (ACJIS) used by Arizona's law enforcement and criminal justice agencies.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	15,109.8	6,367.1	14,266.5
Other Appropriated Funds	7,220.3	17,277.1	17,702.9
Other Non Appropriated Funds	1,356.2	348.0	197.0
Total Funding	23,686.3	23,992.2	32,166.4
FTE Positions	221.0	226.0	226.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of paths complete each year of the replacement of the Western Microwave Loop.	0	2.5	1	n/a	n/a
Explanation: New measure for FY2016.					
Percentage complete of a developed plan to replace the Northern Microwave Loop.	0	100	100	n/a	n/a
Explanation: New measure for FY2016.					

Subprogram Summary	
CRIMINAL INFORMATION AND LICENSING	
Timothy E. Chung, Assistant Director	
Phone: (602) 223-2371	
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, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	5,886.5	5,936.9
Other Appropriated Funds	6,121.9	4,299.2	4,451.7
Other Non Appropriated Funds	12,703.1	12,858.5	12,350.1
Total Funding	18,825.0	23,044.2	22,738.7
FTE Positions	158.5	159.5	159.5

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of criminal history record review audits conducted annually.	76	113	47	n/a	n/a
Explanation: Based on calendar year NCIC cycle.					
Number of Arizona Criminal Justice Information System (AJCIS) audits conducted annually.	59	96	48	n/a	n/a
Explanation: Based on calendary year NCIC cycle.					
Percent of all registered sex offender files verified annually.	96	90	95	n/a	n/a
Percent of all registered sex offender files queried annually for address verification.	100	100	100	n/a	n/a
Number of open security guard and private investigator complaints exceeding 90 days from receipt to final disposition.	49	0	39	n/a	n/a
Explanation: Note: calculated based on the average of four quarters per fiscal year.					
Number of noncriminal justice agency audits conducted annually.	0	50	1	n/a	n/a

◆ **Goal 2** To deliver exemplary service

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of days to process a clearance card when applicant has NO criminal record.	15	15	15	n/a	n/a
Average number of days to process a clearance card when applicant HAS a criminal record.	57	40	56	n/a	n/a
Average number of days to process a criminal records check and provide the results.	7	8	10.3	n/a	n/a
Average number of days to process a concealed weapons permit when research IS	35	26	44	n/a	n/a
Average number of days to process a concealed weapons permit when NO research	36	21	40	n/a	n/a
Percentage of customer-service areas transitioned to electronic payment and reporting system.	0	100	33	n/a	n/a
Explanation: New measure for FY2016.					
Provide fingerprint clearance cards faster.	0	0	38	10	0
Annual percentage compliance of sex offenders.	0	0	6.3	100	0
Number of criminal justice agencies transitioned to the Arizona Disposition Reporting System.	13	10	16	n/a	n/a

Program Summary

ARIZONA PEACE OFFICER STANDARDS AND TRAINING

Jack G. Lane, Executive Director
 Phone: (602) 774-9350
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	2,114.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,591.4	6,414.5	6,414.5
Total Funding	6,591.4	6,414.5	8,528.6
FTE Positions	24.0	21.0	21.0

◆ **Goal 1** To develop, implement, and update standards for the selection, retention, and training of peace officers and corrections officers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
New hires.	1,283	1,300	1,556	1,500	1,600
Peace officers requiring basic training.	865	800	941	930	950
Peace officers via waiver testing.	57	60	57	55	60
Agencies to be audited.	163	163	164	164	164
Certified peace officers.	14,578	15,000	14,514	14,600	14,700
Corrections officers.	5,807	6,640	5,800	5,900	5,900
New hire minimum qualification compliance audits conducted.	1,325	1,300	1,325	1,300	1,300

Explanation: Note: Includes officers moving from one agency to another.

Days required to conduct new hire audits.	35.4	36	36	36	36
Percent of agencies in non-compliance.	10	10	5	10	10
Academy audits completed.	5	4	4	4	4
Average number of days to review and complete investigations.	119	125	189	125	125

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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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.	730	730	730	730	730

◆ **Goal 4** To maximize the funds available for peace officer training by using available training facilities, minimizing operational costs, and augmenting funds by seeking grants.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Inter-governmental agreements and partnerships.	22	23	23	20	20
Revenues received from public sources (\$ thousands).	0	0	0	0	0
Efficiency review ideas received.	16	15	15	8	8
Efficiency review ideas considered for implementation.	16	15	15	8	8

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Qualified new instructors teaching POST programs.	459	300	378	365	365
Explanation: Measure changed slightly in FY2014 to include the word "new".					
Train-the-trainer programs provided.	27	24	32	30	30
In-service programs presented by POST.	170	100	53	75	75
Explanation: Measure changed for FY2014. Previous measure was: Calendar School Programs presented by POST and the Community Policing Institute.					
Attendees of in-service programs.	4,472	4,000	2,500	2,500	2,500
Explanation: Measure changed for FY2014. Previous measure was: Attendees of Calendar Schools.					
DVD training programs produced.	8	7	7	8	8
Percent of participants in DVD training programs.	100	100	100	100	100
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	66	66	66
Percent of in-service programs achieving an overall evaluation of 8.0 or better.	90	90	95	90	90

Agency Summary

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

Jared Smout, Administrator
 Phone: (602) 296-2527
 38-841

Mission:

To provide uniform, consistent and equitable statewide retirement programs for those who have been entrusted to our care.

Description:

PSPRS manages the retirement systems for most law enforcement officers, correctional officers, and elected officials in the State of Arizona.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,763.1	12,804.4	12,804.4
Total Funding	10,763.1	12,804.4	12,804.4
FTE Positions	47.0	55.0	55.0

5 Year Plan

Issue 1 New SI

Description

Solutions:

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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 timely services to the System's members, both active and retired.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of member retirements processed without error in the effective payroll period.	0	0	99.99	99	99
Percentage of contribution refunds issued within 20 days	0	0	99.69	100	100
Average days to issue contribution refunds.	0	0	7.5	7	7

◆ **Goal 2** To provide risk-controlled investment management of the System's assets.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Rolling 30-year PSPRS Trust investment return percentage.	0	0	7.02	0	0
Annual PSPRS Trust investment return percentage.	0	0	1.1	0	0
3-year risk adjusted investment return percentile ranking	0	0	97	0	0
5-year risk adjusted investment return percentile ranking	0	0	97	0	0
10-year risk adjusted investment return percentile ranking	0	0	22	0	0

Agency Summary

RADIATION REGULATORY AGENCY

Brian D. Goretzki, Interim Director

Phone: (602) 255-4840

A.R.S. §§ 30-652 et seq., § 32-515, §§ 32-32-3231 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ RADIOACTIVE MATERIALS/NON-IONIZING RADIATION	1,119.4	633.7	633.7
➤ X-RAY COMPLIANCE	482.7	787.5	787.5
➤ EMERGENCY RESPONSE	1,255.7	1,157.7	1,157.7
➤ RADIATION MEASUREMENT LABORATORY	683.0	693.2	693.2
➤ MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS	254.9	304.2	304.2
Agency Total:	3,795.7	3,576.3	3,576.3
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,593.2	1,563.1	1,563.1
Other Appropriated Funds	816.8	848.1	848.1
Other Non Appropriated Funds	1,385.7	1,165.1	1,165.1
Total Funding	3,795.7	3,576.3	3,576.3
FTE Positions	34.5	34.5	34.5

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 2% per year. For FY's 2012, 2013, 2014, 2015, and 2016, the growth rate was 1.8%, 1.7%, 4.1%, 0.0%, and 1.4%, respectively. The Agency staff and equipment is unable to keep up with this growth rate. The Agency is currently 40.7% behind in its inspection of x-ray tubes. The lack of staff means the Agency will continue to increase in the number of overdue inspections until such time that staff can be added and adequately trained.

Solutions:

Improvement strategy: Assuming a growth rate for FY2017 and 2018, we will have to add resources, both staff and equipment, to have our inspections to be caught up to the point of not more than 5% of the registrant's overdue for inspection. Possible increased efficiencies will help reduce the resource needs; however, they will not eliminate the need for additional staff and equipment. To inspect the 16,227 x-ray tubes at the scheduled re-inspection rate of 4,260 per year, we would need 7 general x-ray inspectors. At the present time we have 4. By FY2018, we will need 8 x-ray inspectors if we are to reduce the number of overdue inspections to 5% or less by FY2019.

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 8 years, the U.S. Department of Energy has scheduled approximately 10,000 shipments of low-level radioactive waste across Arizona on I-40. With the suspension or possible deletion of Yucca Mountain as the ultimate repository of spent nuclear fuel, it is unclear whether the I-40 corridor, including the nearby railroad, will be used for the transportation of the high level wastes. In the meantime, I-40 is being utilized to ship high level radiation sources to China-Japan areas of the world. During FY2016, 35 shipments of route controlled quantities (6,000,000 Curies) were shipped across Arizona, primarily along I-40 but also 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 the WIPP in New Mexico would no longer use the I-40 route. In view of the significant amount of radioactive material transported across Arizona, we believe the function should continue even though DOE does not fund the project. Public concern could indicate a need to monitor each significant shipment before it crosses Arizona. If every shipment is to be monitored, an 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 Emerging technologies.

Description Newer and more powerful particle accelerators are coming to Arizona for medical treatments. These facilities involve the treatment utilizing higher energy protons. These protons require additional training of staff and some new equipment. Discussions with the prospective registrants indicate they will be treating patients 18 hours per day. The remainder of the day, the physicists from the particle accelerator supplier will be performing maintenance. In some cases, new radiopharmaceuticals are being developed for experimentation and the jurisdiction falls under of the State to assure the safety of the drugs.

Solutions:

Improvement Strategy: While we anticipate having two such facilities, there are twelve such facilities in operation in the United States. Our approach to the situation is that we need to have a trained professional to assess the exposure risks and apply reasonable requirements.

The proton particle accelerators will have a high energy potential of up to 250 MeV while the current particle accelerators used for patient treatment have a high energy potential of 20 MeV. In addition, the drug production accelerators currently in use in Arizona have a high energy potential of 30 MeV and the incoming units are up to 250 MeV.

Issue 4 Uranium mining and leaching are again becoming an issue in Arizona.

Description The Agency is required by A.R.S. §30-654(B)(15) to conduct an offsite environmental 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, there will be increased interest in considering uranium milling and leaching.

Solutions:

Improvement strategy: Restart the State wide environmental monitoring program. This would meet the requirements of A.R.S. §30-654(B)(15) should any of the sites process the uranium ore in any way at their site. Further, we could respond to any concerned citizens' questions about radioactive 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 reducing 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 Nuclear Regulatory Commission.

Issue 5 Non-ionizing radiation sources increase in use

Description Legislation adopted in 2008 required the certification of technicians performing cosmetic laser procedures. In addition, the World Health Organization and the U.S. Food and Drug Administration have recommended restrictions on tanning bed usage by individuals under the age of 18. The funding from the certification of the cosmetic laser technicians currently pays the cost of certifying the technicians but not for the inspection of the facilities. If additional restrictions are adopted by the legislature, there may be some cost in enforcing them. At the present time, the Agency is late on inspecting approximately 60% of the facilities.

Solutions:

Improvement strategy: The Agency will continue to respond to public inquiries and concerns. By 2017, we estimate that due to population growth, we will need 2 additional FTE to adequately protect the public health and safety in the use of these devices. Some of the additional costs may be recovered by registration fees.

Issue 6 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 fifteen to twenty 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. Additionally, the U.S. Nuclear Regulatory Commission has changed the requirements for how we respond to an incident at a nuclear power plant by requiring additional testing and more complex requirements.

Solutions:

Improvement strategy: At the present time, the State is heavily dependent on receiving federal assistance within 12 to 24 hours of the initiating event. The addition of staff for other Agency needs will also allow the Agency to be able to respond to a major radiation event or a terrorist event adequately. This may be important since the federal response may be as long as 24 hours in arriving in Arizona. If other facilities are also threatened, we cannot be assured of how much federal support we may receive.

Issue 7 Monitoring of the environment will be important after major, worldwide radiation events.

Description The release of radioactive material at the Fukushima reactor site in Japan demonstrated that such events will be detected in Arizona. Prior to FY 2007, we maintained a state-wide environmental radiation monitoring system in Arizona. After 2008, we ceased all such monitoring except around the Palo Verde Nuclear Generating Station. As a result, the Agency was unable to respond to public requests for the concentrations of radioactive material in their milk, air, or water outside of the Phoenix area even though we believe that detectable quantities of Fukushima material was in all sections of Arizona.

Solutions:

Improvement strategy: By FY2018, the Agency would need to add 2 FTE and acquire additional monitoring equipment to provide this information to the public.

Issue 8 Maintaining adequately trained and drug free personnel delivering personal services.

Description It is becoming increasingly important to assure the qualifications of personnel in the medical realm as well as those providing cosmetic services. The David M. Kwiatkowski case is a prime example of what could happen. He apparently caused at least 30 cases of hepatitis-C when he replaced sterile syringes with contaminated syringes in other states. The Agency investigates and takes appropriate actions to prevent individuals who conduct unprofessional, unethical, illegal or otherwise unacceptable performance from receiving or maintaining certification to work in medical areas.

Solutions:

Improvement strategy: The Agency needs to assess applicants and complaints and, where appropriate, suspend the certificate of those who are performing unprofessional, unethical, illegal or substandard performance. For those who may be reclaimed, a program that is preventative and will wean the user from the drugs or change their conduct must be implemented as soon as possible. Additional clerical staff would permit more time for investigations, random background checks, and review of training and education.

Issue 9 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, however, they do not pay the salary costs or the loss of production. There are no indications of a change in the immediate future of this program. 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 Arizona is fortunate to not be in the high radon zones, we do find homes and businesses within Arizona that do exceed the EPA guidelines for facilities. At the present time, 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 will also continue to seek support from DOE since they continue to transport low-level radioactive waste across Arizona. The Agency will continue to respond to public inquiries on radon. We have noticed an increase in the number of individuals who have radon testing/mitigation issues. If federal funding sources are unavailable, the state will have to support about 1.5 FTE for these services.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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

RADIOACTIVE MATERIALS/NON-IONIZING RADIATION

Brian D. Goretzki, Interim Director
 Phone: (602) 255-4840
 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 response 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	782.2	315.7	315.7
Other Appropriated Funds	278.2	242.6	242.6
Other Non Appropriated Funds	59.0	75.4	75.4
Total Funding	1,119.4	633.7	633.7
FTE Positions	8.6	8.6	8.6

◆ **Goal 1** To identify and license or register all users of radioactive materials or particle accelerators in Arizona.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
New licenses and renewals	81	80	72	85	85
Accelerator registrations	72	75	73	75	75
Accelerator registration actions	78	75	101	80	92
Customer satisfaction rating	7.5	7.6	7.6	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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Non-ionizing radiation registrations, active.	1,481	1,600	1,520	1,610	1,650
Non-ionizing radiation registration actions.	601	610	576	610	680

◆ **Goal 3** To inspect all users of radioactive materials or particle accelerators according to Agency regulations.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of radioactive materials inspections	190	150	159	160	150
Accelerator inspections	33	40	32	45	40

◆ **Goal 4** To inspect NIR users to assure conformance with radiation safety regulations

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Non-ionizing radiation registrations inspected	286	400	182	200	264

Explanation: Staff shortage due to budget restrictions has reduced the number of inspections.

Program Summary

X-RAY COMPLIANCE

Brian D. Goretzki, Interim Director
 Phone: (602) 255-4840
 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 respond 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	323.7	380.5	380.5
Other Appropriated Funds	159.0	236.4	236.4
Other Non Appropriated Funds	0.0	170.6	170.6
Total Funding	482.7	787.5	787.5
FTE Positions	13.6	13.6	13.6

◆ **Goal 1** To register all x-ray tubes within the State of Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
X-Ray tubes registered	15,999	16,000	16,227	16,550	16,800

◆ **Goal 2** To inspect all x-ray facilities to ensure continuous compliance with health and safety standards.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of X-Ray Facilities Inspected	17.5	17	998	1594	1594

Explanation: As the number of x-ray tubes increases a fixed number of inspectors will inspect a smaller percent of the total.

Percent of x-ray tubes overdue for inspection	47	47	48	41	49
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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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of mammography facilities certified	154	150	165	160	160

◆ **Goal 4** To improve efficiency of subprogram database changes and tracking of applications.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Database changes	1,594	1,600	1,856	1,900	2,100

Explanation: We have reduced the amount of data we collect and this has reduced the number of data changes

Program Summary

EMERGENCY RESPONSE

Brian D. Goretzki, Interim Director
 Phone: (602) 255-4840
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	435.5	815.4	815.4
Other Appropriated Funds	21.3	6.0	6.0
Other Non Appropriated Funds	798.9	336.3	336.3
Total Funding	1,255.7	1,157.7	1,157.7
FTE Positions	3.1	3.1	3.1

◆ **Goal 1** To respond effectively to any radiological incidents or accidents within Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Radiological incidents (non-Palo Verde related)	28	25	18	30	30

Explanation: May include reactor events outside of Arizona if the Agency has to respond to public inquiries.

Radiological incidents (Palo Verde related)	0	1	4	1	1
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◆ **Goal 2** To promote Agency radiological incident response capabilities within the State's HAZMAT community.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of contact procedure pamphlets distributed to users	150	200	200	150	150
Number of assistance requests (state, local or federal agency)	42	45	28	40	40
Number of Spent Nuclear Fuel or Large Quantity Radioactive Material Shipments	54	50	35	50	50

- ◆ **Goal 3** To continually maintain a pool of trained volunteers from state, county and local government agencies for emergency response to radiological accidents or incidents at the Palo Verde Nuclear Generating Station.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of monitoring team members	515	500	515	515	515

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of instrument kits distributed to qualified teams	5	4	3	6	6

Explanation: WIPP terminated their support of a shipment route in AZ.

Program Summary	
RADIATION MEASUREMENT LABORATORY	
Brian D. Goretzki, Interim Director	
Phone: (602) 255-4840	
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. 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 test kits, on request, to interested citizens.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	27.3	18.9	18.9
Other Appropriated Funds	127.9	91.5	91.5
Other Non Appropriated Funds	527.8	582.8	582.8
Total Funding	683.0	693.2	693.2
FTE Positions	5.6	5.6	5.6

- ◆ **Goal 1** To analyze environmental samples to ensure that no radioactivity beyond natural background is present.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of environmental sample analyses	1,315	1325	1486	1350	1350

- ◆ **Goal 2** To provide radon test kits to the public to test for the presence of radon above the recommended action level established by the U.S. Environmental Protection Agency (EPA).

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Radon test kits provided to the public	210	250	270	250	250

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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
TLD monitoring sites	51	52	0	52	52

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	8
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Explanation: Program shut down 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Not designated since 2013. Designation not attainable with present/ projected staffing. If staff available	yes	Yes	0	0	0

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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of water samples analyzed. DEQ cancelled contract for technical support.	0	0	0	0	0

◆ **Goal 6** To participate in training and respond to incidents involving radioactive material that may also be an act of terrorism.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of practices/responses	3	2	2	2	2

Explanation: PVNGS will have an emergency drill involving terrorism activities in 2014.

Program Summary

MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS

Brian D. Goretzki, Interim Director
 Phone: (602) 255-4840
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	24.5	32.6	32.6
Other Appropriated Funds	230.4	271.6	271.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	254.9	304.2	304.2
FTE Positions	3.6	3.6	3.6

◆ **Goal 1** To assure qualifications and issue certificates to qualified applicants.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Qualified technologists certified, total	7,411	7,500	7,430	7,480	7,500
Certificates issued within 60 days	4,949	4,200	5,426	5,450	5,500
Number of active medical radiologic technologist certificates	8,813	8,850	9,226	9,240	9,250

◆ **Goal 2** To enforce A.R.S. § 32-2801 et seq.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of complaints	67	65	56	60	63
Number of complaints resolved	43	30	50	55	58

◆ **Goal 3** To conduct investigations required by A.R.S. § 32-2821(B).

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of investigations	63	60	56	60	63

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, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,551.7	2,994.9	3,107.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	94.2	178.9	178.9
Total Funding	2,645.9	3,173.8	3,286.0
FTE Positions	37.0	37.0	38.0

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 are continuing to see recovery in the Arizona real estate market. With modest recovery and continued economic prosperity in the state it is important to retain consumer confidence in real estate professionals. The Department treats real estate licensees as a profession and always encourages policies that "raise the bar" in the industry. Education, knowledge sharing, and raising the bar has addressed many of the historic areas that may reduce consumer confidence. Some of the areas which the Department receives consumer complaints are as follows:

- Advertising violations, where misleading false and deceptive marketing is used;
- Property management mishandling and/or depletion of trust accounts by licensed individuals;
- Property management schemes/violations conducted by unlicensed individuals;
- Unlicensed entities in Arizona, as well as, out-of-state companies, conducting real estate activities;
- Auctions, where unlicensed individuals facilitate the sale of properties; without real estate professional representation for the consumer;
- Fraudulent real estate and subdivision schemes – i.e. short sale and distressed properties; and
- Mortgage fraud involving licensed individuals.

Solutions:

As a regulatory agency charged with protecting the public, and facilitating service for the real estate industry, the Arizona Department of Real Estate's continued emphasis will be on building partnerships within the industry and with other state agencies, in serving and protecting Arizona's constituents through an attitude of supporting a TEAM (Together Everyone Achieves More) concept.

This partnership will continue to focus on "raising the bar" of the real estate industry, thus minimizing the actions that cause harm to the public and educating the public on what to be aware of in their real estate transactions. This task will be achieved through the commitment of open communication, transparency and the sharing of information and knowledge. The Department will create a synergistic approach to problem solving by gathering feedback from all, then implementing changes and improvements as needed.

Through proactive education and information broadcasting, the Department will seek to ensure public and industry awareness of fundamental laws pertaining to real estate transactions in Arizona. The Department's focus will continue to consist of balanced regulation, ensuring that licensees and/or repeat offenders who are proven to have violated the law and harmed the public are dealt with quickly and stringently, while addressing the more minor infractions that do not effect and/or harm the public, and from a more educational perspective. Additionally, the Department will continue to streamline processes, implement LEAN Management principles, and allow staff to work through cases thoroughly, yet efficiently.

Issue 2 Strategic Plan #2: Enhance Quality of Licensee Real Estate Education

Description Real estate education is a fundamental element of enhancing the highest level of knowledge and professionalism within the real estate industry, benefiting Arizona's constituents. Included in the real estate industry's contribution to a thriving Arizona economy are the Real Estate Educators, which are a growing industry 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 continues to monitor 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. Volunteer monitors allow the Department to save personnel costs, while also allowing industry professionals to remain active in participation and compliance. The volunteer monitor program has maintained a high level of class monitor assignments each year since it was implemented.

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. The Department has implemented LEAN Management with all agency staff, and has identified measurable breakthrough and sustainability metrics to achieve in FY 2017. These Performance Metrics address each division of the Department and are designed to drive improvement in all areas.

Solutions:

The Department has made improvements each year on implementing improved and more efficient processes and procedures. The Department was an early adopter of LEAN Management principles and has worked with the Government transformation Office (GTO) since 2013 to make process improvements in the Investigations Division, the Enforcement and Compliance Division, as well as the Licensing and Development Services/Builder Division through the permit blitz in 2015.

To the extent possible, while still adhering to statutory mandates, and with respect for the legal requirements to ensure due process, the agency will continue to identify and implement all ways to streamline and simplify these operational processes to serve the public, and industry, in the most efficient manner. The Department is committed to continuous improvement of these processes in order to enable staff to work toward best and faster outcomes for all those the Department serves.

The Department recognizes that it has an obligation to the citizens of Arizona to ensure that Department resources are being used as efficiently and effectively as possible. To this end, the Department continues to explore and implement efficiency and cost-saving strategies wherever possible, and to look for better ways to deliver services. The Department also remains committed to cross training staff and sharing knowledge of positions across divisions. Agency leadership has seen that knowledge sharing has had an effect on streamlining services as processes are known by all individuals that may influence an outcome.

The Department will also continue to review annually and revise the many forms used by the real estate industry and the public. These forms are reviewed when there are questions from the public, so as to identify how the form could be made more “user-friendly” and electronically fillable when possible.

Issue 4 Strategic Issue #4: Maximize Technology Platform

Description The Arizona Department of Real Estate's Information Technology infrastructure must continue to advance in order to facilitate more efficient internal processes, and to keep pace with the technologically-savvy real estate industry and public the Department serves. Keeping pace with technology and creating the ability to transact nearly all business Online is the way that the ADRE can continue to deliver a high level of service to the steadily increasing number of real estate licensees over the past three fiscal years.

Based on the Department's business technology assessment and the review of the State of Arizona IT Strategic Plan, the Department has developed an IT Strategic Plan to update communication systems, 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 continue to 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.

This internal file management was developed years ago, and must be redesigned to today's systems. Serving nearly 80,000+ 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 32.5 FTE). Technology is the catalyst that will allow the Department to continue to improve its excellent service delivery.

Solutions:

The Department will continue to develop an enhanced internal database system called REALM II which will build upon the current database system known as Realm. Phases to project completion have been identified and added to the FY 2018 Information Technology Plan.

The Department has worked toward converting all paper documents to electronic files to create greater efficiencies for processing applications, public records requests, and reducing the Department's paper footprint. The Department completed digitizing nearly 100,000 legacy files from the Licensing Division by August 2015, and will continue to digitize the following divisions: Investigations, Enforcement and Compliance, Development/Builder Services, Business Services, and Administration. In FY 2016 the Department has digitized internal records and those held at the Records Management Center, which in turn has reduced the rental billing of files to the agency.

After converting documents and files in document storage to digital / electronic data storage, the ADRE worked with the Arizona Department of Administration (ADOA) in FY 2016 to migrate the agency's electronic information to the enterprise cloud to increase security of sensitive information as well as raise the amount of storage capacity to support the agency's current and future digitizing efforts. ADRE's current IT Senior Lead Applications Developer oversaw the initiative and led the effort with the ADRE Leadership Team, vendors, and ADOA technical support. The ADRE completed a PIJ outlining the projected cost of the migration and ongoing IT services. The migration of data to the cloud reflects the shift in agency commitment from investment into capital infrastructure (i.e, servers and equipment), to stable operating costs for reliable and secure enterprise vendors.

With the Online Licensing System significantly improving the way licensees interact with the Department, taking the next step to employ tools for greater technology will impact the industry in a positive way. The Department will continue to convert documents to electronic form as allowed by the State's Record Management Center governed by the Secretary of State, and begin planning for a mobile friendly website and mobile applications that real estate licensees and the public can interact with the agency resources.

Lastly, the Department implemented a second Licensing Self-Serve Kiosk. A license candidate or renewal license applicant can come into the Department and utilize a computer, scanner, and printer to upload and submit their application without relying on agency staff. The Department plans to roll out more kiosks in the next year.

Issue 5 Strategic Issue #5: Promote Committed, Skilled and Accountable ADRE Team

Description As of June 30, 2016, the Arizona Department of Real Estate employs 32.5 FTE, while appropriated 37 FTE for FY 2017. The Department may under the hiring freeze, if critical, hire up to 34 FTE. Leaner staffing levels, tighter budgets, and greater efficiencies than the previous year, is what the public and industry has come to expect from the ADRE. Over the past year, the ADRE has had 7 new hires which are contributing to the success of the Department. To achieve greater efficiencies and success the agency must continue to promote knowledge sharing among experienced and newer staff and to increase crosstraining among positions and divisions.

Solutions:

Demographic shifts will continue to 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 continued focus moving forward will 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 Over the last six budget cycles the ADRE's appropriation has remained approximately \$3 million, while maintaining the number of appropriated FTE's under 34. As of August 31, 2016 the ADRE has 32.5 FTE.

Solutions:

The Department will continue adherence to strict fiscal responsibility 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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	34.0	34.0	34.0
General Fund	3.1	3.1	3.1
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.9	1.0	1.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To provide excellent customer service to licensees.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of Department customer service surveys indicating good to excellent service.	0	99	N/A	N/A	N/A

◆ **Goal 2** To review and approve new courses quickly and thoroughly.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average days from receipt to approval of real estate school, course and instructor applications.	7	7	4	N/A	N/A

◆ **Goal 3** To improve the quality of class offerings and instructors by monitoring and auditing more classes.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Volunteer Monitor Assignments	643	720	344	N/A	N/A

◆ **Goal 4** To create and maintain procedures to process licenses in an efficient and timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average days from receipt of application to issuance of real estate license	1	1	1	N/A	N/A
Total real estate applications received	40,978	42,000	42,350	N/A	N/A
Explanation: New Applicants & Renewals					
Number of real estate licensees	78,038	78,500	80,005	81,000	0
Explanation: Number reflects actual count of licensees. This includes individuals, brokers, and entities.					
Days to Issue Decision on Original Salesperson License Application with Disclosures	0	0	14.8	10	0
Days to Issue Original Broker License	0	0	1	1	0
Days to Issue Original Salesperson License	0	0	1	1	0

◆ **Goal 5** To maintain the timeliness of the investigative process.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average calendar days from receipt of real estate or subdivision complaint to resolution	27	25	48	N/A	N/A
Total real estate or subdivision complaints investigated	866	1,100	692	800	0
Days to Complete Investigation Complaints	0	0	48	38	0
Explanation: Days to Complete Investigation Complaints					

◆ **Goal 6** To maintain excellent customer service through the timely issuance of public reports.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of calendar days to issue deficiency letter on subdivision applications received.	18	15	N/A	N/A	N/A
Number of subdivision filings received	556	600	798	800	0
Explanation: Includes amendments					
Days to issue Development Lot Reservations	0	0	2.63	3	0
Average number of days to issue an improved lot public report	5	5	5	N/A	N/A

◆ **Goal 7** To maintain stability in operations, while maintaining LEAN processes

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of administrative costs	9.8	9	8.3	N/A	N/A
Explanation: Includes Information Technology, Budget, Policy, Human Resources, and Operations					
Days to pay bills	0	0	3	3	0
Days to complete a public records request	0	0	6	4	0
Percentage of Services Online	0	0	70	75	0
# of Breakthroughs Achieved	0	0	4	20	0
# Regrettable Attrition	0	0	0.83	0	0
# of Agency FTE Count	0	0	32.5	34	0
Explanation: Hiring Freeze for ADRE is 34 FTE					
% of Arizona Management System Adoption (metric is pending)	0	0	0	TBD	0

◆ **Goal 8** To reduce the number of days to complete audits with violations.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of in-field broker audits performed.	316	320	506	N/A	N/A
Number of Electronic Broker Audit Reports (EBARs) conducted	126	150	65	N/A	N/A
Days to Complete Audits with Violations	0	0	79	58	0

◆ **Goal 9** To reduce the number of days to issue reports to developers/builders.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Days to issue Conditional Sales Exemption	0	0	12.63	10	0
Days to issue Expedited Public Report	0	0	6	4.5	0
Days to issue Amended Public Report	0	0	13	15	0

Agency Summary

RESIDENTIAL UTILITY CONSUMER OFFICE

David P. Tenney, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,221.9	1,331.4	1,331.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,221.9	1,331.4	1,331.4
FTE Positions	8.0	8.0	8.0

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 field. We are becoming active in the National Association of State Utility Consumer Advocates ("NASUCA") and we are sending a representative to their annual meeting.

Issue 3 Planning ahead so that we are prepared for the ever changing regulatory horizon.

Description In today's changing world it is critical that RUCO obtain and retain qualified personnel to get the job done. The regulatory area is highly specialized and obtaining and retaining competent and knowledgeable personnel is challenging. It is imperative that we keep these individuals, provide proper training, reward individuals accordingly and provide a good work environment.

Solutions:

Ensure that staff has the proper mix of disciplines to meet these changing times. This is an ongoing process and we have nearly completed this exercise by making changes to our key personnel and hiring more consultants with specific areas of expertise. Provide the proper internal and external training and equipment so that our staff is prepared efficiently to deal with the changing regulatory environment.

Issue 4 Ensuring that we are providing the best possible advocacy for the residential ratepayer that we represent.

Description RUCO's charter and primary objective is to guard and protect the residential ratepayer.

Solutions:

Execute solutions defined in Issues 1, 2 and 3 above.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	8.0	8.0	8.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,331.4	1,331.4	1,331.4
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of cases analyzed	13	19	17	13	12
RUCO interventions in rate making	12	19	16	13	12

◆ **Goal 2** To secure for residential utility ratepayers the lowest reasonable rates.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of utility rate hearings	9	13	1	5	3
Number of utility hearings	9	16	2	4	3
Average rate increase requested by utilities (millions)	9.1	7.4	9.7	3.1	6.4
Average rate increase recommended by RUCO (millions)	6.6	5.4	6.6	2.1	4.4
Average rate increase approved by ACC (millions)	7.8	6.3	6.6	2.1	4.4
Percent variance between utilities' request for rate increases and the actual ACC authorized rates	14.7	14.7	31.5	31.5	31.5

◆ **Goal 3** To protect residential consumer interests in matters involving competitive issues before the Arizona Corporation Commission.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
RUCO interventions in cases involving competitive issues	4	2	5	2	2
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)	7.5	7.5	7.5	7.5	7.5

Agency Summary

BOARD OF RESPIRATORY CARE EXAMINERS

Jack Confer, Executive Director
Phone: (602) 542-5995
A.R.S. §§ 32-3521 to 32-3558

Mission:

To exercise state regulatory authority over respiratory care practitioners by granting licenses; maintaining public records for all practitioners within Arizona; and enforcing rules and statutes to ensure the public health, welfare, and safety.

Description:

Respiratory Care Practitioners work in therapeutic, surgical, and/or clinical settings to monitor respiration and lung health, as well as to diagnose and treat disorders. The Board of Respiratory Care Examiners regulates the practice of respiratory care in Arizona. The Board examines and licenses respiratory care practitioners based on minimum competency standards set by the Legislature. Additionally, the Board enforces state laws, rules, and regulations set forth to ensure public safety and investigates complaints filed against a member of the professional community.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	290.7	300.3	358.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	290.7	300.3	358.3
FTE Positions	4.0	4.0	4.0

Issue 1 ARIZONA BOARD OF RESPIRATORY CARE EXAMINERS
STRATEGIC PLAN
Fiscal Years 2016-2021

Description The Arizona Board of Respiratory Care Examiners (“Board”) is a quasi-judicial state government Agency that licenses and regulates the respiratory care profession in the State of Arizona. The Board consists of seven (7) members who are appointed for three year terms by the Governor. The Board consists of two (2) public members, three (3) licensed respiratory therapists, one (1) physician and one (1) hospital administrator.

Respiratory Therapist care for patients who have trouble breathing—for example, from a chronic respiratory disease, such as asthma or emphysema. Their patients range from premature infants with undeveloped lungs to elderly patients who have diseased lungs. They also provide emergency care to patients suffering from heart attacks, drowning, or shock.

Nationally, respiratory therapists held about 119,300 jobs in 2012. Arizona currently approximately 4,100 licensed therapists. Most respiratory therapists work in hospitals. Others may work in nursing care facilities or travel to patients’ homes.

Employment of respiratory therapists is projected to grow 19 percent from 2012 to 2022, faster than the average for all occupations. Growth in the middle-aged and elderly population will lead to an increased incidence of respiratory conditions such as emphysema, chronic bronchitis, and pneumonia. These respiratory disorders can permanently damage the lungs or restrict lung function.

Laws 1990, Chapter 256 § 1, state that:

The Legislature also recognizes that the practice of respiratory care is a dynamic and changing art and science which is continually evolving to include new developments and more sophisticated techniques in patient care, thus creating a need for continuing education and maintenance of minimum standards of competence for those who practice in this area.

The intent of the legislature in this act is to provide clear legal authority for functions and procedures which have common acceptance and usage. In this act, the legislature also intends to recognize the existence of overlapping functions between physicians, registered nurses, physical and occupational therapists, respiratory care practitioners and other licensed health care personnel and to continue to allow appropriate sharing of functions among the various health care professions.

The Board ratifies every new license and renewal application and conducts random audits of required continuing education.

The Board has a well-structured process for investigating complaints made against its’ licensees. The investigation process is clearly separated from the adjudication process. Written procedures were developed to outline the complaint process and the order in which things occur, so the complaint is investigated properly and to ensure the due process of the licensee or certificate

MISSION

The mission of the Arizona Board of Respiratory Care Examiners is to benefit, educate and protect the public through regulation of licensure; enforcement of the rules, regulations and statutes governing the safe practice of respiratory care.

VISION

The Arizona Board of Respiratory Care Examiners is committed to the enhancement of the health and safety of the people of Arizona by ensuring:

- Protection for and confidence by the consumer through enforcement of laws governing the practice of respiratory care.

- Highly qualified therapists work as health care professionals.
- Fair and ethical standards of professional conduct.
- Excellence in therapist training and education.

Solutions:

STRATEGIC ISSUES

Goal 1: Complete investigations with 180 days.

Strategy: By January 2017, the Board will have implemented new investigation policy and procedures to complete resolve complaints within 180 days from receipt.

Goal 2: Revise current Continuing Education Program to include more quality approved programs.

Strategy: By December 2016, the Board will have introduced exempt rules that provide a wider renage of approved continuing education programs to the industry.

Goal 3: By December 2016, the Board will implement a new database solution that accurately tracks licensing timeframes and provides realtime application updates online.

Strategy: Request PIJ, acquire funding, assess contrators and implement.

Strategy: By January 2017 add all service to the Web Portal so that all transactions may be paid with a credit card or electronic funds transfer.

Goal 4: By January 2017 update Public Information Policy and Procedure to comply with existing statute and recommednation in Auditor General Report.

