

State of Arizona

The Master List of State Government Programs

and

State Agencies' Five Year Strategic Plans



Douglas A. Ducey
GOVERNOR

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About the Master List

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

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Program Budgeting

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

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

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

Five-Year Strategic Plans focus on an agency's strategic issues, strategies for dealing with strategic issues, and resource assumptions for the five-year period. This year's plans provide an outlook through FY 2020. *Five-Year Strategic Plans* are presented here as submitted by each agency.

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

Agencies provided information for the *Master List of State Government Programs* and the *Five-Year Strategic Plans* on September 1, 2015, before knowing what would be in the Governor's Executive Budget.

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

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

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

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

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

Agency Summary

BOARD OF ACCOUNTANCY

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,400.8	1,939.1	1,939.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,400.8	1,939.1	1,939.1
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.

The key initiative and corresponding strategies during calendar year 2016 will be to replace the current licensing and firm module.

Solutions:

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 targeted modules
- 1.3. Identify AIMS data used by various Word Perfect templates and where they're customized
- 1.4. Define ARMS user security access rules
- 1.5. Define business processes for each targeted module and major business function
- 1.6. Redefine how transactions (fees) are recorded for better management
- 1.7. Identify new critical data fields that are needed for targeted modules
- 1.8. Design dozens of screen mock-ups for the various business processes

2. Data Development

- 2.1. Design a new custom database structure for contacts, firms and every business function
- 2.2. Check data entered in AIMS for accuracy
- 2.3. Expand the database design to store history as data changes
- 2.4. Map and translate the database design to the portal database (online renewals)
- 2.5. Define the required data fields and data validation rules
- 2.6. Map and translate data from AIMS where possible to the new database structure
- 2.7. Apply the security model to the database objects
- 2.8. Develop whole database and record set backup and restore procedure

3. Application Development

- 3.1. Create lookup screens for individual contacts, firms and public record requests
- 3.2. Create add/edit screens for individual contact information
- 3.3. Create add/edit screens for firm and sole practitioner information
- 3.4. Create add/edit screens for certification and CPE audit processes
- 3.5. Create add/edit screens for single owned firm #s and compliance file #s linked to CPAs
- 3.6. Create lookup/add screens for summary certificate information and related registrations
- 3.7. Create add/edit screens for five certificate business processes
- 3.8. Create add/edit screens for five CPA renewal business processes
- 3.9. Create add/edit screens for firm registration business processes
- 3.10. Create add/edit screens for firm renewal business processes

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- 3.11.Create add/edit screens for public records requests and record retention
 - 3.12.Redesign and create the many reports that replace the reports and queries in AIMS
 - 3.13.Create Word templates with direct data feeds that replace the Word Perfect ones

4.Batch Job Development

- 4.1.Rewrite the job that creates registration records in the portal database
- 4.2.Rewrite the job that adds new accounts to the portal
- 4.3.Rewrite the job that creates blank online renewal applications
- 4.4.Rewrite the job that updates unopened blank online renewal applications
- 4.5.Rewrite the job that marks the online renewal application as submitted if paid in ARMS
- 4.6.Rewrite the job that creates and updates mailing info in the portal login letters
- 4.7.Rewrite the jobs that disables/enables the online renewals based on license status
- 4.8.Rewrite the job that updates the license status in the portal
- 4.9.Rewrite the job that posts credit card payments to AIMS to now post to ARMS
- 4.10.Rewrite the jobs that updates contact information to AIMS, now to ARMS
- 4.11.Rewrite the job that updates the CPA Directory on our website
- 4.12.Rewrite the job that identifies newly qualified CPAs eligible to start online renewals
- 4.13.Rewrite the job that updates the Accountancy Licensing Database (ALD) at NASBA

5.Testing

- 5.1.Setup a test environment for the ARMS server and database
- 5.2.Confirm that the ARMS architecture follows security policy/standards
- 5.3.Setup a test environment for testing the batch jobs and online apps including payments
- 5.4.Write a comprehensive user guide for ARMS and update it as needed going forward
- 5.5.Confirm AIMS data was extracted and translated to ARMS correctly
- 5.6.Enter data in new fields that couldn't be converted from AIMS
- 5.7.Test adds, edits, deletes, saves and lookup of information using the many screens
- 5.8.Confirm that required fields are enforced and data validation rules are followed
- 5.9.Test reports/queries and the ability to print hardcopies
- 5.10.Test output to Word templates and ability to customize
- 5.11.Test searching of contacts, firms and public record requests
- 5.12.Test screen navigation in relation to business processes and workflows
- 5.13.Confirm the historical screens (read-only) properly reflect data content changes
- 5.14.Confirm the system's security model is enforced on staff's ability to use ARMS
- 5.15.Confirm AIMS Compliance can still function with static license and firm records
- 5.16.Confirm AIMS licensing and firm data is read-only for each Phase
- 5.17.Unit test the batch jobs that update the portal database, CPA Directory and ALD
- 5.18.Test the portal's posted payment report and the actual posting of payments to ARMS
- 5.19.Test ARMS and the test portal in parallel with AIMS and the production portal
- 5.20.Test ARMS and the test CPA Directory in parallel with AIMS and the production website
- 5.21.Test ARMS and the test ALD file in parallel with AIMS and the production ALD file

6.System Deployment

- 6.1.Document the new system for IT maintenance
- 6.2.Update the IT architecture for system interfaces affected by ARMS replacing AIMS
- 6.3.Migrate the AIMS license and firm data to ARMS
- 6.4.Manually enter solely owned firm numbers (Phase 1) and compliance file #s linked to CPAs
- 6.5.Lockdown the AIMS license and firm data so it's read-only
- 6.6.Migrate the online renewal data and batch jobs between the portal and ARMS
- 6.7.Migrate the CPA Directory and ALD batch jobs
- 6.8.IT Systems benchmarks and monitors performance
- 6.9.Train staff to use the system and understand the new & translated data
- 6.10.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. Reorganize file room and network electronic records to support and facilitate ongoing records retention management efforts
6. 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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	13.0	13.0	13.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,939.1	1,939.1	1,939.1
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of successful candidates	253	265	273	263	263
Number of exam candidates approved by Board to sit for the Uniform CPA exam	451	448	414	433	433

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of certificates issued	432	403	397	415	415
Biennial renewal of certificates	5493	5545	5817	5665	5665
Number of firms registered	120	112	79	100	100
Number of firms renewed (excluding sole practitioners)	840	838	786	813	813
Percent of applicants reporting very good or excellent service	94	91	89	92	92

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of revocations and relinquishments	9	8	6	8	8
Number of compliance files established	97	104	120	109	109
Number of compliance files that resulted in discipline	30	51	35	33	33
Number of compliance files that resulted in administrative letters of concern	32	36	27	30	30

Agency Summary

ACUPUNCTURE BOARD OF EXAMINERS

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	144.3	159.1	181.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	144.3	159.1	181.2
FTE Positions	1.0	1.0	1.0

5 Year Plan

Issue 1 Technology and operational upgrades.

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

Solutions:

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

Issue 2 Health and Safety Challenges.

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

Solutions:

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

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

Issue 3 Health care profession and provider changes.

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

Solutions:

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

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	1.0	1.0	1.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	170.2	170.2	170.2
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of complaints received.	28	15	3	10	10
Unlicensed individuals or institutions identified.	26	5	1	3	3
Total complaints.	28	10	3	10	10
Average time from receipt of complaint until resolution	77	100	116	100	100
Number of complaints resolved from prior year.	4	2	0	2	0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of investigations conducted	27	10	1	10	10
Licensees with greater than one investigation.	0	0	0	0	0
Percent of unlicensed practitioners brought into compliance.	100	100	100	100	100
Percent of investigations resulting in disciplinary enforcement	3.6	0	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of applications received	75	85	89	95	100
Explanation: FY12: 60 acupuncture license applications, 7 auricular acupuncture certificate applications and 33 continuing education applications.					
Number of renewals issued	528	550	557	570	580
Auricular Acupuncture Certificates Issued	6	10	11	15	15
Total number of licensees	565	585	593	605	610
Total number of auricular acupuncture certificate holders	31	35	37	40	45

Agency Summary

DEPARTMENT OF ADMINISTRATION

Kevin Donnellan, Acting Director

Phone: (602) 542-1500

A.R.S. §§ 41-701,41-1051,41-2501

Mission:

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

Description:

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

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	5,922.1	12,934.1	13,850.7
➤ GENERAL ACCOUNTING	323,432.9	270,163.1	275,608.4
➤ STATE PROCUREMENT	6,471.8	4,807.9	4,807.9
➤ BENEFITS SERVICES DIVISION	816,028.3	820,100.5	944,941.1
➤ HUMAN RESOURCES DIVISION	13,726.2	14,347.4	14,347.4
➤ ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY OFFICE	94,717.7	80,189.0	72,264.2
➤ RISK MANAGEMENT	81,403.0	95,470.3	100,130.4
➤ GENERAL SERVICES DIVISION	42,508.0	41,868.4	56,903.0
Agency Total:	1,384,210.0	1,339,880.7	1,482,853.1
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	180,297.9	100,492.4	111,551.8
Other Appropriated Funds	176,162.1	208,422.7	213,327.6
Other Non Appropriated Funds	1,027,750.0	1,030,965.6	1,157,973.7
Total Funding	1,384,210.0	1,339,880.7	1,482,853.1
FTE Positions	672.4	683.9	683.9