Goal 5: Participate and ensure industry regulation by actively participating in the 2017 Legislative Sunset Review process.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 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 process licensing and renewal applications in a timely and accurate manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
New licenses issued.	286	300	296	290	290
Explanation: Total number of licenses issued					
Average number of days to renew a license	2	2	2	2	2
Explanation: Average number of days from receipt to granting a temporary license					
Total number of applications for permanent licenses	1,766	1,750	1,777	1,750	1,750

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of complaints received	127	100	192	100	100
Explanation: Total number of complaints received					
Average days from receipt of complaint to resolution	60	90	59	180	180
Explanation: Average number of day to close a complaint					
Average monthly backlog of complaints not yet resolved	22	20	35	30	30
Explanation: Total number of complaints pending from month to month					
Number of licenses revoked or suspended	5	3	7	3	3
Explanation: Total number of licenses revoked or suspended					
Total number of practitioners investigated	126	90	183	100	100
Percent of investigations resulting in disciplinary or enforcement action	2.61	5	5	2	2
Total percent of licensees receiving disciplinary action	2	2	0	2	0

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, retiree health insurance, and long-term disability benefits to 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ MEMBER SERVICES	23,952.9	27,088.8	24,361.3
➤ ADMINISTRATION AND SUPPORT	5,110.3	5,387.9	5,432.9
➤ INVESTMENT MANAGEMENT	163,336.1	190,697.5	207,561.0
Agency Total:	192,399.3	223,174.2	237,355.2
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	24,473.7	27,484.2	24,884.2
Other Non Appropriated Funds	167,925.6	195,690.0	212,471.0
Total Funding	192,399.3	223,174.2	237,355.2
FTE Positions	251.9	251.9	251.9

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	238.9	238.9	238.9
General Fund	0.0	0.0	0.0
Other Appropriated Funds	24,884.2	24,884.2	24,884.2
Non-Appropriated Funds	212,471.0	212,471.0	212,471.0
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 Technology Services Divisions of the ASRS. These three divisions are collectively responsible for delivering services to ASRS members.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	19,591.4	22,538.8	19,938.8
Other Non Appropriated Funds	4,361.5	4,550.0	4,422.5
Total Funding	23,952.9	27,088.8	24,361.3
FTE Positions	200.0	200.0	200.0

◆ **Goal 1** To distribute member disbursements and benefit calculations in an accurate, prompt, and secure manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of new retirees receiving initial payments within 10 business days of retirement (objective 90%)	86	90	83	90	90
Percent of overall member satisfaction with the retirement application process for new retirees (objective 90%)	97	90	94	90	90
Number of new retirements processed	9,379	8,600	8,590	9,000	9,000
Percentage of monthly pension payments disbursed on the first day of the month (objective 98%)	100	98	100	98	98
Number of monthly pension payments issued (June payroll)	130,688	133,955	136,193	142,000	148,000
Number of pension adjustments completed	512	600	465	500	500
Percentage of pension adjustments processed within 20 business days of identification (objective 90%)	99	99	95	90	90
Percentage of refunds disbursed within 10 business days of request (objective 90%)	98	90	98	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%)	96	90	96	90	90
Number of refund requests received	13,416	15,000	14,150	15,000	15,000
Percentage of service purchase cost invoices distributed within 10 business days of receipt (objective 90%)	87	90	75	90	90
Percentage of service purchase cost invoices processed accurately (objective 98%)	100	98	100	98	98
Percent of overall member satisfaction with the service purchase process (objective 90%)	88	90	78	90	90
Number of service purchase cost invoices requested	3,873	3,500	2,418	2,500	2,500
Number of service purchase lump sum payments completed	1,829	2,000	1,908	2,000	2,000
Number of service purchase payroll deduction agreements completed	68	150	54	75	75
Percentage of service purchase lump sum payments processed within 10 business days of receipt (objective 90%)	87	90	96	90	90
Total number of deaths reported (retired members)	2,807	2,650	2,493	2,500	2,500
Total number of deaths reported (non-retired members)	994	1,100	1,848	1,100	1,100
Percent of overall member satisfaction with the survivor benefit process (objective 90%)	95	90	n/a	90	90

- ◆ **Goal 2** To provide health, disability, and supplemental defined contribution programs that are accessible, affordable, reliable, and efficiently run.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of enrollments and declines processed	11,027	11,000	n/a	11,000	11,000
Number of retirees receiving a premium benefit	77,519	78,000	79,527	81,000	82,500
Total amount disbursed for premium benefit (in thousands)	104,000	105,000	95,236	96,500	98,000
Number of months needed to determine eligibility for LTD	1.8	2.5	1.7	2.5	2.5
Number of open LTD claims	4,242	4,300	4,055	4,100	4,100
Number of new LTD claims	724	750	691	700	700
Number of late LTD claims	14	15	24	15	15
Percentage of overall member satisfaction with Long Term Disability program (objective 90%)	91.9	90	93.6	90	90

- ◆ **Goal 3** To collect contributions and member data in an efficient and effective manner; and manage financial data to ensure compliance with generally accepted governmental accounting principles.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of valid invoices paid within 30 days of receipt (objective 100%).	99.9	100	n/a	100	100
Percentage of all invoices with a discount paid within the discount period (objective 99%).	100	99	n/a	99	99
Percentage of collected outstanding accounts receivable balance each month (objective 5%).	6.7	5	n/a	5	5
Percentage of employees are paid timely and accurately (objective 100%).	100	100	n/a	100	100

◆ **Goal 4** To provide outstanding customer service that satisfies members, and is timely, accessible, and responsive to member needs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of calls answered within 20 seconds (objective 80%)	88	80	85	80	80
Percent of telephone inquiries answered accurately (objective 95%)	99	95	99	95	95
Percentage of overall member satisfaction with Telephone Service at the Arizona State Retirement System (objective 90%)	97	90	n/a	90	90
Number of calls received	172,758	175,000	169,907	168,500	167,000
Percent of calls abandoned by caller (objective 5% or fewer)	0.7	5	3	5	5
Percentage of overall member satisfaction with Destination in Sight meetings (objective 90%)	99	90	n/a	90	90
Percentage of overall member satisfaction with Next Exit Retirement meetings (objective 90%)	99	90	n/a	90	90
Total number of Destination in Sight meetings (statewide)	146	200	131	200	200
Total number of Next Exit Retirement meetings (statewide)	124	150	110	150	150
Total number of Destination in Sight meeting attendees (statewide)	3,761	4,000	3,772	4,000	4,000
Total number of Next Exit Retirement meeting attendees (statewide)	2,212	2,000	2,664	2,000	2,000
Percentage of overall member satisfaction with walk-in counseling (objective 90%)	96	90	96	90	90
Percentage of appointments customers served within 5 minutes of arrival (Phoenix and Tucson offices) (objective 80%)	97	80	98	80	80
Total number of walk-ins (Phoenix and Tucson)	4,761	5,000	3,891	5,000	5,000
Percentage of walk-in customers served within 30 minutes of arrival (Phoenix and Tucson offices) (objective 80%)	96	80	97	80	80
Total number of pre-scheduled appointments (Phoenix and Tucson)	5,999	6,000	5,132	6,000	6,000

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,518.2	4,647.9	4,647.9
Other Non Appropriated Funds	592.1	740.0	785.0
Total Funding	5,110.3	5,387.9	5,432.9
FTE Positions	38.9	38.9	38.9

◆ **Goal 1** To apply superior governance, strategic planning, a forward-looking legislative agenda, and a robust risk management program to ensure cost-effective and sustainable benefits programs.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of employers enrolled with the ASRS	732	735	683	685	685
Number of employer conferences/workshops held	36	35	40	35	35
Number of individual employer meetings held	56	50	8	10	10
Percentage of members who "agree" or "strongly agree" that ASRS employees provide good service to members (objective 90%)	97	90	96	90	90
Percentage of members who "agree" or "strongly agree" that the ASRS keeps its members informed of matters that affect them (objective 90%)	94	90	93	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	97	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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of months in which permanent staffing levels were 90 percent or higher (objective 6)	12	6	2	6	6
Maintain a rolling average annual turnover rate of 18 percent or less	8.4	18	16	18	18

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	364.1	297.5	297.5
Other Non Appropriated Funds	162,972.0	190,400.0	207,263.5
Total Funding	163,336.1	190,697.5	207,561.0
FTE Positions	13.0	13.0	13.0

◆ **Goal 1** To achieve a total fund rate of return equal to or greater than the actuarial assumed interest rate.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of investment returns	3.2	8.0	0.5	8.0	8.0

Explanation: one-year return figure

20-Year rolling annual rate of return on total fund assets (%)	6.9	8.0	7.3	8.0	n/a
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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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Annualized rate of return	3.2	8.0	0.5	8.0	8.0
Excess return measured against strategic asset allocation benchmark	1.6	n/a	1.1	n/a	n/a
3-year rolling annual rate of return	11.4	8.0	7.1	8.0	8.0
3-Year excess return measured against strategic asset allocation benchmark	0.9	n/a	1.2	n/a	n/a

◆ **Goal 3** To achieve asset class net rates of return equal to or greater than their respective broad asset class benchmarks.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Annualized rate of return for domestic equity	6.7	n/a	3.7	n/a	n/a
Excess domestic equity return measured against benchmark	-0.6	n/a	0.5	n/a	n/a
Annualized rate of return for international equity	-3.8	n/a	-10.4	n/a	n/a
Excess international equity return measured against benchmark	0.3	n/a	-0.5	n/a	n/a
Annualized rate of return for fixed income	-0.3	n/a	5.9	n/a	n/a
Excess fixed income return measured against benchmark	1.7	n/a	1.0	n/a	n/a
Annualized rate of return for Multi-Asset Class Strategies	1.8	n/a	-12.0	n/a	n/a
Excess Multi-Asset Class Strategies return measured against benchmark	0.7	n/a	-11.1	n/a	n/a
Annualized rate of return for real estate	13.8	n/a	13.8	n/a	n/a
Excess real estate return measured against benchmark	1.4	n/a	-0.4	n/a	n/a
Annualized rate of return for private equity	9.7	n/a	5.8	n/a	n/a
Excess private equity return measured against benchmark	2.5	n/a	16.7	n/a	n/a
Annualized rate of return for opportunistic equity investments	28.6	n/a	6.2	n/a	n/a
Annualized rate of return for opportunistic debt investments	6.5	n/a	-5.1	n/a	n/a
3-year rolling annual rate of return for domestic equity	17.6	n/a	11.3	n/a	n/a
3-year rolling annual excess domestic equity return measured against benchmark	-0.2	n/a	-0.1	n/a	n/a
3-year rolling annual rate of return for international equity	10.0	n/a	1.5	n/a	n/a
3-year rolling annual excess international equity return measured against benchmark	-0.4	n/a	-0.3	n/a	n/a
3-year rolling annual rate of return for fixed income	1.7	n/a	3.8	n/a	n/a
3-year rolling annual excess fixed income return measured against benchmark	0.5	n/a	0.9	n/a	n/a
3-year rolling annual rate of return for Multi-Asset Class Strategies	11.6	n/a	2.8	n/a	n/a
3-year rolling annual excess Multi-Asset Class Strategies return measured against benchmark	1.3	n/a	-2.9	n/a	n/a
3-year rolling annual rate of return for real estate	13.5	n/a	13.8	n/a	n/a
3-year rolling annual excess real estate return measured against benchmark	1.9	n/a	0.7	n/a	n/a
3-year rolling annual rate of return for private equity	13.3	n/a	10.6	n/a	n/a
3-year rolling annual excess private equity return measured against benchmark	-1.7	n/a	5.4	n/a	n/a

◆ **Goal 4** To ensure sufficient monies are available to meet cash flow requirements.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total market value of ASRS fund assets (in billions)	34.9	n/a	34.0	n/a	n/a
Total annual benefit payments (in billions)	n/a	n/a	n/a	n/a	n/a
Percentage of liability funded	n/a	n/a	n/a	n/a	n/a

Agency Summary

DEPARTMENT OF REVENUE

David Briant, Director
 Phone: (602) 716-6090
 A.R.S. § 42-1001 et seq.

Mission:

To serve taxpayers!

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ SERVICE	13,247.4	16,160.7	14,160.7
➤ PROCESSING	6,215.1	8,386.8	8,386.8
➤ EDUCATION AND COMPLIANCE	23,095.6	21,469.1	22,008.5
➤ AGENCY SUPPORT	36,221.9	32,704.6	45,702.4
Agency Total:	78,780.0	78,721.2	90,258.4

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	28,393.7	29,998.3	43,535.5
Other Appropriated Funds	45,691.1	48,134.9	46,134.9
Other Non Appropriated Funds	4,695.2	588.0	588.0
Total Funding	78,780.0	78,721.2	90,258.4
FTE Positions	893.0	893.0	893.0

5 Year Plan

Issue 1 Please see Arizona Department of Revenue's strategic plan for all issues.

Description

Solutions:

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	893.0	893.0	893.0
General Fund	29,998.3	43,535.5	43,535.5
Other Appropriated Funds	48,234.9	46,234.9	46,234.9
Non-Appropriated Funds	588.0	588.0	588.0
Federal Funds	0.0	0.0	0.0

Program Summary

SERVICE

Neeraj Deshpande, Taxpayer Services Division Director
Phone: (602) 716-6047
A.R.S., Title 42

Mission:

To serve taxpayers!

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 valuing centrally valued properties; resolving taxpayer account problems and disputes; answering billing inquiries; processing license applications for transaction privilege licenses; 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	125.4	0.0	0.0
Other Appropriated Funds	12,377.1	15,728.4	13,728.4
Other Non Appropriated Funds	744.9	432.3	432.3
Total Funding	13,247.4	16,160.7	14,160.7
FTE Positions	210.0	197.5	197.5

Subprogram Summary

INQUIRIES AND REQUESTS

Neeraj Deshpande, Taxpayer Services Division Director
Phone: (602) 716-6047
A.R.S., Title 42

Mission:

To serve taxpayers!

Description:

Inquiries & Requests 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, locating, and notifying the owners/holders of the property.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	44.6	0.0	0.0
Other Appropriated Funds	5,178.9	5,742.8	3,742.8
Other Non Appropriated Funds	4.5	0.0	0.0
Total Funding	5,227.9	5,742.8	3,742.8
FTE Positions	88.0	85.0	85.0

◆ **Goal 1** To ensure prompt response to taxpayers' immediate inquiries

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average wait time for all phone calls (in minutes) in the Taxpayer Information and Assistance section call center.	7:57	12:00	5:16	0	0

Explanation: Future estimates are based on current staffing levels.

Percent of written inquiries answered within 30 calendar days in Taxpayer Information and Assistance section	70	75	94.6	0	0
Average number of seconds of wait time in the Collections section call center.	137	160	318	0	0

◆ **Goal 2** To improve the processing of business license applications

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Average transaction privilege tax license turnaround time (in business days).	5.0	6.0	2.44	0	0
Percent of transaction privilege tax license applications completed on-line.	59	65	73.49	0	0

◆ **Goal 3** To attain favorable customer service levels as evidenced by aggregate customer survey scores

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Customer satisfaction rating for Taxpayer Information and Assistance section (scale 1-5)	4.6	4.50	4.35	0	0

Subprogram Summary

LOCAL JURISDICTIONS

Frank Boucek, Local Jurisdictions District Manager
 Phone: (602) 716-6807
 A.R.S., Title 42

Mission:

To serve taxpayers!

Description:

Local Jurisdictions 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; and conducting analysis to ensure assessors' values are within statutorily prescribed limits.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	30.8	0.0	0.0
Other Appropriated Funds	3,207.8	2,888.8	2,888.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,238.6	2,888.8	2,888.8
FTE Positions	48.0	39.0	39.0

◆ **Goal 1** To improve the equity and uniformity of values for centrally valued properties.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of tax area code reviews and/or site inspections.	105	115	1,357	0	0

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	60	302	0	0
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Explanation: Centrally valued properties include water/sewer, mines, railroads, telecommunications and electric companies.

Subprogram Summary
TAXPAYER, EXECUTIVE, AND LEGISLATIVE ISSUES
Frank Boucek, Taxpayer, Executive & Legislative Issues Dist Mgr Phone: (602) 716-6807 A.R.S., Title 42

Mission:

To serve taxpayers!

Description:

Taxpayer, Executive & Legislative Services 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 economic impact issues; and analysis of the tax implications of pending and approved legislation. The program collects and distributes taxes imposed on cigarettes and all other products containing tobacco such as cigars and smoking tobacco; handles tax protests and appeals; and issues letters providing guidance to taxpayers.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	50.0	0.0	0.0
Other Appropriated Funds	3,990.5	5,196.8	5,196.8
Other Non Appropriated Funds	740.4	432.3	432.3
Total Funding	4,780.9	5,629.1	5,629.1
FTE Positions	74.0	73.5	73.5

◆ **Goal 1** To ensure prompt response to taxpayers immediate inquiries.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
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	0	0
Percent of taxpayer referrals responded to by the Problem Resolution Officer within 24 hours from the time the referral was received.	96.8	98	84	0	0

Explanation: Responses are defined as telephone calls, e-mails or messages left on voice mail.

Program Summary

PROCESSING

Laura Robichaud, Processing Division Director
 Phone: (602) 716-6040
 A.R.S., Title 42

Mission:

To serve taxpayers!

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	168.8	168.8
Other Appropriated Funds	6,215.1	8,218.0	8,218.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,215.1	8,386.8	8,386.8
FTE Positions	107.0	108.0	108.0

◆ **Goal 1** To improve the timeliness of payment processing.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of payments deposited within five business days.	97	95	96.2	0	0

Explanation: This measure tracks payments deposited for all four tax types.

Average turnaround time for deposits (in business days).	.71	1.0	.76	0	0
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◆ **Goal 2** To process Individual Income and Transaction Privilege Tax (TPT) returns in a timely manner.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of calendar days to process an Individual Income tax return.	6.0	4.0	3.87	0	0
Total tax documents processed (in millions).	5.85	5.9	5.86	0	0

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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average calendar days to refund total Individual Income tax checks (paper warrants and electronic deposits)	10.22	9.0	10.47	0	0

◆ **Goal 4** To accelerate processing

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of individual and TPT paper returns	0	0	1,926,539	1,541,200	0
Average days to process individual income tax refunds from electronic returns	0	0	7.77	6.0	0
Average days to process TPT electronic returns	0	0	1.05	1.0	0

◆ **Goal 5** To optimize taxpayer services

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of online transactions	0	0	0	81.3	0

Program Summary

EDUCATION AND COMPLIANCE

Tom Johnson, Education and Compliance Division Director
Phone: (602) 716-6552
A.R.S., Title 42

Mission:

To serve taxpayers!

Description:

The Education & Compliance program matches employees with the appropriate knowledge base to an organization that requests a speaker on any given topic about which they want to learn. They also provide 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.

This program investigates allegations of tax fraud and assists the Attorney General's office in the prosecution of criminal tax offenders.

This Program Contains the following Subprograms:

- ▶ Education and Outreach
- ▶ Audit and Assessing
- ▶ Collections
- ▶ Enforcement
- ▶ Income tax fraud prevention

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	20,706.2	17,297.0	17,836.4
Other Appropriated Funds	2,328.7	4,018.4	4,018.4
Other Non Appropriated Funds	60.7	153.7	153.7
Total Funding	23,095.6	21,469.1	22,008.5
FTE Positions	386.0	397.5	397.5

Subprogram Summary

EDUCATION AND OUTREACH

Tom Johnson, Education and Compliance Division Director
Phone: (602) 716-6552
A.R.S., Title 42

Mission:

To serve taxpayers!

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	1,958.8	1,958.8
Other Appropriated Funds	0.0	458.2	458.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	2,417.0	2,417.0
FTE Positions	0.0	64.0	64.0

◆ **Goal 1** To increase taxpayer transactions conducted electronically.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of all tax dollars received electronically.	70.0	80.0	79.0	0	0
Percent of Individual Income tax returns received electronically.	70.0	75.0	80.0	0	0

◆ **Goal 2** To improve voluntary compliance in the filing of tax returns.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of money remitted voluntarily as a percentage of total receipts.	95.0	96.50	95.0	0	0

Explanation: The FY2015 actual result is calculated using a preliminary gross revenue number; the actual FY2014 gross revenue data will not be available until the publication of DOR's 2015 Annual Report.

Subprogram Summary

AUDIT AND ASSESSING

Bob Digan, Audit District Manager
 Phone: (602) 716-6163
 A.R.S., Title 42

Mission:

To serve taxpayers!

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.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,634.1	8,405.7	8,405.7
Other Appropriated Funds	1,894.8	2,006.5	2,006.5
Other Non Appropriated Funds	60.8	0.0	0.0
Total Funding	13,589.6	10,412.2	10,412.2
FTE Positions	199.0	204.9	204.9

◆ **Goal 1** To increase the quality of the audit programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of final Individual Income tax audit assessment amounts compared to the initial assessment amounts.	89.2	90.0	90.7	0	0

Subprogram Summary

COLLECTIONS

Wendy Bingham, Collections District Manager
 Phone: (602) 716-6265
 A.R.S., Title 42

Mission:

To serve taxpayers!

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.

The Collections subprogram also 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.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	8,739.8	3,782.5	3,782.5
Other Appropriated Funds	266.9	1,284.3	1,284.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	9,006.7	5,066.8	5,066.8
FTE Positions	176.0	111.0	111.0

◆ **Goal 1** To improve the quality of collection activities.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of non-audit revenue to total revenue95.4	98.9	98.9	95.4	0	0

Explanation: The FY2014 result was calculated using a preliminary gross revenue number; FY2015 gross revenue data will not be available until the publication of DOR's 2015 Annual Report.

Percent of accounts that collector contacts within 30 calendar days of that account being assigned a delinquent account	100	100	100	0	0
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Explanation: Letters are sent to every taxpayer upon being assigned as a delinquent account. The Department considers letters as contacts.

◆ **Goal 2** To increase fiscal efficiencies.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Ratio of net enforcement revenue collected per total Department general fund dollar spent.	7.16	7.15	7.92	0	0

Explanation: This measure means that the Department's enforcement program collected \$7.12 for each general fund dollar spent in FY2014.

Subprogram Summary

ENFORCEMENT

Neeraj Deshpande, Taxpayer Services Division Director
 Phone: (602) 716-6807
 A.R.S., Title 42

Mission:

To serve taxpayers!

Description:

The Enforcement Subprogram inspects and educates tobacco retailers and distributors regarding compliance with tobacco tax laws, and investigates and assists in the prosecution of criminal offenders.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	332.3	0.0	539.4
Other Appropriated Funds	167.1	269.4	269.4
Other Non Appropriated Funds	-0.1	153.7	153.7
Total Funding	499.3	423.1	962.5
FTE Positions	11.0	10.5	10.5

◆ **Goal 1** To promote and enforce the legal sale and distribution of tobacco products.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of retailer and distributor tobacco inspection visits completed.	3285	3,500	2,821	0	0

Explanation: All inspection visits serve multi-purposes including providing education, fulfilling legislative requirements, and identifying non-compliance.

Subprogram Summary

INCOME TAX FRAUD PREVENTION

Tom Johnson, Education and Compliance Division Director
 Phone: (602) 716-6885
 A.R.S., Title 42

Mission:

To serve taxpayers!

Description:

This subprogram 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	3,150.0	3,150.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	3,150.0	3,150.0
FTE Positions	0.0	7.1	7.1

Program Summary

AGENCY SUPPORT

David Briant, Director
Phone: (602) 716-6090
A.R.S., Title 42

Mission:

To serve taxpayers!

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,562.1	12,532.5	25,530.3
Other Appropriated Funds	24,770.2	20,170.1	20,170.1
Other Non Appropriated Funds	3,889.6	2.0	2.0
Total Funding	36,221.9	32,704.6	45,702.4
FTE Positions	190.0	190.0	190.0

Subprogram Summary

HUMAN RESOURCES

Rob Waddell, Chief Human Resources Officer
Phone: (602) 716-6013
A.R.S., Title 42

Mission:

To serve Taxpayers!

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	19.5	0.0	0.0
Other Appropriated Funds	396.1	788.9	788.9
Other Non Appropriated Funds	0.0	2.0	2.0
Total Funding	415.5	790.9	790.9
FTE Positions	11.0	11.0	11.0

◆ **Goal 1** To increase the level of employee satisfaction.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average annual turnover rate for employees	12.9	13.5	31.3	0	0

◆ **Goal 2** To increase cost effectiveness of administrative services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Administration as a percentage of total operational expenses.	5.8	5.8	N/A	0	0

Explanation: Not reporting in FY16

Subprogram Summary
INFORMATION SERVICES
Sandip Dholakia, Chief Information Officer Phone: (602) 716-6023 A.R.S., Title 42

Mission:

To serve taxpayers!

Description:

The Information Services subprogram maintains technology infrastructure, systems, reports and security, hardware, software and project management necessary for ADOR to deliver core Department of Revenue business processes (A.R.S. § 42-1004), entailing efficient tax processing and collection, timely enforcement of tax laws, and accurate valuation of property.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,821.1	9,592.1	22,589.9
Other Appropriated Funds	14,998.6	13,201.9	13,201.9
Other Non Appropriated Funds	3,889.5	0.0	0.0
Total Funding	23,709.3	22,794.0	35,791.8
FTE Positions	127.0	127.0	127.0

◆ **Goal 1** To ensure the local and wide area network (LAN/WAN) is available 99.8% of the time.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of time the LAN/WAN is available.	99.95	99.98	N/A	0	0

Explanation: Not reporting in FY16

◆ **Goal 2** To resolve 99% of all problem calls identified as "critical" within 4 hours.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of critical problem calls completed within the 4 hour target.	100	100	N/A	0	0

Explanation: Not reporting in FY16

Subprogram Summary

SUPPORT SERVICES

David Briant, Director
 Phone: (602) 716-6090
 A.R.S., Title 42

Mission:

To serve taxpayers!

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,721.5	2,940.4	2,940.4
Other Appropriated Funds	9,375.5	6,179.3	6,179.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	12,097.1	9,119.7	9,119.7
FTE Positions	52.0	52.0	52.0

◆ **Goal 1** To pay all invoices in a timely manner within 30 calendar days of receipt.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of invoices paid within 30 calendar days.	98	98	85.0	0	0

◆ **Goal 2** To respond to 90% of all building maintenance calls within 24 hours of receipt.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of building maintenance calls responded to within 24 hours of receipt of the call.	100	100	99.6	0	0

◆ **Goal 3** To process Payroll accurately by the end of each payroll cycle.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of payroll records processed error free by the close of the payroll cycle.	99.9	100.0	93.0	0	0

◆ **Goal 4** To process purchase orders within two business days of receipt of requisition.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of business days to process requisitions.	3.5	4.0	2.13	0	0

Agency Summary

SCHOOL FACILITIES BOARD

Kerry Campbell, Interim Executive Director
Phone: (602) 542-6504
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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	230,378.0	228,094.4	228,438.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	309,322.3	359,791.1	383,880.6
Total Funding	539,700.3	587,885.5	612,318.9
FTE Positions	17.0	17.0	20.0

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.

The School Facilities Board's five-year outlook for new construction shows a continued need for new schools.

Solutions:

In an effort to effectively manage the new school construction program, the School Facilities Board staff is involved in the following efforts.

Long-Term Planning – Upon conceptual approval of new school construction projects, the SFB is making an effort to find land to site future schools in locations that will best serve the emerging growth of the district. In addition, many school districts are working closely with developers to get donations for school sites. If a school district acquires real property by donation, the SFB is required to distribute an amount equal to 20% of the fair market value of the donated property to the school district, which may be used by the district for unrestricted capital outlay. All school sites, whether donated, leased, purchased or partially purchased must be approved by the Board. The SFB staff, in making recommendations to the Board, ensures that the site will be viable with respect to items such as size, environmental issues, utility routes, etc. The SFB is also encouraging districts to work closely with local governments and planning departments to ensure that district needs for school sites are considered in the planning process prior to the issuance of permits to developers. Some districts have even been successful in getting cities to waive charges for permits and fees for school construction, which saves on the overall cost of the project. Additionally, the SFB is helping districts develop long-term projections that will assist them in appropriately sizing and locating future facilities.

Energy Efficiency and Sustainability – The Board has been working with the architectural community to implement and identify methods in the design of new schools as well as the design of renovations that will incorporate numerous Executive Orders regarding energy efficiency. Currently the new school designs the Board is reviewing and approving will earn in excess of 40 LEED (Leadership in Energy and Environmental Design) points. The Board is working toward the 50 points that are required to meet the LEED Silver standard. The Board is also working with utilities to incorporate solar arrays into the design of new buildings, both helping the districts reduce energy costs and helping the utilities meet renewable energy standard requirements.

School Safety – The Board is continuing to review safety best practices to ensure as safe an environment at our school sites as possible. The Board has compiled best practice recommendations from state and federal law enforcement agencies, various state departments of education, school security experts, architects and planners to further our pursuit for safe schools.

21st Century Schools – The Board worked with local architects to help author and distribute the "Arizona School Design Primer", published in 2012. The primer is written to help districts program and ask appropriate questions of their designers. The Board has also prepared a report that recommends how the State can build new schools as we move into the 21st century.

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

	FY2019 Estimate	FY2020 Estimate	FY2021 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 serve as a resource to school districts to help ensure compliance with minimum school facility guidelines and preventative maintenance requirements.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of schools rounded to nearest hundred.	1530	1530	1500	NA	NA
Percent of all school district schools inspected to ensure minimum adequacy guidelines	1	1	1	NA	NA

Explanation: The School Facilities Board staff was unable to meet its performance target due to lack of staff. Due to budget reductions and other staffing responsibilities (e.g. Building Renewal Grant projects), the inspector position remains vacant.

Average number of issues per school inspected that do not meet minimum adequacy standards	6	7	8	NA	NA
Percent of inspected schools determined to have an adequate preventative maintenance program	50	50	50	NA	NA

- ◆ **Goal 2** To secure funding for new construction.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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).	3	3	3	NA	NA
Number of new school construction projects completed	0	1	1	NA	NA

- ◆ **Goal 3** To strengthen relationship and communication with school districts.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of all school districts rating the Boards' services as satisfactory, good, or excellent in annual survey	91	91	90	NA	NA
Percent of school districts that responded to customer satisfaction survey	32	37	29	NA	NA

Agency Summary

SECRETARY OF STATE - DEPARTMENT OF STATE

Michele Reagan, 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 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
➤ ADMINISTRATION	2,595.8	2,797.5	2,897.5
➤ BUSINESS SERVICES	999.1	863.8	979.2
➤ PUBLIC SERVICES	273.2	235.7	235.7
➤ ELECTION SERVICES	5,061.1	8,299.8	8,415.2
➤ ARIZONA STATE LIBRARY, ARCHIVES, AND PUBLIC RECORDS	11,056.2	10,746.1	10,746.1
Agency Total:	19,985.4	22,942.9	23,273.7
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	14,586.7	14,969.2	15,300.0
Other Appropriated Funds	1,259.7	3,681.5	3,681.5
Other Non Appropriated Funds	4,139.0	4,292.2	4,292.2
Total Funding	19,985.4	22,942.9	23,273.7
FTE Positions	135.1	137.5	137.5

5 Year Plan

Issue 1 Provide enhanced voting services to military and overseas voters

Description Arizona is home to a significant military population. The Secretary of State's office is looking for ways to increase the participation of UOCAVA voters in Arizona elections.

Solutions:

This increased effort will include outreach to voters and military families and the development of a pilot program to create greater ease in sending and receiving military ballots. We hope this secure pilot program will allow military personnel to still feel engaged to home while serving overseas.

Issue 2 Pending litigation

Description the Secretary of State's Office, is in the midst of significant and costly litigation, to support and defend campaign finance laws and Proposition 200. Additionally, the Secretary of State's Office has joined with Kansas in following Justice Scalia's roadmap outlined in *Inter Tribal Council of Arizona v. Bennett*, to challenge the lack of action by the Elections Assistance Commission (EAC) with regard to Arizona's voter-approved registration requirements.

Solutions:

Litigation expenses of \$6M to be added to the Secretary's budget.

Issue 3 Build additional improvements in meeting our business services mandates

Description The Secretary of State's Business Services Division seeks to increase on-line resources particularly in the UCC area to better meet workload demands and properly address overall state mandates regarding business services.

Solutions:

The Department will seek to improve accuracy, efficiency and timeliness of public filings for all general partnerships and trade names; improve customer service by reducing time delays at the counter; update all forms and literature with current, user-friendly information; cross-train staff to better assist customers regardless of the request; and reduce the processing time of all business service applications.

Issue 4 Continue to be fiscally responsible and efficient in delivering services

Description The Secretary of State's office is constantly striving to ensure that public dollars are well spent. The Secretary of State's office budget has been significantly reduced over the past few years. The key to continued success is making government work smarter, using sound fiscal standards and efficiencies, and implementing strong ethical standards.

Solutions:

The Office intends to optimize productivity through enhanced employee skills, improve efficiency and timeliness of customer service, review best practices of other state and local jurisdictions, consolidate work assignments to adequately address mandated responsibilities, and make every effort to provide taxpayers with the best return on their investment in state government as it specifically relates to the Secretary of State.

Issue 5 VRAZ II - Voter registration database and the expiration of HAVA funds

Description The funding from the Help America Vote Act (HAVA) is running out. There are many critical programs that have been funded, for example the statewide voter registration data base (VRAZ II), with HAVA monies that will soon need to be borne solely by state monies.

Solutions:

Instead of running off a fiscal cliff with regard to the maintenance and operation of the database, the Secretary of State's office is proposing a graduated assumption of the obligations. In FY 2016, we believe that the general fund should assume 25% of the cost, increasing by 25% over the next four years until complete assumption in FY 2019.

Issue 6 Meet current statutory obligations of administering statewide elections

Description Given adequate funding and resources, the Secretary of State's office intends to adequately meet all current statutory obligations of administering statewide elections.

Solutions:

As required by the Arizona Constitution and Arizona Revised Statutes, the Secretary of State will accurately certify all ballot candidates, certify and canvass results of statewide elections in a timely manner, appropriately test and certify voting devices for use by counties, implement testing for logic and accuracy of counties' election equipment, responsibly certify initiatives and referenda for the ballot, publish and mail the publicity pamphlet to every household with a registered voter, seek to educate the voting public by conducting Town Halls in all fifteen counties on ballot measures, and provide pamphlets in Spanish and Native American translation.

Issue 7 Resource Development

Description In the future, despite the downturn of the economy and the difficulties of fund raising, Library and Archives will continue its efforts to seek outside funds.

Solutions:

The State Library and Archives has raised over \$61 million dollars in grant funds for Arizona cultural institutions and for its own services. Although general operating funds must come from governmental sources (state general fund and federal IMLS funds), private and other governmental funds will be sought for special projects and pilot projects. The agency will seek new ways to expand fiscal resources and make more effective use of existing resources.

Issue 8 Digital Government

Description Library and Archives has a broad range of responsibility for governmental materials in all formats from all levels of government. With the increasing digitization of federal, state and local government, e-government will be one of our most important areas of concentration.

Solutions:

Digital government will require all staff to learn new technical skills to ensure public records are usable today and preserved for tomorrow. The Division will consider ways to ensure publications and archival electronic records can be preserved permanently, meet public demands for access, and increase records management in electronic information systems throughout state government. Library and Archives is still advancing the Persistent Digital Archives and Library System (PeDALS) project, which is an effort to build a leading edge digital preservation system. Additional funding from other federal sources and state appropriations is now being sought.

Issue 9 Replace Election machines

Description it is time to recognize that the election machines in Arizona are nearly the end of their stated "useful lives" and that it is getting harder to find parts to repair the existing equipment.

Solutions:

While this historically had been a county expense, it makes sense for the state to be involved in order to achieve beneficial economies when buying equipment. Legislation should be passed and a non-lapsing fund established (with a county match provision) so that the state is prepared in advance to provide our Arizona citizens with an up-to-date, reliable and secure voting experience.

Issue 10 Voter Registration Database and Election-night Reporting System

Description The Secretary of State Office should carefully look at, and the executive and legislature should fund, growing the statewide voter registration database in its own IT department and the Office should also explore creating an in-house election night reporting system.

Solutions:

Hire 4 FTE for implementation and maintenance plus four contract workers who will remain for the first two years. Initial system start up costs expected to be \$2.2 Million with \$500K annually in maintenance expenses.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	143.1	143.1	143.1
General Fund	15,300.0	15,300.0	15,300.0
Other Appropriated Funds	3,681.5	3,681.5	3,681.5
Non-Appropriated Funds	1,251.0	1,251.0	1,251.0
Federal Funds	3,727.7	3,727.7	3,727.7

Program Summary

ADMINISTRATION

Lee Miller, Deputy 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,410.7	2,425.2	2,525.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	185.1	372.3	372.3
Total Funding	2,595.8	2,797.5	2,897.5
FTE Positions	31.0	32.0	32.0

- ◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 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

Pat Viverto, Director
Phone: (602) 542-3060

A.R.S. §§ 29-301 et seq.; 44-1271 et seq.; 44-1441 et seq...

Mission:

To offer a wide variety of information, resources and services. Promoting transparency by offering online searches of the public records we maintain.

Description:

The Business Services Division is a diverse section within the Secretary of State’s Office which exists to centralize statewide registration of Trademarks, Trade names, Limited Partnerships, Foreign Partnerships, Advance Directives and Telephonic sellers; to perfect Uniform Commercial Code (UCC) financing statements; to commission Notaries Public; to provide Notary services; to issue Apostilles and Certificates going to foreign countries.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	889.6	764.2	879.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	109.5	99.6	99.6
Total Funding	999.1	863.8	979.2
FTE Positions	14.0	14.0	14.0

◆ **Goal 1** To serve the public by filing records accurately and expeditiously.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of business days to process trademark applications	0	0	4	4	4
Average number of business days to process Uniform Commercial Code filings	0	0	4	4	4
Average number of business days to process athlete agents registrations	0	0	3	3	3
Average number of business days to process partnership filings	0	0	4	4	4
Average number of business days to process tradename applications	0	0	4	4	4
Average number of business days to process apostilles	0	0	4	4	4

◆ **Goal 2** To provide public disclosure through easy, accessible information and public documents, and on-line database search capabilities.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Trade names and Trademarks filed per month	3790	4000	2,425	3,000	3,000
Number of partnerships on file per month	151	150	202	200	200
Number of UCC records filed per month	7566	7600	6,213	7,000	7,000

- ◆ **Goal 3** To provide service to allow Notaries Public to perform their duties accurately and efficiently in the state.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of notaries commissioned per month	1485	1,500	1,684	1,500	1,500
Number of notary seminars	45	45	30	30	30
Average number of days to process notary applications	15	4	10	10	10

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	273.2	235.7	235.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	273.2	235.7	235.7
FTE Positions	2.0	2.0	2.0

- ◆ **Goal 1** To serve the public by providing printed materials accurately and expeditiously.
- ◆ **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.
- ◆ **Goal 3** To provide service that allows agencies, boards and commissions to develop rules accurately and efficiently.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of rules and rule-related items filed	579	250	0	250	0

◆ **Goal 4** To serve the public by providing materials on-line accurately and expeditiously.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of Administrative Code available via the Internet within 21 days of release date	100	100	0	100	0
Percentage of Administrative Register available via the Internet in conjunction with publication date	100	100	0	100	0
Percent of time division publications are published online within one week of release of paper publication	100	100	0	100	0
Percent of Chaptered Bills/Memorials/Resolutions posted online within 48 hours of receipt	100	100	0	100	0

◆ **Goal 5** To provide public information and publications.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of statutory publications provided	100	100	0	100	0

Program Summary

ELECTION SERVICES

Eric Spencer, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,335.9	5,358.7	5,474.1
Other Appropriated Funds	724.6	2,941.1	2,941.1
Other Non Appropriated Funds	0.6	0.0	0.0
Total Funding	5,061.1	8,299.8	8,415.2
FTE Positions	15.0	15.0	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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

◆ **Goal 2** To coordinate statewide voter registration as provided under the National Voter Registration Act of 1993.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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)	2200	N/A	2,200	2,300	N/A
Number of registered voters (in thousands)	3,698	3,300	3,400	3,700	3,800
Number of Town Hall meetings per year for explanation of initiatives	25	N/A	N/A	25	N/A

◆ **Goal 3** To provide statewide voter registration election, voter outreach, and HAVA.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total voter registration	3697900	3,300,000	3,353,309	3,700,000	3,800,000

◆ **Goal 4** To train and certify election officers in accordance with A.R.S. § 16-407.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,677.3	6,185.4	6,185.4
Other Appropriated Funds	535.1	740.4	740.4
Other Non Appropriated Funds	3,843.8	3,820.3	3,820.3
Total Funding	11,056.2	10,746.1	10,746.1
FTE Positions	73.1	74.5	74.5

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction (1=low to 8=high)	0	7	7	7	7
Museum visitors (total number)	49340	58,000	77,000	77,000	77,000
Student Education Hours	32021	35,000	38,122	40,000	40,000
Collection (total items)	8706	8,285	9,282	9,500	10,000

- ◆ **Goal 2** To provide alternate format library materials for Arizona residents who have difficulty reading standard print because of blindness, visual impairment or a physical disability. The Braille and Talking Book Library provides at no charge, audio and Braille books by mail and for download, plus machines to play audio materials.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Holdings (Total Audio and Braille books, audio described movies, talking book machines and accessories)	263690	194,000	268,687	200,000	200,000

Explanation: The National Library Service for the Blind and Physically Handicapped (NLS) decided that regional libraries should essentially eliminate local cassette book and machine collections by mid 2015.

Materials Provided (Items circulated and downloaded)	747413	612,000	814,979	650,000	650,000
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Explanation: In FY2016 most patrons stopped cassette book service in favor of digital books. Therefore book and machine circulation did not increase as much as expected.

Patrons and Institutions Served	8771	9,050	7,304	8,000	8,000
Volunteer Hours Donated	19072	21,600	12,019	12,000	13,000

- ◆ **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.
- ◆ **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).
- ◆ **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.
- ◆ **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.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	262.3	266.6	266.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	262.3	266.6	266.6
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. Budget constraints over the past several years have forced the Board to compress the number of appeals heard into fewer scheduled hearing dates. This translates into a significant increase in the number of months to complete the appeals process because of the additional time between proposed decisions rendered by the Board and the final approval of the formal decisions. Over the past years the Department of Revenue has added a significant number of new auditors to its staff. Because the Board's caseload is directly related to the number of appeals generated at the Department of Revenue, more audits will certainly increase the number of appeals filed with the Board, and with no corresponding increase to the Board's budget, this will directly impact the Board's caseload. In the future, the Board may be compelled to request additional funding.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	276,000.0	276,000.0	276,000.0
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 receive and process tax appeals expeditiously to avoid any delays in the appeals process.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Caseload processing (and number of issues)	35(91)	55(135)	49(96)	64(150)	70(160)
Number of tax appeals resolved	16	30	9	30	35
Number backlogged requiring written decision	5	9	5	5	5
Number of months to process appeal	9	9	9	9	9

Agency Summary

BOARD OF TECHNICAL REGISTRATION

Melissa Cornelius, Executive Director
Phone: (602) 364-4933
A.R.S. §§ 32-101, 32-106, 32-107

Mission:

To protect the health, safety and welfare of the public by establishing appropriate registration qualifications and efficiently and fairly enforcing the statutes and rules governing the practice of the professions and occupations under the jurisdiction of the Board

Description:

The Board regulates the firms and individual practice of alarms services, architects, engineers, geologists, home inspectors, landscape architects, and land surveyors. The Board also has jurisdiction to investigate and discipline the unregistered practice of professions and occupations under its Practice Act.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,986.7	2,916.4	2,241.4
Other Non Appropriated Funds	18.3	11.2	11.2
Total Funding	2,005.0	2,927.6	2,252.6
FTE Positions	25.0	25.0	25.0

5 Year Plan

Issue 1 The agency database and web services are archaic and limited in scope and functionality necessary for both public and administrative oversight.

Description The agency's ability to track in-office processes and procedure compliance, track licensing and enforcement progress, maintain an accessible record for applicants and registrants and produce reports to support planning and efficiency goals is substantially limited by the capacity of the current data system. In addition, the agency's ability to respond to changing data or public access needs is hampered by a cumbersome system that restricts agency personnel from updating programs.

In addition, the agency is not able to provide on-line licensing or accommodate credit card payments. Access to on-line licensing and credit card payment has been mandated by the Office of the Governor. Registrants also continue to request access to on-line payment and licensing and note that this agency is unable to provide those services that are standard to other agencies and states.

Finally, the public access to registrant public records on-line is hampered by the limited capabilities of the current system.

Solutions:

The agency successfully completed the RFP process and awarded the contract for a new computer system. It is the agency's intent to complete the site development and convert to the new system in April-May of 2017. Following successful conversion, the agency will upload public records to facilitate public access.

Issue 2 The Board's statutes and rules need to be updated to be consistent with current practices, meet national trends in the professions for licensure and regulation, adapt to changes in licensing and improve clarity.

Description The Board statutes and rules have been essentially "cobbled" together over the years as the regulatory requirements for the professions have changed and new occupation populations have been placed under the jurisdiction of the Board. As a result, the law can be difficult for the average person to follow and understand. Some sections of statute have become archaic or contradictory and new rules must be developed for additional licensing groups that have been added to the Practice Act.

Solutions:

The Board has begun to promulgate rules and amendments identified in the 2015 Five-Year Rule Review and has obtained a waiver of the rulemaking moratorium to update the fee rule and establish rules for the regulation of the alarm population. The Board was successful in completing initial strategic planning and was successful in cleaning up confusing or archaic statute during the 2016 legislative session. The Board was also renewed for an additional 8 years following the sunset review process and plans to continue clean-up of statutes when it is able to obtain a waiver of the prohibition of use of contract lobbyist.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	25.0	25.0	25.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	2,241.4	2,245.5	2,245.5
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To rapidly and accurately process applications for registration and certification.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of professional licensees	51,965	52,700	49180	53,300	53,300

Explanation: Total number of professional and occupational licensees

Total number of applications received	2401	2450	2735	2700	2800
Total number of applications processed	3606	3,800	2940	3800	3800
Percent of applications processed within agency timeframes	98	98	95	99	99

Explanation: New PM reported starting with FY15 Actuals

Total number of license renewal applications processed	10427	10600	11285	11000	11500
Number of application denials	5	5	0	5	0

Explanation: New PM reported starting FY15

Number of application denials reversed through appeal	0	0	0	0	0
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Explanation: New PM reported starting FY15

◆ **Goal 2** To timely investigate all complaints of violations of the Board's Practice Act

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of complaints resolved by informal methods	98	98	92	95	95
Number of investigations closed	140	150	144	150	155
Number of complaints received	140	150	123	150	155
Number of non-registrant complaints	29	35	33	40	45
Average number of days open per complaint	256	225	246	225	200
Complaints against registrants resulting in disciplinary action	67	65	63	65	70

◆ **Goal 3** To rapidly and accurately respond to requests for information (public records requests) relating to the Board's regulated population.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of persons grading response to request for information as good or better	100	100	98	100	100
Number of information requests received	54	60	41	60	60

Explanation: Prior years reported all contact

Agency Summary

OFFICE OF TOURISM

Debbie Johnson, 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 Arizona Office of Tourism (AOT) is a state government agency dedicated to developing, implementing, and maintaining marketing programs that keep Arizona top-of-mind as a world-class travel destination. As the only public agency that provides a statewide platform to market Arizona, the local travel and tourism industry relies on AOT to create an umbrella marketing campaign, promoting Arizona as the destination of choice against competitive brands. AOT works closely with public land agencies to promote the magnificent national parks, state parks, public lands and tribal lands that constitute 70% of our state's geography, which are critically important to our appeal as a leisure destination.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADMINISTRATION	13,833.7	14,224.0	20,224.0
➤ TOURISM PROMOTION	14,195.9	14,139.9	14,139.9
Agency Total:	28,029.6	28,363.9	34,363.9
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,103.7	7,112.0	10,112.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	20,925.9	21,251.9	24,251.9
Total Funding	28,029.6	28,363.9	34,363.9
FTE Positions	26.0	26.0	28.0

Issue 1 Tourism Funding and Resources

Description The Arizona Office of Tourism (AOT) is an essential revenue-generating agency for the state of Arizona. It is the only statewide entity with the powers and duties to lead the global promotion of Arizona as a travel destination thus increasing the statewide economic benefits of visitor spending.

The travel and tourism sector is critically important to the Arizona economy and its residents. The industry drives statewide economic growth and infrastructure development. In addition to supporting 179,560 direct travel generated jobs, Arizona's travel and tourism industry generates \$2.9 billion in local, state and federal tax revenues, \$837 million of which is in direct state taxes. More importantly, the state's tourism sector has been growing jobs and earnings more steadily than the state's broader economy and delivers economic benefits to communities within all 15 Arizona counties.

Investments in destination marketing have shown to consistently generate dividends by attracting business and leisure visitors. Promotion also improves the quality of life for residents and has a positive impact on perceptions of a destination for residents, potential employees, students and businesses. Research by Longwoods International suggests that destination marketing creates a "halo effect," contributing to a positive overall impression of a destination. Consumers who recalled a destination marketing campaign were not only more likely to visit, but also more likely to have a positive impression of a location as a good place to live, retire, start a business or attend college.

Investing in travel promotion creates a positive cycle of economic benefits. Travel promotion generates awareness and delivers additional visitors. Travelers visiting a destination spend money at local attractions, hotels, retail, restaurants and transportation. Travel spending supports local jobs and generates additional tax revenue for state and local governments to invest in enhanced public services for residents and visitors alike.

Currently, Arizona spends less than many other states on destination marketing. For example, Arizona ranks 33rd based on its budget per leisure and hospitality job, and 35th based on its budget per \$1,000 of earnings in the accommodations sector, a key travel subsector that includes hotels. In general, states with large tourism sectors tend to have destination marketing budgets greater than \$20 million, which is significantly larger than Arizona's existing effective budget (\$13.8 million in FY2017). Additionally, AOT's effective budget is actually smaller than some city-level destination marketing organizations (DMOs) in which we compete for visitor dollars. For example, direct competitors including Denver and Salt Lake City have DMOs with budgets of approximately \$19 million and \$15 million, respectively. An increased budget for AOT can generate additional economic benefits from visitor spending including more jobs, earnings and taxes associated with Arizona's travel and tourism industry.

With the requested FY18 appropriation, which includes a very modest increase, AOT will build upon its tourism marketing momentum by enhancing the agency's strategic global destination marketing efforts designed to bring brand awareness to Arizona as a travel destination, increase visitor spending throughout the state, and boost the economic impact of Arizona's tourism industry to the state's economy.

Solutions:

Funding will be used to expand commerce and economic development opportunities. Under a new strategic agency alignment, AOT, the Arizona Commerce Authority and the Arizona Mexico Commission will now co-exist under one roof and grow the partnership of economic opportunity. This is an opportunity for AOT to be part of an innovative economic development infrastructure that will elevate tourism's role in building Arizona's economy. Tourism is one of Arizona's strongest economic drivers and is the window to Arizona's state's business attractions and quality of life. The travel and tourism industry is often the first introduction to Arizona's economic development and business offerings. Global business leaders experience Arizona's vast variety of hotels, resorts, restaurants, attractions, landscapes, and destinations while simultaneously learning about the state's business and commerce opportunities.

In addition to the increase in funding, AOT is requesting two additional full time employees (FTEs) in both FY2018 and FY2019 for a total of four FTEs to support the expanding needs in the agency's marketing and communications efforts.

Issue 2 Industry Communications and Education

Description The Arizona Office of Tourism is the only public agency that provides a statewide platform to market Arizona, the local travel and tourism industry relies on AOT to lead the way in providing the industry information to align our statewide teams, provide resources and education to support communities statewide to elevate our destination marketing efforts. As the leader of the Arizona travel industry, AOT works with communities to utilize this brand to further leverage their local marketing efforts and dollars. Communication is essential in this effort. In addition to providing tourism promotion and research leadership, AOT collaborates extensively with communities and tribes, providing educational programs and technical assistance.

Solutions:

Enhance infrastructure to support the delivery of a world class travel experience through industry communication, education and insight. Support the improvement and increased awareness of the quality, connectivity and diversity of tourist transportation options into and throughout the state. Support the establishment and showcasing of Arizona as a state with a diverse, extensive and high quality network of industry professionals. Enhance the visitor's in-state travel experience.

Strengthen and grow the Arizona brand through effective mediums at the regional, national and international levels to attract first-time and repeat visitors. Increase regional and national awareness and increase visitor spending from \$21 billion in 2015 to \$21.5 billion in 2016. Increase the return on investment for advertising from \$11.58 per \$1 spent in 2015 to \$12 per \$1 spent in 2016. Increase Arizona's presence in international markets and increase international visitation to Arizona from 14% in 2015 to 15% by 2016.

Empower the industry to encourage policy-makers at all levels to support the travel industry. Improve understanding of the value of tourism and support for the tourism industry among state legislators, county and local officials, businesses and residents. Improve existing and develop new organizational structures to enhance public sector interaction with and support of tourism policy and planning activities.

Grow our central, easily accessible and inclusive information system to capture and share timely, relevant and reliable industry research. Grow and foster an online information system to capture and share relevant industry research and ensure it is financially sustainable.

Be internationally recognized for our stewardship of – and rich opportunities to experience – our natural, cultural, and heritage resources. Support and expand efforts to inventory resources critical to Arizona tourism and communicate results to relevant entities. Identify key issues facing and threats to the integrity of Arizona's tourism resources and raise awareness of and support for these issues. Raise the profile of Arizona's tourism industry as a national leader in resource quality and stewardship.

Issue 3 Global Market Competitiveness

Description Accelerated competition at the global and national level continues to impact Arizona's tourism industry. This makes it imperative for AOT to increase the state's competitiveness to secure valuable visitor dollars, as these dollars are directly attributed to strengthening and expanding Arizona's economic and social vitality. Travel and tourism is an aggressive industry with global competition increasing daily. It is vital for AOT to have a stable and robust budget to further expand the state's travel destination brand against other national and international destinations that are currently outspending Arizona on travel promotion.

According to the US Travel Association, "while advertising and promotion spending may be seen as easy targets in a time of tight budgets, experience shows that failing to invest in promotion reduces a destination's competitiveness in the travel marketplace. States and cities that neglect their promotion budgets weaken their destination brands and lose market share."

Tourism is the number one export-oriented industry in Arizona, making it a critical component of Arizona's economy and all 15 counties it directly impacts. To compete for market share among our competitor states, it is critical that Arizona has a major presence through national and targeted consumer campaigns and that it expands its international consumer campaign via Brand USA and other partners to rebuild its global brand presence.

Solutions:

Additional efforts will be used to support bids for future mega events such as Super Bowl, MLB All Star Games, College Football Championships, and Final Four Tournaments. Arizona has a strong history of successfully hosting these types of mega events that not only bring thousands of sports fans to the state, but provide an international positive marketing opportunity for Arizona that we couldn't afford to purchase. Additionally, it's through these types of events that AOT can utilize to broaden the awareness of Arizona's diverse travel offerings and promote the state as a welcoming destination.

Funding will be used to support the expansion of business travel promotions for Arizona. Business travel including meetings, conferences, trade shows, and exhibitions, accounts for 17 percent (6.1 million) of Arizona's total visitation. The economic benefits of business travel ripple beyond the walls of the meeting space. When meetings come to the state, everybody benefits. The opportunities create jobs, generate commerce and create far-reaching community impact.

AOT will work to further develop strategic partnerships with statewide airports to increase domestic and international flights and services to Arizona. From Arizona's travel and tourism industry perspective, increasing the convenience of domestic and international air service will help facilitate the decision-making process for visitors wanting to choose Arizona as a travel destination. Increasing visitation to Arizona will have an immediate and positive impact on the state's economic growth and development. Furthermore, travel often opens the door to building better business relationships and commerce opportunities.

AOT will continue to work proactively with the travel trade industry (tour operators, wholesalers, travel agents, airlines, etc.) through tradeshows and sales missions in both domestic and international markets. Additionally, the agency works with travel media (editors and journalists for newspapers, magazines, broadcasts, online, etc.) throughout the United States as well as international markets providing them with unique article ideas about Arizona's travel experiences to gain positive third-party editorial exposure. Appropriated funding would support the expansion of AOT's Canada and Mexico travel trade relationships and increase international awareness of Arizona's statewide travel offerings.

Finally, the agency will perform additional research in FY2018 that is necessary to further the agency's mission to strengthen Arizona's economy through tourism promotion. Research projects will include efforts to better understand the vacation habits, travel behaviors and spending traits of visitors traveling to Arizona, and how AOT's marketing efforts can further attract additional high-spend visitors.

Issue 4 Consumer Outreach / Grow Visitation (International and Domestic)

Description The Arizona Office of Tourism marketing program has historically been guided by a set of key marketing objectives. While the basic principles remain the same from year-to-year, the tactics used to reach our goals change slightly. Most changes can be seen in the advertising campaigns with our need to remain competitive in a noisy market where growing (or stealing) market share from other destinations is difficult. We have a great product, so our efforts are geared around a few goals:

Expand statewide brand and marketing platform by taking advantage of AOT's position at the state level to create a desire for the Arizona travel experience and provide a global platform that supports DMO and industry marketing investments. Strategies are to use paid and earned media, partnerships and co-operative marketing and research.

Deepen consumer interest by developing engaging relationships with consumers to provide inspiration and entice sharing while also serving to connect travelers to best-in-class resources – both industry partners and third parties – to facilitate planning and booking.

Further penetration of target cities and international markets by building on global brand activity to strengthen Arizona's presence through partnerships with national marketing efforts and continued development of relationships with third-party influencers – both media and trade.

Solutions:

AOT will focus efforts on enhancing the current destination marketing campaigns (National, International, Target Cities, and Statewide Campaigns). Boosting the effectiveness of these campaigns by increasing the use of marketing techniques such as print advertisements, broadcast video, outdoor placements, digital advertisements, and social media will enable the agency to promote Arizona tourism and reach new prospective visitors with our travel destination message. In addition, AOT will partner on a "Two Nation Vacation" international campaign between Arizona and the State of Sonora, Mexico to market the idea of visiting two nations during one trip. In a recent advertising effectiveness report, AOT's FY16 National campaign not only influenced the decision to visit Arizona, but gave visitors more ideas of how to experience Arizona, leading to more active trips and higher visitor spending.

AOT will pursue Private / Public Partnerships (P3) status and Brand / Corporate Partnerships agreements. The Arizona Office of Tourism (AOT) will analyze and implement a feasibility study to understand the potential of implementing a corporate sponsorship program to grow revenues, help alleviate budgetary elements and expand marketing and advertising activities that promote the state. As part of this analysis, AOT will assess and affirm all marketing and advertising assets/activities, create a corporate sponsorship structure and package to maximize potential value to brand partners. In addition, AOT will assess sponsorship trends into an actionable and manageable partnership strategy while determining the fair market value of corporate sponsorship offerings in order to forecast long-term potential revenue. AOT will identify relevant corporate sponsorship prospect targets to approach with partnership offering.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	28.0	30.0	32.0
General Fund	12,000.0	15,000.0	18,000.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	15,068.1	15,694.8	16,080.4
Federal Funds	0.0	0.0	0.0

Program Summary

ADMINISTRATION

Debbie Johnson, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,103.7	7,112.0	10,112.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,730.0	7,112.0	10,112.0
Total Funding	13,833.7	14,224.0	20,224.0
FTE Positions	26.0	26.0	28.0

◆ **Goal 1** To ensure the efficient, timely, and accurate administration of AOT's financial and business affairs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of invoices paid within 30 days	94	90	92	n/a	n/a
Average number of days for processing invoices received	13	22	20	n/a	n/a

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Hours of certified training in procurement	24	16	25	n/a	n/a

Program Summary

TOURISM PROMOTION

Debbie Johnson, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	14,195.9	14,139.9	14,139.9
Total Funding	14,195.9	14,139.9	14,139.9
FTE Positions	0.0	0.0	0.0

Subprogram Summary

STATE TOURISM PROMOTION

Debbie Johnson, 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.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,204.3	6,400.5	6,400.5
Total Funding	6,204.3	6,400.5	6,400.5
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Statewide hotel occupancy rates (percent)	0	0	63.71	63.71	0
Total overnight visitation (in millions)	40.7	41.9	42.1	43.1	0
Total direct visitor spend (in billions)	0	0	21	21.5	0

◆ **Goal 2** To efficiently use advertising resources (both online and offline) to generate demand for Arizona tourism information.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Cost per inquiry for advertising-generated requests for Arizona travel planning information (in dollars)	21.40	20.76	1.28	n/a	n/a
Number of inquiries for Arizona travel planning information (in thousands)	201	207	215	n/a	n/a
Number of visitors to AOT's consumer web sites for Arizona travel planning information (in thousands)	3,736	3,848	3,504	n/a	n/a

◆ **Goal 3** To offer the Arizona tourism industry the opportunity to participate in cost-efficient and effective advertising programs with AOT.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of partners who participate in the Marketing Cooperative Program with AOT.	31	32	33	n/a	n/a

◆ **Goal 4** To work with the travel trade and media to generate increased interest in Arizona amongst target consumers.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Contacts at trade shows and on sales missions	2,865	1,430	790	n/a	n/a
Participants on familiarization tours and site inspections	86	90	77	n/a	n/a
Participants on group press trips and individual media visits	157	120	124	n/a	n/a
Advertising value of domestic and international coverage generated by AOT efforts for every \$1 expended on media promotions (ROI in dollars)	55	50	47.3	n/a	n/a

◆ **Goal 5** To generate positive media coverage for the Arizona Office of Tourism and the tourism industry.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Circulation of print, TV, radio and online coverage about AOT and the tourism industry (in millions)	590	596	1,400	n/a	n/a
Advertising value of print, TV, radio and online coverage about AOT and the tourism industry (in dollars)	1,600,000	1,620,000	1,100,000	n/a	n/a

◆ **Goal 6** To provide tourism-related technical assistance to communities and American Indian tribes throughout Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of constituents participating in workshops and meetings	97	100	301	n/a	n/a

Subprogram Summary

IN-STATE TOURISM PROMOTION (PROP 202)

Debbie Johnson, 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 marketing programs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase the number of gross impressions (in millions)	397	409	320	n/a	n/a

Explanation: Reduced impressions due to \$1.8 million reduction in budget.

◆ **Goal 2** To increase engagement on consumer website.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Increase average time on site (in minutes)	2:00	2:06	2:04	n/a	n/a

Subprogram Summary

MARICOPA COUNTY TOURISM PROMOTION

Debbie Johnson, 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 funding to AOT, as well as to eligible Destination Marketing Organizations (DMOs) within Maricopa County, strictly for tourism marketing activities. The purpose of this funding is to promote a variety of tourism-related products and activities in specific individual destinations as well as Maricopa County as a whole. The funds are restricted from use for administrative or operational expenses. Under the guidance of the Prop 302 Maricopa County Program Committee, AOT oversees the guidelines, application process, level of individual fund allocations and the monthly distribution to each eligible participant in the Maricopa County Prop 302 program annually.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,991.6	7,739.4	7,739.4
Total Funding	7,991.6	7,739.4	7,739.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To distribute Proposition 302 money in a timely manner

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of days from Treasurer's Office notification to disbursement of funds	3	3	3	n/a	n/a

Agency Summary

DEPARTMENT OF TRANSPORTATION

John Halikowski, Director
 Phone: (602) 712-7227
 A.R.S. Title 28

Mission:

To provide products and services for a safe, efficient, cost-effective transportation system.

Description:

The Arizona Department of Transportation (ADOT) is responsible for collecting transportation revenues and for planning, constructing, and maintaining Arizona’s highway infrastructure. In addition, ADOT issues development grants to public airports for improvement projects, and owns and maintains the Grand Canyon National Park Airport.

The Department develops the Arizona Long-Range Transportation Plan, which identifies future needs, solutions, and projects that address transportation in Arizona.

The Motor Vehicle Division provides motor vehicle title and registration services, issuing driver credentials and commercial motor carrier services.

The Department is also responsible for commercial vehicle enforcement, registration compliance, and conducting administrative hearings involving DUI-related offenses and driver license suspension/revocation.

The Department collects fuel taxes, motor carrier fees, motor vehicle registration fees, vehicle license taxes (VLT), and other miscellaneous fees.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADMINISTRATION	1,490,973.6	1,383,877.5	1,393,254.8
➤ INTERMODAL TRANSPORTATION	1,243,303.9	1,684,066.8	1,704,698.8
➤ MOTOR VEHICLE	90,020.1	91,345.1	99,978.3
Agency Total:	2,824,297.6	3,159,289.4	3,197,931.9
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,249.5	50.4	50.4
Other Appropriated Funds	491,663.9	373,809.5	409,669.0
Other Non Appropriated Funds	2,331,384.2	2,785,429.5	2,788,212.5
Total Funding	2,824,297.6	3,159,289.4	3,197,931.9
FTE Positions	3,771.9	3,780.9	3,780.9

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

	FY2019 Estimate	FY2020 Estimate	FY2021 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

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	262,236.1	119,831.7	129,135.9
Other Non Appropriated Funds	1,228,737.5	1,264,045.8	1,264,118.9
Total Funding	1,490,973.6	1,383,877.5	1,393,254.8
FTE Positions	631.3	631.3	631.3

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,069.6	1,212.8	1,228.9
Other Non Appropriated Funds	3.7	0.0	0.0
Total Funding	1,073.3	1,212.8	1,228.9
FTE Positions	10.8	10.8	10.8

◆ **Goal 1** To increase the quality, timeliness and cost effectiveness of our products and services.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Highway User Revenue Fund revenue forecast range (percent)	+1.6	+2.0/-1.0	1.9	n/a	n/a
Regional Area Revolving Fund revenue forecast range (percent)	+1.0	+2.0/-1.0	-1.0	n/a	n/a

◆ **Goal 2** To develop a high performing and successful workforce.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Agency turnover rate (percentage)	11.4	10.0	13.3	n/a	n/a

Subprogram Summary

TRANSPORTATION SUPPORT SERVICES

Scott Omer, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	261,166.5	118,618.9	127,907.0
Other Non Appropriated Funds	1,224,077.5	1,259,283.0	1,259,307.7
Total Funding	1,485,244.0	1,377,901.9	1,387,214.7
FTE Positions	603.5	603.5	603.5

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 115,000 and includes subscribers from every state and 71 foreign countries. Forty-eight percent (48%) 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,656.3	4,762.8	4,811.2
Total Funding	4,656.3	4,762.8	4,811.2
FTE Positions	17.0	17.0	17.0

◆ **Goal 1** To remain financially self-sufficient while promoting travel and tourism to and through the state of Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average paid subscriptions	111,361	108,576	109,610	n/a	n/a
Average monthly newsstand sales	6,001	5,500	5,378	n/a	n/a

Program Summary

INTERMODAL TRANSPORTATION

Dallas Hammit, 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
- ▶ Statewide Drainage Structures
- ▶ Phoenix Freeway Lighting

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,249.5	50.4	50.4
Other Appropriated Funds	144,014.8	166,663.4	184,621.8
Other Non Appropriated Funds	1,098,039.6	1,517,353.0	1,520,026.6
Total Funding	1,243,303.9	1,684,066.8	1,704,698.8
FTE Positions	2,003.5	2,003.5	2,003.5

Subprogram Summary

MAINTENANCE

Dallas Hammit, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	126,911.0	140,593.2	159,233.7
Other Non Appropriated Funds	13,325.0	395.6	395.6
Total Funding	140,236.0	140,988.8	159,629.3
FTE Positions	800.0	800.0	800.0

◆ **Goal 1** To improve the movement of people and products throughout Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total maintenance lane miles	29,480	29,630	29,630	n/a	n/a

Explanation: Maintenance lane miles include passing lanes, shoulders, ramps, etc.

Subprogram Summary

CONSTRUCTION

Dallas Hammit, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,200.0	0.0	0.0
Other Appropriated Funds	-1,727.9	-156.0	3,968.3
Other Non Appropriated Funds	1,036,208.9	1,500,935.4	1,503,585.0
Total Funding	1,035,681.0	1,500,779.4	1,507,553.3
FTE Positions	947.5	947.5	947.5

◆ **Goal 1** To enhance the movement of people and products throughout Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total travel lane miles	21,453	21,500	21,576	n/a	n/a
Percentage of construction projects issued on-time.	0	0	33	60	0
Percentage of time the Phoenix Metro system operates at a congested level	0	0	35.3	31	0
Pavement condition for interstate highways	0	0	73	80	0
Percentage of bridges rated as good or fair	0	0	95	95	0
Total number of traffic fatalities in Arizona	0	0	888	866	0
Percentage of construction projects within original program amount	0	0	100	100	0
Percentage of simple utility permits processed in 10 days or less	0	0	56	100	0
Time needed to execute a design consultant task order	0	0	172	50	0

Subprogram Summary

INTERMODAL TRANSPORTATION PLANNING

Michael Kies, Division Director
 Phone: (602) 712-8143
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	49.5	50.4	50.4
Other Appropriated Funds	2,026.6	1,951.6	2,202.8
Other Non Appropriated Funds	48,505.7	16,022.0	16,046.0
Total Funding	50,581.8	18,024.0	18,299.2
FTE Positions	84.0	84.0	84.0

◆ **Goal 1** To increase the quality, timeliness and cost effectiveness of our aviation services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent projects completed on schedule	95	95	95	n/a	n/a

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	16,805.1	18,474.6	19,217.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	16,805.1	18,474.6	19,217.0
FTE Positions	172.0	172.0	172.0

Subprogram Summary

STATEWIDE DRAINAGE STRUCTURES

Sonya Herrera, Division Director
Phone: (602) 712-6255
A.R.S. § 28-7006

Mission:

Description:

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	4,300.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	4,300.0	0.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

PHOENIX FREEWAY LIGHTING

Sonya Herrera, Division Director
Phone: (602) 712-6255
A.R.S. § 28-7006

Mission:

Description:

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	1,500.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	1,500.0	0.0
FTE Positions	0.0	0.0	0.0

Program Summary

MOTOR VEHICLE

Eric Jorgensen, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	85,413.0	87,314.4	95,911.3
Other Non Appropriated Funds	4,607.1	4,030.7	4,067.0
Total Funding	90,020.1	91,345.1	99,978.3
FTE Positions	1,137.1	1,146.1	1,146.1

Subprogram Summary

CUSTOMER SERVICES

Eric Jorgensen, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	60,195.1	61,961.4	69,927.8
Other Non Appropriated Funds	3,726.3	2,381.0	2,381.0
Total Funding	63,921.4	64,342.4	72,308.8
FTE Positions	836.8	836.8	848.8

◆ **Goal 1** To improve customer service.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average Level II telephone wait time (minutes)	20	20	0	n/a	n/a
Average customer visit time in MVD field offices	29	30	0	n/a	n/a
Percent of office customers rating service as good or excellent	91	91	0	n/a	n/a
Urban MVD field office entrance to exit time (minutes)	0	0	57.5	30	0
Percentage of third party applications processed in 30 days or less	0	0	0	100	0

◆ **Goal 2** To increase the use of electronic service delivery.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of MVD online service transactions	0	0	7215.8	7484.7	0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	25,217.9	25,353.0	25,983.5
Other Non Appropriated Funds	880.8	1,649.7	1,686.0
Total Funding	26,098.7	27,002.7	27,669.5
FTE Positions	300.3	309.3	297.3

◆ **Goal 1** To promote public safety and protection through regulation, licensing, and the administration of transportation laws.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of commercial vehicles processing activities at Fixed Ports of Entry (in thousands)	3,703.8	3,780.0	0	n/a	n/a
Percentage of domestic port of entry permits issued online	0	0	25	35	0
Time to process simple Class C over-dimensional permits	0	0	20	20	0

Program Summary

FOR-HIRE TRANSPORTATION

Eric Jorgenson, Division Director
Phone: (602) 712-8152
A.R.S. Title 28, Chapter 30

Mission:

To determine whether taxi meters meet the requirements of the National Institute of Standards and Technology Handbook.

Description:

The For-Hire Transportation division is responsible for determining whether taxi meters meet the requirements of the National Institute of Standards and Technology Handbook.

Agency Summary

STATE TREASURER

Jeff Dewit, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	945.2	1,205.1	1,205.1
Other Appropriated Funds	3,274.1	5,018.1	5,018.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,219.3	6,223.2	6,223.2
FTE Positions	30.4	29.4	29.4

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 (MAP).
- B.Implement at least one reward based program that will encourage employees to share ideas that further strengthen the agency's mission and vision.

3.Maximize employee talent through recruitment, outreach, hiring and retention.

Objectives:

- a.Conduct a formal review of the Office's orientation process and develop and implement a plan to streamline and improve employee on-boarding.
 - B.Review the classification and qualification standards for mission critical positions within the office.
 - C.Provide ongoing Human Resources training to administration personnel to build experience and knowledge within the statewide HRIS system.
- 4.Monitor, evaluate and follow-up on results relating to the statewide personnel reform and the Office's management policies, practices, and programs.

Objectives:

- a. The office will work to develop an employee accountability system in line with the statewide HRIS personnel rules.
- B.The office will proactively engage external customers in the analysis of their workforce and identify weaknesses and address concerns.

Issue 2 Leverage technology changes to improve efficiency and effectiveness of The State of Arizona Treasurer’s office and government agencies statewide.

Description Technology has had an impact in the financial industry over the last several years and Arizona must position itself to take advantage of this change. The financial industry is moving away from any paper producing processes and making image and file transmission the standard practice. The Check Clearing for the 21st Century (Check 21 Act) was signed into law in October of 2003, and this enabled banks to handle more checks electronically, which continues to make check processing faster and more efficient.

Solutions:

1. Complete development and implementation of a new financial operations system.

Objectives:

- a. Complete design of application modules.
- b. Test and evaluate modules in real world test environment.
- c. Implement transition to new operating system.

2. Facilitate the State of Arizona transition to electronic processing of financial revenue transactions.

Objectives:

- a. Implement a statewide image deposit process for all state agencies.
- b. In cooperation with the Arizona Department of Administration, develop an electronic check collection system.
- c. Facilitate the integration of these electronic processes into the Treasurer’s new operating system.

3. Facilitate the integration of the new Treasurer’s operating financial system with the planned statewide enterprise resource planning solution.

Objectives:

- a. Coordinate with state agencies to develop a paperless system to process financial data into both the statewide ERP system and the Treasurer’s operational system with a single transaction.
- b. Develop synergies with financial partners to incorporate online report access capability.
- c. Increase security and fraud controls on financial transactions.

Issue 3 Provide proper risk-adjusted returns on investments.

Description The investment environment is ever changing with new regulations, products and ideas being continually introduced. The challenge for the Treasurer's office is to navigate through these changes and continue to provide proper risk adjusted returns across the three investment mandates given to the office. Those mandates include: the State Land Endowment; state agency funds, including the general fund; and voluntary local government deposits.

Solutions:

1. Provide optimal risk-adjusted returns for the Arizona Land Endowment funds with a goal of increasing returns above inflation and required distributions.

Objectives:

- a. Conduct an asset allocation study every 3 to 5 years to ensure the assets of the Endowment are invested in asset classes that provide the most optimal returns given the constraints of the Arizona Constitution and state law.
 - b. Implement recommendations of asset allocation studies after proper due diligence, research and evaluation by staff and the Board of Investment.
 - c. Determine if internal management staff can implement new asset classes or if external management is required.
 - d. Provide proper monitoring of performance of new asset classes and investment management.
2. Provide proper liquidity for the state's cash flow needs while maximizing returns of idle cash.

Objectives:

- a. Ensure the management of these funds adheres to the principals of safety first, followed by liquidity and then yield.
 - b. Ensure that the State of Arizona has enough cash available each day to pay its bills through cash flow forecasting.
 - c. Invest surplus cash that meets the daily, monthly, and quarterly liquidity needs for the State of Arizona and provides the appropriate investment return.
 - d. Adopt and monitor appropriate investment benchmarks for state's operating cash as it relates to safety and liquidity.
 - e. Provide risk-adjusted returns on an annual basis that are no less than 25 basis points below the benchmark's annual return.
3. Provide appropriate risk adjusted returns for longer term funding needs of state agencies.

Objectives:

- a. Ensure the management of these funds adheres to the principals of safety first, followed by liquidity and then yield.
 - b. Adopt and monitor appropriate investment benchmarks for state agencies longer term funds.
 - c. Invest longer term funds in a safe manner that meets the monthly, quarterly and annual liquidity needs for various state agencies.
 - d. Provide risk-adjusted returns on an annual basis that are no less than 25 basis points below the benchmark's annual return.
4. Offer as a continued service investment management services to local governments.

Objectives:

- a. Ensure the management of these funds adheres to the principals of safety first, followed by liquidity and then yield.

Issue 4 Deliver excellent customer service and financial transparency to taxpayers of Arizona.

Description Customer service is an important part in every division of the State of Arizona Treasurer’s office. Our employees deliver services to state agencies, municipal and county governments, distribution recipients, and taxpayers to the State of Arizona. Our Mission and Vision speaks directly to the importance of this strategic issue.

Solutions:

1.Strengthen our customer service survey process to include all division touch points relating to customer service.

Objectives:

- a.Develop and complete a meaningful survey of customers on an annual basis that measures customer satisfaction with all touch points with the office.
- b.Use survey to establish baseline and continual improvement annually.

2.Improve the Office’s web page to provide more transparency of financial information.

Objectives:

- a. Ensure financial information created by the office is posted timely and in a manner easily understandable by the general public.
- b. Improve the graphical representation of AZCheckbook.
- c. Facilitate a one stop point for the public to access financial information of the State of Arizona.