Issue 1 Attract a Highly Engaged and Highly Motivated Workforce

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

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

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Issue 2 Leverage HRIS

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

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

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Issue 3 Control & Contain Benefit Costs

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

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Issue 4 To Improve Consistency in the Delivery of Procurement Services, Using Standardized Formats and Procedures

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Issue 5 Provide, Enhance and Support a Transparent, Effective eProcurement System

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Issue 6 Development of Knowledgeable and Skilled Public Procurement Professionals

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Issue 7 Enhance Capitol Mall/Tucson Office Complex Physical Security

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Issue 8 Building Renewal

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Issue 9 Develop Certificate of Insurance Tracking System

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

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

Solutions:

Objective(s):

- By June 2018 implement a Certificate of Insurance Tracking System

Strategies:

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

Performance Measures:

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

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

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Issue 11 Expand Enterprise Capabilities

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

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

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

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

Solutions:**Objective(s):**

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

Strategies:

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

Performance Measures:

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

Issue 12 Proactively Manage Enterprise Risk

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

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

Solutions:

Objective:

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

Strategies:

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

Performance Measures:

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

Issue 13 Implement and Continuously Develop the Statewide Enterprise Resource Planning Solution

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

Increase financial and accounting efficiency and effectiveness by:

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

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

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

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

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

Solutions:

Objective(s):

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

Strategies:

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

Performance Measures:

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

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	532.1	532.0	532.0
General Fund	10,377.3	10,377.3	10,377.3
Other Appropriated Funds	183,628.3	183,628.3	183,628.3
Non-Appropriated Funds	1,031,554.2	1,031,554.2	1,031,554.2
Federal Funds	2,784.9	2,784.9	2,784.9

Program Summary

ADMINISTRATION

Kevin Donnellan, Acting Director
Phone: (602) 542-1500
A.R.S. §§ 41-701, 41-1051, 41-2501

Mission:

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

Description:

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

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

This Program Contains the following Subprograms:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,042.5	4,426.6	4,802.5
Other Appropriated Funds	0.0	0.0	540.7
Other Non Appropriated Funds	2,879.6	8,507.5	8,507.5
Total Funding	5,922.1	12,934.1	13,850.7
FTE Positions	57.0	59.1	59.1

Subprogram Summary

ADMINISTRATION

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,360.8	2,693.4	3,069.3
Other Appropriated Funds	0.0	0.0	540.7
Other Non Appropriated Funds	1,249.6	6,714.8	6,714.8
Total Funding	3,610.4	9,408.2	10,324.8
FTE Positions	33.5	34.5	34.5

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percentage of ADOA's services with a minimum customer satisfaction rating of 6.0	75.5	90.0	0	0	0
Percentage response rate to public information and legislative constituent requests within ten business days	92.1	91.4	84.2	88	90

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Customer satisfaction with fixed assets accounting (internal)	7.33	6.6	7.9	7.0	7.0
Customer satisfaction with payroll adjustments and travel form processing (internal)	7.93	6.6	7.51	7.0	7.0
Customer satisfaction with financial and management reporting (internal)	8.0	6.6	7.85	7.0	7.0
Customer satisfaction with the payment of vendors (internal)	7.18	6.6	7.86	7.0	7.0
Number of days to process invoices (Accounts Payable)	14.05	15	14.85	15	15
Customer satisfaction with Central Services Bureau	7.1	7.5	7.87	7.5	7.6
Overall customer satisfaction with the State Boards Office	7.1	7.6	7.85	7.6	7.6

Subprogram Summary

GOVERNOR'S REGULATORY REVIEW COUNCIL (GRRC)

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

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

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

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	332.3	373.2	373.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	332.3	373.2	373.2
FTE Positions	5.0	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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Agency satisfaction with staff services (Rulemakings and five-year reviews)	7.77	7.90	7.95	7.9	7.9
Council satisfaction with staff services	7.91	7.90	7.97	7.9	7.9
Agency satisfaction with staff services (Seminars)	7.75	7.70	7.57	7.8	7.8

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Improve customer satisfaction to 7.0 or better on the annual customer satisfaction survey	6.43	7.0	6.44	7.0	7.0
Improve customer satisfaction to 7.5 or better on the "Voice of the Customer" survey cards	7.77	7.9	7.95	7.9	7.9
Increase participation percentage of attendees in GRRC Seminars	38.0	20.0	31	30	30

Subprogram Summary

EMPLOYMENT AND POPULATION STATISTICS

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	349.4	360.0	360.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,630.0	1,792.7	1,792.7
Total Funding	1,979.4	2,152.7	2,152.7
FTE Positions	18.5	16.6	16.6

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of stakeholders who rated EPS information as very or extremely useful, timely and relevant	90	90	n/a	n/a	n/a
Explanation: We will start using a survey monkey option in our email for customer satisfaction					
Number of demographic website hits	61,492	60,000	46,985	47,000	47,000
Explanation: New website launched with a different product used to measure usage.					
Number of Labor Market Information trainings	14	15	14	15	15
Number of Labor Market Information website hits	291,412	300,000	169,192	170,000	170,000
Explanation: New website launched with a different product used to measure usage.					

Subprogram Summary

GOVERNMENT TRANSFORMATION OFFICE

Robert Woods, Administrator
 Phone: (602) 692-5896
 EO 2012-07

Mission:

To enable state agencies to deliver the highest possible value to the taxpayers of Arizona while developing an engaged workforce of problem solvers.

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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	5.0	5.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Process hours redirected	0	0	77,000	200,000	400,000
Percent of average lead time improvement per project	0	0	74.2	50	50
Number of employees trained as lean champions	0	0	185	200	400

Program Summary

GENERAL ACCOUNTING

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	163,051.9	94,296.5	94,296.5
Other Appropriated Funds	0.0	7,567.8	8,457.8
Other Non Appropriated Funds	160,381.0	168,298.8	172,854.1
Total Funding	323,432.9	270,163.1	275,608.4
FTE Positions	59.5	83.5	83.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction with accounting policies and procedures	6.33	6.0	6.33	6.0	6.0
Percentage of warrants available for distribution by 1:00 PM following the day of processing on Arizona Financial Information System (AFIS)	99.9	99.9	99.9	99.9	99.9
Percentage of security requests for financial applications processed within three business days	99.8	95	98	95	95
Customer satisfaction with the administration of AFIS	6.58	6.0	6.58	6.0	6.0
Customer satisfaction with administration of payroll process	7.73	6.0	6.82	6.0	6.0
Percentage of warrants distributed to correct agency	99.9	99.5	99.5	99.5	99.5

Program Summary

STATE PROCUREMENT

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,077.0	951.5	951.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5,394.8	3,856.4	3,856.4
Total Funding	6,471.8	4,807.9	4,807.9
FTE Positions	38.0	33.5	33.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of solicitations complete by agreed timelines	59	75	58	N/A	N/A
Number of days to process purchase orders from contracts	1.1	3	.36	N/A	N/A
Number of days to process non-contract purchase orders	1.4	7	.67	N/A	N/A

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average age of contracts (years)	2.81	4	2.99	N/A	N/A
Percentage increase of cooperative use of contracts	-18	2	-4.5	N/A	N/A
Percentage of total dollar spend from contracts	94	68	97	N/A	N/A

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of procurements without upheld appeals	100	99	100	N/A	N/A
Percentage of total non-competitive procurement spend	5	5	9	N/A	N/A
Percentage increase of vendor solicitation response rate	-22	2	-17	N/A	N/A

◆ **Goal 4** To Improve Consistency in the Delivery of Procurement Services, Using Standardized Formats and Procedures

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of new standardized templates developed	0	0	0	6	6
Percentage increase on the use of the vendor performance tool	0	0	0	70	80
Percentage use of standardized policies, procedures and templates	0	0	0	80	90

◆ **Goal 5** To Provide, Enhance and Support a transparent, effective eProcurement System

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of satisfaction rating of feedback of ProcureAZ users	0	0	0	85	90
Percentage increase in the number of attendees by each training platform	0	0	0	50	60
3Percentage of on-time processing for solicitations by established plan	0	0	0	90	90

◆ **Goal 6** To Develop Knowledgeable and Skilled Public Procurement Professionals

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage completion of state public procurement professionals	0	0	0	50	75
Percentage completion of development of the baseline procurement training program	0	0	0	75	80
Percentage satisfaction rating of feedback received from procurement training attendees	0	0	0	90	90

Program Summary

BENEFITS SERVICES DIVISION

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

Mission:

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

Description:

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

This Program Contains the following Subprograms:

- ▶ Benefits Services Operations
- ▶ Benefits Vendor Payments

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,094.8	5,262.3	5,262.3
Other Non Appropriated Funds	811,933.5	814,838.2	939,678.8
Total Funding	816,028.3	820,100.5	944,941.1
FTE Positions	36.5	36.5	36.5

Subprogram Summary

BENEFITS SERVICES OPERATIONS

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

Mission:

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

Description:

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,094.8	5,262.3	5,262.3
Other Non Appropriated Funds	293.3	278.7	278.7
Total Funding	4,388.1	5,541.0	5,541.0
FTE Positions	36.5	36.5	36.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction with benefit plans	6.6	7.0	6.84	7.0	7.0
Explanation: add in words to title					
Number of state employees attending a Benefit Options Wellness Event	29,091	35,000	38325	35,000	41,800
Percentage of benefits eligible employees enrolled	87	88	88.6	88	88
Percentage of customers satisfied with health plan provider-Annual Member Satisfaction	94.19	93	95	95	95
Percentage of AZ providers/facilities available in networks	91	95	95	95	95
Total lives covered under self-funded health plan	127,463	128,000	131,339	128,000	128,000
Number of calls/walk-ins assisted by member services	25,100	35,000	37,512	35,000	30,000
Percent of performance guarantees met	97	97	96.99	97	97

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) 542-8378 A.R.S. §§ 41-702, 38-651 to 38-671	

Mission:

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

Description:

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	811,640.2	814,559.5	939,400.1
Total Funding	811,640.2	814,559.5	939,400.1
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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percentage of medical plan loss ratio	92	92	91	92	93
Percentage of administrative costs of medical plan	4.5	4.5	3.8	4.5	4.5
Medical claims processing accuracy percentage	100	99	98	99	98
Explanation: This number is subject to adjustment based on additional info that will be available in August 2015.					
Percent of reserves funded	100	100	100	100	100
Average annual medical cost per covered life	5152	5695	5314	5696	5677
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	97	97	93	97	93

Program Summary

HUMAN RESOURCES DIVISION

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

Mission:

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

Description:

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

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

This Program Contains the following Subprograms:

- ▶ Human Resource Operations
- ▶ Travel Reduction

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	13,242.8	13,812.4	13,812.4
Other Non Appropriated Funds	483.4	535.0	535.0
Total Funding	13,726.2	14,347.4	14,347.4
FTE Positions	84.0	84.0	84.0

Subprogram Summary

HUMAN RESOURCE OPERATIONS

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	12,665.4	12,885.1	12,885.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	12,665.4	12,885.1	12,885.1
FTE Positions	80.0	80.0	80.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of services earning a satisfaction rating of 6.5 or higher (based on annual survey of customer agencies)	60	60	52	60	65
Customer Satisfaction – Voice of Customer Survey	7.56	7.56	7.57	7.57	7.57

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
HR costs per employee (in dollars)	310.36	309.77	310.1	326.6	343.8
Productivity savings through the use of efficient use of automation-HRIS (cumulative savings in millions of dollars)	81.3	90	77	90	102
Percent of employees with performance evaluations	66	77	90	100	TBD

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of the workforce that is uncovered (excluding CO, FAPO)	83	85	90	92	93
Percent of workforce eligible to retire	13.6	14.2	14	14.4	14.8
Employee absenteeism (avg number of days of sick leave used)	7.7	7.6	7.4	7.2	7.0
Employee engagement ratio (annual statewide survey)	2.05	2.0	2.2	2.3	2.4
Percentage difference in average salaries between state employees and labor market	18	14	TBD	TBD	TBD
Percentage of poor quality hires (employee leaves within first six months)	13.6	12	14.9	14	13
Number of supervisors trained	7338	500	4703	4150	5000
Overall satisfaction with supervisor training	7.4	7.0	7.46	7.25	7.25

Subprogram Summary

TRAVEL REDUCTION

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	577.4	927.3	927.3
Other Non Appropriated Funds	483.4	535.0	535.0
Total Funding	1,060.8	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction with all Travel Reduction services	6.72	6.5	6.52	6.5	6.5
Customer satisfaction of capitol rideshare customers (monthly)	7.67	7.0	7.55	7.0	7.0
Customer satisfaction of travel reduction coordinators (bi-annual)	7.7	7.0	7.6	7.0	7.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of commuter club members (carpoolers, transit riders, walkers, bicyclists)	4461	4503	4,513	4,549	4,594
Percentage increase in transit riders	-6.80	2.0	-7.7	2	1
Agency sites that achieved their travel reduction goals	27	33	35	39	39
Percentage of all state employee commute trips that are drive-alone	67.4	65	66.8	63	63
Percentage of ADOA employee commute trips that are drive-alone	66.6	60	63.9	60	60
Number of employees spoken to at agency meetings and information tables	3679	1,850	3,828	1,950	2,050

Program Summary

ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY OFFICE

Aaron Sandeen, ADOA Deputy Director

Phone: (602) 364-4770

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

Mission:

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

Description:

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

This Program Contains the following Subprograms:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,096.1	0.0	0.0
Other Appropriated Funds	60,271.3	58,092.0	51,177.6
Other Non Appropriated Funds	23,350.3	22,097.0	21,086.6
Total Funding	94,717.7	80,189.0	72,264.2
FTE Positions	211.7	201.7	201.7

Subprogram Summary

ASET OPERATIONS

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	21,251.4	23,964.1	23,084.7
Other Non Appropriated Funds	2,429.3	96.3	96.3
Total Funding	23,680.7	24,060.4	23,181.0
FTE Positions	104.0	100.0	100.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction with information and data security services	6.59	6.5	6.32	6.5	6.5
Customer satisfaction with mainframe processing	6.23	7.0	6.29	7.0	7.0
Percentage of enterprise application development work completed within negotiated timeframe	N/A	N/A	N/A	N/A	N/A
Customer satisfaction with co-location	5.83	7.0	5.5	7.0	7.0
Customer satisfaction with shared services	6.18	7.0	5.93	7.0	7.0
Customer satisfaction with application development	4.95	7.0	4.67	5.5	6.5
Customer satisfaction with end user support	6.14	6.5	6.04	7.0	7.0
Percentage of time mainframe batch systems are available	99.9	99.9	99.8	99.9	99.9
Percentage mainframe scheduled batch jobs completed on time	99.9	99.9	99.62	99.9	99.9

Subprogram Summary

911 EMERGENCY SERVICES

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	18,942.3	20,562.9	19,552.5
Total Funding	18,942.3	20,562.9	19,552.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of State PSAPs converted to Wireless Phase II	89	99.98	91.01	100	100
Percentage of Phase II based on systems available	89	99.98	91.01	100	100
Number of PSAPs Upgraded	14	15	5	5	0
State and local funds spent for equipment, network, maintenance and administration (in millions).	16.25	18.4	20.14	20.4	17.7

Subprogram Summary

ENTERPRISE INFRASTRUCTURE AND COMMUNICATIONS

Gary Hensley, Chief Networking Officer

Phone: (602) 542-2250

A.R.S. §§ 41-712, 41-713

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,766.6	1,848.4	2,023.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,766.6	1,848.4	2,023.4
FTE Positions	11.0	11.0	11.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction with voice telecommunications services	6.18	6.7	6.26	6.7	6.7
Customer satisfaction with State's Level 1 Help Desk	6.28	6.5	6.32	6.5	6.5
Customer satisfaction with Statewide Telecommunications Contract services (AZNET II)	6.32	6.0	5.93	6.0	6.0
Customer satisfaction with connectivity to the Wide Area Network (MAGNET)	6.49	6.25	6.58	6.7	6.7
Customer satisfaction with carrier services	6.28	6.0	6.46	6.7	6.7
Customer satisfaction with Telecommunications Expense Management services	5.74	6.5	5.81	6.5	6.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of time primary components of Network are available and accessible	99.9	99.0	99.99	99	99
Customer satisfaction with support for new or upgraded telecommunications	6.08	6.0	6.22	6.5	6.5

Subprogram Summary

STRATEGIC TRANSFORMATION AND INNOVATION

Phil Manfredi, Chief Strategy Officer

Phone: (602) 364-4793

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

Mission:

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

Description:

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

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	15,075.0	9,868.1	15,719.5
Other Non Appropriated Funds	1,978.7	1,437.8	1,437.8
Total Funding	17,053.7	11,305.9	17,157.3
FTE Positions	77.7	71.7	71.7

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of state entities engaged in Enterprise Architecture initiatives	29	25	19	20	20
Enterprise Architecture training sessions completed	6	4	6	6	6

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of agencies using modern website technology platform	48	60	82	100	100
Increase visits to AZ.gov (% over prior year)	n/a	15.0	10	10	10

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of FY ERP milestones implemented on schedule	91	95	95	100	100

Program Summary

RISK MANAGEMENT

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

Mission:

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

Description:

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

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	72,353.4	92,022.9	95,222.6
Other Non Appropriated Funds	9,049.6	3,447.4	4,907.8
Total Funding	81,403.0	95,470.3	100,130.4
FTE Positions	71.0	71.0	71.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	100	95	95
Workers' Compensation compensable disability payment processing time two business days after adjuster approval (based on 100% scale)	99	95	99	95	95
Investigative contact time for property and liability claims within four business days of claim notification (based on 100% scale)	95	95	95	95	95
Property and liability settlement payment processing time within four business days after adjuster approval (based on 100% scale)	99	95	93	95	95
Agency corrective action plan (not subject to an administrative process) responses for third party liability settlements and judgments in excess of \$150,000 completed within 60 days of payment (based on 100% scale)	100	95	100	95	95
Participant satisfaction survey with Loss Prevention training courses (based on a scale of 1-8 with 8 being the best rating)	7.3	7.0	7.3	7.0	7.0
Voice of the Customer satisfaction survey with Loss Prevention consultative services (based on a scale of 1-8 with 8 being the best rating)	7.6	7.0	7.6	7.0	7.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Statewide incident rate per 100 Full Time Equivalent (FTE) positions (accepted Risk Management claims)	4.0	4.0	3.8	4.0	4.0