Issue 5 Promote Economic Development in the State of Arizona

Description The Treasurer of the State of Arizona is a statewide elected official that oversees tens of billions of dollars of transactions annually with an aggregate investment portfolio of \$13 billion. The Treasurer is in a unique position to leverage existing relationships with current investment partners and companies looking to expand or growth their operations in the state.

Solutions:

1.Work closely with elected officials, private-sector leaders and economic associations to promote business friendly policies.

Objectives:

- a.Attract new business and grow existing businesses across the state.
- b.Maintain good working relationships with the Governor, Commerce Authority, Chambers of Commerce, etc.
- c.Visit Local Government Investment Pool clients on a regular basis to gain insight and perspective on what opportunities exist at the local level.

2.Communicate with key persons in the firms we invest with to promote growth opportunities for the state.

Objectives:

- a.Develop outreach plan to target investor relations contacts.
- b.Research potential expansion opportunities of companies the state invests in.
- c.Conduct phone and in-person relationship building meetings as opportunities present themselves.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	30.4	30.4	30.4
General Fund	1,205.1	1,205.1	1,205.1
Other Appropriated Funds	5,018.1	5,018.1	5,018.1
Non-Appropriated Funds	103.2	103.2	103.2
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction rating for State Agency depositors (scale 1-8).	7.76	7.10	7.64	7.3	7.3

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Customer satisfaction rating for State Agency banking customers (scale 1-8).	7.03	7.10	7.64	7.3	7.3
Customer satisfaction rating for distribution recipients (scale 1-8).	7.03	7.10	6.780	7.0	7.0
Percent of distributions sent successfully and accurately.	100	98	98	98	98
Percent of outgoing wires sent successfully and accurately.	98	99	99	99	99
Percent of distributions sent on time.	100	98	98	98	98
Percent of outgoing wires sent on time.	98	99	99	99	99

- ◆ **Goal 3** To operate, in real-time, an investment tracking portfolio management system that allows greater flexibility and enhances management as well as trade/position reporting.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of non-compliant trades.	1	3	2	2	2
Average days to correct non-compliant trades.	1	1	1	1	1

Agency Summary

TRIBAL RELATIONS

Kristine M. FireThunder, Executive Director
 Phone: (602) 542-4421
 A.R.S. § 41-2051 to 41-2054

Mission:

To agencies in implementing tribal consultation and outreach activities

Description:

The Governor's Office on Tribal Relations has a legislative mandate to assist each state agency in providing equitable programs, services and establish inter-government agreements with tribal nations and communities. In doing so, the office shall annually report on the implementation of tribal consultations policies; host an annual state-tribal summit, request information to advance inter government cooperation; facilitate Indian Nations and tribes Legislative day; implement town hall forums for American Indian people to impart their knowledge on statewide issues; serve as an informational clearinghouse and provide training on cross-cultural situations; promote increased participation of American Indians in state affairs; design and initiate programs to stimulate economic growth of the American Indian Population. The office may establish executive committees as needed.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	56.9	57.5	57.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	21.0	13.5	13.5
Total Funding	77.9	71.0	71.0
FTE Positions	3.0	3.0	3.0

5 Year Plan

Issue 1 The Office aims to engage 30 agencies a year in active tribal outreach methods

Description Assist in the design and implementation of tribal consultation policies

Solutions:

Maintain regular contact with tribal liaisons to ensure timely and accurate report on interactions with tribal nations

Issue 2 The Office will offer a AZ Indian Town Hall annually

Description A plenary session to address issues of mutual concern and includes the distribute a recorded document detailing the event proceedings and recommendations for tribes to consider.

Solutions:

Consolidate the event into a one-day format with an invite-only to key players within key agency function areas to participate.

Issue 3 Educate state employees on cross cultural situations

Description Provide a training focused on educating participants on cultural differences in working with the tribal community at large

Solutions:

Require agencies to send department and division directors to participate in training at least once.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	55,000.0	55,000.0	55,000.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	10,000.0	10,000.0	10,000.0
Federal Funds	5,000.0	5,000.0	5,000.0

◆ **Goal 1** To Sustain a state-tribal forum to address issues on a regular basis

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of meetings facilitated between stakeholders, tribal officials and state officials to communicate and/or collaborate on administrative and legislative issues	12	12	12	12	7
Number of tribal councils in attendance for state-tribal summit hosted by the Governor's Office on Tribal Relations	0	0	11	11	11
Number of participants at Indian Town Hall(s)	0	0	0	150	150
Number of tribal council members in attendance at Indian Town Hall(s)	0	0	0	3	10
Number of participants at Indian Nations and Tribes Legislative Day	0	0	450	450	450
Number of tribal councils in attendance at Indian Nations and Tribes Legislative Day	0	0	15	15	15
Number of electronic newsletters distributed annually	0	0	52	52	52
Number of constituents receiving electronic newsletters	0	0	500	750	1000
Number of inquiries processed by phone, walk-in, email and/or standard mail	0	0	500	500	500
Number of attendees who received cross cultural training	0	0	30	30	30
Number of projects and activities of each Tribal Liaison subcommittee advertised/publicized	0	7	0	7	0

Explanation: This PM should be deleted due to the duplication of effort in services performed by other state agencies

◆ **Goal 2** To Guide the work of state key functions to ensure the inclusion of tribal nations and community members

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of active executive committess enhancing agency key functions	0	0	0	2	3
Number of partnerships established with agencies with the intent to establish inter government agreements to provide or enhance programs or service delivery	0	0	2	3	3
Number of agenices assisted in the development of tribal consultation policies	0	0	10	12	12

◆ **Goal 3** To Enhance the growth and development among low income and American Indian populations

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of coordinated activities related to the education or workforce development of American Indian Students	614	500	2	2	2
Number of leadership workshops held	0	0	1	1	1
Number of participants at youth leadership workshops	0	0	109	100	100

Agency Summary

BOARD OF REGENTS

Eileen Klein, President
Phone: (602) 229-2500
A.R.S. § 15-1621

Mission:

To serve Arizona and its residents and give all people the ability to improve their lives through teaching, discovery, public service and economic development.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ GOVERNANCE	160,856.8	223,054.3	181,855.7
➤ STUDENT ASSISTANCE	16,933.2	15,744.1	14,632.6
Agency Total:	177,790.0	238,798.4	196,488.3
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	21,928.4	16,928.4	16,928.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	155,861.6	221,870.0	179,559.9
Total Funding	177,790.0	238,798.4	196,488.3
FTE Positions	34.5	37.0	37.0

Program Summary

GOVERNANCE

Gale Tebeau, Director Financial Policies
 Phone: (602) 229-2500
 A.R.S. § 15-1621

Mission:

To implement the enterprise plan adopted by the Board in September 2010 contemplates a new model for governing and managing the universities in which enterprise-wide outcomes and goals are established and to which university outcomes and goals are tied.

Description:

Under the enterprise plan, the Board provides strategic fiduciary oversight and planning.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	7,352.5	2,352.5	2,352.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	153,504.3	220,701.8	179,503.2
Total Funding	160,856.8	223,054.3	181,855.7
FTE Positions	28.5	31.0	31.0

◆ **Goal 1** To Drive Student Success and Learning

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Bachelor's degrees produced annually in the system.	25,279	26,120	27,281	28,517	28,893

Explanation: FY 2016 Actual is an estimated number. Final number is not yet available.

Total Enrollment	152,933	161,406	163,183	172,199	179,564
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◆ **Goal 2** To discover New Knowledge

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total Research Activity (in Thousands)	1,046,329	1,420,796	1,117,360	1,167,320	1,221,540
Invention Disclosures	473	410	510	515	520

Explanation: FY 2016 Actual is an estimated number. Final number is not yet available.

◆ **Goal 3** To impact Arizona

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Public service activity (in Thousands)	\$159,799*	\$164,072	\$158,679	\$161,231	\$164,243

Explanation: FY 2016 Actual is an estimated number. Final number is not yet available.

Number of degrees awarded in high demand fields	13,979*	14,800	15,807	16,636	17,620
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Explanation: FY16 Actuals is an estimated number. Final number is not yet available.

◆ **Goal 4** To oversee the university internal audit process

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Audits scheduled	41	39	35	36	36
Explanation: Numbers reflect systemwide activities					
Audits performed on universities	36	39	27	36	36

Program Summary

STUDENT ASSISTANCE

Gale Tebeau, Director Financial Policies
 Phone: (602) 229-2500
 A.R.S. §§ 15-1642, 15-1742, 15-1746

Mission:

To deliver a high quality university education

Description:

The Arizona Board of Regents directly administers two financial assistance programs: (1) Western Interstate Commission on Higher Education (WICHE)--for students who choose careers in Osteopathy, Dentistry, Veterinary Medicine, Occupational Therapy, Optometry, and Physicians Assistants; and (2) Improving Teacher Quality Grants - for projects whose aim is to support the development of highly qualified principals and K-12 teachers in the content areas of language arts-English, science, mathematics, social studies, and technology in the content areas. Also, two student assistance programs are appropriated to the ABOR but are administered by the universities: 1) Arizona Financial Aid Trust-- immediate aid to students who are underrepresented in the population of the university or students who demonstrate a clear need for financial aid and creates an endowment for future aid; and (2) Arizona Teacher Incentive Program--loans to students in teaching training programs in deaf and blind education at the University of Arizona.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	14,575.9	14,575.9	14,575.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,357.3	1,168.2	56.7
Total Funding	16,933.2	15,744.1	14,632.6
FTE Positions	6.0	6.0	6.0

◆ **Goal 1** To deliver a high quality university education

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total number of Western Interstate Commission for Higher Education awards	172	171	171	168	165
Number of first year Western Interstate Commission for Higher Education awards	44	56	51	38	46
Number of first year WICHE applications meeting eligibility requirements	202	206	213	224	220
Number of first year WICHE applications processed	215	220	226	239	225
Percent of recipients returning to practice in Arizona	78	79	82	79	79
Number of Improving Teacher Quality (ITQ) grants awarded (depend on funding)	1	10	8	3	0
Explanation: Funding expected to end by FY2017					
Number of students awarded financial aid through the Arizona Financial Aid Trust	7572	7600	8,400	8,700	9,000
Explanation: FY 16 still an estimate					
Six-Year Graduation Rate	59.8%	61.6%	61.2%	61.8%	62%
Explanation: FY 2016 Actual is an estimated number. Final number is not yet available.					

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 76,800 Tempe campus and 28,700 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ INSTRUCTION	739,660.6	794,664.1	839,266.5
➤ ORGANIZED RESEARCH	214,125.2	201,121.9	201,102.4
➤ PUBLIC SERVICE	39,903.2	38,280.0	38,308.6
➤ ACADEMIC SUPPORT	156,847.6	163,432.2	175,865.8
➤ STUDENT SERVICES	387,401.1	394,162.4	436,790.0
➤ INSTITUTIONAL SUPPORT	699,808.4	813,462.5	831,894.4
Agency Total:	2,237,746.1	2,405,123.1	2,523,227.7
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	241,538.2	256,000.7	300,718.4
Other Appropriated Funds	535,392.3	593,126.2	593,126.2
Other Non Appropriated Funds	1,460,815.6	1,555,996.2	1,629,383.1
Total Funding	2,237,746.1	2,405,123.1	2,523,227.7
FTE Positions	11,659.6	11,988.4	12,237.4

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 of public investments in higher education place the idea of access at risk. Tuition rates approved by the Board of Regents in recent years and future changes consistent with Board policy will help to meet some of the increasing need for financial aid and improve affordability for a greater number of students.

ASU is strongly committed to providing access to college for all qualified students. Furtherance of this goal requires bold and sustained planning to provide for the projected increases in enrollments, primarily of undergraduate students. Continued investment will be necessary to provide the infrastructure for the enrollment growth envisioned at each of the campuses.

Solutions:

Strategy 1: Increase efforts to enroll more Arizona high school graduates.

Strategy 2: Increase the diversity of the student population.

Strategy 3: Enhance partnerships with the community colleges to facilitate more effective transfer processes.

Strategy 4: Increase ASU Online program offerings to increase access for students seeking ASU degrees.

Strategy 5: Provide flexibility in course offerings and educational modalities.

Strategy 6: Increase financial assistance available to needy students.

Strategy 7: Establish Colleges@ASU sites that will provide an opportunity for students to complete baccalaureate degrees at lower costs.

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 public investments 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 public investment 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 ABOR Annual Personnel Report through an ongoing commitment of performance salary adjustments. Public 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, global security, renewable energy and sustainability, learning sciences, informatics and communications. Over the last decade, ASU is the fastest growing research enterprise among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to establish itself as a global center for interdisciplinary research, discovery and development by growing its research expenditures to more than \$700M annually by 2020. To support our aspirations, ASU has defined seven strategies and four key focus areas that will allow us to continue our exceptional growth, serve the surrounding community and increase the impact of the research and scholarly work of our faculty.

Solutions:

Strategy 1: Differentiate ASU from the competition through the procurement of large projects (> \$10 million) in several key target areas; health and biosciences, sustainability, flexible electronic systems, light-inspired energy, personalized learning, global security, and complex adaptive systems.

Strategy 2: Pursue a University Affiliated Research Center (UARC)-like entity (a research laboratory) on the scale of \$50-\$100 million per year, in energy, sustainability, advanced materials, national security, or biosciences.

Strategy 3: Continue to promote and support ASU's projects from across the university through the improvement of the Office for Research and Sponsored Project Administration infrastructure, reduction of faculty burden and providing assistance to the academic units for opportunity identification and development.

Strategy 4: Continue to expand philanthropic funding for our research programs 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: Develop and implement plans to provide the research facilities and infrastructure that are required to meet the research goals of the University.

Key Focus Area #1: Incorporate new approaches, including continued focus on interdisciplinary research

In keeping with the spirit of the New American University vision, we will continue to expand our research capabilities through an interdisciplinary approach. Interdisciplinary research involves not only drawing upon the expertise across the University but also includes partners such as industry, national laboratories, academia and clinical entities. We are focusing our efforts in bringing together researchers from disparate disciplines to tackle complex questions central to the areas of strategic interest. The Biodesign Institute and its research centers exemplify this approach. We are working on new industry-university consortium models that bring together industry and University researchers working collaboratively to address national challenges and result in significant educational and economic impact. We are increasingly focusing our research on global problems with local relevancy. We are also creating the ecosystems for promotion of innovation and entrepreneurship activities.

Key Focus Area #2: Increase participation in multi-institutional grants and consortiums

It is a strategic goal of ASU to be successful in securing several multi-institution, multi-disciplinary, multi-year, multi-million dollar(4M) research projects. A specific goal is to secure a national research laboratory or its equivalent by 2020. To achieve this objective, we will cultivate, identify, target and develop 4M research opportunities leveraging ASU strengths in strategic research areas. Competitive teams and consortia will be constructed by bringing in complementary strengths through partnerships with national laboratories, academia, industry and government partners to successfully secure these grants.

Key Focus Area #3: Accelerate technology transfer initiatives

As ASU's research enterprise has expanded over the past several years, AzTE has undertaken a variety of activities in furtherance of its mission to facilitate advancement of University technology into the marketplace.

- Closely align AzTE functions and support with established and new research initiatives
- Continue focus and support of existing initiatives and programs
- Increase connectivity with investors and industry through conferences and other outreach activities

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- Form a seed stage venture capital fund led by ASU to accelerate the number of faculty related spin-outs
 - Increase technology exposure through cross marketing activities with other universities
 - Increase faculty interaction and outreach, including the establishment of an AzTE office on campus to foster faculty relationships and commercialization activities

Key Focus Area #4: Improve infrastructure to support research

Achieving our research expenditure goals will require additional research space. 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 and uncertain public investment and plans for cost constraints

Description Beginning approximately a decade ago through FY 2012, Arizona State University (ASU) experienced a reduction in public investment of \$196,305,700 while student FTE enrollment grew by over 12,000 (20 percent). In response, ASU committed to protecting to the greatest extent possible the educational mission of the university, including reducing administrative and to a lesser extent student services functions rather than academic activities. Colleges and departments were consolidated, eliminating duplicate administrative structures. While the decline in state investment was real, and while the majority of the resulting burden was ameliorated through efficiency measures, reductions in cost, and by federal stimulus funds, tuition increases were relied upon to fill a portion of the lost revenue.

In response to the FY 2012 Higher Education Budget Reconciliation Bill, the Arizona Board of Regents (ABOR) convened a work group to extensively study and to develop a methodology to address the public investment per FTE student funding disparity that existed among the three Arizona Universities. As an outcome of the study, ASU requested and received a total of \$45.5 million over the three fiscal year period of FY 2013 - FY 2015.

In addition to addressing the aforementioned funding disparity, ABOR endorsed the legislatively mandate to develop a funding model calling for performance funding based on metrics and goals set for each of the universities. Although ASU submitted performance funding requests for both FY 2015 and FY2016 it did not receive performance funding in either year. In fact, ASU's FY 2016 base public investment was reduced by 15 percent (\$53.3 million). To mitigate approximately one quarter of this dramatic loss of support ASU implemented a temporary tuition surcharge on resident students. The surcharge will end when public investment restores 50 percent of the \$53.3 million reduction.

In conjunction with the funding reduction, the Governor challenged ABOR to refashion its existing strategic plan into a sustainable, long-term business plan that can count on the State of Arizona as one of many investors. The Board of Regents has endorsed a business plan-based request for public investment which focuses on resident student support with a goal of achieving base funding for half of the Educational and General (E&G) expenses for such students derived from public investment. At present, the state's public investment supports approximately 34% of the E&G cost for resident students across the university system.

ASU's FY 2018 operating budget request of \$45.7 million is comprised of two components, progress toward the goal of the state's commitment to fund 50 percent of the estimated cost of educating an Arizona resident student and resident student FTE growth funding to maintain annual progress toward the 50 percent funding goal. The \$45.7 million is not incremental to ASU's FY 2017 funding level, as the FY 2017 level included \$7 million in one-time funding that will be returned through the FY 2018 budget process. Finally, ASU is requesting a one-time capital appropriation of \$12.2 million to begin to address a deferred maintenance backlog that has reached the crisis stage.

Solutions:

Strategies:

Strategy 1: Restructure current funding mechanisms to create a sustainable enterprise financial model that relies on the State as one of many investors.

Strategy 2: Continue to introduce innovative curricula structures and student advising programs to improve outcomes within an efficient cost structure.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	218.0	218.0	218.0
General Fund	41,806.1	41,783.7	41,786.1
Other Appropriated Funds	29,656.3	31,139.1	32,696.1
Non-Appropriated Funds	37,977.7	39,117.1	40,290.6
Federal Funds	20,390.3	21,613.7	22,910.5

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	138,710.7	151,978.9	173,316.0
Other Appropriated Funds	339,657.1	382,683.8	382,683.8
Other Non Appropriated Funds	261,292.8	260,001.4	283,266.7
Total Funding	739,660.6	794,664.1	839,266.5
FTE Positions	5,717.4	5,857.1	6,042.1

◆ **Goal 1** To improve the quality of undergraduate education.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average years taken by freshman students to complete a baccalaureate degree program	4.4	4.4	4.4	4.3	4.3
Percentage of undergraduate degree recipients participating in research related or capstone (case study) experience	90	91	92	92	93
Percent of graduating seniors who rate their overall university experience as good or excellent	89	89	90	90	91
Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	85	85	87	87	88
Number of Bachelors degrees granted	12,852	13,409	13,164	13,626	14,230

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Honors undergraduate headcount students	5,416	6,343	6,800	7,200	7,500
BHC degree recipients (i.e., with honors)	733	775	950	1,050	1,200
Courses offered for honors credit	2,967	3,200	3,600	3,700	3,900

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of tutorials conducted by University Academic Success Programs	143,099	146,676	151,076	154,097	157,179
Number of students enrolled in UNI Academic Success courses to transition successfully to college and achieve academic success	4,779	6,213	6,246	8,120	10,556
Major and Career Exploration (UNI and ASU 101) course sections for exploratory students	171	200	216	272	326
Number of degree program course audits run by students and staff	1,548,816	1,703,697	2,051,083	2,256,191	2,481,810
Number of eAdvisor tracking audits run by students and staff	1,101,387	1,211,525	1,782,089	1,960,297	2,156,327
Percent of graduating students who 'have done' or 'plan to do' a practicum, internship, co-op experience, or clinical assignment.	0	0	58	58	59

Explanation: NOTE: Reflects total university

- ◆ **Goal 4** To provide enriched educational opportunities to students by expanding accessibility and delivery of courses.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Summer sessions headcount students	25,522	30,199	30,199	35,525	39,939
Internet course registrations during the fall semester (duplicated enrollments)	92,870	110,267	118,934	138,322	154,921
Internet course sections offered during the fall semester	2,283	2,736	2,808	3,329	3,728

Explanation: NOTE: Reflects total university

Explanation: NOTE: Reflects total university

Explanation: NOTE: 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Students enrolled in graduate degree programs	14,870	15,762	15,187	15,567	16,034
Masters degrees granted	4,500	5,416	4,520	4,874	5,232
Doctorate degrees granted	668	668	652	662	681
First professional degrees granted	223	225	198	224	239
Minority graduate enrollment as percentage of total enrollment	22.3	23.0	23.8	25.5	26.0

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	14,523.1	13,192.3	13,192.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	199,602.1	187,929.6	187,910.1
Total Funding	214,125.2	201,121.9	201,102.4
FTE Positions	1,465.2	1,371.3	1,371.3

◆ **Goal 1** To maintain and enhance the University's status as a major research institution.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Dollar value of proposals submitted (in millions)	1,520.0	1,641.6	1,703.7	1,772.9	1,914.7
External dollars received for research and creative activity (in millions of dollars)	300.1	324.1	348.9	350.0	378.0
Dollar value of total research expenditures (in millions)	428.5	457.1	461.7	499.4	539.6
Dollar value of externally funded, non-research expenditures (in millions)	32.9	34.5	39.4	36.3	38.1

◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Undergraduate students supported by sponsored funds	1,830.0	1,875.8	1,790	1,923	1,971

Explanation: NOTE: Reflects total university

Graduate students supported by sponsored funds	1,680.0	1,722.0	1,784	1,765	1,809
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Explanation: NOTE: 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	633.3	545.8	545.8
Other Appropriated Funds	1,404.0	1,264.4	1,264.4
Other Non Appropriated Funds	37,865.9	36,469.8	36,498.4
Total Funding	39,903.2	38,280.0	38,308.6
FTE Positions	217.1	219.5	219.5

- ◆ **Goal 1** To provide quality educational and informative television programs and improve services provided to the community, especially in rural areas.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Persons viewing KAET-TV on a weekly basis (in thousands)	1,134	1,168	1,170	1,204	1,241
Teachers served through educational support programming	65,089	67,041	67,119	69,132	71,205
Students served through educational support programming	1,236,691	1,273,779	1,286,517	1,325,113	1,364,866

- ◆ **Goal 2** To continue to stage excellent cultural and other nonathletic special events for various diverse constituents.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Persons attending University sponsored cultural events (in thousands)	478	487	559	489	514
Special events coordinated	445	460	500	525	550

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	28,086.2	29,538.1	35,626.5
Other Appropriated Funds	62,255.7	68,436.7	68,436.7
Other Non Appropriated Funds	66,505.7	65,457.4	71,802.6
Total Funding	156,847.6	163,432.2	175,865.8
FTE Positions	1,333.8	1,456.0	1,476.0

◆ **Goal 1** To manage the number of books and periodical subscriptions owned by the university libraries for increased accessibility.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Periodical subscriptions	59,719	59,000	63,122	64,000	65,000
Virtual/remote reference transactions	9,140	9,250	12,299	12,399	12,499
Visits to Libraries web site	3,880,318	3,800,000	3,316,682	3,400,000	3,200,000
Online catalog use (pageviews)	3,152,573	2,900,000	3,001,289	3,100,000	3,200,000
Online databases use (searches)	12,496,521	12,590,000	10,400,014	10,450,000	10,500,000

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Annual attendance at university art collections	97,300	100,000	50,000	70,000	90,000
Annual attendees of lectures and special events	35,000	40,000	25,000	35,000	45,000

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of mediated classrooms	433	443	438	448	453
Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	827	827	827	827	827
Percentage of site equipment out dated (>4 years old)	3	2	5	15	16

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	12,965.8	12,894.0	17,986.2
Other Appropriated Funds	28,740.1	29,874.2	29,874.2
Other Non Appropriated Funds	345,695.2	351,394.2	388,929.6
Total Funding	387,401.1	394,162.4	436,790.0
FTE Positions	1,432.8	1,534.1	1,578.1

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Students receiving health care at the Campus Health Service	50,628	51,640	51,722	52,756	53,812
Disabled students served	2,079	2,120	2,772	2,827	2,883

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Registered campus clubs and organizations	865	880	880	885	890
Student participation in advising services, workshops, career events, job fairs, on-campus interviews, Sun Devil CareerLink engagement and special events offered by Career Services to assist students seeking employment, career guidance and professional development.	73,333	75,530	80,359	84,377	88,596
Organizations recruiting on campus and virtually	5,493	5,660	6,274	6,462	6,656
Jobs and internships approved and posted in Sun Devil CareerLink	0	0	16,795	17,299	17,818

◆ **Goal 3** To provide services that enhance the likelihood of students' academic success

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Students participating in orientation	9,523	9,750	10,017	10,200	10,400
Students living in first-year residential communities	8,015	8,482	8,417	8,000	8,100
Students receiving financial assistance in an academic year	77,649	79,978	87,684	92,068	96,672

Explanation: NOTE: Reflects total university

Dollar volume for all financial assistance programs (dollars in thousands)	1,194,990	1,230,840	1,370,826	1,439,368	1,511,336
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Explanation: NOTE: 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average GPA of student athletes (4.0 highest)	3.04	3.10	3.12	3.15	3.20
Percent of student athletes graduating in six years based on NCAA Graduation Success Rate	82	84	84	87	88

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	46,619.1	47,851.6	60,051.6
Other Appropriated Funds	103,335.4	110,867.1	110,867.1
Other Non Appropriated Funds	549,853.9	654,743.8	660,975.7
Total Funding	699,808.4	813,462.5	831,894.4
FTE Positions	1,493.3	1,550.4	1,550.4

- ◆ **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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of employees trained through targeted institutional programs	3,161	2,100	1,977	1,900	2,400
Administration as a percentage of total cost	1.00	1.04	1.99	1.86	1.76
Job applications processed	55,096	62,800	42,484	44,608	44,738
Positions filled	1,947	2,100	2,508	2,884	3,316
Percent of agency staff turnover (classified staff only)	13.7	12.8	15.5	13.5	12.5

- ◆ **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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintenance work order man-hours on buildings/tunnels/structures	205,867	207,926	217,086	219,257	221,449
Number of faculty, staff, and students participating in fire and safety training classes	12,446	13,500	11,646	12,500	13,500
Annual Parking Permit Sales to students and staff	18,800	18,000	19,700	19,000	19,000
Community-based police assignments and contacts	368	375	2,584	2,680	2,770

◆ **Goal 3** To maintain support for all telecommunications systems throughout the University.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Centrally supported Ethernet connections	134,138	139,000	138,058	132,400	127,000
Explanation: NOTE: Reflects total university					
Internet bandwidth available (in Gigabits)	20.0	20.0	20	20	20
Internet bandwidth burstable (in Gigabits)	20	20	20	20	20
Wireless hours (in millions)	54.0	62.1	69.1	79.4	91.4

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 15,500 students and the metropolitan area through baccalaureate and graduate degree programs as well as through applied research and service. The programs at The Polytechnic campus provide students with the knowledge and extensive technological competence to succeed in their chosen professions and further learning. The Polytechnic campus offers an environment that places students at the center, embraces diversity and interdisciplinary inquiry, and strives to integrate the academic and social lives of students. Programs have 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ INSTRUCTION	42,427.4	39,892.7	44,163.2
➤ ORGANIZED RESEARCH	7,897.1	7,679.8	7,679.8
➤ PUBLIC SERVICE	1,172.1	1,179.3	1,179.3
➤ ACADEMIC SUPPORT	12,521.7	17,346.3	17,346.3
➤ STUDENT SERVICES	5,735.0	6,661.3	8,889.3
➤ INSTITUTIONAL SUPPORT	58,833.0	58,142.8	58,142.8
Agency Total:	128,586.3	130,902.2	137,400.7
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	22,323.4	22,688.4	25,734.5
Other Appropriated Funds	38,031.8	44,303.3	44,303.3
Other Non Appropriated Funds	68,231.1	63,910.5	67,362.9
Total Funding	128,586.3	130,902.2	137,400.7
FTE Positions	582.2	594.3	616.3

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 of public investments in higher education place the idea of access at risk. Tuition rates approved by the Board of Regents in recent years and future changes consistent with Board policy will help to meet some of the increasing need for financial aid and improve affordability for a greater number of students.

ASU is strongly committed to providing access to college for all qualified students. Furtherance of this goal requires bold and sustained planning to provide for the projected increases in enrollments, primarily of undergraduate students. Continued investment will be necessary to provide the infrastructure for the enrollment growth envisioned at each of the campuses.

Solutions:

Strategy 1: Increase efforts to enroll more Arizona high school graduates.

Strategy 2: Increase the diversity of the student population.

Strategy 3: Enhance partnerships with the community colleges to facilitate more effective transfer processes.

Strategy 4: Increase ASU Online program offerings to increase access for students seeking ASU degrees.

Strategy 5: Provide flexibility in course offerings and educational modalities.

Strategy 6: Increase financial assistance available to needy students.

Strategy 7: Establish Colleges@ASU sites that will provide an opportunity for students to complete baccalaureate degrees at lower costs.

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 public investments 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 public investment 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 ABOR Annual Personnel Report through an ongoing commitment of performance salary adjustments. Public 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, global security, renewable energy and sustainability, learning sciences, informatics and communications. Over the last decade, ASU is the fastest growing research enterprise among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to establish itself as a global center for interdisciplinary research, discovery and development by growing its research expenditures to more than \$700M annually by 2020. To support our aspirations, ASU has defined seven strategies and four key focus areas that will allow us to continue our exceptional growth, serve the surrounding community and increase the impact of the research and scholarly work of our faculty.

Solutions:

Strategy 1: Differentiate ASU from the competition through the procurement of large projects (> \$10 million) in several key target areas; health and biosciences, sustainability, flexible electronic systems, light-inspired energy, personalized learning, global security, and complex adaptive systems.

Strategy 2: Pursue a University Affiliated Research Center (UARC)-like entity (a research laboratory) on the scale of \$50-\$100 million per year, in energy, sustainability, advanced materials, national security, or biosciences.

Strategy 3: Continue to promote and support ASU's projects from across the university through the improvement of the Office for Research and Sponsored Project Administration infrastructure, reduction of faculty burden and providing assistance to the academic units for opportunity identification and development.

Strategy 4: Continue to expand philanthropic funding for our research programs 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: Develop and implement plans to provide the research facilities and infrastructure that are required to meet the research goals of the University.

Key Focus Area #1: Incorporate new approaches, including continued focus on interdisciplinary research

In keeping with the spirit of the New American University vision, we will continue to expand our research capabilities through an interdisciplinary approach. Interdisciplinary research involves not only drawing upon the expertise across the University but also includes partners such as industry, national laboratories, academia and clinical entities. We are focusing our efforts in bringing together researchers from disparate disciplines to tackle complex questions central to the areas of strategic interest. The Biodesign Institute and its research centers exemplify this approach. We are working on new industry-university consortium models that bring together industry and University researchers working collaboratively to address national challenges and result in significant educational and economic impact. We are increasingly focusing our research on global problems with local relevancy. We are also creating the ecosystems for promotion of innovation and entrepreneurship activities.

Key Focus Area #2: Increase participation in multi-institutional grants and consortiums

It is a strategic goal of ASU to be successful in securing several multi-institution, multi-disciplinary, multi-year, multi-million dollar(4M) research projects. A specific goal is to secure a national research laboratory or its equivalent by 2020. To achieve this objective, we will cultivate, identify, target and develop 4M research opportunities leveraging ASU strengths in strategic research areas. Competitive teams and consortia will be constructed by bringing in complementary strengths through partnerships with national laboratories, academia, industry and government partners to successfully secure these grants.

Key Focus Area #3: Accelerate technology transfer initiatives

As ASU's research enterprise has expanded over the past several years, AzTE has undertaken a variety of activities in furtherance of its mission to facilitate advancement of University technology into the marketplace.

- Closely align AzTE functions and support with established and new research initiatives
- Continue focus and support of existing initiatives and programs
- Increase connectivity with investors and industry through conferences and other outreach activities

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- Form a seed stage venture capital fund led by ASU to accelerate the number of faculty related spin-outs
 - Increase technology exposure through cross marketing activities with other universities
 - Increase faculty interaction and outreach, including the establishment of an AzTE office on campus to foster faculty relationships and commercialization activities

Key Focus Area #4: Improve infrastructure to support research

Achieving our research expenditure goals will require additional research space. 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 and uncertain public investment and plans for cost constraints

Description Beginning approximately a decade ago through FY 2012, Arizona State University (ASU) experienced a reduction in public investment of \$196,305,700 while student FTE enrollment grew by over 12,000 (20 percent). In response, ASU committed to protecting to the greatest extent possible the educational mission of the university, including reducing administrative and to a lesser extent student services functions rather than academic activities. Colleges and departments were consolidated, eliminating duplicate administrative structures. While the decline in state investment was real, and while the majority of the resulting burden was ameliorated through efficiency measures, reductions in cost, and by federal stimulus funds, tuition increases were relied upon to fill a portion of the lost revenue.

In response to the FY 2012 Higher Education Budget Reconciliation Bill, the Arizona Board of Regents (ABOR) convened a work group to extensively study and to develop a methodology to address the public investment per FTE student funding disparity that existed among the three Arizona Universities. As an outcome of the study, ASU requested and received a total of \$45.5 million over the three fiscal year period of FY 2013 - FY 2015.

In addition to addressing the aforementioned funding disparity, ABOR endorsed the legislatively mandate to develop a funding model calling for performance funding based on metrics and goals set for each of the universities. Although ASU submitted performance funding requests for both FY 2015 and FY2016 it did not receive performance funding in either year. In fact, ASU's FY 2016 base public investment was reduced by 15 percent (\$53.3 million). To mitigate approximately one quarter of this dramatic loss of support ASU implemented a temporary tuition surcharge on resident students. The surcharge will end when public investment restores 50 percent of the \$53.3 million reduction.

In conjunction with the funding reduction, the Governor challenged ABOR to refashion its existing strategic plan into a sustainable, long-term business plan that can count on the State of Arizona as one of many investors. The Board of Regents has endorsed a business plan-based request for public investment which focuses on resident student support with a goal of achieving base funding for half of the Educational and General (E&G) expenses for such students derived from public investment. At present, the state's public investment supports approximately 34% of the E&G cost for resident students across the university system.

ASU's FY 2018 operating budget request of \$45.7 million is comprised of two components, progress toward the goal of the state's commitment to fund 50 percent of the estimated cost of educating an Arizona resident student and resident student FTE growth funding to maintain annual progress toward the 50 percent funding goal. The \$45.7 million is not incremental to ASU's FY 2017 funding level, as the FY 2017 level included \$7 million in one-time funding that will be returned through the FY 2018 budget process. Finally, ASU is requesting a one-time capital appropriation of \$12.2 million to begin to address a deferred maintenance backlog that has reached the crisis stage.

Solutions:

Strategies:

Strategy 1: Restructure current funding mechanisms to create a sustainable enterprise financial model that relies on the State as one of many investors.

Strategy 2: Continue to introduce innovative curricula structures and student advising programs to improve outcomes within an efficient cost structure.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	23.0	23.0	23.0
General Fund	3,046.1	3,046.1	3,046.1
Other Appropriated Funds	2,115.2	2,220.9	2,332.0
Non-Appropriated Funds	1,693.1	1,743.9	1,796.3
Federal Funds	609.1	645.6	684.4

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	10,047.4	8,908.9	11,514.8
Other Appropriated Funds	17,117.3	17,396.1	17,396.1
Other Non Appropriated Funds	15,262.7	13,587.7	15,252.3
Total Funding	42,427.4	39,892.7	44,163.2
FTE Positions	320.6	313.8	331.8

◆ **Goal 1** To improve undergraduate and graduate education.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of graduating students who rate their overall experience at ASU Polytechnic as good or excellent	82	83	87	87	88
Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	84	85	83	83	84
Number of degrees granted	1,073	1,156	1,599	1,684	1,779
Number of Bachelors degrees granted	835	871	930	963	1,005
Number of Masters degrees granted	232	279	665	717	770
Average number of years taken to graduate for student who began as freshmen	4.7	4.6	4.6	4.5	4.5
Fall semester enrollment (headcount)	12,290	14,550	14,632	15,525	16,301

◆ **Goal 2** To provide support services and courses that assist students in achieving academic success.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of tutorials conducted by University Academic Success Programs	0	0	14,644	16,108	19,609

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,897.1	7,679.8	7,679.8
Total Funding	7,897.1	7,679.8	7,679.8
FTE Positions	42.1	40.2	40.2

◆ **Goal 1** To provide support mechanisms for ASU Polytechnic researchers in an effort to increase research and sponsored project activities.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Dollar value of sponsored project proposals submitted (in millions)	49.3	53.2	49.6	57.5	62.1
External dollars received for research and creative activity (in millions)	6.9	7.5	9.3	8.0	8.6
Dollar value of total research expenditures (in millions)	9.9	10.5	7.1	7.7	8.3
Dollar value of externally funded, non-research expenditures (in millions)	1.5	1.6	1.9	1.7	1.8

Program Summary

PUBLIC SERVICE

Melinda Gebel, Director
 Phone: (480) 965-2318
 A.R.S. § 15-1601

Mission:

To serve the public by offering a public telecommunications system, by providing the finest available artists and productions in music, theater and dance, by establishing partnerships with local industry and educational institutions to foster community engagement, and by serving as a resource and focal point in providing information about various university services to the business community and economic development professionals.

Description:

Public Service includes those activities established primarily to provide services beneficial to individuals and groups external to the university to enhance corporate and community engagement. Public Service includes conferences, general advisory services, reference bureaus, public radio and television, consulting, continuing education and professional development programs, and similar services to particular sectors of the community.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,172.1	1,179.3	1,179.3
Total Funding	1,172.1	1,179.3	1,179.3
FTE Positions	7.2	7.1	7.1

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of people served in professional activities (The Poly School).	122	121	118	120	125
Number of iProject and external (non-agency) research sponsors.	54	44	30	45	50

◆ **Goal 2** To provide meaningful community engagement opportunities through education.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of attendees at K-12 outreach activities.	8,319	9,309	10,626	10,271	11,325

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,952.2	5,306.9	5,306.9
Other Appropriated Funds	6,733.4	10,362.8	10,362.8
Other Non Appropriated Funds	1,836.1	1,676.6	1,676.6
Total Funding	12,521.7	17,346.3	17,346.3
FTE Positions	109.3	115.1	115.1

◆ **Goal 1** To provide Library Services as an integral and essential component in the academic success of students and faculty.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Library gate count	122,941	125,000	141,893	145,000	150,000
Workstations available for public use in library facilities	29	30	29	29	30
Number of hours the library is open each week	87	87	87	87	87

◆ **Goal 2** To provide students and faculty with the technological resources and services needed to support accomplishment of their academic goals.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of mediated classrooms	95	98	98	97	99
Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	93	93	93	93	93
Percentage of site equipment outdated (>4 years old)	0	0	0	11	11

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,890.2	2,104.6	2,544.8
Other Appropriated Funds	3,220.3	4,109.6	4,109.6
Other Non Appropriated Funds	624.5	447.1	2,234.9
Total Funding	5,735.0	6,661.3	8,889.3
FTE Positions	43.9	41.4	45.4

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Students receiving health care at the Student Health Center (provider/nurse visits)	2,005	2,165	2,249	2,429	2,623

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of students registered to receive services from Disability Resource Center	0	0	328	344	361
Registered campus clubs and organizations	70	76	83	88	92
Organizations physically recruiting on campus and virtually	133	138	93	98	103
Students participating in career-related programs	0	0	6,824	7,029	7,240

◆ **Goal 3** To provide services that enhance the likelihood of students' academic success by providing experiences that are designed to facilitate a smooth transition to the university.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Students participating in student orientation experiences	452	475	498	515	530
Students living in first-year residential communities	400	425	425	440	450

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,433.6	6,368.0	6,368.0
Other Appropriated Funds	10,960.8	12,434.8	12,434.8
Other Non Appropriated Funds	41,438.6	39,340.0	39,340.0
Total Funding	58,833.0	58,142.8	58,142.8
FTE Positions	59.1	76.7	76.7

◆ **Goal 1** To provide comprehensive administrative and human resource services to the campus community.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Job applications processed	1,715	1,700	1,099	1,154	1,211
Positions filled	57	51	81	85	89
Percent of agency staff turnover (classified staff only)	15.8	15.5	3.2	3.0	2.8
Administration as a percentage of total cost	0.88	1.13	1.99	1.86	1.76

◆ **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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Crime reports	99	80	112	121	130
Calls for service	2,103	2,250	1,599	1,726	1,864

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 19,800 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ INSTRUCTION	58,604.3	75,466.7	78,403.8
➤ ORGANIZED RESEARCH	3,952.2	3,834.1	3,834.1
➤ PUBLIC SERVICE	3,819.1	3,756.6	3,756.6
➤ ACADEMIC SUPPORT	29,102.9	39,164.2	39,985.7
➤ STUDENT SERVICES	9,653.1	9,768.8	10,319.1
➤ INSTITUTIONAL SUPPORT	68,019.8	78,897.8	78,897.8
Agency Total:	173,151.4	210,888.2	215,197.1
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	28,945.0	29,413.5	32,541.1
Other Appropriated Funds	43,131.7	45,790.5	45,790.5
Other Non Appropriated Funds	101,074.7	135,684.2	136,865.5
Total Funding	173,151.4	210,888.2	215,197.1
FTE Positions	1,003.5	1,124.8	1,147.8

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 of public investments in higher education place the idea of access at risk. Tuition rates approved by the Board of Regents in recent years and future changes consistent with Board policy will help to meet some of the increasing need for financial aid and improve affordability for a greater number of students.

ASU is strongly committed to providing access to college for all qualified students. Furtherance of this goal requires bold and sustained planning to provide for the projected increases in enrollments, primarily of undergraduate students. Continued investment will be necessary to provide the infrastructure for the enrollment growth envisioned at each of the campuses.

Solutions:

Strategy 1: Increase efforts to enroll more Arizona high school graduates.

Strategy 2: Increase the diversity of the student population.

Strategy 3: Enhance partnerships with the community colleges to facilitate more effective transfer processes.

Strategy 4: Increase ASU Online program offerings to increase access for students seeking ASU degrees.

Strategy 5: Provide flexibility in course offerings and educational modalities.

Strategy 6: Increase financial assistance available to needy students.

Strategy 7: Establish Colleges@ASU sites that will provide an opportunity for students to complete baccalaureate degrees at lower costs

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 public investments 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 public investment 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 ABOR Annual Personnel Report through an ongoing commitment of performance salary adjustments. Public 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, global security, renewable energy and sustainability, learning sciences, informatics and communications. Over the last decade, ASU is the fastest growing research enterprise among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to establish itself as a global center for interdisciplinary research, discovery and development by growing its research expenditures to more than \$700M annually by 2020. To support our aspirations, ASU has defined seven strategies and four key focus areas that will allow us to continue our exceptional growth, serve the surrounding community and increase the impact of the research and scholarly work of our faculty.

Solutions:

Strategy 1: Differentiate ASU from the competition through the procurement of large projects (> \$10 million) in several key target areas; health and biosciences, sustainability, flexible electronic systems, light-inspired energy, personalized learning, global security, and complex adaptive systems.

Strategy 2: Pursue a University Affiliated Research Center (UARC)-like entity (a research laboratory) on the scale of \$50-\$100 million per year, in energy, sustainability, advanced materials, national security, or biosciences.

Strategy 3: Continue to promote and support ASU's projects from across the university through the improvement of the Office for Research and Sponsored Project Administration infrastructure, reduction of faculty burden and providing assistance to the academic units for opportunity identification and development.

Strategy 4: Continue to expand philanthropic funding for our research programs 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: Develop and implement plans to provide the research facilities and infrastructure that are required to meet the research goals of the University.

Key Focus Area #1: Incorporate new approaches, including continued focus on interdisciplinary research

In keeping with the spirit of the New American University vision, we will continue to expand our research capabilities through an interdisciplinary approach. Interdisciplinary research involves not only drawing upon the expertise across the University but also includes partners such as industry, national laboratories, academia and clinical entities. We are focusing our efforts in bringing together researchers from disparate disciplines to tackle complex questions central to the areas of strategic interest. The Biodesign Institute and its research centers exemplify this approach. We are working on new industry-university consortium models that bring together industry and University researchers working collaboratively to address national challenges and result in significant educational and economic impact. We are increasingly focusing our research on global problems with local relevancy. We are also creating the ecosystems for promotion of innovation and entrepreneurship activities.

Key Focus Area #2: Increase participation in multi-institutional grants and consortiums

It is a strategic goal of ASU to be successful in securing several multi-institution, multi-disciplinary, multi-year, multi-million dollar(4M) research projects. A specific goal is to secure a national research laboratory or its equivalent by 2020. To achieve this objective, we will cultivate, identify, target and develop 4M research opportunities leveraging ASU strengths in strategic research areas. Competitive teams and consortia will be constructed by bringing in complementary strengths through partnerships with national laboratories, academia, industry and government partners to successfully secure these grants.

Key Focus Area #3: Accelerate technology transfer initiatives

As ASU's research enterprise has expanded over the past several years, AzTE has undertaken a variety of activities in furtherance of its mission to facilitate advancement of University technology into the marketplace.

- Closely align AzTE functions and support with established and new research initiatives
- Continue focus and support of existing initiatives and programs
- Increase connectivity with investors and industry through conferences and other outreach activities

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- Form a seed stage venture capital fund led by ASU to accelerate the number of faculty related spin-outs
 - Increase technology exposure through cross marketing activities with other universities
 - Increase faculty interaction and outreach, including the establishment of an AzTE office on campus to foster faculty relationships and commercialization activities

Key Focus Area #4: Improve infrastructure to support research

Achieving our research expenditure goals will require additional research space. 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 and uncertain public investment and plans for cost constraints

Description Beginning approximately a decade ago through FY 2012, Arizona State University (ASU) experienced a reduction in public investment of \$196,305,700 while student FTE enrollment grew by over 12,000 (20 percent). In response, ASU committed to protecting to the greatest extent possible the educational mission of the university, including reducing administrative and to a lesser extent student services functions rather than academic activities. Colleges and departments were consolidated, eliminating duplicate administrative structures. While the decline in state investment was real, and while the majority of the resulting burden was ameliorated through efficiency measures, reductions in cost, and by federal stimulus funds, tuition increases were relied upon to fill a portion of the lost revenue.

In response to the FY 2012 Higher Education Budget Reconciliation Bill, the Arizona Board of Regents (ABOR) convened a work group to extensively study and to develop a methodology to address the public investment per FTE student funding disparity that existed among the three Arizona Universities. As an outcome of the study, ASU requested and received a total of \$45.5 million over the three fiscal year period of FY 2013 - FY 2015.

In addition to addressing the aforementioned funding disparity, ABOR endorsed the legislatively mandate to develop a funding model calling for performance funding based on metrics and goals set for each of the universities. Although ASU submitted performance funding requests for both FY 2015 and FY2016 it did not receive performance funding in either year. In fact, ASU's FY 2016 base public investment was reduced by 15 percent (\$53.3 million). To mitigate approximately one quarter of this dramatic loss of support ASU implemented a temporary tuition surcharge on resident students. The surcharge will end when public investment restores 50 percent of the \$53.3 million reduction.

In conjunction with the funding reduction, the Governor challenged ABOR to refashion its existing strategic plan into a sustainable, long-term business plan that can count on the State of Arizona as one of many investors. The Board of Regents has endorsed a business plan-based request for public investment which focuses on resident student support with a goal of achieving base funding for half of the Educational and General (E&G) expenses for such students derived from public investment. At present, the state's public investment supports approximately 34% of the E&G cost for resident students across the university system.

ASU's FY 2018 operating budget request of \$45.7 million is comprised of two components, progress toward the goal of the state's commitment to fund 50 percent of the estimated cost of educating an Arizona resident student and resident student FTE growth funding to maintain annual progress toward the 50 percent funding goal. The \$45.7 million is not incremental to ASU's FY 2017 funding level, as the FY 2017 level included \$7 million in one-time funding that will be returned through the FY 2018 budget process. Finally, ASU is requesting a one-time capital appropriation of \$12.2 million to begin to address a deferred maintenance backlog that has reached the crisis stage.

Solutions:

Strategies:

Strategy 1: Restructure current funding mechanisms to create a sustainable enterprise financial model that relies on the State as one of many investors.

Strategy 2: Continue to introduce innovative curricula structures and student advising programs to improve outcomes within an efficient cost structure.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	23.0	23.0	23.0
General Fund	3,127.6	3,127.6	3,127.6
Other Appropriated Funds	2,209.5	2,320.0	2,436.0
Non-Appropriated Funds	3,816.6	3,931.1	4,049.1
Federal Funds	821.1	870.4	922.6

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,972.7	12,638.8	14,394.6
Other Appropriated Funds	17,840.6	19,675.9	19,675.9
Other Non Appropriated Funds	28,791.0	43,152.0	44,333.3
Total Funding	58,604.3	75,466.7	78,403.8
FTE Positions	613.0	715.0	727.0

◆ **Goal 1** To improve undergraduate and graduate education.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of undergraduate degree recipients participating in research related or capstone (case study) experience	94	93	93	94	94
Percent of graduating seniors who rate their overall university experience as good or excellent	90	90	90	90	91
Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	85	85	86	86	87
Fall semester enrollment (full-time equivalent)	6,609	7,800	7,952	8,806	9,422
Minority graduate students as a percentage of total enrollment	27.4	28.0	28.2	31.0	32.0

◆ **Goal 2** To provide support services and courses that assist students in achieving academic success.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of undergraduate students graduating with internships and field experiences	33	33	26	29	32
Number of tutorials offered by Academic Success Programs	14,121	14,474	14,544	14,980	15,429

◆ **Goal 3** To retain students and help them graduate.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of first-time, full-time freshman persisting after one year	81.6	83.0	84.4	83.0	85.0
Percent of first-time, full-time, upper-division, degree-seeking undergraduate students graduating in four years	77	75	76	79	79
Number of degrees granted	1,704	1,863	1,820	1,911	2,015
Number of Bachelors degrees granted	1,155	1,205	1,170	1,211	1,265
Number of Masters degrees granted	536	645	632	681	732

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,952.2	3,834.1	3,834.1
Total Funding	3,952.2	3,834.1	3,834.1
FTE Positions	29.5	28.5	28.5

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Dollar value of proposals submitted (in millions)	76.6	82.7	77.5	89.3	96.4
External dollars received for research and creative activity (in millions)	24.1	25.3	31.8	26.6	28.7
Dollar value of total research expenditures (in millions)	11.7	12.4	12.5	13.5	14.6
Dollar value of externally funded, non-research expenditures (in millions)	18.0	18.4	14.1	19.3	20.3

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,819.1	3,756.6	3,756.6
Total Funding	3,819.1	3,756.6	3,756.6
FTE Positions	22.2	21.3	21.3

◆ **Goal 1** To serve local businesses and communities through various partnerships, events, and activities.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of community/business participatory events both on and off campus.	TBD	TBD	97	120	130

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,781.4	6,846.2	7,667.7
Other Appropriated Funds	10,105.0	10,658.0	10,658.0
Other Non Appropriated Funds	12,216.5	21,660.0	21,660.0
Total Funding	29,102.9	39,164.2	39,985.7
FTE Positions	143.9	144.9	150.9

◆ **Goal 1** To develop a cohesive integrated tiered reference/research support service.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Library volumes	322,672	321,000	321,469	620,000	619,700

Explanation: NOTE: Increase in FY17 due to move of documents from Tempe to West campus

Items checked out including renewals	11,611	12,000	11,502	12,000	14,000
Items borrowed from other ASU libraries	1,690	1,700	1,559	1,600	1,700
Items borrowed from libraries outside ASU	1,136	1,150	1,205	1,250	1,400

◆ **Goal 2** To improve technology equipment access, training, and support for students.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of mediated classrooms	61	63	61	63	65
Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	144	125	144	144	144
Percentage of site equipment out dated (>4 years old)	0	0	0	7	7

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	3,605.8	3,568.2	4,118.5
Other Appropriated Funds	5,373.2	5,555.0	5,555.0
Other Non Appropriated Funds	674.1	645.6	645.6
Total Funding	9,653.1	9,768.8	10,319.1
FTE Positions	101.1	107.0	112.0

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Students receiving health care on campus	1,734	1,803	1,504	1,564	1,627
Disabled students served	146	173	295	310	326

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Registered campus clubs and organizations	55	60	62	65	68
Student participation in advising services, workshops, career events, job fairs, on-campus interviews, virtual professional development services, specials events offered by Career Services to assist students seeking employment, career guidance and professional development	8,151	8,395	7,591	7,819	8,054
Organizations physically recruiting on campus	141	146	146	150	155

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,585.1	6,360.3	6,360.3
Other Appropriated Funds	9,812.9	9,901.6	9,901.6
Other Non Appropriated Funds	51,621.8	62,635.9	62,635.9
Total Funding	68,019.8	78,897.8	78,897.8
FTE Positions	93.8	108.1	108.1

◆ **Goal 1** To provide comprehensive administrative and human resource services to the campus community.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Job applications processed	3,788	4,900	3,046	3,198	3,358
Positions filled	97	126	141	148	155
Percent of agency staff turnover (classified staff only)	12.8	12.6	5.0	4.8	4.5
Administration as a percent of total cost	1.60	1.75	1.99	1.86	1.76

◆ **Goal 2** To provide a safe and secure environment that responds to the needs of students, faculty, and staff.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Crime reports	115	127	68	73	78
Calls for Service	1,872	2,078	1,423	1,536	1,658

Agency Summary

NORTHERN ARIZONA UNIVERSITY

Dr. Rita Cheng, President
 Phone: (928) 523-3232
 A.R.S. §§ 15-1601 et seq.

Mission:

To develop solutions to challenges and drive innovation in a supportive, inclusive and diverse environment. Our academic programs, research, public service and creative endeavors enrich and create opportunities in Arizona and beyond.

Description:

Founded in 1899, Northern Arizona University is a vibrant community committed to teaching as learning, research as innovation, and service as shared leadership.

Northern Arizona University is a part of the Arizona University System and embraces its newly developed vision statement: Rigorous programs and pioneering research with substantial community impact provide the foundation for transformational student opportunities that prepare graduates to excel in creating a sustainable future, nationally and globally.

- NAU is distinguished for its quality of teaching, focusing on student-centered learning experiences in creative environments and for its dynamic research. We challenge students to adapt and respond to evolving social pressures and global issues.
- NAU is celebrated for its personally transformational relationships that enhance educational opportunities. We empower students to succeed by ensuring accessibility and inclusiveness of diverse experiences and backgrounds.
- NAU is renowned for its national and global leadership and service as our graduates guide the world toward a vibrant future, creating cultural vitality, superior education, improved public health and positive economic outcomes throughout our communities.

With a growing enrollment in fall 2016 that includes 30,368 students from all states and 79 countries, Northern Arizona University reaches out to students regionally with community campuses and opportunities for distance learning. From its inception, NAU has implemented innovative and accountable teaching practices, including the effective use of technology.

Accredited by the Higher Learning Commission/North Central Association of Colleges and Schools, the university embraces diversity and promotes inclusion across the university community as a means to prepare graduates to contribute to the social, economic, and environmental needs of a culturally rich society. It inspires students to become active citizens, leaders, visionaries, and problem solvers with an understanding of global issues.

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 May 2014, the University was awarded a gold rating from the Sustainability, Tracking, Assessment and Rating System (STARS).

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ INSTRUCTION	186,238.4	184,837.5	198,585.9
➤ ORGANIZED RESEARCH	31,238.4	31,187.4	31,404.9
➤ PUBLIC SERVICE	2,399.4	2,290.6	2,290.6
➤ ACADEMIC SUPPORT	32,306.7	33,232.7	39,096.4
➤ STUDENT SERVICES	151,398.2	168,562.8	170,576.9
➤ INSTITUTIONAL SUPPORT	86,306.6	105,137.3	108,067.3
➤ AUXILIARY PROGRAM	74,582.1	76,806.3	79,425.0
Agency Total:	564,469.8	602,054.6	629,447.0

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	100,106.2	104,109.9	125,738.5
Other Appropriated Funds	145,286.6	147,283.3	147,283.3
Other Non Appropriated Funds	319,077.0	350,661.4	356,425.2
Total Funding	564,469.8	602,054.6	629,447.0
FTE Positions	3,342.2	3,652.0	3,861.2

5 Year Plan

Issue 1 Education Excellence

Description The core of the university mission is to provide outstanding education through high-engagement, high-impact instruction that provides the foundation for transformational student opportunities. Northern Arizona University serves a wide range of students reflecting the population of Arizona. With a high research activity residential campus, community campuses and online programs, NAU offers a variety of delivery models and tuition levels to meet student needs.

Solutions:

- Improve retention and student success through impactful practices and data driven analysis
- Invest in distinctive, high demand programs in healthcare fields and STEM
- Leverage technology to pursue degree quality and cost containment
- Serve an increasing number of Arizona students

Issue 2 Access

Description Students with competing priorities, or who are time-or-place-bound, find access to high quality degrees through NAU's partnerships with community colleges, including NAU Yuma and NAU Yavapai, as well as online programs.

Solutions:

- Expand transfer student pipeline through renewed relationships with community colleges and streamlined university processes
- Build out Personalized Learning with additional degree programs
- Maintain lower cost options for baccalaureate degrees
- Leverage and optimize merit and need based financial aid

Issue 3 Research Capabilities

Description The university's research, funded mostly through federal and state grants and contracts, is nationally recognized in selective areas of excellence. Both research and public service activities have deep regional roots and global impact ranging in areas from astronomy and health sciences to land management and environmental sciences. The university will build on these areas while developing additional strategic strengths in emerging technologies and big data, bioengineering, informatics and cybersystems.

Solutions:

- Increase number of research-active faculty and post-doctoral scholars
- Incentivize participation in technology transfer and increase technology marketing efforts
- Foster biomedical research partnerships
- Support research centers and institutes focusing on regionally-relevant public service
- Provide sufficient research infrastructure
- Improve salary and benefits for research and teaching assistants

Issue 4 Financial Stability

Description With a relatively young Foundation and lower overall endowment levels, the university is primarily dependent on tuition revenue and state funding to serve Arizona's higher education and workforce needs. With increasing enrollments and lower state funding to support each student, the university must carefully manage its resources to support the pursuit of the 2025 Enterprise metric targets.

Solutions:

- Promote a stable state investment funding model that is base on the state funding 50% of resident student education costs
- Maintain high productivity of degrees awarded
- Develop and maintain an agile organizational structure
- Balance tuition rates, financial aid and enrollment strategies in conjunction with the state investment model
- Prioritize investments in facility maintenance and new infrastructure while leveraging 3rd party partnerships
- Optimize revenue streams through grants and contracts, philanthropy and auxiliary services

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	110.0	115.0	120.0
General Fund	8,000.0	8,200.0	8,400.0
Other Appropriated Funds	7,000.0	7,500.0	8,000.0
Non-Appropriated Funds	2,000.0	2,500.0	3,000.0
Federal Funds	3,000.0	3,500.0	4,000.0

Program Summary

INSTRUCTION

Bjorn Flugstad, Vice President
 Phone: (928) 523-4240
 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 2025.

Description:

Northern Arizona University, a public, high-research activity university, serving 21,820 (fall 2016) students at its main campus in Flagstaff and at more than 24 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 a wide range of graduate programs and research opportunities are offered 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,947.4	8,117.8	20,850.0
Other Appropriated Funds	118,286.6	122,283.3	122,283.3
Other Non Appropriated Funds	61,004.4	54,436.4	55,452.6
Total Funding	186,238.4	184,837.5	198,585.9
FTE Positions	1,424.0	1,559.3	1,694.3

Subprogram Summary

FLAGSTAFF AND STATEWIDE INSTRUCTION

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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 2025.

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 the 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,601.7	5,643.3	18,375.5
Other Appropriated Funds	118,286.6	122,283.3	122,283.3
Other Non Appropriated Funds	60,742.5	54,304.7	55,310.6
Total Funding	183,630.8	182,231.3	195,969.4
FTE Positions	1,400.2	1,530.9	1,662.6

◆ **Goal 1** To provide access to educational opportunities for undergraduate and graduate students.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of students enrolling in study abroad programs.	2	3	2	3	3
Increase the number of historically underrepresented ethnic students.	9,410	9,425	10,824	10,950	10,960
Increase the number of International students.	1,426	1,430	1,435	1,450	1,460
Increase the number of Native American students.	1,702	1,710	1,770	1,780	1,800
Bachelor degrees granted to statewide students, (includes community campuses and online only).	1,542	1,550	1,581	1,590	1,600
Explanation: Bachelor degrees granted to statewide students, (includes community campuses and online only), as of 9/28/2016					
Total degrees and certificates granted (includes all campuses).	7,204	7,235	7,293	7,310	7,350
Explanation: Total degrees and certificates granted (includes all campuses). Per IPEDS Completions, Preliminary Counts, as of 9/28/2016.					
Percentage of full-time, undergraduate students enrolled per semester in three or more primary courses with ranked faculty	80	80	81	82	82
Number of Bachelor degrees granted	5,104	5,120	5,117	5,125	5,150
Explanation: Does not include Yuma campus. Per IPEDS Completions Report, as of 9/28/2016.					
Percent of graduating seniors who rate their overall university experience as good or excellent	93	93	92	93	93
Explanation: Graduating/Senior 2016 Survey					
Average number of years taken to graduate for students who began as first-time, full-time freshmen.	4.48	4.5	4.42	4.4	4.4
Explanation: First-time, full-time freshmen.					
Graduate degrees awarded at the master's level	1,180	1,190	1,288	1,295	1,300
Explanation: All campuses. Per IPEDS Completions, Preliminary Counts, as of 9/28/2016.					
Graduate degrees awarded at the doctoral level	59	60	56	58	60
Explanation: Graduate degrees awarded at the doctoral level, as of 9/28/2016.					
Doctorate degrees awarded in the DPT category.	68	70	77	80	85
Explanation: Doctorate degrees awarded in the DPT category, as of 9/28/2016.					
Graduate degrees granted (Statewide and Online only)	739	745	842	850	860
Explanation: Graduate degrees granted (Statewide and Online only, includes masters and doctorates,) as of 9/28/2016.					

Subprogram Summary

YUMA INSTRUCTION

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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 variety of degrees and program. 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.

Designated as a federally, recognized 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. With a Hispanic population of 31% in Arizona, this ties to our effort to meet the goal of increasing the number of Arizona residents with a bachelor degree.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,345.7	2,474.5	2,474.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	261.9	131.7	142.0
Total Funding	2,607.6	2,606.2	2,616.5
FTE Positions	23.8	28.4	31.7

◆ **Goal 1** To provide access to higher education learning experiences for Yuma Arizona students.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Arizona residents enrolled in undergraduate programs.	496	500	524	530	535
Bachelor degrees/certificates granted to Yuma students.	143	145	141	145	145
Explanation: Per IPEDS Completions, Preliminary Counts, as of 9/28/2016.					
Undergraduate degree programs offered, per ABOR Academic Program Inventory.	16	16	15	16	16
Explanation: per ABOR Academic Program Inventory					
Graduate degree programs offered. per ABOR Academic Program Inventory.	8	8	9	9	9
Explanation: per ABOR Academic Program Inventory					
Percent of students graduating (6-year for first time, freshmen.)	50	55	50	52	55
Percent of students graduating (5 year rate for lower-division, full-time transfer students.)	81	82	54	75	80
Percent of students graduating (4 year rate for upper division, full-time transfer students.)	68	70	65	67	68

◆ **Goal 2** To provide a rich learning environment with exposure to diverse populations and cultures for all Yuma students.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent Hispanic graduate students enrolled at the Yuma campus.	54	56	47	50	53
Hispanic student degrees/certificates awarded at YUMA.	121	125	117	120	120
Explanation: Per IPEDS Completions, Preliminary Counts, as of 9/28/2016					
Percent of Hispanic undergraduate students at the Yuma campus.	71	71	73	74	75

Program Summary

ORGANIZED RESEARCH

Bjorn Flugstad, Vice President
 Phone: (928) 523-4240
 A.R.S. § 15-1601

Mission:

To foster opportunities for research, scholarship, and creative activity, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,675.1	5,248.2	5,248.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	24,563.3	25,939.2	26,156.7
Total Funding	31,238.4	31,187.4	31,404.9
FTE Positions	233.2	261.8	265.5

Subprogram Summary

FLAGSTAFF AND STATEWIDE ORGANIZED RESEARCH

Bjorn Flugstad, Vice President
 Phone: (928) 523-4240
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,675.1	5,248.2	5,248.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	24,563.3	25,939.2	26,156.7
Total Funding	31,238.4	31,187.4	31,404.9
FTE Positions	233.2	261.8	265.5

◆ **Goal 1** To offer graduate programs contributing to research and innovation in Arizona

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Graduate students enrolled in Flagstaff's Master's level programs.	1,343	1,350	1,356	1,360	1,370
Graduate students enrolled in Flagstaff's Doctoral level programs.	369	370	366	370	380
Graduate degrees granted to Flagstaff students, (masters and doctorates).	568	575	620	625	625

Explanation: Per IPEDS Completions, Preliminary Counts, as of 9/28/2016.

Value of total Research Expenditures (in millions)	0	0	36 Million	37 Million	38 Million
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Explanation: New Measure

◆ **Goal 2** To offer graduate programs which meet needs for graduate level instruction, such as teacher education or advanced professional training.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Graduate students enrolled in statewide Master's level programs.	2,721	2,750	2,595	2,600	2,625
Graduate students enrolled in statewide Doctoral level programs.	259	260	338	360	390

Subprogram Summary

YUMA ORGANIZED RESEARCH

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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 recently received a National Science Foundation award in the amount of \$613,347 to be used for 30 undergraduate students majoring in Biology or Environmental Science. This award will help to promote the number and diversity of the Science, Technology Engineering and Math (STEM) students in the program.

- ◆ **Goal 1** To offer graduate programs which meet needs for graduate level instruction, and expand integrated, intentional research and scholarship.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Yuma Graduate students enrolled in Master's level programs.	137	138	95	100	105

Program Summary	
PUBLIC SERVICE	
Bjorn Flugstad, Vice President Phone: (928) 523-4240 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 Art Museum and other programs benefiting Arizona.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Public Service
- ▶ Yuma Public Service

Funding:	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
General Funds	2,399.4	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	2,399.4	2,290.6	2,290.6
FTE Positions	7.3	7.5	7.5

Subprogram Summary	
FLAGSTAFF AND STATEWIDE PUBLIC SERVICE	
Bjorn Flugstad, Vice President Phone: (928) 523-4240 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, who contribute by serving others with needs and helping non-profit organizations meet critical community needs.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,941.6	2,207.1	2,207.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	25,295.7	24,177.5	24,392.8
Total Funding	27,237.3	26,384.6	26,599.9
FTE Positions	146.5	149.1	150.8

◆ **Goal 1** To be a partner in the cultural climate of Arizona and the Southwest region.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Theater, Art Shows and various season performances. https://events.nau.edu/	35	36	36	36	38
Music concerts and film series scheduled. https://events.nau.edu/	60	60	55	60	60

◆ **Goal 2** To enhance the quality of life in Arizona and the Southwest region.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Total Civic Service Institute Volunteer Hours. To mobilize generations to give service assisting community agencies to meet critical community need.	202,538	175,000	304,929	310,000	320,000
Large increase due to resurgence of AmeriCorps Program.					
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.	276	300	250	275	300
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.	2,81	2,500	1,904	2,500	2,750
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.	51,2530	50,000	317,993	320,000	325,000

Large increase due to serving families in Northern Arizona through the local food banks. This data had not been recorded before.

Explanation: Change in Measure

Subprogram Summary

YUMA PUBLIC SERVICE

Bjorn Flugstad, Vice President
 Phone: (928) 523-4240
 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 "Falling from Horses," written by Molly Gloss for 2015-16. The author hosted 3 book signing events for the community at large.

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://yumalibrary.org/one-book-yuma-2016/>

Sponsors include: NAU, AWC, Yuma County Library District, Yuma Reading Council, The Yuma Arizona Sun and Yuma Friends of Yuma County Libraries.

◆ **Goal 1** To increase the workforce development with local business and NAU-YUMA.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Arizona Town Hall Meetings held in Yuma. http://www.aztownhall.org/Community_Town_Halls	2	2	20	2	2
Number of Arizona Western College transfer students who attend NAU.	232	240	223	230	230
Projects sponsored by the NAU YUMA Social Work Student Association throughout the Yuma community. http://nau.edu/Yuma-Sites/Arts-Sciences/Degrees/Social-Work/Social-Work-Student-Association/	0	0	4	4	5

Explanation: New Measure

Program Summary

ACADEMIC SUPPORT

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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.

During 2015, NAU was awarded the Integrated Planning and Advising Services (iPASS) grant which is funded by Educause/Gates Foundation.

NAU is in the process of transforming student advising and mentoring via unification of our student information streams into a single system that will inform and coordinate faculty and staff interactions with students.

Historically, NAU has had several independent student information systems including academic advising notes, student affairs records, faculty alerts, a curriculum planner and student risk scores. We are implementing Salesforce, a customer relations management software, to host all of this information in a single system. The transformational aims of this project will be reinforced by project leadership, modeling a team approach to student support.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Academic Support
- ▶ Yuma Academic Support

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,744.5	5,059.7	10,957.3
Other Appropriated Funds	27,000.0	25,000.0	25,000.0
Other Non Appropriated Funds	2,562.2	3,173.0	3,139.1
Total Funding	32,306.7	33,232.7	39,096.4
FTE Positions	386.5	406.6	457.2

Subprogram Summary

FLAGSTAFF AND STATEWIDE ACADEMIC SUPPORT

Bjorn Flugstad, Vice President
 Phone: (928) 523-4240
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,310.1	4,639.9	10,537.5
Other Appropriated Funds	27,000.0	25,000.0	25,000.0
Other Non Appropriated Funds	2,542.3	3,163.9	3,135.1
Total Funding	31,852.4	32,803.8	38,672.6
FTE Positions	381.5	402.6	453.2

◆ **Goal 1** To provide a physical and online environment that supports student and faculty learning, teaching and research.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of users in the library	506,151	525,000	524,540	543,425	550,000
Number of electronic journal titles available	81,140	83,000	88,412	90,000	93,000
Number of items provided for NAU students, faculty and staff via Document Delivery Services	25,536	28,000	29,540	30,000	30,500
Number of research consultations completed by library staff	713	725	454	475	500
Numbers are lower than estimated due to a shortage in staffing throughout the year.					
Number of laptop check outs by students	31,178	34,000	31,155	31,200	32,135
Fiscal year 2016 numbers were over estimated, projections for the next 2 year fiscal years are conservative.					
Number of digital items available to end users in the Colorado Plateau Archives	107,292	111,000	111,750	114,240	116,525
Questions answered by Cline Library staff	5,761	10,000	4,929	5,000	5,105
A change in counting method resulted in a lower actual amount.					
Electronic books supplied by Cline Library	192,956	195,000	232,571	250,000	275,000
Study room and studio uses	21,385	21,500	26,831	28,175	29,020
Cline Library hours open per week	108.5	108.5	116.5	116.5	117

Subprogram Summary

YUMA ACADEMIC SUPPORT

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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) provides 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	434.4	419.8	419.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	19.9	9.1	4.0
Total Funding	454.3	428.9	423.8
FTE Positions	5.0	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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Academic Complex Computer Lab Workstations	125	130	130	130	135

The Academic Complex Computer Lab, is the central, open-access computer lab on the Arizona Western College and NAU-Yuma Branch Campus. It is located in the NAU-Yuma Academic Complex building. There are 125+ computer workstations, the majority of which run Microsoft Windows. Macintosh computers are also available. The computer lab is available to all NAU and AWC students and is open more than 80 hours a week during the Fall and Spring semesters.

<http://yuma.nau.edu/StudentResources.aspx>

NAU-YUMA and AWC academic libraries.

As an NAU-Yuma student, you have access to two libraries for research resources and services. The AWC/NAU-Yuma Academic Library, located in the LR building (map), offers numerous class resources, as well as personal assistance from the NAU-Yuma Librarian. For library assistance, contact the library reference desk as 928-344-7777 or contact the NAU-Yuma Librarian directly at 928-317-6435.

The NAU Cline Library also provides NAU-Yuma students with tens of thousands electronic research resources. Cline librarians are ready to assist you via phone, email, chat, or text.

Amount raised from the Yuma Chapter of the NAU Alumni Association for Scholarships.

Explanation: NAU Foundation Office

Program Summary

STUDENT SERVICES

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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 (EMSA) which includes the following campus service programs and activities: Housing/Parking/Shuttle Services, Campus Health Services, EMSA Communications, EMSA Analytics and Assessment, Undergraduate Admissions and Orientation, Financial Aid and Scholarships, Campus Services and Activities and Student Affairs.

The following student service programs are aimed at improving student success: Academic Peer Coaches, First Scholars, Honors Program, Peer Jacks Mentoring, and Student Success Coaching amongst others.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Student Services
- ▶ Yuma Student Services

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	25,728.3	24,271.9	24,271.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	125,669.9	144,290.9	146,305.0
Total Funding	151,398.2	168,562.8	170,576.9
FTE Positions	419.5	484.2	489.9

Subprogram Summary

FLAGSTAFF AND STATEWIDE STUDENT SERVICES

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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 13 orientation sessions, in addition to 198 High School Visitations, College Fairs and Open Houses throughout the year.

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 sites also offer in-person service, and local NAU campus staff are trained to help students get the support and access needed.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	25,584.0	24,098.9	24,098.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	125,669.9	144,290.9	146,305.0
Total Funding	151,253.9	168,389.8	170,403.9
FTE Positions	416.5	482.2	487.9

◆ **Goal 1** To assist Flagstaff students in cultural, physical, and social development/wellness by providing services, activities, and events.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Students use/participation: Counseling Services visits.	7,148	8,944	7,735	8,500	9,000
Explanation: Per CHS					
Inclusion and Multicultural Services (IMS) and Native American Student Services (NASS) participants. Change in Measure.	1,578	2,000	2,175	2,200	2,250
Explanation: Per EMSA					
Total use of computer lab in Inclusion and Multicultural Services (IMS) and Native American Student Services (NASS) programs. Change in Measure.	28,886	25,000	35,641	36,000	37,000
Explanation: Per EMSA					
Number of Student Life registered organizations. http://nau.edu/Student-Life/Student-Organizations/	338	350	365	380	395

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Students receiving financial aid by categories: Scholarships.	8,260	9,086	9,543	10,497	11,547
Explanation: Per EMSA					
Students receiving financial aid by categories: Waivers	916	1,008	762	838	922
Explanation: Per EMSA					
Students receiving financial aid by categories: Grants	7,758	8,534	8,060	8,866	9,753
Explanation: Per EMSA					
Students receiving financial aid by categories: Employment	4,157	4,573	4,246	4,671	5,138
Explanation: Per EMSA					
Students receiving financial aid by categories: Loans	10,111	11,122	10,161	11,177	12,295
Explanation: Per EMSA					

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Students receiving financial aid by categories: Scholarships	688	757	619	681	749
Explanation: Per EMSA					
Students receiving financial aid by categories: Waivers	158	174	149	164	180
Explanation: Per EMSA					
Students receiving financial aid by categories: Grants	3,015	3,318	3,262	3,588	3,947
Explanation: Per EMSA					
Students receiving financial aid by categories: Employment	52	52	55	61	67
Explanation: Per EMSA					
Students receiving financial aid by categories: Loans	3,331	3,664	3,534	3,887	4,276
Explanation: Per EMSA					

Subprogram Summary

YUMA STUDENT SERVICES

Bjorn Flugstad, Vice President
 Phone: (928) 523-4240
 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: Bien Hecho, Justice Studies Club, NAU Yuma Branch Science Club, Social Work Student Association and the Student Nurses' Association of NAU.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	144.3	173.0	173.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	144.3	173.0	173.0
FTE Positions	3.0	2.0	2.0

◆ **Goal 1** To support NAU-Yuma student learning by providing financial support services to qualified students.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Students receiving financial aid by categories: Scholarships	135	149	148	163	179
Explanation: Per EMSA					
Students receiving financial aid by categories: Waivers	10	11	6	7	7
Explanation: Per EMSA					
Students receiving financial aid by categories: Grants	359	395	386	425	467
Explanation: Per EMSA					
Students receiving financial aid by categories: Employment	23	25	23	25	28
Explanation: Per EMSA					
Students receiving financial aid by categories: Loans	255	281	247	272	299
Explanation: Per EMSA					

Program Summary

INSTITUTIONAL SUPPORT

Bjorn Flugstad, Vice President
 Phone: (928) 523-4240
 A.R.S. § 15-1601

Mission:

To continuously improve institutional effectiveness and organizational performance in support of the universities mission and strategic goals.