Program Summary

GENERAL SERVICES DIVISION

Bill Hernandez, Assistant Director

Phone: (602) 364-2872

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

Mission:

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

Description:

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

This Program Contains the following Subprograms:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,030.4	817.8	11,501.3
Other Appropriated Funds	26,199.8	31,665.3	38,854.2
Other Non Appropriated Funds	14,277.8	9,385.3	6,547.5
Total Funding	42,508.0	41,868.4	56,903.0
FTE Positions	114.7	114.6	114.6

Subprogram Summary

BUILDING, PLANNING, AND FOAM

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

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

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,818.7	625.7	11,309.2
Other Appropriated Funds	15,641.4	17,650.2	24,839.1
Other Non Appropriated Funds	11,720.6	5,721.1	2,883.3
Total Funding	29,180.7	23,997.0	39,031.6
FTE Positions	77.1	77.1	77.1

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction with agency relocation process	5.8	6.6	6.13	6.5	6.5
Customer satisfaction with tenant improvement process	6.0	6.6	5.68	6.5	6.5
Customer satisfaction with review of office leases	5.8	6.6	6.4	6.5	6.5
Customer satisfaction with building maintenance	5.9	6.6	5.85	6.5	6.5
Customer satisfaction with custodial services	6.1	6.6	5.62	6.5	6.5
Customer satisfaction with landscaping/grounds maintenance	6.9	6.7	6.85	6.5	6.5

Subprogram Summary

CONSTRUCTION SERVICES

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	614.2	1,003.8	1,003.8
Other Non Appropriated Funds	1,103.5	2,233.1	2,233.1
Total Funding	1,717.7	3,236.9	3,236.9
FTE Positions	11.5	11.5	11.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction with general construction projects	6.3	6.6	6.9	6.5	6.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of General Construction projects completed on schedule	96	96.5	95.3	96.5	96.5
Percentage of project contingency utilized for non-planned scope	5.0	5.0	0.0	5.0	5.0

Subprogram Summary

OTHER SUPPORT SERVICES

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

Mission:

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

Description:

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	211.7	192.1	192.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	891.5	881.1	881.1
Total Funding	1,103.2	1,073.2	1,073.2
FTE Positions	4.1	4.0	4.0

Subprogram Summary

SURPLUS PROPERTY

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

Mission:

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

Description:

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,821.1	2,862.5	2,862.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,821.1	2,862.5	2,862.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction with the effectiveness of on-site customer assistance	7.79	7.85	7.94	7.95	7.95
Customer satisfaction with the efficiency of in-field operations	7.92	7.85	7.95	7.96	7.96
Customer satisfaction with Surplus Property	6.5	6.5	6.69	6.5	6.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer requests picked up on date committed/agreed upon (1-8 scale).	7.93	7.85	7.93	7.94	7.94

Subprogram Summary

MOTOR POOL

Rob Smook, Interim Administrator
 Phone: (602) 542-0601
 A.R.S. § 41-803

Mission:

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

Description:

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	7,123.1	10,148.8	10,148.8
Other Non Appropriated Funds	562.3	550.0	550.0
Total Funding	7,685.3	10,698.8	10,698.8
FTE Positions	12.0	12.0	12.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction with short-term (day use) vehicle rental	7.9	7.9	7.98	7.99	7.99
Customer satisfaction with long-term vehicle use	7.9	7.9	7.98	7.9	7.9
Average percentage of taxi fleet utilization	57	85	51.92	75	75

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	862.5	861.7	968.7
Other Appropriated Funds	0.0	12.3	12.3
Other Non Appropriated Funds	885.9	749.5	749.5
Total Funding	1,748.4	1,623.5	1,730.5
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.

Issue 3 Strategic Issue 3

Statement: To encourage parties to explore dispute resolution through mediation and other means of alternative dispute resolution electronically.

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 is implementing a pilot mediation program through two state agencies which send cases to OAH wherein OAH offers mediation services to parties. This includes providing literature to parties educating them on the efficiencies of mediation over litigation.
- b. OAH has recently hired an administrative law judge who is a trained mediator to provide mediation services for OAH's pilot mediation program. In addition, all administrative law judges will become trained mediators within the next twelve to eighteen months. As OAH's mediation resources increase, OAH will be able to expand the availability of mediation services to additional agencies.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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 conduct hearings in a timely fashion.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of days from hearing request to hearing scheduling	.77	.77	1.04	1.04	1.04
Average number of days from hearing scheduling to first scheduled hearing	54.41	54.41	48.48	48.48	48.48
Average number of days from the first scheduled hearing to the conclusion of the hearing	8.66	8.66	11.62	11.62	11.62
Average number of days from the conclusion of the hearing to transmission of the decision to the agency	9.41	9.41	11.17	11.17	11.17
Average length of delay (in days) from first hearing date to conclusion of the case due to continuances	51.79	51.79	47.68	47.68	47.68
Average length of a single continuance [measured by first continuances only] (in days)	44.62	44.62	42.57	42.57	42.57
Cases docketed	6,069	6,069	4469	4469	4469
Number of hearings held	2,630	2,630	1,421	1,421	1,421
New cases docketed to cases concluded	1:104	1:104	1:105	1:105	1:105
Hearings conducted by contract administrative law judges	0	0	0	0	0
Average days from request for hearing to first date of hearing	55.16	55.16	49.51	49.51	49.51

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of agency acceptance of findings of fact and conclusions of law (excluding recommended order) without modification	91.33	91.33	85.28	85.28	85.28
Percent of agency acceptance of findings of fact and conclusions of law (including recommended order) without modification	87.74	87.74	81.74	81.74	81.74
Percent of OAH decisions contrary to original agency position	6.76	6.76	9.36	9.36	9.36
Percent of agency acceptance of contrary Office of Administrative Hearings decision	85.82	85.82	79.25	79.25	79.25
Percent of agency rejection of OAH decisions	2.19	2.19	3.82	3.82	3.82
Percent of cases reheard	1.40	1.40	.68	.68	.68
Percent of cases appealed to Superior Court	2.23	2.23	3.05	3.05	3.05
Percent of evaluations rating the administrative law judge excellent or good in attentiveness	95.17	95.17	92.17	92.17	92.17
Percent of evaluations rating the administrative law judge excellent or good in explaining the hearing process	95.53	95.53	93.98	93.98	93.98
Percent of evaluations rating the administrative law judge excellent or good in the use of clear and neutral language	93.49	93.49	93.98	93.98	93.98
Percent of evaluations rating the administrative law judge excellent or good in impartiality	92.04	92.04	90.36	90.36	90.36
Percent of evaluations rating the administrative law judge excellent or good in dealing with the issues of the case	92.68	92.68	92.17	92.17	92.17
Percent of evaluations rating the office excellent or good in sufficient space	93.47	93.47	90.18	90.18	90.18
Percent of evaluations rating the office excellent or good in providing freedom from distractions	95.19	95.19	93.13	93.13	93.13
Percent of evaluations rating the staff excellent or good in responding promptly and completely to questions	94.68	94.68	92.45	92.45	92.45
Percent of evaluations rating the staff excellent or good in courteous treatment	95.14	95.14	91.19	91.19	91.19

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of weekly requests to website	17,241	17,241	14541	14541	14541
Average number of individual domains accessing the website per week	1,082	1,082	957	957	957
Average number of weekly hits on information page to enter agency portal	245	245	225.02	225.02	225.02
Average number of text searches of administrative law judge decisions per week	3.38	3.38	1311	1311	1311
Average number of hits on articles on website per week.	0	0	659.13	659.13	659.13

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	40.4	125.0	145.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	40.4	125.0	145.0
FTE Positions	1.0	1.0	1.0

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Participation in the African-American Legislative Days and 3 additional town hall meetings throughout the State of Arizona.	0	0	1	4	4

Agency Summary

ARIZONA DEPARTMENT OF AGRICULTURE

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

Mission:

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

Description:

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

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ FOOD SAFETY AND QUALITY ASSURANCE	6,827.3	7,300.6	8,121.6
➤ NON-FOOD PRODUCT QUALITY ASSURANCE	729.8	913.3	967.5
➤ ANIMAL DISEASE, OWNERSHIP AND WELFARE PROTECTION	2,718.7	3,022.4	3,395.2
➤ PEST EXCLUSION AND MANAGEMENT	4,118.4	3,968.7	5,004.7
➤ NATIVE PLANT AND CULTURAL RESOURCES PROTECTION	108.5	200.1	211.0
➤ PESTICIDE COMPLIANCE AND WORKER SAFETY	492.1	463.0	644.4
➤ ADMINISTRATIVE SERVICES	1,361.1	1,720.0	1,727.6
➤ STATE AGRICULTURAL LABORATORY	1,091.0	1,196.8	7,617.8
➤ AGRICULTURAL CONSULTATION AND TRAINING	2,441.7	3,596.9	2,415.2
➤ COMMODITY DEVELOPMENT AND PROMOTION	2,856.2	3,226.8	3,220.8
➤ WEIGHTS AND MEASURES	0.0	0.0	2,702.6
Agency Total:	22,744.7	25,608.6	36,028.4
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,252.2	8,287.4	17,868.1
Other Appropriated Funds	0.0	0.0	1,439.8
Other Non Appropriated Funds	14,492.6	17,321.2	16,720.5
Total Funding	22,744.7	25,608.6	36,028.4
FTE Positions	289.1	285.6	328.0

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 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 2016 General Fund budget of \$8.3 million is 16% lower than the agency's first budget of \$9.8 million in FY 1991. The reengineering forced the Department to reduce or eliminate several programs. One such program was the agricultural inspections at the State border ports of entry, the elimination of which has resulted in increased infestations within the State's interior. The Department's first budget in FY 1991 relied on the General Fund for 59% of its funding; in contrast, the Department's current FY 2016 budget relies 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.