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.

Designated as a federally, recognized 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. With a Hispanic population of 31% in Arizona, this ties to our effort to meet the goal of increasing the number of Arizona residents with a bachelor degree.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Institutional Support
- ▶ Yuma Institutional Support

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	55,611.5	59,121.7	62,120.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	30,695.1	46,015.6	45,946.8
Total Funding	86,306.6	105,137.3	108,067.3
FTE Positions	570.4	612.0	616.8

Subprogram Summary

FLAGSTAFF AND STATEWIDE INSTITUTIONAL SUPPORT

Bjorn Flugstad, Vice President
 Phone: (928) 523-4240
 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 Equity and Access Office (formerly Affirmative Action Office, which will include Disability Resources as of FY17), Facility Services, the Comptroller’s Office, Human Resources, the Budget Office and many other offices committed to ensuring the university functions effectively and efficiently.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	55,611.5	59,121.7	62,120.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	30,695.1	46,015.6	45,946.8
Total Funding	86,306.6	105,137.3	108,067.3
FTE Positions	570.4	612.0	616.8

◆ **Goal 1** To enhance the safety and the learning/working environment.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
NAU numbers of: Equity and Access formal and informal complaints, consultations and ADA issue contacts. Updates now include data on Disability Resources.	389	425	386	1,400	1,400
People trained proactively by the Office of Equity and Access, on-line and in person. Note: The projected increase in training sessions for FY 2017 are due to Title IX/HIPAA compliance standards; and starting in FY 2018 there will be an annual mandatory refresher training course required for all employees.	4808	5,000	5,327	7,000	7,250
People served by the Office of Employee Assistance and Wellness. Large increase due to Healthy U and Yoga programs.	6,418	6,400	7,518	7,775	7,900
Explanation: NAU EAW					
Programs offered by the Office of Employee Assistance and Wellness	137	135	188	180	180
Explanation: NAU EAW					
Internal audits conducted.	11	14	12	12	12
Explanation: Per Internal Audit Office					
Percent of agency staff turnover	12	11	15	12	10

◆ **Goal 2** To improve the physical living, working, and learning environment.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
State appropriations for building renewal (in millions.).	0.34	13.2	0	15.1	17.3
Operation and maintenance of plant, (in millions.)	25.6	25.6	29.6	28.0	28.0

Subprogram Summary

YUMA INSTITUTIONAL SUPPORT

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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 few years.

◆ **Goal 1** To improve the physical living, working, and learning environment.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Calculated building renewal need.	0	128,000	0	151,000	176,600

The Yuma FY 2016 and FY 2017 estimates are incorporated in 6.1, Goal 2, Measure 1.

Program Summary

AUXILARY PROGRAM

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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 supplies various forms of tutoring: One on One, Drop-In tutoring and Subject-Based tutoring in numerous academic areas. The SLC also offers Supplemental Instruction in various areas and Academic Success Workshops covering 9 topics. In addition, the SLC also offers Peer Jacks Mentoring, test taking strategies and several Podcasts.

<http://nau.edu/SSI/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 3.15 among its more than 300 student-athletes during the 2015-2016 academic year. In addition, 33 student athletes earned Big Sky All-American honors achieving a 3.20 cumulative grade point average.

<http://news.nau.edu/student-athletes-earn-big-sky-academic-honors/#.V5FPDXr1GW4>

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Auxiliary Program
- ▶ Yuma Auxiliary Program

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	74,582.1	76,806.3	79,425.0
Total Funding	74,582.1	76,806.3	79,425.0
FTE Positions	301.3	320.6	330.0

Subprogram Summary

FLAGSTAFF AND STATEWIDE AUXILIARY PROGRAM

Bjorn Flugstad, Vice President
Phone: (928) 523-4240
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 27 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 (12), Upper Division Suites (2), Upper Division Apartments (8), Family Housing (1), partner housing by American Campus Communities (2) and one new housing residence in-progress that is in partnership with American Campus Communities due to open Fall 2017.

[Http://nau.edu/Residence-Life/Housing-Options/Residence-Halls/](http://nau.edu/Residence-Life/Housing-Options/Residence-Halls/)

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	74,582.1	76,806.3	79,425.0
Total Funding	74,582.1	76,806.3	79,425.0
FTE Positions	301.3	320.6	330.0

◆ **Goal 1** To provide an excellent residential living experience for students choosing to live on the Flagstaff Mountain Campus.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of new, first time, full-time students living in residence halls. Explanation: Per EMSA	91	85	89	85	85
Percent of new first time, full time, freshmen utilizing one of the Student Learning Centers (tutoring) one or more times. Explanation: Per EMSA	61	50	58	55	55
Total number of students who were housed on campus. Estimates include new Sky View dorm which is under construction. Explanation: Per EMSA	8,965	8,900	9,291	9,300	9,700
Total number of students utilizing the Student Learning Centers (tutoring). Explanation: Per EMSA	8,687	8,700	8,432	8,500	8,700
Percent of new first-time, full-time students who live in Freshmen Connections housing. Explanation: Per EMSA	89	85	88	85	85

◆ **Goal 2** To assist Flagstaff students in cultural, physical and social development/wellness by providing services, activities and events.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total use/participation: Recreation Center visits Decrease in Recreation Center counts may be due to changes in staffing as well as malfunctioning of turnstile mechanism which counts participation. Explanation: Source: Campus Recreation Services	627,695	634,000	586,553	610,000	625,000
Students use/participation: Outdoor Recreation Decrease in Outdoor Recreation counts may be due to changes in staffing which have impacted consistency and data collection methods. Explanation: Source: Campus Recreation Services	16,519	17,300	13,784	14,000	14,000
Students use/participation: Wall Aquatic Center and Tennis Center Explanation: Source: Campus Recreation Services	97,223	102,100	113,608	114,000	115,000
Students use/participation: Intramural participants Explanation: Source: Campus Recreation Services	7,603	8,000	8,015	8,100	8,300
Students use/participation: Campus Health Services/Medical Services visits. Explanation: Per CHS	71,106	88,882	66,766	68,254	70,302

Subprogram Summary

YUMA AUXILIARY PROGRAM

Bjorn Flugstad, Planning & Institutional Research
Phone: (928) 523-4240
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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 42,000 full-time and part-time students. As a land-grant university, it maintains programs in production agriculture, mining, and engineering and serves the State through its cooperative extension services, technology transfer, economic development assistance, distributed education, and cultural programming. The University provides distinguished undergraduate, graduate, and professional education; excels in basic and applied research and creative achievement; and promotes the integration of these activities and outcomes into advancement of Arizona's economy.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ INSTRUCTION	399,347.5	479,272.7	498,717.7
➤ ORGANIZED RESEARCH	184,605.8	229,391.7	236,053.8
➤ PUBLIC SERVICE	16,340.7	21,164.6	21,634.0
➤ ACADEMIC SUPPORT	99,538.2	109,865.7	114,177.7
➤ STUDENT SERVICES	121,287.9	115,382.8	120,573.6
➤ INSTITUTIONAL SUPPORT	512,551.3	537,000.1	565,736.9
➤ AUXILIARY PROGRAM	253,465.7	252,423.9	261,258.9
➤ COLLEGE OF AGRICULTURE AND LIFE SCIENCES	114,549.5	128,032.0	122,282.2
➤ UNIVERSITY OF ARIZONA SOUTH	7,243.5	8,359.8	8,375.5
Agency Total:	1,708,930.1	1,880,893.3	1,948,810.3
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	180,704.4	198,493.2	221,815.9
Other Appropriated Funds	336,900.4	405,141.1	405,141.1
Other Non Appropriated Funds	1,191,325.3	1,277,259.0	1,321,853.3
Total Funding	1,708,930.1	1,880,893.3	1,948,810.3
FTE Positions	11,612.5	12,029.9	12,292.0

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 to align University, College and Departmental criteria.

P1.2 Develop more and better service-learning and applied-research opportunities for students in Arizona and abroad.

P1.3 Position the UA to serve as a preferred consultant in innovating, developing, executing, and assessing critical knowledge-based and capacity development projects worldwide.

P2. Expand, develop, and sustain community and industry partnerships, locally and globally, via innovative programs.

P2.1 Improve internal business processes to facilitate and leverage community and industry relationships with the University.

P2.2 Expand the roles of community and business partners in Academic Program Reviews.

P2.3 Provide more opportunities for employers, educators, and families to become more deeply engaged with the University through events, roundtables, and boards.

P2.4 Encourage and support more partnerships among internal academic programs and with key external partners.

P3. Increase capacity in critical and emerging fields such as education, health sciences, STEM, and cultural competence.

P3.1 Better engage business and community partners to expand internship opportunities.

P3.2 Define and develop appropriate pathways for competency-based evaluation and credit.

P3.3 Determine the best use of technology and other modes of delivering educational and informational content to best engage with learners and communities locally and abroad.

P3.4 Significantly grow our educational offerings face-to-face, online, and hybrid, to better address growing needs in crucial and emerging fields and to better define the UA's role in connecting learners to knowledge and to each other.

P4. Align output with workforce and knowledge needs, in our region and around the world.

P4.1 Expand opportunities to collaborate with schools, agencies, and industry on professional development and certificate programs statewide, nationally, and abroad.

P4.2 Coordinate with K-12 school districts to ensure that a curriculum adequately prepares students for postsecondary work and that students have clear and preferred pathways to the UA.

P4.3 Work with business and community leaders to develop integrated workforce and economic development plans.

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	363.5	374.4	385.6
General Fund	10,049.1	10,422.8	10,811.1
Other Appropriated Funds	28,359.9	26,010.1	27,570.7
Non-Appropriated Funds	27,151.5	27,966.1	28,805.1
Federal Funds	5,508.7	5,618.8	5,731.2

Program Summary

INSTRUCTION

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To maximize the delivery of academically sound instruction in a coordinated manner with the University's academic colleges, schools, departments, and centers.

Description:

This program coordinates the delivery of instruction throughout the University. Its other responsibilities include oversight of: academic support programs; transfer articulation; advising; major-exploration programs for undecided and transitional students; and the University's interdisciplinary degree programs.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	500.2	2,500.0	14,356.1
Other Appropriated Funds	216,943.6	259,946.9	259,946.9
Other Non Appropriated Funds	181,903.7	216,825.8	224,414.7
Total Funding	399,347.5	479,272.7	498,717.7
FTE Positions	3,460.2	3,695.0	3,802.5

◆ **Goal 1** To increase productivity, efficiency, and effectiveness

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Graduating seniors who rate their overall experience as good or excellent (percent)	94.7	94	93	94	94
Full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty (percentage)	86	86	88	90	90
Total number of degrees granted	8,205	8,298	8,563	8,760	8,962
Bachelors degrees granted	6,168	6,310	6,320	6,455	6,592
Masters degrees granted	1,442	1,349	1,515	1,560	1,606
First Professional degrees granted	169	188	158	163	167
Explanation: This measure reflects the ABOR Enterprise Metrics Non-PhD Other Doctoral Degrees					
Doctorate degrees granted	426	451	396	400	404
Explanation: This measure reflects the ABOR Enterprise Metrics PhD Doctoral degrees.					
Average number of years taken to graduate for students who began as freshmen	4.4	4.3	4.4	4.4	4.4
Administration as a percent of total cost	2.6	2.5	2.3	2.4	2.4
Agency staff turnover (percent)	12.2	13.5	13	13.7	14.4
Gifts, grants, and contracts (millions)	327,038	338,000	317,668	320,844	324,053
Grants and contracts expenditures (millions)	277,194	280,000	260,355	262,959	265,588

◆ **Goal 2** To improve student persistence and graduation rates over time

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Freshmen returning for the second year (percent)	81.9	83.7	80.4	80.5	80.6
Four year graduation rate of Arizona community college transfers (percent)	68.7	67.7	66.8	67.0	67.2
Six-Year graduation rate (percent)	60.3	61.6	60.9	61.1	61.3

Program Summary

ORGANIZED RESEARCH

Angela Baldasare, Assistant Provost
Phone: (520) 626-2885
A.R.S. § 15-1601

Mission:

To provide effective and transparent promotion and support for the research and graduate-education efforts of University of Arizona faculty and staff and to encourage practices that minimize risks to our investigator-scholars, to human and animal research subjects, and to the University.

Description:

The University of Arizona through its organized research unit provides critical world-class research and discovery, intensive and relevant graduate education, and connects its activities with the community's needs especially as we aspire to become one of the ten best public research universities. The University's organized research unit also fosters technology transfer and connection to the business community, with a particular emphasis on promoting a thriving economy and high quality of life for Arizona. The organized research unit also serves as the administrative home for most of the University's public museums.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	2,220.3	2,220.3
Other Appropriated Funds	28,925.5	36,821.4	36,821.4
Other Non Appropriated Funds	155,680.3	190,350.0	197,012.1
Total Funding	184,605.8	229,391.7	236,053.8
FTE Positions	2,117.3	2,223.9	2,249.8

◆ **Goal 1** To increase external funding for organized research programs relative to peer institutions.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Total Research & Development Expenditures in thousands	434,449	653,010	396,358	416,756	424,198
National Science Foundation Research ranking (publics)	N/A	19	N/A	19	19

◆ **Goal 2** To form a bridge connecting the University with the private sector and expand its engagement with regional, national, and international business communities, and build philanthropic support for the University and its partners.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
New Companies Started	12	10	14	15	15

Program Summary

PUBLIC SERVICE

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To make knowledge generated at the University of Arizona more accessible and more relevant to Arizona's citizens, to the nation at large and to the global community, and to inspire in each of these connections the parallel desires to learn and to create beneficial change, both in partnership with the University of Arizona.

Description:

Global Initiatives and the College of Agriculture and Life Sciences through their extensive Cooperative Extension programs and Experiment Stations facilitate the efforts of University of Arizona faculty in integrating their teaching, research, and service missions, and in translating and advancing those efforts to broader audiences. Our outreach efforts facilitate programs and services that meet the academic access, economic, and regional development needs for communities throughout Arizona—a major tenet of the land grant mission. In addition to offering youth and senior programs, incubating programs and facilitating UA credit courses and continuing education, outreach collaborates with academic initiatives and student success and academic departments to aid and promote collaborations with partners around the world.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,107.9	4,630.2	4,630.2
Other Appropriated Funds	1,213.1	0.0	0.0
Other Non Appropriated Funds	13,019.7	16,534.4	17,003.8
Total Funding	16,340.7	21,164.6	21,634.0
FTE Positions	221.1	228.8	231.4

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of students in Study Abroad and Exchange programs	1,207	1,243	1,163	1,197	1,232
Number of undergraduate international students	2,062	2,083	2,234	2,200	2,200
Number of graduate international students	1,558	1,605	1,611	1,650	1,650

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of people served by Cooperative Extension (in thousands)	622,723	653,000	653,000	685,000	717,000
Number of volunteer hours generated in Agriculture	143,346	150,000	150,000	157,000	164,334

Program Summary

ACADEMIC SUPPORT

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To support and enhance a contemporary learning environment with tools that permit innovation in all learning spaces and assist students in bridging the relationship between research and teaching.

Description:

The units that comprise Academic Support represent all of the ways the University supports its academic mission.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	3,059.6
Other Appropriated Funds	64,791.5	74,076.5	74,076.5
Other Non Appropriated Funds	34,746.7	35,789.2	37,041.6
Total Funding	99,538.2	109,865.7	114,177.7
FTE Positions	937.0	958.7	996.8

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Academic programs reviewed for quality and effectiveness	16	15	15	12	15
Dollars internally reallocated to priority academic units (in thousands of dollars)	16,073	8,590	9,049	16,864	9,858

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Resources (print and non-print) circulated from the collection	197,692	193,738	284,428	189,863	278,740
Resources (print and non-print) used in the library	41,715	39,629	43,166	37,648	41,008
Electronic Resources used on-site and remotely (in millions)	12,182,875	12,304,704	12,344,956	12,427,751	12,468,405

- ◆ **Goal 3** To support alternative delivery modes of education for Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Online Undergraduate Degrees	62	80	413	500	600
Number of Online Graduate Degrees	174	308	215	221	227
Number of Online Graduate Certificates	44	116	23	24	25

Program Summary

STUDENT SERVICES

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To recruit and retain a diverse and talented student body; to assist students in their efforts to achieve access, academic success, and efficient degree completion in conformance with prevailing regulation; to promote student development in a safe environment in which diversity is valued and embedded in daily operations; and to provide opportunities for personal and educational enrichment through the development of student, faculty, staff, and community partnerships.

Description:

This program includes enrollment services and other student related programs and services designed to promote student success, by supporting students' personal, intellectual, cultural, and social development outside the context of the formal instructional program. Programming extends to the entire campus community to meet disability needs and to promote a healthy, diverse, engaged, and civil community. The activities include: early outreach, admissions, orientation, financial aid, registration, campus recreation, and health services, cultural events, student programs/organizations, bookstore, newspaper, housing and food service, academic support, career services, programs designed to promote faculty/student interaction outside the classroom, and programs dedicated to special needs, such as disability related services and the cultural resource centers.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	1,721.0
Other Appropriated Funds	11,689.2	16,245.8	16,245.8
Other Non Appropriated Funds	109,598.7	99,137.0	102,606.8
Total Funding	121,287.9	115,382.8	120,573.6
FTE Positions	511.6	550.0	574.4

◆ **Goal 1** To admit a freshman class well-prepared for University work.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Quality of freshman class based on: High school grade point average	3.4	3.4	3.5	3.5	3.5
Quality of freshman class based on: SAT scores	1113	1114	1120	1120	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Students reporting binge drinking in last year (survey done biannually) (percent)	36	36	36	36	35
Students reporting tobacco use in the last 30 days (percent)	19	19	17	17	17

Program Summary

INSTITUTIONAL SUPPORT

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:
To provide the University of Arizona with the support services necessary to enable it to effectively pursue the institutional mission of teaching, research, and outreach.

Description:
 Institutional support includes central executive-level activities concerned with management and long-range planning for the entire University, and the operation and maintenance of the physical plant. Administrative activities include planning and programming, legal services, fiscal operations, administrative data processing, telecommunications, space management, human resources including employee personnel and records, purchasing, stores, safety, security, printing, transportation services, community and alumni relations, and development and fund-raising.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	132,496.9	135,543.3	150,229.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	380,054.4	401,456.8	415,507.6
Total Funding	512,551.3	537,000.1	565,736.9
FTE Positions	1,522.3	1,523.4	1,560.7

◆ **Goal 1** To enhance community support for the work of the University in the larger community.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Endowment Assets (in thousands)	477,359	492,396	469,894	479,997	490,317
Annual Giving (in thousands)	143,580	147,887	150,169	154,674	159,314

◆ **Goal 2** To attract and engage a diverse and high quality workforce

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Minority employees in administrative, faculty, professional and classified positions (percent)	29	29	30	31	31
UA Life & Work Connections contacts per year	21,386	23,000	27,109	28,500	30,000

Program Summary

AUXILIARY PROGRAM

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To provide quality goods and services at the least possible cost to faculty, staff, students and University departments.

Description:

Auxiliary units are most closely related to "real world" businesses in that they are expected to be self-supporting and charge fees that are related to the costs of providing goods or services. Major retail and service activities include the U of A Bookstore, Student Union food services, Residence Life student dormitories and family housing, Parking and Transportation parking permits and Sun Tran passes, UA Presents performances, U of A Press publications, and Intercollegiate Athletics events. Internal service departments that provide wholesale services to other departments on campus include Facilities Management's repair, maintenance, and custodial services; Printing and Publishing Support Services; Telecommunication's telephone services; and the University Research and Instrumentation Center's design and fabrication service.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	253,465.7	252,423.9	261,258.9
Total Funding	253,465.7	252,423.9	261,258.9
FTE Positions	1,332.9	1,304.1	1,322.8

◆ **Goal 1** To provide affordable housing and a residential living experience conducive to academic success and social well-being.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of new freshmen living in residence halls	71	73	72	72	72
Total number of students living in residence halls	4,913	4,800	4,940	4,900	4,900

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of visits to Campus Health's Main and McKale clinics (medical and counseling and psychological services)	77,482	75,000	77,082	75,000	75,000
Percent who indicate they would refer a friend to Campus Health	99.5	99.0	99	99	99
Overall rating of Campus Health (0-10, with 10 high)	8.9	8.9	9.0	8.9	8.9

◆ **Goal 3** To serve students with learning disabilities.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of students served by the Strategic Alternative Learning Techniques (SALT) Center	637	610	678	630	630

Program Summary

COLLEGE OF AGRICULTURE AND LIFE SCIENCES

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To educate students and communities in ways that enable their future success in the regional and global economies and to develop new knowledge and new technologies to benefit society

Description:

The College of Agriculture and Life Sciences coordinates undergraduate and professional education for a wide range of career opportunities within six general subject areas: animal systems; environment and natural resources; family, youth, and community; human nutrition; food safety and health; marketing, trade, and economics; and plant systems. Education in the professional knowledge area is combined with foundation courses in the natural and social sciences, communications, and the humanities to develop a well-rounded academic experience offering majors leading to careers associated with the college subject areas. Programs include on-campus instruction and distance education in cooperation with other institutions. The college awards B.S., M.S., and Ph.D. degrees. Though separate entities by Federal statute, the Arizona Cooperative Extension System and the Arizona Experiment Station are affiliated with and share senior administration with the college.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	42,855.6	50,855.6	42,855.6
Other Appropriated Funds	9,273.2	12,883.1	12,883.1
Other Non Appropriated Funds	62,420.7	64,293.3	66,543.5
Total Funding	114,549.5	128,032.0	122,282.2
FTE Positions	1,425.6	1,457.8	1,465.4

◆ **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	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Degrees/FTE faculty (T/TE)	7.0	7.2	7.1	7.2	7.3
External funding obtained/FTE Faculty (T/TE)	353,041	356,633	347,495	350,970	354,480
SCH/Faculty FTE (T/TE)	555	577	611	635	660

◆ **Goal 2** To graduate as many well qualified students as possible.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Undergraduate Degrees granted (Bachelors)	742	764	731	753	776
Number of Graduate degrees granted (Masters, Specialist, Ph.D)	93	95	73	74	76

◆ **Goal 3** To partner with and serve the people of Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of volunteer hours generated in Agriculture	143,346	150,000	150,000	157,000	164,334
Number of people served by Cooperative Extension	622,723	653,000	653,000	685,000	717,000

Program Summary

UNIVERSITY OF ARIZONA SOUTH

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To provide high quality, accessible educational opportunities to communities throughout Southern Arizona.

Description:

UA South addresses the needs of individual who are place bound or who desire to fulfill their higher education goals in an atmosphere different than the Main Campus. UA South provides quality upper-division and graduate programs designed to fulfill the educational and career goals of its students. UA South offers undergraduate degree programs through “2 + 2” partnerships with Arizona community colleges, primarily Cochise College and Pima Community College. Two Masters Degree programs are available. Programs are offered at several locations in southeast Arizona. Specific community-based classes may be offered at other locations throughout southeastern Arizona. The Faculty at UA South has incorporated distance learning into the curriculum, offering courses via interactive television and through the Internet.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,743.8	2,743.8	2,743.8
Other Appropriated Funds	4,064.3	5,167.4	5,167.4
Other Non Appropriated Funds	435.4	448.6	464.3
Total Funding	7,243.5	8,359.8	8,375.5
FTE Positions	84.5	88.2	88.2

◆ **Goal 1** To increase student FTE and retention.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Student FTE	586.4	615.7	537	542	547

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Degrees/FTE faculty (T/TE)	17.9	18.2	16.1	16.4	16.4
SCH/Faculty FTE (T/TE)	1,449	1,472	1,449	1,472	1,496

◆ **Goal 3** To graduate as many well-qualified students as possible.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Undergraduate Degrees granted (Bachelors)	144	148	124	128	132
Number of Graduate degrees granted (Masters, Specialist, Ph.D)	35	36	37	38	39

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ INSTRUCTION	110,967.9	113,807.6	117,256.9
➤ ORGANIZED RESEARCH	107,941.3	111,031.1	114,754.8
➤ PUBLIC SERVICE	25,265.7	25,856.0	26,671.1
➤ ACADEMIC SUPPORT	219,812.2	224,467.8	231,786.1
➤ STUDENT SERVICES	3,491.2	3,485.0	3,773.1
➤ INSTITUTIONAL SUPPORT	75,518.6	104,398.0	107,858.9
➤ AUXILIARY PROGRAM	9,459.5	13,047.4	13,504.2
➤ COLLEGE OF MEDICINE, PHOENIX CAMPUS	50,340.9	52,481.8	53,162.7
Agency Total:	602,797.3	648,574.7	668,767.8
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	68,393.5	68,631.2	70,188.4
Other Appropriated Funds	46,882.0	47,491.4	47,491.4
Other Non Appropriated Funds	487,521.8	532,452.1	551,088.0
Total Funding	602,797.3	648,574.7	668,767.8
FTE Positions	5,457.4	5,580.3	5,671.6

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 to align University, College and Departmental criteria.

P1.2 Develop more and better service-learning and applied-research opportunities for students in Arizona and abroad.

P1.3 Position the UA to serve as a preferred consultant in innovating, developing, executing, and assessing critical knowledge-based and capacity development projects worldwide.

P2. Expand, develop, and sustain community and industry partnerships, locally and globally, via innovative programs.

P2.1 Improve internal business processes to facilitate and leverage community and industry relationships with the University.

P2.2 Expand the roles of community and business partners in Academic Program Reviews.

P2.3 Provide more opportunities for employers, educators, and families to become more deeply engaged with the University through events, roundtables, and boards.

P2.4 Encourage and support more partnerships among internal academic programs and with key external partners.

P3. Increase capacity in critical and emerging fields such as education, health sciences, STEM, and cultural competence.

P3.1 Better engage business and community partners to expand internship opportunities.

P3.2 Define and develop appropriate pathways for competency-based evaluation and credit.

P3.3 Determine the best use of technology and other modes of delivering educational and informational content to best engage with learners and communities locally and abroad.

P3.4 Significantly grow our educational offerings face-to-face, online, and hybrid, to better address growing needs in crucial and emerging fields and to better define the UA's role in connecting learners to knowledge and to each other.

P4. Align output with workforce and knowledge needs, in our region and around the world.

P4.1 Expand opportunities to collaborate with schools, agencies, and industry on professional development and certificate programs statewide, nationally, and abroad.

P4.2 Coordinate with K-12 school districts to ensure that a curriculum adequately prepares students for postsecondary work and that students have clear and preferred pathways to the UA.

P4.3 Work with business and community leaders to develop integrated workforce and economic development plans.

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

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	177.4	182.7	188.2
General Fund	3,250.9	3,577.2	3,888.9
Other Appropriated Funds	3,324.4	3,048.9	3,231.9
Non-Appropriated Funds	12,445.2	12,818.6	13,203.2
Federal Funds	2,028.5	2,069.0	2,110.4

Program Summary

INSTRUCTION

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To provide top-quality health sciences educational programs at the undergraduate, graduate, and professional levels that will attract and graduate an excellent and diverse student body.

Description:

The Arizona Health Sciences Center (AHSC) offers professional programs leading to the M.D., graduate degrees in many of the medical sciences, B.S.N., M.S., Ph.D., ADN-MS, Pharm.D., Masters in Public Health (MPH), DrPH, and B.S. with a major in health education. The AHSC provides students with the knowledge, skills, and attitudes basic to the provision of health services. It also provides education and training programs for undergraduate students, graduate students, residents, fellows, and other health professionals.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	5,110.4	6,899.8	7,927.6
Other Appropriated Funds	38,678.0	37,712.8	37,712.8
Other Non Appropriated Funds	67,179.5	69,195.0	71,616.5
Total Funding	110,967.9	113,807.6	117,256.9
FTE Positions	1,343.6	1,370.0	1,389.5

- ◆ **Goal 1** To attain a level of tenured/tenure eligible faculty that is effective in providing students with the high quality of instruction they deserve. (We're unable to delete measures 1 & 2. They are duplicates of Goal 2 measures 1,5,6)

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of Degrees Granted BA/BS and MA/MS	877	871	1,005	1,035	1,066
Number of degrees granted-PhD	43	46	45	46	48
Explanation: This measure reflects the ABOR Enterprise Metrics PhD Doctoral degrees.					
SCH/Faculty FTE (T/TE)	353	367	370	385	400
External funding obtained/FTE Faculty (T/TE)	525,034	530,342	549,913	555,412	560,966
Degrees/FTE faculty (T/TE)	3.9	4.0	4.4	4.6	4.8

◆ **Goal 2** To increase productivity, efficiency, and effectiveness.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of degrees granted MA/MS	300	281	410	491	587
Full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty (percentage)	80	80	82	83	84
Total number of degrees granted	1,221	1,251	1,358	1,372	1,385
Bachelor degrees granted	577	590	595	604	613
First Professional Degrees granted (Non-PhD Other Doctoral Degrees)	301	334	308	313	317
Explanation: The measure reflects ABOR Enterprise Metrics Non-PhD Doctoral degrees					
Doctoral Degrees granted (PhD Doctoral)	43	46	45	49	54
Explanation: This measure reflects ABOR Enterprise Metrics PhD Doctoral degrees					
Average number of years taken to graduate for students who began as freshman	4.2	4.1	4.4	4.2	4.2
Administration as a percent of total cost	2.6	2.5	2.3	2.4	2.4
Agency staff turnover	15.5	16.2	19	16.5	17.5
Gifts, grants, and contracts (millions)	250,741	225,000	192,326	194,249	196,192
Grants and contracts expenditures (millions)	163,348	165,000	169,461	171,156	172,867

Program Summary

ORGANIZED RESEARCH

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To provide high quality multidisciplinary biomedical research in areas important to the health care community and public; to promote the application of economics and socio-behavioral sciences to pharmaceutical research, education and service; to make available to trainees leading edge knowledge and the most modern technology; to promote healthier lifestyles through education of the public; and to provide service to state and federal agencies and the private sector.

Description:

The organized research centers are specifically organized to produce interdisciplinary clinical and basic biomedical research and to provide support for the undergraduate, graduate, and outreach educational programs. They are supported almost entirely by external federal and private sector funding. Their major areas of emphasis include: interdisciplinary research; education of the public, training of health professionals and scientists; patient services; provision of regional resources for research, disease diagnosis, patient care, education, and disease prevention and control; and technology development.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,646.0	4,636.6	4,636.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	103,295.3	106,394.5	110,118.2
Total Funding	107,941.3	111,031.1	114,754.8
FTE Positions	1,134.6	1,145.0	1,160.7

◆ **Goal 1** To promote excellence in basic and clinical research, patient care, education, and training.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Regional, national, and international awards, honors, and prizes received by students, alumni, faculty, and staff	953	917	825	873	888
Patients rating physician skill as excellent in satisfaction survey (percent)	75	80	75	76	77

◆ **Goal 2** To establish a stable funding base to support research, education, and service activities

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Total Research & Development Expenditures in thousands	166,319	249,990	185,231	194,764	198,242

◆ **Goal 3** To provide education and training programs for regional, national, and international health care professionals, health care industry personnel, and the public.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Training programs/ workshops/lectures	1,775	1,986	2,383	2,418	2,573

Program Summary

PUBLIC SERVICE

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To provide the citizens of the State of Arizona access to poison and medication-related emergency treatment assistance and to develop a rural telemedicine network that can improve rural health care.

Description:

The Arizona Poison and Drug Information Center serves as a repository of comprehensive information, knowledge and expertise regarding poisons and toxic exposures. A high priority is to provide access for rural and medically underserved Arizona residents and health care professionals who are without ready access to medical facilities. Telemedicine is the use of computers, video imaging, and telecommunications for diagnosis and treatment of persons in rural, geographically isolated communities and State institutions.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,656.5	2,568.2	2,568.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	22,609.2	23,287.8	24,102.9
Total Funding	25,265.7	25,856.0	26,671.1
FTE Positions	207.4	210.3	212.9

◆ **Goal 1** To provide quality, accessible poison and medication-related emergency treatment assistance 24 hours a day.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Poison Control call volume per year (in thousands)	40	40	34	35	35
Accredited by the American Association for Poison Control Center Certification as a Regional Poison Control Center.	Yes	Yes	Yes	Yes	Yes

◆ **Goal 2** To provide specialty patient care in rural communities and secure State institutions.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number served through Telemedicine (clinical consultations)	25,000	35,000	20,000	25,000	25,000

Program Summary

ACADEMIC SUPPORT

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To support and enhance a contemporary learning environment with tools that permit innovation in all learning spaces and assist students in bridging the relationship between research and teaching.

Description:

The units that comprise Academic Support represent all of the ways the University of Arizona Health Sciences Center supports its academic mission.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	25,446.7	24,271.4	24,582.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	194,365.5	200,196.4	207,203.3
Total Funding	219,812.2	224,467.8	231,786.1
FTE Positions	1,888.9	1,918.7	1,960.0

◆ **Goal 1** To offer education programs that meet standards of excellence

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of students passing Step I of the US Medical Licensing Exam on the first try	191	189	92	94	95
Percent of Students passing Step II of the US Medical Licensing Exam on the first try.	186	189	98	98	98

◆ **Goal 2** To assure access to information resources in the health sciences on-site and off-site.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Resources (print and non-print) circulated from the collection.	4,194	4,068	4,137	3,945	4,013
Resources (print and non-print) used in the library (in thousands)	2.4	2.3	1.9	2.2	1.8

◆ **Goal 3** To teach students and faculty the most effective methods of accessing and managing health sciences information

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of Classes/workshops taught	302	317	53	60	68
Number of participants classes/workshops	4,288	4,388	4,633	4,488	4,788

◆ **Goal 4** To support alternative delivery modes of education for Arizona.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Number of Online Graduate Degrees	46	82	141	234	387
Number of Online Graduate Certificates	28	74	16	19	22

Program Summary

STUDENT SERVICES

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-601

Mission:

To recruit and retain a diverse and talented student body; to assist students in their efforts to achieve access, academic success, and efficient degree completion in conformance with prevailing regulation; to promote student development in a safe environment in which diversity is valued and embedded in daily operations; and to provide opportunities for personal and educational enrichment through the development of student, faculty, staff, and community partnerships.

Description:

This program includes enrollment services and other student related programs and services designed to promote student success, by supporting students' personal, intellectual, cultural, and social development outside the context of the formal instructional program. Programming extends to the entire campus community to meet disability needs and to promote a healthy, diverse, engaged, and civil community. The activities include: early outreach, admissions, orientation, financial aid, registration, campus recreation, and health services, cultural events, student programs/organizations, bookstore, newspaper, housing and food service, academic support, career services, programs designed to promote faculty/student interaction outside the classroom, and programs dedicated to special needs, such as disability related services and the cultural resource centers.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,550.4	1,486.1	1,704.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,940.8	1,998.9	2,069.0
Total Funding	3,491.2	3,485.0	3,773.1
FTE Positions	14.4	14.5	17.0

◆ **Goal 1** To enroll students well prepared for UAHS work.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of students enrolled in pre-pharmacy	426	443	35	35	34
Number of students enrolled in pre-nursing	405	425	430	498	578

◆ **Goal 2** To enroll diverse students using the diverse in its broadest meaning.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
% Undergraduate Minority Students	51	52	49	50	51
% Graduate & First Professional Minority Students	39	43	47	48	49

Program Summary

INSTITUTIONAL SUPPORT

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-601

Mission:

To provide the University of Arizona with the support services necessary to enable it to effectively pursue the institutional mission of teaching, research, and outreach.

Description:

Institutional support includes central executive-level activities concerned with management and long-range planning for the entire University, and the operation and maintenance of the physical plant. Administrative activities include planning and programming, legal services, fiscal operations, administrative data processing, telecommunications, space management, human resources including employee personnel and records, purchasing, stores, safety, security, printing, transportation services, community and alumni relations, and development and fund-raising.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	5,727.3	5,512.9	5,512.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	69,791.3	98,885.1	102,346.0
Total Funding	75,518.6	104,398.0	107,858.9
FTE Positions	166.5	168.5	170.1

◆ **Goal 1** To enhance community support for the work of the University in the larger community.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Endowment Assets (in thousands)	195,564	201,724	190,753	194,854	199,044
Annual Giving (in thousands)	38,044	39,185	35,806	36,8800	37,987

◆ **Goal 2** To attract and engage a diverse and high quality workforce

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Minority employees in administrative, faculty, professional and classified positions (percent)	28	28	30	32	33

Program Summary

AUXILIARY PROGRAM

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To provide quality goods and services at the least possible cost to faculty, staff, students and University departments.

Description:

Auxiliary units are most closely related to "real world" businesses in that they are expected to be self-supporting and charge fees that are related to the costs of providing goods or services. Major retail and service activities include the U of A Bookstore, Student Union food services, Residence Life student dormitories and family housing, Parking and Transportation parking permits and Sun Tran passes, UA Presents performances, U of A Press publications, and Intercollegiate Athletics events. Internal service departments that provide wholesale services to other departments on campus include Facilities Management's repair, maintenance, and custodial services; Printing and Publishing Support Services; Telecommunication's telephone services; and the University Research and Instrumentation Center's design and fabrication service. While many of the retail and service activity centers are located on Main Campus, they service AHSC as well. The College of Medicine has auxiliary units including Arizona Telemedicine and Biomedical Communications as well.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,459.5	13,047.4	13,504.2
Total Funding	9,459.5	13,047.4	13,504.2
FTE Positions	152.0	198.0	200.9

◆ **Goal 1** To provide affordable housing and a residential living experience conducive to academic success and social well-being.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of new freshmen living in residence halls	70	70	75	75	75
Total number of students living in residence halls	650	600	786	750	750

◆ **Goal 2** To promote health, wellness and safety by providing quality medical care to rural Arizona.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number served through Telemedicine (clinical & educational consultations)	35,000	40,000	30,000	30,000	30,000

◆ **Goal 3** To serve students with learning disabilities.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of students served by the Strategic Alternative Learning Techniques (SALT) Center	19	50	18	20	20

Program Summary

COLLEGE OF MEDICINE, PHOENIX CAMPUS

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To provide medical students with the knowledge, skills, and attitudes basic to the practices of medicine; to provide education and training programs for residents, graduate students, fellows, and other health professionals and practicing physicians; to work with clinical affiliates to teach and model interprofessional health care delivery; to make contributions to biomedical research; to model and promote innovations in patient care and disease prevention and cure, including utilization of the multidiscipline health care team approach; and to use biomedical informatics and work with industry to address quality and cost of health care.