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 grows, additional funds will be needed to meet the challenges of not only a growing population but also increased scrutiny of our food sources.

Solutions:

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

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

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

Align the organizational structure to optimize effectiveness and reduce costs.

Issue 2 Employee Development

Description In response to budget reductions since FY 2002, the Arizona Department of Agriculture is operating with 30% leaner staffing levels. 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:

Revise rules and policies consistent with Personnel Reform.

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

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

Develop an ability to recruit talented, highly qualified employees.

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

Issue 3 State and Federal Cooperation Required

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

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

Solutions:

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

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

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

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 web-based services to the thousands of stakeholders served by the Agency throughout the State. Regular equipment replacement schedules, ongoing maintenance and software licensing, and IT staff education and training are essential for the Department to be able to provide consistent, accurate, and timely information to mitigate technology disasters, deal with emergencies, and carry on daily operations in an efficient, secure environment.

Solutions:

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

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

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

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

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

Ensure IT staff members receive necessary training.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	322.0	322.0	322.0
General Fund	12,568,100.0	12,568,100.0	12,568,100.0
Other Appropriated Funds	1,439,800.0	1,439,800.0	1,439,800.0
Non-Appropriated Funds	12,568,500.0	12,568,500.0	12,568,500.0
Federal Funds	4,152,000.0	4,152,000.0	4,152,000.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,314.5	1,320.9	1,643.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5,512.8	5,979.7	6,478.4
Total Funding	6,827.3	7,300.6	8,121.6
FTE Positions	85.8	87.8	88.8

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,314.5	1,320.9	1,643.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,856.2	1,958.3	2,258.5
Total Funding	3,170.7	3,279.2	3,901.7
FTE Positions	39.8	41.8	42.8

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of pounds of fluid milk removed from sale by inspectors due to non-compliance with regulations	1,765,894	600,000	377,306	400,000	400,000
Number of documented food-borne bacteria outbreaks linked to Arizona state-inspected dairy facilities	0	0	0	0	0
Total number of dairy-related inspections	898	900	1,128	1,200	1,200
Total number of wholesale and retail egg inspections	1,761	1,800	2,087	2,000	2,000
Total number of individual shell eggs inspected under State inspection	543,900	550,000	519,998	550,000	550,000
Number of egg dozens retained by inspectors for non-compliance with State standards	68,716	50,000	310,226	50,000	50,000
Number of documented food-borne bacteria outbreaks linked to eggs or egg products sold within Arizona	0	0	0	0	0
Number of documented food-borne bacteria outbreaks linked to Arizona state-inspected processing or slaughter plants	0	0	0	0	0
Number of State meat and poultry facilities	78	79	77	79	79
Percent of meat and poultry product tests in compliance with bacteria, drug and chemical residue requirements	99	100	99.8	100	100

Subprogram Summary

FRESH PRODUCE STANDARDIZATION AND INSPECTION

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

Mission:

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

Description:

This subprogram inspects the quality of fresh produce in accordance with standards established by the United States Department of Agriculture (USDA) and provides food safety audits under the Arizona Leafy Green Products Shipper Marketing Agreement (AZ LGMA). Under a cooperative agreement, USDA inspections are given by federal/state inspectors and take place primarily at the shipping point (point of origin), port of entry (Arizona-Mexico border), or the terminal market (point of destination). Inspections encompass several areas, including quality, maturity, processing, labeling, storage, handling, and refrigeration of products. USDA grade inspections are fee-based and given at the request of industry desiring either to market their produce under USDA quality grade standards, or to fulfill requirements for United States imports, exports, marketing orders, or military shipments. Food Safety Audits consist of an official review conducted by an auditor to verify and document that the best practices are adhered to and includes a physical visit to the farm or facility subject to audit while it is in operation, where 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,656.6	4,021.4	4,219.9
Total Funding	3,656.6	4,021.4	4,219.9
FTE Positions	46.0	46.0	46.0

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of federal-state inspections	22,416	23,000	20,051	20,000	20,000
Number of cartons shipped by industry (in millions)	89.6	90	85.4	85.4	85.4
Number of food safety audits	0	0	134	140	140
Number of federal-state inspections and food safety audits	0	0	20,185	20,140	20,140

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	729.8	913.3	967.5
Total Funding	729.8	913.3	967.5
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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Total number of all ESD applications received	23,491	23,000	21,738	22,000	22,000

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of regulatory actions taken	95	75	92	80	80
Total number of inspections conducted	186	200	142	165	165
Number of feed, fertilizer, pesticide and seed labels inspected in the market place	5,104	4,500	8,550	6,800	6,800
Number of feed, fertilizer, pesticide and seed samples collected	446	450	522	500	500
Number of samples found deficient through laboratory analysis	12	15	30	15	15

Program Summary

ANIMAL DISEASE, OWNERSHIP AND WELFARE PROTECTION

Leatta McLaughlin, Associate Director

Phone: (602) 542-7186

A.R.S. §§ 3-101 et seq.

Mission:

To protect livestock from disease, abuse or theft.

Description:

This program regulates the importation of livestock, 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,957.9	1,991.4	2,364.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	760.8	1,031.0	1,031.0
Total Funding	2,718.7	3,022.4	3,395.2
FTE Positions	42.5	42.5	42.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of strays - animal at large investigations	858	900	898	900	900
Number of animal welfare investigations	1,094	1,100	992	1,000	1,000
Number of theft investigations	40	40	55	50	50
Number of livestock movement inspections	5,140	5,250	4,546	4,500	4,500
Number of self-inspection certificates and seasonal passes processed	25,385	26,000	20,363	20,000	20,000

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of quarantine sites in Arizona for all potentially diseased livestock and fish	52	30	95	50	50
Number of cases of secondary spread from quarantine sites of diseased livestock and fish	0	0	0	0	0
Number of cases of equine infectious anemia	0	0	0	0	0
USDA disease status for Arizona for bovine brucellosis and tuberculosis, and swine pseudo rabies	Free	Free	Free	Free	Free

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,507.1	2,518.4	3,554.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,611.3	1,450.3	1,450.3
Total Funding	4,118.4	3,968.7	5,004.7
FTE Positions	77.0	77.0	77.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of pest interceptions within the state interior	5,672	6,000	6,993	7,000	7,000
Number of interceptions resulting in enforcement actions	451	500	472	500	500
Percent of inspections resulting in pest interceptions	9	10	69	70	70
Number of inspections conducted	0	0	10,202	10,000	10,000

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
USDA rating on Federal pest status of the Fruit Fly in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free
USDA rating on Federal pest status of the Gypsy Moth in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free
USDA rating on Federal pest status of the Red Imported Fire Ant in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free
USDA rating on Federal pest status of Khapra beetle in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free
USDA rating on Federal pest status of Japanese beetle in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of international export certificates issued	1,603	1,500	1,380	1,500	1,500

Program Summary

NATIVE PLANT AND CULTURAL RESOURCES PROTECTION

Kevin Austin, Special Investigations Supervisor
 Phone: (602) 364-0907
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	108.5	200.1	211.0
Total Funding	108.5	200.1	211.0
FTE Positions	1.0	1.0	1.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of criminal referrals received	36	35	25	25	25
Number of civil referrals received	13	20	7	10	10
Number of investigations opened	43	45	31	30	30
Percent of investigations completed	78	75	72	75	75
Number of native plant cases with successful compliance	27	20	26	20	20

Program Summary

PESTICIDE COMPLIANCE AND WORKER SAFETY

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

Mission:

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

Description:

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	132.6	116.2	297.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	359.5	346.8	346.8
Total Funding	492.1	463.0	644.4
FTE Positions	6.8	6.8	8.8

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of worker safety issues addressed during inspections	7,560	5,000	6,232	6,000	6,000
Number of worker safety issues identified as being out of compliance	374	350	155	150	150

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of pesticide use inspections	120	60	104	125	125
Number of inspection issues identified as pesticide misuse	53	15	20	15	15

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,141.5	1,134.4	1,142.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	219.6	585.6	585.6
Total Funding	1,361.1	1,720.0	1,727.6
FTE Positions	14.0	14.0	14.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of employee travel claims correctly processed within ten days	100	100	100	100	100
Percent of vendor invoices paid within 30 days	99.83	100	99.58	100	100
Administration as a percent of total cost	4.8	5.0	6.0	6.7	5.6
Percent of industry stakeholders rating the Department's quality of communications excellent or good	97.1	98	97	98	98

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
System uptime as a percentage of total monthly hours as measured by industry standard monitoring software	99.68	99.99	99.68	99.99	99.99
Percent of IT staff certified in their areas of emphasis, i.e. Microsoft MCSE, MCDBA,	50	50	50	50	50
Percent of total license renewals completed through the Department's website	12	20	26.1	30	35
Percent of issues reported by the Customer Service Tracking System closed within 8 working hours of submission	99.73	99	99.71	99	99

Program Summary

STATE AGRICULTURAL LABORATORY

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	933.7	938.4	7,336.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	157.3	258.4	281.6
Total Funding	1,091.0	1,196.8	7,617.8
FTE Positions	19.5	19.5	25.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of customer satisfaction rating regarding the lab's "timely delivery of service"	86	80	84	80	80
Percent of overall customer satisfaction rating for laboratory services	90	85	89	85	85

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of purchasing requisitions approved	993	1,100	1,016	1,100	1,100
Average number of days taken to complete all levels of approvals for requisitions	0.61	1	0.57	0.8	0.8
Percent of requisitions completing the entire approval process within 24 hours	92	85	93	90	90

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	264.9	267.7	267.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,176.8	3,329.2	2,147.5
Total Funding	2,441.7	3,596.9	2,415.2
FTE Positions	6.5	6.5	6.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of agricultural consultation and training compliance issues addressed	760	800	804	1,000	1,100
Number of compliance issues needing correction or clarification	73	60	56	60	65
Number of on-site visits or individual consultations	256	170	360	400	410
Number of pesticide resources, materials, or contacts provided upon request.	704	700	722	700	700
Number of agricultural operations that received training	144	100	99	100	100
Number of individuals who received pesticide safety training in English	456	350	452	350	350
Number of individuals who received pesticide safety training in Spanish	441	350	416	350	350
Number of outreach and education seminars and workshops (including Train-the-Trainer Workshops)	80	60	65	65	63
Number of outreach and education seminar and workshop participants (including Train-the-Trainer Workshops)	8,114	4,490	5,256	5,090	5,080
Number of new outreach and educational materials developed (includes new PPT presentations, training resources, curricula, articles and interviews)	98	70	55	52	53
Number of people reached through outreach and education materials (new and existing)	52,490	45,000	49,292	35,000	37,000
Number of operations receiving assistance	0	0	175	184	193
Number of follow-up on-site visits	0	0	41	44	47
Number of individuals receiving assistance training	0	0	378	397	417
Number of individuals reached through food safety outreach and education materials	0	0	6,682	7,000	7,200

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of grant applications	36	32	29	52	22
Number of grants awarded	15	25	18	30	15
Amount of grant funds disbursed (in millions of dollars)	2.23	2.15	1.43	2.48	.74
Amount of grant funds disbursed as Match to NRCS agreements (in millions of dollars)	.2	.2	.2	NA	NA

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,856.2	3,226.8	3,220.8
Total Funding	2,856.2	3,226.8	3,220.8
FTE Positions	27.0	21.5	21.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of free sale certificates issued	203	135	187	150	150
Number of products under free sale	2,948	2,500	1,306	1,300	1,300

Program Summary

WEIGHTS AND MEASURES

Phone:
 A.R.S. § 3-102

Mission:

To maintain custody of the state reference standards of weights and measures that are supplied to the states by the federal government or that are otherwise approved.

Description:

This program is responsible for the inspection, testing, and licensing of commercial weighing and measuring devices.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	1,262.8
Other Appropriated Funds	0.0	0.0	1,439.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	0.0	2,702.6
FTE Positions	0.0	0.0	33.4

Agency Summary

AHCCCS

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

Mission:

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

Description:

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

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

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

AHCCCS oversees three main programs:

AHCCCS Acute Care

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

ALTCS

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

KidsCare

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

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

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	189,424.1	147,685.2	169,949.5
➤ AZ LONG TERM CARE SYSTEM (ALTCS)	2,419,783.2	2,540,651.9	2,711,853.4
➤ ACUTE CARE	4,865,173.6	4,909,536.0	5,463,533.2
➤ PROPOSITION 204 - SENATOR ANDREW NICHOLS COMPREHENSIVE HEALTH INSURANCE COVERAGE ACT	2,924,464.7	3,016,009.2	3,208,574.3
➤ NON-TITLE XIX BEHAVIORAL HEALTH	0.0	0.0	214,894.3
➤ CHILDREN'S HEALTH INSURANCE (CHIP)	7,113.6	6,329.3	2,702.4
➤ DIRECT SERVICE CLAIMING (DSC)	36,504.9	62,068.7	46,613.8
➤ CHILDREN'S REHABILITATIVE SERVICES	219,112.6	234,866.7	273,894.4
➤ ACA ADULT EXPANSION	245,855.0	239,490.2	548,808.6
Agency Total:	10,907,431.7	11,156,637.2	12,640,823.9
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	54,386.3	74,917.9	71,962.0
Total Funding	54,386.3	74,917.9	71,962.0
FTE Positions	0.0	0.0	0.0

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

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

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

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

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

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

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

Solutions:

STRATEGY 1.1

Increase the transparency of price and quality

PERFORMANCE MEASURE 1.1.1

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

STRATEGY 1.2

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

PERFORMANCE MEASURE 1.2.1

Percent of medical spend in shared savings arrangement

STRATEGY 1.3

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

PERFORMANCE MEASURE 1.3.1

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

PERFORMANCE MEASURE 1.3.2

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

10/1/14

STRATEGY 1.4

Establish robust Payment Modernization stakeholder input opportunities

PERFORMANCE MEASURE 1.4.1

Number of new strategies developed from external meetings

STRATEGY 1.5

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

PERFORMANCE MEASURE 1.5.1

Percent of Program Integrity goals met

Issue 2 AHCCCS must pursue continuous quality improvement

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

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

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

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

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

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

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

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

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

Solutions:

STRATEGY 2.1

Continue to promote and evaluate access to care

PERFORMANCE MEASURE 2.1.1

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

STRATEGY 2.2

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

PERFORMANCE MEASURE 2.2.1

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

STRATEGY 2.3

Achieve statistically significant improvements on Contractor PIPs

PERFORMANCE MEASURE 2.3.1

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

STRATEGY 2.4

Achieve statistically significant improvements on quality performance measures

PERFORMANCE MEASURE 2.4.1

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

PERFORMANCE MEASURE 2.4.2

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

STRATEGY 2.5

Leverage American Indian care management program to improve health outcomes

PERFORMANCE MEASURE 2.5.1

Percent of HIS and 638 facilities submitting patient data to AHCCCS

PERFORMANCE MEASURE 2.5.2

Percent of readmissions that are reduced

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Solutions:

STRATEGY 3.1

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

PERFORMANCE MEASURE 3.1.1

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

PERFORMANCE MEASURE 3.1.2

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

PERFORMANCE MEASURE 3.1.3

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

STRATEGY 3.2

Pursue Care Coordination opportunities in System

PERFORMANCE MEASURE 3.2.1

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

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

STRATEGY 3.3

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

PERFORMANCE MEASURE 3.3.1

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

PERFORMANCE MEASURE 3.3.2

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

PERFORMANCE MEASURE 3.3.3

Participate in an operational HIE by June 30, 2014

STRATEGY 3.4

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

PERFORMANCE MEASURE 3.4.1

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

PERFORMANCE MEASURE 3.4.2

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

STRATEGY 3.5

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

PERFORMANCE MEASURE 3.5.1

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

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

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

Systems

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

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

Security

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

Federally Facilitated Marketplace (FFM) and Eligibility

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

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

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

Workforce

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

several key employee groups. As such, AHCCCS is faced with future prospects that will certainly test the resolve of the Division of Human Resource and Development (HRD) as well as the entire AHCCCS team as it works to acquire, develop and retain qualified staff.

AHCCCS is pursuing several strategies to address these challenges.

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

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

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

Leveraging Data Analytics

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

Solutions:

STRATEGY 4.1

Pursue continued deployment of electronic solutions to reduce healthcare administrative burden

PERFORMANCE MEASURE 4.1.1

Percent of members submitting on-line applications

STRATEGY 4.2

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

PERFORMANCE MEASURE 4.2.1

Rate of employee turnover within the first year of employment

PERFORMANCE MEASURE 4.2.2

Percent of employees participating in learning and development opportunities.

PERFORMANCE MEASURE 4.2.3

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

PERFORMANCE MEASURE 4.2.4

Percent of employees with “meets or exceeds expectations” on performance evaluations

STRATEGY 4.3

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

PERFORMANCE MEASURE 4.3.1

Percent of documented findings that have been remediated

PERFORMANCE MEASURE 4.3.2

Percent of documented findings that have been remediated by MCOs

STRATEGY 4.4

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

PERFORMANCE MEASURE 4.4.1

Network system availability

PERFORMANCE MEASURE 4.4.2

Compliance with ICD-10 requirements by mandated date

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	53,728.4	51,142.9	58,577.3
Other Appropriated Funds	623.0	1,915.2	1,915.2
Other Non Appropriated Funds	135,072.7	94,627.1	109,457.0
Total Funding	189,424.1	147,685.2	169,949.5
FTE Positions	1,780.2	1,786.2	1,905.2

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,386.9	11,603.0	16,580.0
Other Appropriated Funds	534.9	1,506.3	1,506.3
Other Non Appropriated Funds	27,108.8	33,161.2	42,724.6
Total Funding	39,030.6	46,270.5	60,810.9
FTE Positions	299.9	302.2	421.2

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of employee turnover	16.3	16.0	19.24	17.86	17.86

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cost/benefit ratio (in dollars) of audits and investigations related to reports of fraud and abuse.	1/12.49	1/11.93	1/8.74	1/9.62	1/10.58

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of timely submissions and approval of rule packages	100	100	100	100	100

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of time the PMMIS is available to our users	99.89	99.0	99.49	99.0	99.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of administrative invoices paid within 30 days	97.3	95	95.8	95	95
Percent of total programmatic payments completed electronically	99	98.0	99	99	99