Description:

The College of Medicine-Phoenix offers a professional program leading to the M.D. degree and graduate degree programs. The COM-PHX also supports the education of other health professionals and the public. The educational program leading to the M.D. degree is conducted at the Phoenix Biomedical Campus and at clinical sites located in Phoenix, Tucson, and throughout the State. The faculty members conduct research programs in molecular biology, clinical translational science, medical education, therapeutics, prevention, and clinical outcomes. It is a rapidly evolving leader in biomedical informatics and health care education and this will translate into a high quality education program regarding health care issues for all in the State and critically enhancing and improving on delivery of care to our citizens.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	23,256.2	23,256.2	23,256.2
Other Appropriated Funds	8,204.0	9,778.6	9,778.6
Other Non Appropriated Funds	18,880.7	19,447.0	20,127.9
Total Funding	50,340.9	52,481.8	53,162.7
FTE Positions	550.0	555.3	560.5

◆ **Goal 1** To develop, maintain, and continuously evaluate the educational program leading to the M.D. degree.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of students passing Step I of the United States Medical Licensing Exam on the first try	96	97	96	97	97
Percent of students passing Step II of the United States Medical Licensing Exam on the first try	92	96	92	96	96

◆ **Goal 2** To provide educational experiences that promote lifelong learning, critical thinking skills, and career decisions for the breadth of disciplines needed throughout our State, emphasizing cultural competency and diversity.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Regional, national, and international awards, honors, and prizes received by students, alumni, faculty, and staff	167	175	167	175	175

◆ **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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Minority employees in administrative, faculty, professional and classified positions (percent)	24	25	26	27	27

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- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Training programs/ workshops/lectures	416	452	416	452	452

Agency Summary

ARIZONA DEPARTMENT OF VETERANS' SERVICES

Wanda Wright, Director
 Phone: (602) 255-3373
 A.R.S. §§ 41-601 et seq.

Mission:

To be a catalyst in response to the evolving needs of Arizona's veterans and their families.

Description:

The Department of Veterans' Services assists veterans and their dependents obtain federal entitlements, such as claims for disability, pension, and insurance. All other agency services are derived from this central premise.

The Department operates the State Veteran Homes, with homes operating in Phoenix and Tucson. Both homes are self-funded, skilled-nursing facilities that provide long-term care services to veterans and their spouses.

The Department operates three state veteran cemeteries in Sierra Vista, Marana, and Camp Navajo near Flagstaff. 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 and increase employment opportunities for Arizona veterans.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ ADMINISTRATION	4,361.8	3,758.8	3,884.2
➤ VETERANS' CONSERVATORSHIP / GUARDIANSHIP	752.7	943.5	44.3
➤ VETERANS' SERVICES	3,922.0	5,692.2	5,957.7
➤ STATE VETERANS' HOMES	30,302.0	31,147.6	41,160.5
➤ STATE VETERANS' CEMETERIES	5,201.8	1,969.6	2,101.4
Agency Total:	44,540.3	43,511.7	53,148.1
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	5,958.7	6,054.1	16,895.8
Other Appropriated Funds	30,613.6	32,046.8	31,194.1
Other Non Appropriated Funds	7,968.0	5,410.8	5,058.2
Total Funding	44,540.3	43,511.7	53,148.1
FTE Positions	512.3	512.3	498.3

Issue 1 State Homes for Veterans must be able to maximize their capacity to provide long term care to as many eligible veterans as possible.

Description The Arizona Department of Veterans' Services (ADVS) operates two State Homes for Veterans; a 200-bed facility in Phoenix that began operations in 1995 and a 120-bed facility in Tucson that began operations in 2012. ADVS is not able to maximize its revenue potential due to the limitations imposed by an appropriation that limits its ability to accept additional residents in both facilities. These facilities offer a 320-bed capacity; however, ADVS must maintain an average vacancy rate as high as 20% in order to pay for resident care based on the limitations imposed by the appropriation. The State and the Federal VA have invested large sums to build and develop these facilities in order to satisfy the needs of 320 residents; however, due to the limitations imposed by the appropriation, the Department is not able to fill all beds available, wasting space that could be serving more residents and could be generating additional revenues. In addition to the vacancy rate imposed by the appropriation, ADVS must have enough flexibility to absorb additional costs related to private entities contracted to support these facilities. The healthcare industry is continuously changing; regulatory demands, residents needs or expectations, and staffing needs evolve, requiring flexibility from the Department. That flexibility is critical to continue to provide quality services to all residents. The Phoenix facility is 20 years old and requires multiple emergency repairs and costly maintenance in order to continue to meet those demands. Furthermore, note that every dollar spent on repairs and maintenance is a dollar unavailable for resident care. The Department expects most of the private contracted services costs to increase because most of them have not increased in five years; therefore, additional flexibility in the budget would allow the Department to meet those needs as it serves more residents and generates additional revenues.

The State has appropriated \$19.2 Million for its 35% share of the cost to build and develop two additional 60-bed facilities; one in Yuma (\$9.2 Million) and another in Flagstaff (\$10 Million). If the Department continues to be limited in its ability to maximize occupancy and revenues, it will never be able to fill all beds, creating additional wasted space that could, otherwise, generate revenues and serve more residents.

The Trust Fund held a balance of over \$8.5 Million at the end of FY16, but the Trust Fund could gain additional revenues if the homes revenue potential is maximized. Changing the Trust Fund into a continuously-appropriated fund will not diminish the State's oversight of the Trust Fund, it will simply provide the Department flexibility it desperately needs to run a more efficient operation and maximize revenues.

Solutions:

Goal: Increase the number of beds filled in each State Home for Veterans.

Strategies: The Department proposes changing the State Home for Veterans Trust Fund (2355) into a continuously-appropriated fund. This change will provide ADVS with flexibility to maximize its operating and revenue potential for these facilities and the facilities that will be developed in the near future.

Performance Measures:

Success of the strategy will be evidenced by the successful implementation of the Department's proposal to change the Trust Fund into a continuously-appropriated fund, by the increase in the percentage of beds filled, and the increase in revenues generated by the facilities.

Issue 2 Provide quality, critical information, counsel, and assistance to Arizona veterans, their dependents, and survivors.

Description Veterans' Benefits Counselors (VBCs) are essential positions to carry out the Arizona Department of Veterans' Services (ADVS) mission by providing critical information, counsel, and assistance to Arizona veterans, their dependents, and survivors. VBCs develop and file veterans' claims for benefits in the areas of disability, pension, insurance, education, home loans, social security, burial, and other social services. VBCs, in fulfilling their responsibilities successfully, are able to generate Federal VA payments into the Arizona economy that may not be claimed otherwise. It is in the best interest of ADVS, the State, and Arizona veterans served by ADVS to retain qualified VBCs. It takes approximately two years working with ADVS for a VBC to become fully trained, accredited, and fully productive. Newly hired VBCs must complete 40.0 hours of training, six months of on-the-job training (430 hours each), and 32 hours of continuing education each year with direct supervisor involvement in order to obtain and maintain their federal (VA) accreditation. Since the turnover rate for VBCs is currently 36%, ADVS spends about \$364,992 yearly in training VBCs attempting to ensure that newly hired VBCs get accredited.

Currently, ADVS has 12 positions (28%) vacant and another 12 positions (28%) were filled in the last year; that is 56% of all VBC positions. The Department will eventually be able to reduce its training expenses if we are able to retain fully productive VBCs. Additionally, ADVS will be able to increase services to a higher number of veterans and their families to increase the amount of Federal VA dollars spent in Arizona. More veterans and families receiving their fair share of Federal benefits translate into less State expenditures in supporting those veterans and families as well as additional funds (Federal funds) entering Arizona's economy. VBCs directly and indirectly bring over \$3 Billion dollars in Federal VA funds to Arizona. Arizona has over 600,000 veterans, which means that Arizona will be spending about \$5.16 per year on each veteran to receive over \$5,000 back in benefits per veteran, per year. This is a significant return on investment that should not be ignored.

Solutions:

Goal: Provide more quality services to Arizona veterans and their families by training more qualified Veteran's Benefits Counselors and retaining them.

Strategies: ADVS proposes an appropriation sufficient to adjust entry-level hiring rates to \$36,200 per year and adjust experienced, fully productive VBCs to \$41,630 per year beginning on July 1, 2017. This proposal will fund vacant and newly hired VBCs at \$36,200 per year and will fund \$41,630 per year for all those positions once they meet the criteria for fully productive VBCs. If the requested market adjustment is not funded, ADVS will not be able to attract and retain employees in VBC positions. The Arizona Department of Administration, Human Resources Division (ADOA-HR) conducted a nationwide survey in FY13 to benchmark social service eligibility interviewer salaries (whose duties most resemble those performed by VBCs). According to the survey, the market rate for that job category was \$36,200 per year. ADOA-HR approved a partial adjustment for ADVS's VBC positions during FY14; a 7% adjustment was approved for fully productive VBCs and 5% for all others. Additionally, a market adjustment to the approved salary rate was authorized for FY16, if funding was available. Since funding has not been available, ADVS has not been able to adjust their pay.

Performance Measures:

Success of the above mentioned strategy will be evidenced by the successful appropriation of additional funds for salary increases, as requested, and a reduction in the turnover rate for VBCs.

Issue 3 Cemeteries operating costs must be paid by the State.

Description Although the Federal Government pays for all costs associated with state veteran cemetery development and construction, cemetery operating costs are the State's responsibility. The Department dedicated the Camp Navajo cemetery near Flagstaff and the Marana cemetery during the later part of FY16. In order to fully fund operations in FY18 and the future, the Department must request an increase to its appropriation to annualize projected costs. Additionally, the Department should be able to fully fund the operation of the Sierra Vista Cemetery, which commenced operation in 2002, but has been only partially funded by the State. If the Department does not receive the General Fund monies requested, the Department will not be able to fund their operation and may be required, under the terms of the construction grant, to return all construction funding provided by the Federal Government.

Solutions:

Goal: Operate cemeteries as required and, in that manner, increase the number of no-cost interment spaces available to veterans and their families.

Strategy: Emphasize the need for and seek State funding to operate all State Veterans cemeteries; fully fund Sierra Vista Cemetery and fund operating costs of the new cemeteries in Flagstaff and Marana (opened during the later part of FY16).

Performance Measures:

Success of the strategy will be evidenced by the State appropriation of General Fund monies to operate all State veterans cemeteries: firstly the two new cemeteries in Flagstaff and Marana and fully fund the Sierra Vista Cemetery.

Issue 4 Veteran population estimates indicate that over 48% of all veterans living in Arizona in the year 2020 will be older than 65.

Description Based on a formula developed by the United States Department of Veterans Affairs (VA), Arizona needs 1,520 long-term care beds in order to adequately serve its veteran population in the year 2020.

Solutions:

Currently, the Arizona Department of Veterans' Services (ADVS) has 320 long-term care beds. ADVS opened a 200-bed skilled nursing care facility in Phoenix in 1995. A second 120-bed facility in Tucson opened on Veterans' Day 2011 and received its final approval to become fully operational in 2012.

The VA has acknowledged Arizona's need for additional nursing home beds based on the number of veterans living in the state (currently estimated at over 600,000 veterans). The VA provides grants to states to fund 65% of the cost to build and renovate 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: Southwest (Yuma), Northern (Flagstaff) and Northwestern (tri-city area of Bullhead City, Kingman, and Lake Havasu). The State has appropriated \$9.2 million for the State's 35% share of the construction costs of a facility in Yuma and \$10 million for the State's 35% share of the construction costs of a facility in Flagstaff; however, the VA will not notify the State if it plans to fund those facilities in the upcoming Federal fiscal year until October 2016. Additionally, since the Phoenix Home is over 20 years old and is requiring continued and expensive repairs and maintenance, the Department is proposing a renovation project that will ensure continued safe and secure services to its residents, their visitors and Department employees. The Department will complete a feasibility study in FY17 to determine how best to modernize the facility, renew its building systems and ensure continued operations during the renovation project.

Goal: Increase the number of state veteran home beds available to eligible veterans and their spouses.

Strategies: Prioritize efforts based on geographical location of underserved veterans in Arizona. Coordinate with high veteran population communities willing to donate land to ADVS for the purpose of building a state veteran home. Upon acquisition of the land, apply for 65 percent funding from the VA State Veteran Home Grant Program and coordinate state resources to fund the 35 percent state share.

Performance Measures:

Success of the above mentioned strategy will be evidenced by the transfer of land to ADVS by at least one high veteran population community for the purpose of constructing a state veteran home, the submission of a VA State Veteran Home Grant application, and subsequent award of the grant.

Issue 5 Burial benefits are available to veterans, but there are only five Arizona locations where veterans may be interred at no cost.

Description In-ground burials and columbaria niches (for cremated remains) are available at the National Cemetery in north Phoenix and at the State cemeteries in Sierra Vista, Marana and Camp Navajo near Flagstaff. Additionally, only columbaria niches are available at the National Cemetery in Prescott. Veterans' families who aren't able to travel to one of those locations must purchase cemetery plots or columbaria niches from local cemeteries, which is an avoidable cost to the family.

Development and construction of state veteran cemeteries is fully funded by the U.S. Department of Veterans Affairs (VA) National Cemetery Administration Grant Program. However, under this grant program, operating costs must be paid by the State.

Based on the number of resident veterans and currently available services, the Arizona Department of Veterans' Services (ADVS) has identified two additional geographical regions in Arizona with significant populations of underserved veterans: Northwest (tri-city area of Bullhead City, Kingman, and Lake Havasu) and Southwest (Yuma).

Solutions:

Goal: Increase the number of no-cost interment spaces available to veterans and their families.

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 cemetery. Upon acquisition of the land, apply for funding from the VA State Veteran Cemetery Grant Program to construct additional cemeteries..

Performance Measures:

Success of the 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, the submission of a VA State Veteran Cemetery Grant application, and subsequent award of the grant.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	512.3	512.3	512.3
General Fund	6,054.1	6,054.1	6,054.1
Other Appropriated Funds	32,046.8	32,046.8	32,046.8
Non-Appropriated Funds	3,043.7	3,043.7	3,043.7
Federal Funds	2,358.8	2,358.8	2,358.8

Program Summary

ADMINISTRATION

Robert Barnes, Deputy Director
 Phone: (602) 234-8417
 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,949.8	2,264.5	2,356.3
Other Appropriated Funds	0.0	0.0	33.6
Other Non Appropriated Funds	2,412.0	1,494.3	1,494.3
Total Funding	4,361.8	3,758.8	3,884.2
FTE Positions	36.3	36.3	38.3

- ◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent approval rate of Benefit Claims submitted to Federal VA.	95	100	100	n/a	n/a

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.)	Satis.	Satis.	Satis.	n/a	n/a
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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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Expenditures of federal dollars in Arizona by the U.S. Department of Veterans Affairs (in millions of dollars)	3,607.0	3,823.42	3,076.80	3,261.4	0
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)	8,981	9,000	9,013	9,045	0
Explanation: Expressed in terms of actual dollars; no "multiplier effect" has been included in the reported figure.					
Number of Administrative Rules Improved	0	0	0	n/a	0
Explanation: Statewide Measure - The Department has one Administrative Rule					
Percent of Services Online	0	0	0	n/a	0
Explanation: Statewide Measure					
Percent of Arizona Management System Adoption	0	0	0	50	0
Explanation: Statewide Measure - Begun Adoption in FY17					
Number of Breakthroughs Achieved	0	0	0	2	0
Explanation: Statewide Measure					

◆ **Goal 3** To recruit, develop, and retain a capable and responsible staff dedicated to excellent customer service.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Agency Full-Time-Equivalent (FTE) Positions Count	0	0	376	358	0
Explanation: Statewide Measure					
Number of Regrettable Attrition	0	0	0	n/a	0
Explanation: Statewide Measure					

Program Summary

VETERANS' CONSERVATORSHIP / GUARDIANSHIP

Lori Braddock, Fiduciary Division Manager, Principal Fiduciary

Phone: (602) 234-8425

A.R.S. §§ 14-3601, 14-5311, 14-5410, 14-5651, and 41-601 et. seq.

Mission:

To protect incapacitated veterans from exploitation and improve their quality of life.

Description:

The Fiduciary Division serves as court-appointed guardian or conservator for incapacitated veterans, surviving spouses, and their dependent children and as personal representative for the estates of deceased veterans. The program is funded by a combination of General Fund appropriations and fees charged to clients for serving as their guardian, conservator, or personal representative. Monthly revenues are deposited with the State Treasurer into a conservator fund, which is returned annually to the Department through the budget appropriation process.

The Department has decided to stop accepting new cases and transfer all cases to non-State entities. This program will be eliminated and dismantled by the end of FY17.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	330.5	44.3	44.3
Other Appropriated Funds	422.2	899.2	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	752.7	943.5	44.3
FTE Positions	20.0	20.0	4.0

◆ **Goal 1** To maximize our clients' quality of life through the delivery of fiduciary services to our clients.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of annual reports of guardian submitted by the due dates	100	100	98	n/a	n/a
Number of client visits and contacts	2862	3672	3,426	n/a	n/a

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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Licensed fiduciary to client ratio.	1:25	1:28	1:40	n/a	n/a

Explanation: The division had 6 licensed fiduciaries at fiscal year end.

Human service specialist to client ratio	1:68	1:52	1:57	n/a	n/a
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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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of annual accountings submitted by the due dates	100	100	100	n/a	n/a
Percent of annual accountings approved on first submission	100	100	100	n/a	n/a

- ◆ **Goal 4** To meet clients' needs.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Active caseload at end of fiscal year	198	275	186	n/a	n/a
Decedent caseload at end of fiscal year	44	27	47	n/a	n/a

- ◆ **Goal 5** To manage and protect clients' assets held by ADVS.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Aggregate amount of protected clients' assets at end of fiscal year (in millions).	23.2	25.0	24.3	n/a	n/a

Explanation: Assuming \$85,000 per client.

Program Summary

VETERANS' SERVICES

John Scott, Asst. Deputy Director
 Phone: (602) 234-8416
 A.R.S. §§ 41-603 et. seq.

Mission:

To serve Arizona veterans and their families with information and assistance in securing their rightful benefits provided by state and federal law.

Description:

The Veterans' Services Division provides a network of Veterans Benefits Counselors (VBCs) who give information, counsel, and assistance to veterans, their dependents, and survivors. There are 16 offices in Arizona providing information on federal and state benefits, which have been earned by honorable service in the armed forces of the United States. VBCs develop and file claims for federal and state benefits in areas of disability, pension, insurance, burial, education, home loan, social security, and other social services.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	2,775.2	2,821.1	3,086.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,146.8	2,871.1	2,871.1
Total Funding	3,922.0	5,692.2	5,957.7
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent Approval Rate of Benefits Claims Submitted to Federal VA.	0	0	74	78	0
Federal VA Compensation & Pension Benefits Paid Monthly in Millions of Dollars to Veterans and Families Utilizing ADVS	0	0	29.5	30.0	0

◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Veterans Services Program Customer Service Delivery Satisfaction Rating	90	90	98.8	98	0

Explanation: Overall customer satisfaction measured by contracted customer surveys at all VBC offices

Citizen Engagement; Number of Outreach, Stakeholder & Community Engaged	0	0	20,000	22,000	0
Number of Veterans and Families Provided Direct Service from ADVS	0	0	3,100	3,100	0

Program Summary

STATE VETERANS' HOMES

Robert Barnes, Deputy Director
 Phone: (602) 234-8417
 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 was opened in 2012 and provides 120 additional skilled nursing care beds to veterans in southern Arizona. The final critically needed approval by the U.S. Department of Veterans Affairs (VA) for the Tucson Home was received June 12, 2012. The State has appropriated its share of the cost (35%) for construction and development of two additional State Homes for Veterans in Yuma and Flagstaff.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	10,000.0
Other Appropriated Funds	30,191.4	31,147.6	31,160.5
Other Non Appropriated Funds	110.6	0.0	0.0
Total Funding	30,302.0	31,147.6	41,160.5
FTE Positions	380.0	380.0	380.0

◆ **Goal 1** To achieve recognition for excellence in long term care.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
State Veteran Home(s) Quality Care	0	0	10	6	0

◆ **Goal 2** To maintain financial self-sufficiency, operating the facility without the use of Arizona taxpayer funds.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent Combined Occupancy Rate at State Veteran Homes	0	0	80	85	0

◆ **Goal 3** To achieve recognition for excellence in customer satisfaction.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
State Veteran Home(s) Customer Service Quality	0	0	60	80	0

Program Summary

STATE VETERANS' CEMETERIES

John Scott, Asst. Deputy Director
 Phone: (602) 234-8416
 A.R.S. § 41-601.D

Mission:

To provide a final resting place that honors the memory of Arizona veterans and their dependents.

Description:

The Southern Arizona Veterans Memorial Cemetery (SAVMC) in Sierra Vista opened in December 2002 and was designed to meet the needs of southern Arizona veterans for the next 40 years. The Arizona Department of Veterans' Services (ADVS) received approval and completed construction of two additional cemeteries; one in Camp Navajo near Flagstaff and one in Marana. Both cemeteries were completed and began operations in the later part of FY16. ADVS continues to actively work with the U.S. Department of Veterans Affairs (VA) to determine the most beneficial placements of future state veterans cemeteries.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	903.2	924.2	1,408.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,298.6	1,045.4	692.8
Total Funding	5,201.8	1,969.6	2,101.4
FTE Positions	19.0	19.0	19.0

◆ **Goal 1** To plan for cemetery construction required to meet the needs of Arizona veterans and their eligible dependents.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of casketed burials for both veterans and dependents (expressed as vets/dependents)	109/54	62/25	100/51	n/a	n/a
Number of columbarium inurnments (expressed as veterans/dependents)	233/75	112/35	388/83	n/a	n/a

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	464.9	651.9	651.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	464.9	651.9	651.9
FTE Positions	5.0	6.0	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 and the agency would benefit by lessening staff time/operational costs.

Description Per statute, all licenses/certificates expire on Dec. 31st of every even year. Currently, this involves printing/ mailing renewal applications, then processing the checks, continuing education documents, and applications all within an approximate 3-4 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 is currently developing an online license renewal system with FY17 appropriation. System is expected to be available in late Fall 2016 in time for the upcoming renewal cycle.

The new system will allow licensees to renew online, which will include processing their credit card payments, automatically updating the Board database with address/email/employment changes, and electronically recording licensee continuing education documentation. Licensees will also be able to print their own renewal license instead of the agency printing/ mailing it to them. Staff will no longer need to input all that data by hand into the database.

The online renewal process is expected to be just the first step in providing electronic services to the agency's customers. Licensees will later be able to change their addresses and employment information as those changes occur by logging into their own account information. The online renewal system is providing the base system to allow such steps.

Issue 2 Current database which links with website for public information reporting capabilities, lacks some features to effectively record and report some critical data items.

Description Our current database does not capture all the fields/data that we need to best analyze and report all information. These changes can only be made by an IT professional and that project is underway with FY17 appropriation funding.

Solutions:

A short-term IT project can be initiated and completed within approximately 3 months to correct some functions and enhance our database system functionalities. Some issues were added and modified during FY16 and will be completed in FY17 once the online license renewal system is completed and shown to operate as expected.

Issue 3 License applications are submitted via paper form. Staff must organize documents as they come in to the office and manually input applicant information into database.

Description The agency continually strives to increase efficiency, cost-effectiveness, and customer satisfaction. By providing an online solution for license applications, all these are expected to be enhanced.

Solutions:

Research on e-licensing systems began in FY16. There are various possibilities open to the agency, including partnering with the American Association of Veterinary State Boards, expanding on the online license renewal system currently under development, and/or procuring e-licensing software. The agency is awaiting the awarding of a State contract for this type of system to consider more in depth. Depending on progress of other IT solution projects, the online application process may begin in FY18-19.

Issue 4 Licensees need more online tools and information to manage their license requirements and be provided with pertinent news.

Description One of the agency's goals is to increase communication frequency and methods to support our mission by providing pertinent news and information as needed to our licensees.

Adding web-based capabilities for licensees to track their continuing education credits, notify the Board of address and employment changes, request license verifications, etc. would significantly improve customer satisfaction and save funds and staff resources. As more of our licensees embrace online activities, the Board wants to be able to address their needs with the most time-efficient and cost effective methods available.

Licensees are required to submit written address/employment changes within 20 days of the change. Staff receives those changes and must manually input the information into our database. Enhancements to our website/database would allow licensees to create an account online and make those changes themselves, thus ensuring that it is done in the required timeframe and saving staff resources to complete the task.

The agency does not have the capability to send mass emails. If this capability existed, news could be disseminated as needed and could include electronic newsletters and license renewal notices. Simply having the ability to mass email newsletters and renewal notices would translate into significant postage costs and staff preparation times.

Solutions:

Research will be conducted in FY17-18 to determine the most cost-effective and streamlined approach to providing news and information to our licensees via email, website and/or social media. This will likely involve IT solutions/modifications to our website and database as well as procuring and maintaining an email-blast type system. Implementation is expected in FY18-FY19, depending on available staffing and funding.

Issue 5 The agency has very limited office space for storing paper documents that must be kept for long timeframes. Keeping those documents safe from fire, flood, etc. is also a concern. The public and licensees increasingly expect instant access to public records via the website and other methods. Electronic management and easy retrieval of documents by staff will increase productivity, allowing more time for direct program-related activities.

Description As the agency continues to embrace advanced technologies in order to operate more efficiently and cost-effectively, while improving customer service, a project to procure and implement a document imaging/storage system is proposed.

Current files and public documents are stored primarily in the agency's office space, which has very limited storage space and is vulnerable to fire, water damage, etc.

Record retention management could be automated by use of an electronic system with storage/destruction capabilities.

Retrieving and organizing records would be simplified, creating more efficient internal operations as well as enhanced customer satisfaction, as it is expected that more public records could be provided electronically or posted on the agency's website. Currently, most public records requests involve staff manually pulling a record file, photocopying needed pages, then mailing to the requestor.

Solutions:

Procuring and implementing a document imaging/management system or a system that is part of an e-licensing solution is planned to solve the issues noted and enhance the agency's capability to more quickly respond to public record and Board requests. As most organizations move to electronic documents as the norm, we expect that additional uses would follow in the next few years as well.

As technology continues to improve and changes are expected to the agency's database by late FY17, this document imaging/management system project is expected to be developed in FY18-19. Part of the research prior to procuring a vendor involves study of state laws and best practices pertaining to digital records.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	6.0	6.0	6.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	595,000.0	595,000.0	598,000.0
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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Premises licensed	262	185	140	150	150
Veterinary applications processed	170	185	195	185	185
Veterinary technicians certified	72	65	79	70	70
Administration as a % of total cost	8.9	9	9	9	9
Total number of premise renewals	801	0	0	850	0
Total number of veterinarians licensed annually, including renewals	2,192	2,350	2,385	2,200	2,350

Explanation: number of licensed veterinarians at end of FY

Total number of veterinary renewals in biennial renewal process. Reinstatements included.	2094	0	9	2,200	10
Total number of technician renewals in biennial process. Reinstatements included.	925	0	13	900	10
Total certified technicians	947	1020	1,053	950	1,000

- ◆ **Goal 2** To rapidly investigate complaints and provide enforcement to protect the public from incompetent service and unprofessional and unethical conduct.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of complaints docketed	107	110	96	100	100
Number of complaints resolved	109	100	97	100	100
Disciplinary actions	36	20	27	20	20
Average number of calendar days from receipt of complaint to resolution	92	115	154	160	160
Number of annual investigations conducted	109	110	116	110	110
Number of investigations resulting in enforcement action	42	20	27	25	25

- ◆ **Goal 3** To ensure that licenses are granted to competent professionals with high standards of professional and ethical conduct.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of disciplinary actions to number of licensed veterinarians	1.4	1	1.1	1	1
Percent of customers responding excellent or good on customer satisfaction survey	98	98	99	98	98

- ◆ **Goal 4** To ensure that the rules developed to license pet crematory facilities are met when licensing and thereafter.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of licenses issued for pet crematory facilities	3	0	0	1	1

Agency Summary

WATER INFRASTRUCTURE FINANCE AUTHORITY

Particia Incognito, 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 as well as to provide technical assistance and low-cost financing solutions to Arizona communities and tribal governments.

Description:

The Arizona Water Infrastructure Finance Authority (WIFA), in accordance with Laws 2016, Chapter 372, is an independent entity of the Arizona Finance Authority that is 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 issues bonds and receives federal grants to offer project financing at below market interest rates. Additionally WIFA is responsible for The Greater Arizona Development Authority (GADA), a state level financing authority that assists local and tribal governments in developing and financing public infrastructure projects.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ WATER INFRASTRUCTURE FINANCE AUTHORITY	221,397.4	0.0	0.0
➤ GREATER ARIZONA DEVELOPMENT AUTHORITY	48.2	0.0	0.0
Agency Total:	221,445.5	0.0	0.0
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	221,445.5	0.0	0.0
Total Funding	221,445.5	0.0	0.0
FTE Positions	19.0	0.0	0.0

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 is continuing to consult with a Financial Advisor in an effort to determine when additional bonding would be beneficial. The discussion will consist of when we should seek new bond funding, what refunding opportunities we may have and the net effect on the WIFA program.

Issue 2 Clean Water Allocation

Description The Clean Water fund is capitalized by annual federal contributions. The present allocation is based on a 1977 formula that does not consider Arizona’s population growth since that date.

Solutions:

In May 2014 Congress amended Section 601(A) of the Federal Water Pollution Control Act (Title V Water Infrastructure Financing, Subtitle A State Water Pollution Control Revolving Funds). Section 5008, Report on the Allotment of Funds Reads, in part, “The Administrator of the Environmental Protection Agency shall conduct a review of the allotment formula in effect on the date of enactment of this Act for allocation of funds authorized under title VI of the Federal Water Pollution Control Act to determine whether that formula adequately addresses the water quality needs of eligible State, territories and Indian Tribes...”

EPA has conducted their study and presented their findings to Congress. However Congress has not acted on the initiative. The allocation received for FY 17 remains the same.

Issue 3 Market agency programs and advocate the importance of safe, reliable water through presentations, networking and outreach

Description Arizona's economy is affecting WIFA in that fewer organizations are pursuing loans.

Solutions:

-Conferences & Outreach Events

WIFA presented at numerous conferences and outreach events throughout the year. Some highlights, new conferences or opportunities outside of WIFA's typical presence, include:

- Arizona Public Works Association luncheon
- American Concrete Pressure Pipe Association Annual Meeting
- American Society of Civil Engineers and American Council of Engineering Consultants
- American Public Works Association National Conference - An Insider's Look at Arizona's Water Infrastructure and WIFA-Funded Projects
- Healthy Forests, Vibrant Economy Conference - Capitalizing on the Water Infrastructure Finance Authority
- Arizona Hydrologic Society Dinner presentation
- Arizona Water Association - Innovative Financing For Your Not-So-Traditional Infrastructure Projects
- ASU Sustainable Cities Network Green Infrastructure Workgroup Meeting
- Conservation InfoShare Statewide Meeting - Reduce, Reuse, Recycle: Smart Investments with WIFA

-Value of Water Week

In support of the Value of Water Coalition's Imagine A Day Without Water campaign, WIFA partnered with the Arizona Department of Water Resources, Arizona Department of Environmental Quality, Arizona Commerce Authority, University of Arizona Water Resources Research Center and Arizona Municipal Water Users Association to develop a proclamation. Several Arizona Corporation Commissioners provided their support as well.

Governor Ducey proclaimed the week of October 5-9 as the Value of Water Week and invited utilities, schools, local governments, and businesses to communicate the importance of water and investments in infrastructure. The proclamation was presented at the Healthy Forests, Vibrant Economy Conference, hosted by SRP, on October 7, 2015.

WIFA also put together a press release and sent out an e-mail to customers and partners, encouraging them to participate in the campaign.

-Newsletters & Publications

WIFA was featured in many press releases, newsletters and publications throughout the year. Some highlights, new publications or opportunities outside of WIFA's typical outreach, include:

- Arizona Commerce Authority Newsletter - WIFA Awarded \$25 Million
- Arizona Municipal water Users Association Blog - WIFA: Little Agency Of Big Government Protects Arizona's Water
- ADWR Communication/Newsletter - An Arizona Agency Takes on the Challenge of Upgrading Drinking-Water Systems Around the State
- Arizona Forward – New Member Spotlight

-Social Media & E-mails

- New Twitter Account - interested individuals and entities can now follow WIFA on Twitter @WIFAFunding.
- WIFA is active on Facebook and uses it to communicate important events or happenings and share relevant water infrastructure articles.
- Earth Day Article - WIFA Cares About the Earth & Arizona's Communities: Protecting the Earth and Water
WIFA used Earth Day as an opportunity to pay tribute to the good work happening Arizona's communities to protect the environment and public health. Communities are investing in infrastructure to improve water quality and WIFA is able to help keep costs affordable.
- WIFA sent out numerous e-mails throughout the year to WIFA's distribution list, containing information about upcoming events, trainings, resources and funding opportunities.

Issue 4 Increase development of public infrastructure projects

Description Budgetary sweeps from FY2008 to FY2010 have substantially impeded GADA from carrying out its statutory mandate to support economic development in small, rural and tribal communities. The State has not reinvested in GADA since that time.

Solutions:

No new initiatives are planned for GADA

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions			
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	
WATER INFRASTRUCTURE FINANCE AUTHORITY	
Vacant, 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	221,397.4	0.0	0.0
Total Funding	221,397.4	0.0	0.0
FTE Positions	17.6	0.0	0.0

◆ **Goal 1** To award WIFA's resources in accordance with the needs of Arizona's Citizens.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of projects that have corrected or prevented public health or environmental problems (including projects which address non-compliance and maintenance of compliance).	9	2	4	2	2

◆ **Goal 2** To maintain the fiscal integrity of the Funds administered by WIFA and ensure continuous enhancement for future generations.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of total available funds invested.	96.6	95.0	99.92	0	0

◆ **Goal 3** To effectively and efficiently deliver financial and technical assistance.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of weeks from Board action to circulate draft loan documents.	.68	1.5	.77	1.5	1.5
Average number of days for WIFA to process a disbursement request.	6.85	14	5.13	14	14

◆ **Goal 4** To market agency programs and advocate the importance of safe, reliable water through presentations, networking and outreach.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of conferences/outreach events attended/presented at per year.	5.0	4.0	12	4	4
Number of RWIC meetings attended or coordinated per year.	3	2	2	2	2

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	48.2	0.0	0.0
Total Funding	48.2	0.0	0.0
FTE Positions	1.4	0.0	0.0

◆ **Goal 1** To increase development of public infrastructure projects.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 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.					
The savings in FY 14 was from a refunding action by the Cities of Coolidge, Guadalupe, Queen Creek, & Williams.					

Agency Summary

DEPARTMENT OF WATER RESOURCES

Thomas Buschatzke, Director
 Phone: (602) 771-8500
 A.R.S. §§ 45-101 et seq.

Mission:

To be the steward of Arizona's water future and ensure long-term, reliable water supplies to support the continued economic prosperity of the State, protecting Arizona's Water Supplies for its Next Century.

Description:

The Department of Water Resources administers State water laws (except those related to water quality), explores methods of augmenting water supplies to meet future demands, promotes the management of floodplains and dams to reduce loss of life and damage to property, and works to develop public policies that promote conservation and equitable distribution of water. The Department oversees the use of surface and groundwater resources under state jurisdiction and negotiates with external political entities to protect and augment Arizona's water supply. The Department represents the State on issues related to the Colorado River.

Agency Summary: (\$ Thousands)

Program	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
➤ AGENCY SUPPORT	4,794.8	5,242.7	5,512.0
➤ WATER RESOURCES AND STATEWIDE PLANNING	16,859.4	17,761.2	19,293.2
➤ DAM SAFETY AND FLOOD WARNING	1,017.8	1,078.3	1,078.3
Agency Total:	22,672.0	24,082.2	25,883.5
Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	11,810.1	13,012.6	14,813.9
Other Appropriated Funds	571.3	2,119.1	2,119.1
Other Non Appropriated Funds	10,290.5	8,950.5	8,950.5
Total Funding	22,672.0	24,082.2	25,883.5
FTE Positions	137.2	137.2	157.2

Issue 1 Data Integrity

Description Water is a vital factor in the health and strength of Arizona’s economy. In October 2015, Governor Ducey announced the Arizona Water Initiative to help ensure the certainty and vitality of Arizona’s water supply long into the future. The Governor's Water Initiative involves two tracks. The first is to examine water supply and demand imbalances in the 22 planning areas identified in the 2014 Strategic Vision for Water Supply Sustainability Report. Beginning with rural areas, the Governor's Water Initiative will seek to create and implement solutions to meet future water demands. The second track requires an appointed team to examine augmentation strategies and explore conservation opportunities and infrastructure capability.

Data is fundamental to the analysis required to understand the water conditions in the State. Both tracks of the Governor's Water Initiatives require good data. At current, the Department of Water Resources is facing challenges with data integrity. The Department operates 5 separate databases, all of which contain some data that could be useful to the public and also to achieve the goals of the Governor’s Water Initiative. The data in these databases, while valuable, is not complete and could be improved. The Department uses data to support regulatory and permitting decisions. Accurate data is essential to making sound water management decisions which are key to ensuring secure and resilient water supplies for Arizona’s future.

Solutions:

The Department is dedicating available resources to data clean up. The Department is requesting additional personnel in its FY 2018 Budget Request to further address these data integrity issues. The Department is requesting three Hydrologist positions and two GIS-related positions, both of which will provide the expertise and staff time to gather necessary data and update databases to ensure data provided both to the public and to interested parties is reliable and accurate.

Issue 2 Fairness and Equity in Water Regulations

Description With the reduction of ADWR staff over the past decade, investigations of Active Management Areas compliance/noncompliance are often only initiated in the event of a direct complaint made or in the event of the observation of a fairly egregious violation.

Solutions:

The Department will continue to dedicate available resources to investigate compliance with AMA regulations. Additionally, ADWR is requesting three Water Resource Specialist II positions to provide additional staff resources to the AMA program.