◆ **Goal 6** To administer an effective and efficient informal grievance process.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of enrollees filing a grievance	.73	.84	.62	1	1

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Advisory Council On Indian Health Care (ACOIHC): Number of meetings annually	8	10	14	10	10

Subprogram Summary

PASS-THRU TO OTHER STATE AGENCIES

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

Mission:

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

Description:

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

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	29,735.7	27,215.9	29,673.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	81,204.3	33,772.0	39,038.5
Total Funding	110,940.0	60,987.9	68,711.8
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,958.0	2,760.6	2,760.6
Other Appropriated Funds	11.8	92.7	92.7
Other Non Appropriated Funds	3,765.4	3,852.9	3,852.9
Total Funding	6,735.2	6,706.2	6,706.2
FTE Positions	73.3	73.9	73.9

◆ **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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of acute and ALTCS health plan operational and financial reviews completed on time	100	100	100	100	100
Percent of financial viability issues detected prior to an impact on contract.	100	100	100	100	100

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Rural counties with at least two competitive risk health plans available	100	100	100	100	100
Explanation: Revised measure as percent					
Member satisfaction: percent of choice exercised in moving from current health plan	1.4	2.0	.3	2.0	2.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
The number of encounters per member month	4.5	4.5	4.99	4.5	4.9
Omission error percent	10.0	10.0	10.0	10.0	10.0
Correctness error percent	11.0	16.0	9.0	16.0	15.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,320.2	1,259.4	1,259.4
Other Appropriated Funds	4.2	7.2	7.2
Other Non Appropriated Funds	2,836.4	2,746.5	2,746.5
Total Funding	4,160.8	4,013.1	4,013.1
FTE Positions	58.7	59.2	59.2

◆ **Goal 1** To streamline claims processing

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Fee-For-Service claims adjudicated within 30 days	99.53	97.0	97.09	97.0	97.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,327.6	8,304.0	8,304.0
Other Appropriated Funds	72.1	309.0	309.0
Other Non Appropriated Funds	20,157.8	21,094.5	21,094.5
Total Funding	28,557.5	29,707.5	29,707.5
FTE Positions	463.3	465.9	465.9

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of applications processed on time	47	97	54	97	97

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	30	80	50	80	80
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◆ **Goal 2** To determine eligibility in an accurate manner.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of ALTCs eligibility accuracy as measured by quality control sample	96	97	*NA	97	97

Explanation: *In FY 2015, 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Member File Integrity System: percent of timely reconciliation of AHCCCS data with other governmental data bases	85	98	*85	98	98

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent accuracy of Communications Center for eligibility and enrollment verifications as measured by internal quality assurance.	NA	NA	NA	NA	NA

Explanation: AHCCCS Closed its Call Center in 2013.

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
ALTCS eligibility case error percent	3.0	3.0	3.0	3.0	3.0
Cost avoidance from Predetermination Quality Control Program (in millions)	22.22	20.50	17.62	19.39	21.32

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	167,902.3	162,985.7	173,764.5
Other Appropriated Funds	5,162.5	5,475.8	8,382.3
Other Non Appropriated Funds	2,246,718.4	2,372,190.4	2,529,706.6
Total Funding	2,419,783.2	2,540,651.9	2,711,853.4
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
ALTCS monthly enrollment	53,004	56,830	57,045	58,788	60,481
Percent of members utilizing home and community based services	86.28	86.0	86.2	87.02	87.16

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	850,027.9	898,147.6	1,336,952.8
Other Appropriated Funds	107,848.6	109,285.0	172,897.3
Other Non Appropriated Funds	3,907,297.1	3,902,103.4	3,953,683.1
Total Funding	4,865,173.6	4,909,536.0	5,463,533.2
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	843,391.6	890,833.0	1,329,638.2
Other Appropriated Funds	107,848.6	109,285.0	172,897.3
Other Non Appropriated Funds	3,362,590.5	3,568,584.2	3,612,615.0
Total Funding	4,313,830.7	4,568,702.2	5,115,150.5
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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
1931 (b) Eligibility Family Assistance monthly enrollment	450,566	494,060	358,599	219,714	224,072

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	67.8	71.0	67.9	68	68
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◆ **Goal 2** To ensure the management and delivery of quality acute care services to AHCCCS SSI-MAO eligibles.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Supplemental Security Income monthly enrollment	133,447	139,598	127,233	132,764	136,896

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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of women receiving cervical screening within a three year period	N/A	NA	NA	55	57

Explanation: Measure to be available in FY 2016.

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
SOBRA children monthly enrollment	353,653	411,850	519,167	765,610	788,720
Percent of well child visits in the first 15 months of life - Early Periodic Screening, Diagnosis and Treatment	67.8	67.0	67.9	68.0	68.0

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Federal Emergency Services monthly enrollment	73,887	82,271	83,095	92,925	95,532

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Members enrolled monthly in the Medicare Premiums programs	43,482	46,255	47,053	54,066	57,321

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Monthly Enrollment Figure	NA	NA	NA	NA	NA

Explanation: Not identifiable

Subprogram Summary

HOSPITAL PAYMENTS

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

Mission:

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

Description:

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	6,636.3	7,314.6	7,314.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	544,706.6	333,519.2	341,068.1
Total Funding	551,342.9	340,833.8	348,382.7
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of dollars recouped after distribution (DSH)	0	0	4	0	0

Explanation: May be adjusted after reconciliation

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of timely payments made to hospitals with GME programs	100	100	100	100	100

Program Summary					
PROPOSITION 204 - SENATOR ANDREW NICHOLS COMPREHENSIVE HEALTH INSURANCE COVERAGE ACT					
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	13,710.7	19,547.1	121,066.6
Other Appropriated Funds	21,822.6	20,814.3	20,814.3
Other Non Appropriated Funds	2,888,931.4	2,975,647.8	3,066,693.4
Total Funding	2,924,464.7	3,016,009.2	3,208,574.3
FTE Positions	428.1	428.1	460.4

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Senator Andrew Nichols Comprehensive Health Insurance Coverage Act monthly enrollment	386,648	449,884	440,150	425,253	434,539

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	98,312.8
Other Appropriated Funds	0.0	0.0	2,250.0
Other Non Appropriated Funds	0.0	0.0	114,331.5
Total Funding	0.0	0.0	214,894.3
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Non Title XIX Behavioral Health	NA	NA	NA	NA	NA

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,169.1	338.0	0.0
Other Appropriated Funds	5,906.5	5,957.2	2,670.7
Other Non Appropriated Funds	38.0	34.1	31.7
Total Funding	7,113.6	6,329.3	2,702.4
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
KidsCare monthly enrollment	2,015	1,806	1,053	861	763
Percent of children with access to primary care provider	N/A	89.0	*N/A	*N/A	*N/A

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	36,504.9	62,068.7	46,613.8
Total Funding	36,504.9	62,068.7	46,613.8
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of participating Local Education Authorities (LEAs)	107	104	104	107	104

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	69,198.8	73,001.0	85,126.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	149,913.8	161,865.7	188,768.1
Total Funding	219,112.6	234,866.7	273,894.4
FTE Positions	0.0	0.0	0.0

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

Performance Measures

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of Operational Review Standards with which Contractor is in full or substantial compliance	81	85	*72	85	85

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	1,893.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	245,855.0	239,490.2	546,915.3
Total Funding	245,855.0	239,490.2	548,808.6
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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
ACA Adult Expansion monthly enrollment	27,255	60,064	84,265	103,569	108,243

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

Agency Summary

BOARD OF APPRAISAL

Debra Rudd, Executive Director

Phone: (602) 542-1593

A.R.S. §§ 32-3601 et seq. Articles 1-5

Mission:

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

Description:

Effective July 3, 2015, the State Board of Appraisal consolidated into the Department of Financial Institutions. The Department succeeds to the authority, powers, duties, and responsibilities of the State Board of Appraisal. The State Board of Appraisal processed the applications for those applying for real estate Trainee Appraisers registration, Appraiser licenses, certification, or designations for Supervisor Appraisers. In addition to these classifications, they also processed the applications for Property Tax Agent registration and Appraisal Management Companies (AMCs).

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	616.9	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	616.9	0.0	0.0
FTE Positions	9.0	0.0	0.0

Agency Summary

COMMISSION ON THE ARTS

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

Mission:

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

Description:

The Arizona Commission on the Arts' duties include:

- 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.