Issue 3 Insufficient Adjudications Personnel

Description The Department provides technical assistance for the general stream adjudications process to the Arizona Superior Court. Currently, there are two ongoing general stream adjudications in Arizona: the Gila River System and the Little Colorado River System. The Court has expressed a desire to increase the pace of the adjudications process.

The purpose of these adjudications is to determine the priority and extent of water rights. This is important because until water rights are determined, the Department cannot accurately determine water availability. This uncertainty impacts statewide water planning as well as personal and business decisions regarding the availability of future water resources.

Solutions:

To date, the Department has met Court orders and requests in a timely fashion. The Department is requesting four Water Resource Specialist II positions and two Water Resource Specialist III positions to dedicate to fulfilling existing and future court orders as the pace of the process increases.

Resource Assumptions

	FY2019 Estimate	FY2020 Estimate	FY2021 Estimate
Full-Time Equivalent Positions	149.0	149.0	149.0
General Fund	14,723,100.0	14,723,100.0	14,723,100.0
Other Appropriated Funds	2,119,100.0	2,119,100.0	2,119,100.0
Non-Appropriated Funds	7,320,500.0	7,320,500.0	7,320,500.0
Federal Funds	340,000.0	340,000.0	340,000.0

Program Summary

AGENCY SUPPORT

Lynne Smith, Deputy Director
 Phone: (602) 771-8500
 A.R.S. §§ 45-103, 45-105

Mission:

To provide the Department with efficient and cost effective centralized services to assist the Department in meeting its goals.

Description:

Agency Support provides the management support necessary to manage the Department efficiently. This program includes the following functional areas: budget, personnel, fiscal services, payroll, purchasing, mail delivery, copying, facilities, motor pool and management information services.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,263.5	4,792.7	5,062.0
Other Appropriated Funds	530.7	0.0	0.0
Other Non Appropriated Funds	0.6	450.0	450.0
Total Funding	4,794.8	5,242.7	5,512.0
FTE Positions	30.0	30.0	33.0

- ◆ **Goal 1** To develop business database systems and applications capable of collecting, organizing, maintaining and displaying the data required to meet the needs of the Department and its constituents.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of business hours to resolve reported bugs or problems	24	8	0	0	0

- ◆ **Goal 2** 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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of time servers are available.	99	99.9	0	99.95	0

- ◆ **Goal 3** To promote the Department's missions and initiatives.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of hits to ADWR's webpages on the Governor's Water Initiative	0	0	0	26,100	0
Number of positive media hits about Arizona water sustainability	0	0	4	16	0
Percentage of transactions completed online	0	0	17	24	0

Program Summary

WATER RESOURCES AND STATEWIDE PLANNING

Lynne Smith, Deputy 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. This program develops and implements water management plans, regulates water use, collects data necessary to assess water supplies, and provides technical and administrative support to the Arizona courts presiding over the general stream adjudication in Arizona. The program represents the State on Colorado River and interstate water issues and provides technical assistance to water users.

This Program Contains the following Subprograms:

- ▶ Groundwater Management
- ▶ Surface Water Administration and Adjudication
- ▶ Colorado River Management
- ▶ Statewide Planning
- ▶ Hydrology

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	6,978.1	7,657.4	9,189.4
Other Appropriated Funds	40.6	2,119.1	2,119.1
Other Non Appropriated Funds	9,840.7	7,984.7	7,984.7
Total Funding	16,859.4	17,761.2	19,293.2
FTE Positions	97.5	97.5	114.5

Subprogram Summary

GROUNDWATER MANAGEMENT

Lynne Smith, Deputy 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 developing and implementing groundwater management plans, regulations and grant programs which are designed to reduce groundwater use to meet the goals of the Active Management Areas. This subprogram includes groundwater rights management, well driller licensing and permitting, well construction and registries, and the measurement and monitoring of groundwater use and supplies throughout the State.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,287.9	1,571.4	1,820.8
Other Appropriated Funds	13.9	1,664.2	1,664.2
Other Non Appropriated Funds	1,181.8	963.0	963.0
Total Funding	2,483.6	4,198.6	4,448.0
FTE Positions	20.0	20.0	23.0

- ◆ **Goal 1** To conduct special investigations of critical groundwater areas to ensure that management decisions have a sound technical justification.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percentage of applications reviewed and permits issued for assured and adequate water supply within statutory deadlines.	100	100	100	0	0

- ◆ **Goal 2** To make progress toward the goals of the Active Management Areas by promoting water conservation, groundwater recharge and the use of renewable resources in a fair and equitable manner, and by developing groundwater rules and management plans in conjunction with stakeholders.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percentage of annual storage reports and long-term storage accounts available online to the public.	100	100	100	0	0
Number of stakeholder advisory groups provided technical assistance.	33	35	26	0	0

- ◆ **Goal 3** To maintain a statewide registry of wells and an accurate record of groundwater rights and uses in Active Management Areas and Irrigation Non-Expansion Areas.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of annual withdrawal and use reports available for online filing.	69	87	69	0	0
Percent of notice of intent to drill or modify well applications reviewed and processed within statutory deadlines.	100	100	100	0	0

Subprogram Summary
SURFACE WATER ADMINISTRATION AND ADJUDICATION
Lynne Smith, Deputy 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 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). This subprogram also maintains accurate water rights registries and records of hydrologic conditions to aid in effective management and planning of surface water supplies. This subprogram provides technical and administrative support to the Arizona courts presiding over the general stream adjudication in Arizona.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	1,081.6	2,414.3	3,012.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	38.9	35.0	35.0
Total Funding	1,120.5	2,449.3	3,047.6
FTE Positions	25.0	25.0	32.0

- ◆ **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 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of applications processed to appropriate surface water within the licensing timeframe.	85	90	100	0	0
Percentage of public and intra-agency information requests met within agency time frames.	85	90	100	0	0

- ◆ **Goal 2** To provide accurate and timely analyses of water rights claims and high quality statewide water resource data, and to provide technical support, reports, and assessments as required by Adjudication Court directives.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of adjudication court assigned reports completed by established deadlines.	100	100	100	0	0
Percentage of applications, amendments and assignments processed within Agency time frames.	85	90	100	0	0
Percent of public and intra-agency information requests met within Agency time frames.	85	90	100	0	0

Subprogram Summary

COLORADO RIVER MANAGEMENT

Gerry Walker, Deputy 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 the rights and interests of Arizona to Colorado River water resources for the citizens of Arizona.

Description:
 This 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. This subprogram collects and evaluates data and information to support the preparation of recommendations regarding the protection and allocation of Colorado River water. This 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	496.2	286.0	286.0
Other Appropriated Funds	0.0	188.6	188.6
Other Non Appropriated Funds	40.4	0.0	0.0
Total Funding	536.6	474.6	474.6
FTE Positions	5.0	5.0	5.0

◆ **Goal 1** To effectively represent Arizona in discussions and negotiations regarding the State's rights to the Colorado River.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of unused entitlement recharged	95	95	100	0	0
Percentage of Colorado River Basin and bi-national meetings in which ADWR participated to represent the interest of Arizona water users.	100	100	95	0	0

◆ **Goal 2** To analyze and recommend to the US Department of the Interior the allocation and provisions for contracting of Colorado River water and Central Arizona Project water.

Performance Measures	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percentage of contract actions recommended in a timely manner to the US Department of Interior.	100	100	100	0	0

◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Percent of Arizona's annual entitlement to Colorado River water beneficially used	100	100	94	0	0
Percent of water accounting related reports reviewed within timeframe requested (Lower Colorado River Accounting and Water Use Report, Intentionally Created Surplus Creation and Use Plans, Inadvertent Overrun and Payback Policy Plans).	100	100	100	0	0
Percentage of instances in which the Colorado River Conditions dashboard was updated within two business days of receiving new information.	100	100	100	0	0

Subprogram Summary

STATEWIDE PLANNING

Gerry Walker, Deputy 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 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 assist to develop, protect and preserve the water supplies for the State.

Funding:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	4,002.2	3,256.7	3,587.6
Other Appropriated Funds	26.6	266.3	266.3
Other Non Appropriated Funds	8,569.6	6,686.7	6,686.7
Total Funding	12,598.4	10,209.7	10,540.6
FTE Positions	44.5	44.5	48.5

◆ **Goal 1** To assess and report information on statewide water resource supply and demand.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of annual water use reporting summaries issued per year for the Community Water System Program.	0	3	0	0	0

◆ **Goal 2** To develop strategies that address statewide water resource issues.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of projects that provided technical assistance in support of quantifying and improving resource management outside active management areas.	100	100	100	0	0
Number of rural water partnership groups in which ADWR participated.	6	6	6	0	0

◆ **Goal 3** To support the Arizona Water Banking Authority's mission of mitigating the impacts of future Colorado River shortages on Arizona water users by storing all available excess Central Arizona Project supplies underground today.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
The amount of water delivered for storage in implementation of the Arizona Water Banking Authorities Annual Plan of Operation.	84,450	40,400	26,893	0	0
Percentage of monthly updates made available to the public online within three business days of data verification.	100	100	100	0	0

◆ **Goal 4** To protect and preserve the flow and quality of water in the streams of Arizona by targeting Water Protection Fund grants.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percentage of grants that achieve the stated objectives of the Water Protection Fund Commission	100	100	100	0	0

Subprogram Summary
HYDROLOGY
Frank Corkhill, Assistant Director Phone: (602) 771-8500 A.R.S. §§ 45-104, 45-105

Mission:
To provide the Agency and citizens' with timely and accurate hydrologic data collection and data analysis. The Division serves as the Agency's technical advisor on hydrologic and water resource issues to ensure that public policy is based on sound technical analysis.

Description:
 This subdivision collects groundwater, surface water, microgravity and land subsidence data from thousands of wells and monitoring locations throughout the state. This subdivision develops, maintains and updates numerical groundwater flow models for the active management areas and other areas of significant groundwater use. The collected hydrologic data and models are used by the Agency to study past and present groundwater conditions: and to project future conditions in many of the major aquifers in the state. The hydrologic data and models assist water managers and other water information users with both complex and everyday water resource planning and decision making. Hydrologic data, groundwater models and reports are published and available on the Agency's website to the general public and water industry professionals.

Funding:	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	110.3	129.0	482.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10.0	300.0	300.0
Total Funding	120.3	429.0	782.4
FTE Positions	3.0	3.0	6.0

◆ **Goal 1** To ensure the collection and analysis of hydrologic data for the Agency and other users of hydrologic data.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Groundwater Site Index well sites with manual water level measurements.	1575	1575	2,230	0	0
Groundwater Site Index well sites with automated water level measurements.	129	131	130	0	0
Number of manual stream flow measurements.	3	3	42	0	0

- ◆ **Goal 2** To ensure wide-spread access to collected annual hydrologic and geophysical data and groundwater modeling reports and analysis.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Interferometric Synthetic Aperture Radar Subsidence Maps published and available on the Agency's website.	57	41	365	0	0
Number of active management area groundwater models developed, updated or revised.	6	6	6	0	0
Number of non-active management area groundwater models developed, updated or maintained.	1	2	2	0	0

Program Summary

DAM SAFETY AND FLOOD WARNING

Lynne Smith, Deputy 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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
General Funds	568.5	562.5	562.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	449.3	515.8	515.8
Total Funding	1,017.8	1,078.3	1,078.3
FTE Positions	9.7	9.7	9.7

- ◆ **Goal 1** To promote safe floodplain management practice within the 107 communities in the State that are part of the National Flood Insurance Program through outreach, training, and evaluation of compliance with State and National Flood Insurance Program requirements.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of community assistance contact visits completed.	3	5	6	0	0

- ◆ **Goal 2** To assure that dam design, construction, operation and maintenance are in compliance with State laws and current dam safety guidelines.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of dams classified in a non-emergency unsafe condition	15	15	17	0	0
Percentage of dam safety applications reviewed within regulatory timeframes.	100	100	100	0	0

◆ **Goal 3** To promote dam safety through inspections of high-hazard dams.

Performance Measures	FY 2015 Actual	FY 2016 Estimate	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of inspections of high-hazard dams	0	0	4	102	0

Glossary

Part 1: Budget Terms

90/10 Professional and occupational regulatory agencies funded through the collection of fees and the issuance of licenses. These agencies retain 90% of the fees collected annually in separate agency fund accounts and deposit 10% of the fees collected into the *General Fund*.¹

A

accountability Monitoring, measuring, and evaluating the performance and progress of policies, plans and programs to ensure that results are achieved.

actual expenditure An expenditure made in the prior *fiscal year* as reported in the State of Arizona Annual Financial Report, including *Personal Services, Employee-Related Expenditures, All Other Operating Expenditures* and all *below-the-line items* as authorized by the Legislature.

administrative adjustment Adjustments made to reflect expenditures made by an agency after the close of the *fiscal year*. Administrative adjustments include the time period from the close of the 13th month to June 30 of the next fiscal year.

administrative cost An expense associated with the support, management and oversight of services delivered pursuant to the agency or program *mission*. Typical administrative costs include those associated with accounting, human resources, budgeting, strategic planning, public information, auditing, executive management, etc.

AFIS The Arizona Financial Information System is the statewide accounting system maintained by the Department of Administration.

AHCCCS The Arizona Health Care Cost Containment System is the State's Medicaid program designed to deliver quality managed healthcare to qualifying individuals.

All Other Operating Expenditures (AOOE) Category of expenditure accounts that include Professional and Outside Services, In-State Travel, Out-of-State Travel, Food, *Other Operating Expenditures*, and *Equipment*.

ALTCS The Arizona Long Term Care System is a single federally defined program providing services through two State agencies: AHCCCS, which serves the elderly and physically disabled, and the

Department of Economic Security (DES), which serves the developmentally disabled.

annualization An adjustment, made to the current year funding base, that will allow a partially-funded program to operate for a full year or accounts for a full-year of budget savings due to mid-year reductions.

appropriated fund The Legislatively mandated segregation of funds. It is used and monitored by the *General Accounting Office* as a separate self-balancing set of accounts.

Arizona Administrative Code State agency rules of practice setting forth the nature and requirements of all formal procedures available to the public.

Arizona Revised Statutes (A.R.S.) The laws governing the State of Arizona.

B

base budget An adjusted budget base that reflects the current year appropriation, amended to include changes for *standard operating adjustments*.

below-the-line item A specific expenditure or budgetary account that has been singled out through the appropriation process to provide high visibility of expenditure. Also known as "special line item."

biennial budgeting A process that estimates revenues and expenditures for a two-year period.

block grant Allocations of federal money to a state or its subdivisions in accordance with a distribution formula prescribed by law or administrative regulation, for activities of a continuing nature within a restricted subject area (e.g., social services, maternal and child health, and childcare).

budget A financial plan that estimates the revenues and expenditures for a given period of time. (SEE ALSO: *capital outlay* and *operating budget*).

budget program Functions and activities of a *budget unit* or within a budget unit that are pre-planned to fulfill a distinct *mission*.

budget reform legislation Refers to the provisions contained in Laws 1993, Chapter 252; Laws 1994, Chapter 218; Laws 1995, Chapter 283; Laws 1996, Chapter 339; Laws 1997, Chapter 210, and Laws 2002, Chapter 210.

budget unit A department, commission, board, institution or other State organization receiving, expending, disbursing or incurring obligations against State funds.

¹ Italicized terms are defined in this Glossary.

C

capital outlay Expenditures for upkeep, preservation, development, improvement or acquisition of lands, buildings or certain associated equipment.

Capital Outlay Stabilization Fund (COSF) A fund into which rent monies collected from agencies occupying State-owned rental space are deposited. The monies partially offset building operating and maintenance costs.

categorical eligibility Automatic eligibility for certain federal-State matched public assistance programs, based on criteria established in federal law. Admission to a program (e.g., Medicaid) is mandatory to certain groups of beneficiaries who meet the legal criteria for eligibility to the specified program.

categorical program A broad category of joint federal-State public assistance programs that provide financial assistance to individuals or that may subsidize a particular activity (e.g., Medicaid pays for medical services on behalf of certain groups of low-income persons).

certificate of participation (COP) A financing tool used by the State for the acquisition and construction of State facilities.

comptroller object An obsolete identifier that was formerly used in the statewide accounting system to identify the detailed revenue or expenditure account affected by a transaction; replaced in the new accounting system by *object*.

continuing appropriation An appropriation that is automatically renewed without further Legislative action, period after period, until altered, revoked or liquidated by expenditure.

current services budget A financial plan that incorporates the *base budget* needs of an agency and the addition of funding to support demographic growth in client caseloads and workload functions.

D

decision package A funding request made by State agencies.

detail fund A fund designation used in the statewide accounting system to segregate agency-specific activity. The balance of an *appropriated fund* is comprised of the sum of all of its detail funds.

Disproportionate Share Hospital (DSH) A hospital that serves a disproportionate share of low-income and Medicaid patients, thereby qualifying for federal aid pursuant to Section 1923 of the Social Security Act. The federal basis for payments is either a reflection of a hospital's number of Title XIX in-patient days or a "low-income" utilization rate. States may also establish optional payment categories. Arizona has established optional groups that include county, State and private hospitals.

E

Employee-Related Expenditures (ERE) The State's contribution to an employee's benefit package. ERE include FICA; retirement; Worker's Compensation; health, dental, and life insurance; unemployment insurance; Personnel Division charges; Government Information Technology Agency charges; and uniforms for certain classes of employees.

entitlement program A broad category of *categorical* public assistance programs that provide services (e.g., cash assistance, medical services, etc.) to certain population groups (e.g., low-income families with minor children). Admission is often mandatory for qualified individuals who meet the legal eligibility criteria (e.g., individuals who are low-income and aged, blind or disabled), hence the reference "entitlement."

Equipment In the operating budget, a specific item of expenditure divided into capitalized equipment (purchased for \$5,000 or more) and non-capitalized equipment (usually between \$300 and \$4,999).

ERE rate The quotient of *Employee-Related Expenditures* and *Personal Services* expressed as a percentage.

Executive Issue An adjustment to the prior-year appropriation to change the scope of current programs or service levels.

expenditures See actual expenditures.

F

federal funds Amounts collected and made available to the State by the federal government, usually in the form of *categorical* or *block grants* and *entitlement programs*.

Federal Insurance Contribution Act (FICA) Requires employees and employers to make matching contributions into the Social Security fund.

Federal Waiver Program Experimental, pilot or demonstration projects that, in the judgment of the Secretary of the U.S. Department of Health and Human Services, are likely to assist in promoting the objectives of the Medicaid Statute. Projects approved under this authority are referred to as "waiver" programs.

fiscal year The State's yearly accounting period beginning July 1 and ending June 30. (The federal fiscal year begins October 1 and ends September 30.)

FPL (Federal Poverty Level) Refers to the poverty guidelines, in relation to income standards, as updated annually in the FEDERAL REGISTER by the U.S. Department of Health and Human Services.

full-time equivalent (FTE) position A position budgeted at 2,080 hours per year.

fund An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and

equities, which are segregated for the purpose of carrying on specific activities in accordance with limitations, restrictions or regulations.

fund balance The excess of the assets of a fund over its liabilities and reserves.

G

General Accounting Office (GAO) A division of the Department of Administration that provides diverse statewide financial services and ensures compliance with related *statutes* and rules.

General Fund The primary State account into which monies are collected for the general purposes of government. The primary sources of revenues for the General Fund include sales taxes, income taxes and property taxes. The General Fund is also the major expenditure source from which agencies make payments for specified purposes.

grant anticipation note (GAN) A federal finance tool involving bonding that can be issued by the State Transportation Board. The issuance of a GAN allows the State to fund and accelerate highway construction projects with anticipated federal monies.

I

inflation An allowance made for an increase in price levels of operating expenditures from one *fiscal year* to the next.

input A *performance measure* that identifies the amount of resources needed to provide particular products or services.

J

JLBC Staff The Legislative counterpart to the Governor's *Office of Strategic Planning and Budgeting (OSPB)*. The Joint Legislative Budget Committee Staff is often referred to as the JLBC but should not be confused with the Legislative committee of the same name. The JLBC Staff prepares an analysis of the Executive Budget as soon as it is presented to the Legislature. The analysis includes the JLBC Staff's recommendations for revisions in expenditures.

Joint Committee on Capital Review (JCCR) Created by Laws 1986, Chapter 85, to establish the Building Renewal Formula, approve the creation of Building Systems, and review the State Capital Improvement Plan. The JCCR is also responsible for reviewing all construction projects before commencement of the project. The JCCR consists of the following 14 members of the Legislature: Chairs of the House and Senate Appropriations Committees, majority and minority leaders from the House and Senate, four members of the House Appropriations Committee, and four members of the Senate Appropriations Committee.

Joint Legislative Budget Committee (JLBC) A Legislative committee consisting of the following 16 members of the Legisla-

ture: Majority Leaders of both the House and Senate; Chairs of both the House and Senate Appropriations Committees; Chair of the Senate Finance Committee; Chair of the House Ways and Means Committee; five members of the House Appropriations Committee; and five members of the Senate Appropriations Committee. The JLBC meets as often as is necessary to transact business related to fiscal management of the State's resources.

Joint Substance Abuse Treatment Program (JSAT) Also known as "Arizona Families First," JSAT is a substance abuse program jointly administered by the Department of Child Safety and the Department of Health Services. The program pays for services to parents, guardians or custodians whose substance abuse is a significant barrier to preserving the family. Services can also be provided to federal Temporary Assistance for Needy Families (TANF) Block Grant recipients whose substance abuse is a significant barrier to obtaining or maintaining employment.

L

lapsing appropriation An appropriation that terminates automatically. Except for a *continuing appropriation*, an appropriation is made for a certain period of time, generally one year. At the end of this period (including an *administrative adjustment* period), unexpended or unencumbered balances revert to the fund from which the appropriation was made. Also known as a "reverting appropriation."

line item appropriation A method of appropriation that separates the budget into specific objects of expenditure. The specific items include *Personal Services, ERE, Professional and Outside Services, In-State Travel, Out-of-State Travel, Food, Other Operating Expenditures, and Equipment*.

lump-sum appropriation An appropriation made for a stated purpose, or for a named department, without specifying further the amounts that may be spent for specific activities or for particular objects of expenditure.

M

Master List of State Government Programs *Budget reform legislation* requires *OSPB* to publish a "Master List" of programs run by or overseen by State government. Laws 2002, Chapter 210 slightly changed the format of the Master List and designated this annual submittal as the operational plan for State agencies and conformed to the budget cycles. Required information for each agency, program and subprogram includes the agency description, *mission* statement, strategic issues, and financial and *FTE* position information, as well as the description, *mission* statements, goals, and *performance measures* for all programs and subprograms.

means-tested program Eligibility to a public assistance program restricted by an applicant's income or other resources specified by

law. Resources include bank accounts and similar liquid assets as well as real estate, automobiles and other personal property whose value exceeds specified financial limits.

mission A brief, comprehensive statement of purpose of an agency, program, or subprogram.

modified lump-sum appropriation A method of appropriation in which *Personal Services, Employee-Related Expenditures, All Other Operating Expenditures* and *below-the-line items* are specified in the appropriations bill.

modified standard adjustment The difference, as calculated by the agency, between the actual *Personal Services* base and the amount allocated for Personal Services by the agency in its expenditure plan. Any amount identified as a modified standard adjustment must be explained by the agency requesting the adjustment.

N

non-appropriated funds Generally, funds set up as Enterprise or revolving funds. These funds are considered statutorily appropriated and are not subject to the annual or biennial appropriation process.

non-lapsing appropriation An appropriation that does not revert to the fund from which it was appropriated at the end of the *fiscal year*, as provided by law. (SEE *continuing appropriation*).

O

object The unit used in the State accounting system to identify, categorize and group governmental expenditures.

object category The aggregation of similar objects of expenditure or revenue in the State accounting system.

objective A specific and measurable target for accomplishing goals.

one-time adjustment A budget adjustment that must be made because of a one-time circumstance that is not continued through the next *fiscal year*. The end of a project would bring about a one-time decrease the following year.

operating budget A plan of all proposed expenditures other than capital expenditures (SEE *capital outlay*). An operating budget is composed of various objects of expenditure, such as *Personal Services, Employee-Related Expenditures, In-State Travel*, etc.

operational plan A practical, action-oriented guide that directs goal-setting to achieve meaningful results with the existing resources through the shorter budget cycle period. The operational plan should provide incremental steps towards achieving the strategic long-range plan. SEE ALSO: *Master List*

OSP (Office of Strategic Planning and Budgeting) A State agency charged with preparing the Governor's budget guidelines and the Executive Budget recommendation for review by the

Governor. The Office also facilitates a strategic planning process for State government and is responsible for implementing many of the provisions of *budget reform legislation*. The OSPB staff is the Executive counterpart to the *JLBC Staff*.

other appropriated funds All amounts, excluding *General Fund* amounts, appropriated by the Legislature for predetermined uses. These include Special Revenue Funds, revolving funds, etc.

other operating expenditure According to the ARIZONA ACCOUNTING MANUAL, everything using an object code of 7000. This refers to operating expenditures necessary to operate a budget unit, e.g., office supplies, utilities, communication, etc.

outcome A *performance measure* that reflects the actual results achieved, as well as the impact or benefit, of a program.

output A *performance measure* that focuses on the level of activity in a particular program or subprogram.

P

per diem compensation Compensation paid to board or commission members for their work. Per diem compensation is a daily rate set statutorily.

per diem travel Cost of meals and incidentals reimbursed to employees and board or commission members.

performance accountability A means of judging policies and programs by measuring their progress toward achieving agreed-on *performance targets*. Performance accountability systems are composed of three components: defining performance measures (including outcomes), measuring performance and reporting results.

performance measure Used to measure results and ensure accountability. (SEE ALSO: *input, output, outcome, and quality*).

performance target Quantifiable estimate of results expected for a given period of time.

personal services Line item of expenditure for salaries and wages paid to employees, elected officials and board or commission members. Payments for leave categories, overtime and other miscellaneous earnings are also recorded in this line item.

privately owned vehicle (POV) Those miles to be used in calculating reimbursement of staff for use of private vehicles on State business.

privatization The opening of government markets allowing for equitable competition between the private and public sectors for the privilege of delivering services to the public.

program budgeting A budget system that focuses on program *missions*, program achievements, and program cost effectiveness. Pursuant to *statute*, the *program structure* for program budgeting is governed by the *Master List* structure. Program budgeting is

linked to planning and *accountability* through alignment of the structures and merging of the planning and budget information.

program enhancement An upward revision in the funding level of a specific program in order to enhance the level of services being provided by that program.

program structure An orderly, logical arrangement of an organization's programs and subprograms. This structure provides the framework for planning, budgeting and strategic program authorization review.

Proposition 204 Medical Program A voter-approved AHCCCS program that expands eligibility to include individuals whose annual incomes are at or below 100% of the *FPL*. The program is funded through monies received by the State from the tobacco litigation settlement, tobacco tax funds, and the Hospital Assessment Fund.

Q

quality A *performance measure* that reflects the effectiveness in meeting the expectations of customers and stakeholders.

R

receipt Unless otherwise defined, cash received. There are five general categories of receipts: taxes, licenses and permits, charges for services, fines and forfeitures, and other receipts that do not fall into another category.

resource allocation Determination and allotment of resources or assets necessary to carry out strategies within the priority framework established in the goal-setting process.

revenue Additions to assets that do not increase any liability, do not represent the recovery of an expenditure, do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets, or do not represent contributions of fund capital in Enterprise and Intergovernmental Service Funds.

revenue source The tax, fee or fine that generates income to a fund.

risk management The charges assessed by the Department of Administration to guard against the risk of loss by an employee or agency acting on behalf of the State of Arizona.

S

special line item See *below-the-line item*

standard adjustment Change to the current year's appropriation to arrive at the new year's *base budget*. Examples include *annualization* of programs partially funded during the current year, annualization of the pay package, restoration of *vacancy savings*, and one-time increases and decreases.

standard operating adjustment An adjustment to the *base budget* that includes *annualization* of programs partially funded by the Legislative appropriation during the current year; annualization of Legislatively authorized pay packages; restoration of *vacancy savings*; and a one-time increase or decrease to the *operating budget*.

State service All offices and positions of employment in State government except offices and positions specifically exempted by law from the State personnel system.

statute A written law, either new or revised, enacted by the Legislature and signed by the Governor.

strategic management Process of positioning an organization so it can prosper in the future. The overall framework within which policy development, strategic, operational, *quality* planning, budgeting, *capital outlay* planning, information technology planning, program implementation, and evaluation and *accountability* take place.

strategic plan A visionary guide, based on an examination of internal and external environmental and political factors, that directs goal-setting and future resource requirements to achieve meaningful results over time. Strategic projections are long-range and usually cover a five-year period.

subprogram An integral component of a program that can be separately analyzed to gain a better understanding of the larger program.

subtask In AFIS, the element used to represent each of the subprograms of an agency as established by the Governor's Office and Legislature.

supplemental appropriation An appropriation granted for the current fiscal year. Agencies request a supplemental appropriation when the need for funding is urgent and cannot wait for the passage of the next regular appropriations act.

T

task In AFIS, the element used to represent each of the programs of an agency as established by the Governor's Office and Legislature.

tracking system A system that monitors progress, compiles management information and keeps goals on track.

U

uniform allowance An amount budgeted for specific agencies for the cost of uniforms required by the agency.

V

vacancy savings Savings generated by not filling vacant positions, by not filling newly authorized positions, or by filling a vacant position at a lower grade or step.

Glossary

Part 2: Acronyms

A.R.S. Arizona Revised Statutes	APP Aquifer Protection Permit	CIS Client Information System
AAC Arizona Administrative Code	APS Adult Protective Services	CJEF Criminal Justice Enhancement Fund
ABOR Arizona Board of Regents	ARF Automation Revolving Fund	CLIA Clinical Lab Inspections Act
ACJC Arizona Criminal Justice Commission	ARRT American Registry of Radiological Technologists	CMDP Comprehensive Medical and Dental Plan
ACJIS Arizona Criminal Justice Information System	ASDB Arizona School for the Deaf and the Blind	CMR Classification Maintenance Review
ACW Arizona Center for Women	ASET Arizona Strategic Enterprise Technology	CMS Centers for Medicare and Medicaid Services
ADA Americans with Disabilities Act	ASH Arizona State Hospital	COP Certificate of Participation
ADE Arizona Department of Education	ASPC Arizona State Prison Complex	COSF Capital Outlay Stabilization Fund
ADJC Arizona Department of Juvenile Corrections	ASRS Arizona State Retirement System	CPS Child Protective Services
ADM Average Daily Membership	ASU Arizona State University	CRIPA Civil Rights of Institutionalized Persons Act
ADMIN Administration	ATA Automobile Theft Authority	CRS Children's Rehabilitative Services
ADOT Arizona Department of Transportation	ATDA Arizona Technology Development Authority	CSB Central Services Bureau
ADP Average Daily Population	AVSC Arizona Veterans' Service Commission	CSMS Combined Support Maintenance Shop
AERB Agriculture Employment Relations Board	AZAFIS Arizona Automated Fingerprint Identification System	CSO Correctional Service Officer
AFDC Aid for Families with Dependent Children	AZGS Arizona Geological Survey	CWA Clean Water Act
AFIS Arizona Financial Information System	AZPOST Arizona Peace Officer Standards and Training	CWRF Clean Water Revolving Fund
AFUND Appropriated Fund	BIFO Border Infrastructure Finance Office	DAAS Division of Aging and Adult Services
AG Attorney General	CAE Commission on the Arizona Environment	DBME Division of Benefits and Medical Eligibility
AGFD Arizona Game and Fish Department	CAP Central Arizona Project	DCS Department of Child Safety
AHCCCS Arizona Health Care Cost Containment System	CAP Child Abuse Prevention	DCYF Division of Children, Youth and Families
AHS Arizona Historical Society	CBHS Children's Behavioral Health Services	DD Dually Diagnosed or Developmentally Disabled
AIDA Arizona International Development Authority	CCDF Child Care Development Fund	DDD Division of Developmental Disabilities
AIMS Adult Inmate Management System	CEDC Commerce and Economic Development Commission	DDSA Disability Determination Services Administration
ALTCS Arizona Long-Term Care System	CERF Collection Enforcement Revolving Fund	DEA Drug Enforcement Account
AMA Active Management Area	CHC Community Health Center	DEMA Department of Emergency and Military Affairs
ANSAC Arizona Navigable Streams Commission	CHILDS Children's Information Library and Data Source	DEQ Department of Environmental Quality
AOC Administrative Office of the Courts		
AOOE All Other-Operating Expenditures		

DERS Division of Employment and Rehabilitative Services

DES Department of Economic Security

DHS Department of Health Services

DJC Department of Juvenile Corrections

DOA Department of Administration

DOC Arizona Department of Corrections

DOI Department of Insurance

DOR Department of Revenue

DPS Department of Public Safety

DSH Disproportionate Share Hospital

DUI Driving Under the Influence

DWR Department of Water Resources

EAC Eligible Assistance Children

EDP Electronic Data Processing

EEO Equal Employment Opportunity

ELAS Education Learning and Accountability System

ELIC Eligible Low-Income Children

EMS Emergency Medical Services

EMSCOM Emergency Medical Services Communications

EMSOF Emergency Medical Services Operating Fund

EPA Environmental Protection Agency

EPSDT Early Periodic Screening, Diagnostic, and Testing

ERE Employee-Related Expenditures

FES Federal Emergency Services

FFP Federal Financial Participation

FHAMIS Family Health Administration Management Information System

FICA Federal Insurance Contribution Act

FMAP Federal Matching Assistance Percentage

FMCS Financial Management Control System

FPL Federal Poverty Level

FTE Full-Time Equivalent

GAAP Generally Accepted Accounting Principles

GADA Greater Arizona Development Authority

GAO General Accounting Office

GDP Gross Domestic Product

GIITEM Gang and Immigration Intelligence Team Enforcement Mission

GITA Government Information Technology Agency

H.B. House Bill

HAP Hazardous Air Pollutant

HCBS Home and Community Based Services

HI Hearing Impaired

HMO Health Maintenance Organization

HRMS Human Resource Management System

HUD Housing and Urban Development

HURF Highway User Revenue Fund

ICAC Internet Crimes Against Children

IGA Intergovernmental Agreement

IHS Indian Health Service

IM 240 Inspection and Maintenance 240 Second Emission Test

IOCC Inter-State Oil Compact Commission

IRM Information Resource Management

IRMG Information Resource Management Group

ISA Intergovernmental Service Agreement

ISD Information Services Division

ISP Institutional Support Payments

IT Information Technology

ITAC Information Technology Authorization Committee

JCCR Joint Committee on Capital Review

JCEF Judicial Collection Enhancement Fund

JLBC Joint Legislative Budget Committee

JOBS Job Opportunity and Basic Skills

JTED Joint Technical Education District

LAN Local Area Network

LES Licensing and Enforcement Section

LGIP Local Government Investment Pool

LTC Long Term Care

MAG Maricopa Association of Governments

MAO Medical Assistance Only

MARS Management and Reporting System

MD Multiply Disabled

MDSSI Multiply Disabled Severely Sensory Impaired

MEDICS Medical Eligibility Determinations and Information Control System

MIPS Million Instructions per Second

MIS Management Information System

MNMI Medically Needy Medically Indigent

MVD Motor Vehicle Division

NADB North American Development Bank

NAFTA North American Free Trade Agreement

NAIC National Association of Insurance Commissioners

NAU Northern Arizona University

NLCIFT National Law Center for Inter-American Free Trade

NRCD Natural Resource Conservation District

OAH Office of Administrative Hearings

OGCC Oil and Gas Conservation Commission

OPM Office of Pest Management

OSHA Occupational Safety and Health Administration

OSPB Office of Strategic Planning and Budgeting

PAS Prior Authorization Screening

PASARR Pre-admission Screening and Annual Resident Review

PDSB Phoenix Day School for the Deaf

PERIS Public Employee Retirement Information System

POV Privately Owned Vehicle

PRWORA Personal Responsibility and Work Opportunity Reconciliation Act of 1986

PS Personal Services

PSPRS Public Safety Personnel Retirement System

QMB Qualified Medicare Beneficiary

OTR Qualified Tax Rate

RARF Regional Area Road Fund

RCF Registrar of Contractors Fund

REDI Rural Economic Development Initiative

REM Retain, Eliminate or Modify

RIF Reduction-in-Force

RMIS Risk Management Information System

RMRF Risk Management Revolving Fund

RTC Residential Treatment Center or Return to Custody

RUCO Residential Utility Consumer Office

S.B. Senate Bill

SAMHC Southern Arizona Mental Health Center

SAVE Systematic Alien Verification for Entitlements

SBAC Small Business Assistance Center

SBCS State Board for Charter Schools

SBE State Board of Education

SBIR Small Business Innovative Research

SBOE State Board of Equalization

SCHIP State Children's Health Insurance Program

SDWA Safe Drinking Water Act

SDWRF Safe Drinking Water Revolving Fund

SES State Emergency Services

SLI Special Line Item

SLIAG State Legalization Impact Assistance Grant

SMI Serious Mental Illness or Seriously Mentally Ill

SNAP Supplemental Nutrition Assistance Program

SOBRA Sixth Omnibus Budget Reconciliation Act

SPAR Strategic Program Authorization Review

SPO State Purchasing Office

SPRF State Parks Revenue Fund

SPU Special Population Unit

SR&E Securities Regulation and Enforcement

SSI Supplemental Security Income

SSIG State Student Incentive Grant

SSRE State Share of Retained Earnings

SWCAP State-wide Cost Allocation Plan

T&R Title and Registration

TANF Temporary Assistance for Needy Families

TB Tuberculosis

TCC Transitional Child Care

TDD Telecommunication Devices for the Deaf

TIFS Tourism Investment Fund Sharing

TLMF Trust Land Management Fund

TPO Telecommunications Policy Office

UA University of Arizona

UAHSC University of Arizona Health Sciences Center

USAS Uniform State-wide Accounting System

USGS United States Geological Survey

UST Underground Storage Tank

VA Veterans Affairs

VEI Vehicle Emission Inspections

VI Visually Impaired

VOCA Victims of Crime Act

VR Vocational Rehabilitation

VRIRF Victims' Rights Implementation Revolving fund

WAN Wide Area Network

WATS Wide Area Telephone System

WFRJT Work Force Recruitment and Job Training

WICHE Western Inter-State Commission on Higher Education

WIFA Water Infrastructure Finance Authority

WIPP Work Incentive Pay Plan

WPF Water Protection Fund

WQAB Water Quality Appeals Board

WQARF Water Quality Assurance Revolving Fund