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	2,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,559.4	2,318.6	2,318.6
Total Funding	3,559.4	2,318.6	4,318.6
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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	12.0	12.0	12.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	2,000.0	2,000.0	2,000.0
Non-Appropriated Funds	1,500.0	1,515.0	1,530.0
Federal Funds	800.0	825.0	850.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Individuals benefiting from programs sponsored by Agency (in thousands)	7,955.0	7,500.00	8,045.0	7,000.0	7,500.0
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	394/310	380/320	354/290	340/270	360/290
Explanation: Figures for this measure are compiled in our online grants systems.					
Number of grant applications submitted by ethnic-run organizations	39	45	52	48	55
Explanation: Figures for this measure are compiled in our online grants systems.					
Percentage of applications submitted by ethnic-run organizations funded	85	87	87	87	88
Explanation: Figures for this measure are compiled in our online grants systems.					
Number of applications submitted by rural applicants	125	100	120	110	120
Explanation: Figures for this measure are compiled in our online grants systems.					
Percentage of applications submitted by rural applicants funded	78	80	68	75	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	72	50	103	60	70
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	85	87	68	75	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of applications submitted for arts education programs/dollar amount funded (in thousands)	91/2,156	90/2,474	72/2,370	70/1,900	85/2,400
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)	1.5	1.6	1.7	1.5	1.7
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total amount of state investment in arts participation opportunities (in thousands)	2,453.6	2,398.0	2,441.6	1,398.0	2,398.0
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)	163/2.1	160/2.2	170/2.2	155/1.3	180/2.4
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	59	60	75	70	75
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	474	500	531	550	575
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)	154.0	165.0	169.3	170.0	175.0
Explanation: Figures for this measure are compiled by Arts Commission staff and reflect the total number of people participating in workshops, convenings, panels, training sessions and planning meetings led by the Arts Commission; the number of people attending speaking engagements and panels involving Arts Commission staff; and the number of people receiving publications presented to the field as technical assistance.					
Constituent satisfaction ratings (scale of 1-8)	7.00	7.00	6.80	7.00	7.10
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

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

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	104.0	118.9	118.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	104.0	118.9	118.9
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Athletic Training licenses issued.	664	668	647	650	655
Number of license renewals received	532	532	556	560	560
Average calendar days to renew a license	3	3	3	3	3
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints received	9	5	7	5	5
Disciplinary actions taken	5	5	5	5	5
Complaints resolved within 120 days	9	5	7	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of athletic training complaints received	0	1	0	1	1
Percent of licenses issued within 10 days of approval.	100	100	100	100	100
Complaints resolved within 120 days	0	1	1	1	1
Customer Satisfaction rating (scale 1-8)	8.0	7.9	8.0	7.9	7.9

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ LEGAL SERVICES	88,297.0	107,529.8	121,147.0
➤ CENTRAL ADMINISTRATION	9,617.0	10,676.2	10,809.6
Agency Total:	97,914.0	118,206.0	131,956.6
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	23,242.8	23,623.7	34,656.8
Other Appropriated Funds	40,985.4	43,054.0	45,570.1
Other Non Appropriated Funds	33,685.8	51,528.3	51,729.7
Total Funding	97,914.0	118,206.0	131,956.6
FTE Positions	761.9	756.9	855.9

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. At the end of Fiscal Year 2014, DCS had 18,863 children in care. This represents a 12.33% increase over Fiscal Year 2013, and continues to impact efforts to achieve safe and timely permanency for Arizona's children in foster care. With respect to Child Support Services, the Attorney General works to ensure the economic sufficiency of children through the establishment of paternity and pursuit of child support. This is of particular relevance where, as here in Arizona, 45% of children are born to un-wed parents and statistics show that parents who contribute financially are more involved in their children's lives.

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

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

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

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

Solutions:

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

STRATEGIES:

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

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

STRATEGIES:

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

investigative and prosecutorial presence in the State.

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

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

STRATEGIES:

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

Issue 3 To Protect Consumers

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

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

Solutions:

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

STRATEGIES:

- Investigate and prosecute violations of the Arizona Consumer Fraud Act and other state and federal consumer protection laws.
- Increase public awareness through consumer education and alerts, presentations, and the distribution of literature.
- Pursue consumer fraud cases through sting operations to send a message to businesses that the next customer they try to defraud may be an agent from the AGO.
- Take court action if companies do not live up to their earlier agreements to settle consumer fraud allegations.

GOAL 2: To protect and promote competition for the benefit of consumers through enforcement of antitrust laws.

STRATEGIES:

- Collaborate with other state and federal antitrust enforcers in investigating and prosecuting anticompetitive conduct.
- Advocate for competitive markets by filing amicus briefs and commenting on proposed state and federal legislation that will affect competitive markets, consumer choice and price.
- Meet with constituent individuals and businesses to discuss local markets, and take action where necessary to protect and restore competition to those markets.
- Increase outreach/public entity training in antitrust laws and state procurement laws.

Issue 4 To Provide Exemplary Legal Services

Description The AGO is in a very real way the State's full-service law firm, charged by statute to advise and represent most State officials, agencies, boards and commissions. This part of the AGO's responsibilities includes the representation of clients in litigation in all State and federal courts as well as administrative tribunals. However, the AGO also advises its clients on the widest possible range of legal issues, for the purpose of assisting them in discharging all their duties in a lawful and appropriate manner. The AGO litigates cases of great public concern. Current examples include SB 1070, Obamacare, the Justice Department's failure to implement expedited procedures for federal review in capital cases, the Arizona medical marijuana initiative, the drugs used in capital punishment, and Colorado City. The AGO protects the public's interests in procurement protests, prisoner suits, efforts to subpoena or sue judges, and even certain garnishment proceedings. The support that the AGO provides its clients in legal advice and transactions is often not the subject of great public attention, precisely because the AGO's goal is to help clients avoid controversy by performing their duties in a businesslike, efficient and legally-sound fashion. The AGO advises its clients on matters involving public monies, procurement, finance, open meetings, public records, employment law, compliance, real estate, statutory construction, administrative certification, licensing, administrative enforcement actions, intellectual property, defense of liability claims and transactions.

The AGO also provides mediation services to the people of Arizona and state agencies. These services are available for a variety of matters and are delivered in a neutral, non-threatening environment. The mediation process saves time, as the disputing parties can often resolve their differences without lengthy and costly litigation. The AGO continues to work towards maintaining a satisfaction rate of participants above 90%.

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

The AGO is devoted to providing the highest quality of legal services to best serve the State of Arizona and its citizens. In order to achieve this, all divisions are focused on identifying ways to deliver services more effectively and efficiently while maintaining excellence.

Solutions:

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

STRATEGIES:

- Retain professional, experienced, high-quality staff by providing a rewarding and challenging environment. Improve the quality of staff by implementation of a new, more rigorous hiring process; a more effective annual employee evaluation process; and expansion of the current recruitment process. Our hiring practices are continually being updated to streamline the process and find the most qualified professionals (hiring committee, process refinements, improved background checking); The implementation of the MAP (Managing Accountability and Performance) performance appraisal has created a consistent and efficient process for all agency supervisors to evaluate employees based on the competencies for being a state employee and competencies that specifically align with our agency goals/needs. Our attorney evaluation was also integrated with the new MAP performance appraisal to address specific evaluation criteria for an attorney; the recruitment process is being expanded with an updated recruitment system (Talent Acquisition) and partnerships with the Universities have been established to hire entry level attorneys/former law students.
- Improve efficiency of legal services delivery through client relations meetings with agencies that frequently require our services.
- Provide advanced client agency training sessions in the areas of public records law, open meeting law, conflict of interest law, contracting and procurement law, and related legal restrictions on the activities of public officials and employees. Ethics training for elected officials and appointed agency heads is now available online for ease of access and updating.
- Maintain and enhance the Continuing Legal Education (CLE) programs currently being offered by the Solicitor General's Office.
- Develop guidelines for AGO communications with members of the public to ensure consistency, integrity and fairness through services provided by the AGO. HR follows a detailed process for any Public Records Request. We also continue to work on process improvements to communicate both internally and externally.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	856.0	856.0	856.0
General Fund	34,656.8	34,656.8	34,656.8
Other Appropriated Funds	45,570.1	45,570.1	45,570.1
Non-Appropriated Funds	46,222.9	46,222.9	46,222.9
Federal Funds	5,506.8	5,506.8	5,506.8

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	16,804.3	18,264.0	29,139.3
Other Appropriated Funds	40,582.2	42,641.3	45,196.3
Other Non Appropriated Funds	30,910.5	46,624.5	46,811.4
Total Funding	88,297.0	107,529.8	121,147.0
FTE Positions	652.9	662.6	761.6

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,449.8	1,444.0	1,473.7
Other Appropriated Funds	419.6	85.0	86.5
Other Non Appropriated Funds	599.7	953.9	968.7
Total Funding	2,469.1	2,482.9	2,528.9
FTE Positions	29.6	30.4	30.4

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of cases investigated	1,405	1,350	1,412	1,200	1,200
Explanation: FY15 is a combination of new investigations and "rollover" cases, portion of investigations opened in FY2014 remained active in FY 2015 . More new investigations are expected in FY 2016 with less "rollover" cases.					
Number of cases resolved	832	850	792	850	875
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of lawsuits	12	15	8	10	15

Explanation: There were significantly fewer reasonable cause determinations, in part because of the success in resolving cases pre-finding /pre-suit and in part due to unfilled positions in the section during FY2015.

Number of lawsuits resolved	6	7	5	6	10
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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	67	80	71	80	66
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◆ **Goal 3** To provide the people of Arizona and its governmental entities effective dispute resolution services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of cases referred to mediation	589	500	584	500	500

Explanation: The increase in cases mediated represents the commitment to resolving cases without the risk and cost of litigation.

Number of Civil Rights discrimination cases mediated	127	120	124	120	120
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Percentage of Civil Rights mediations in which agreement was reached	54	55	60	55	55
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Maintain satisfaction rate of participants above 90 percent	97	95	94	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of training presentations and outreach events	41	40	47	40	40

Subprogram Summary

CRIMINAL DIVISION

Donald Conrad, 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 & Litigation Section (CAL):- The Section's primary function is defending the State of Arizona in appeals and federal habeas actions initiated by convicted felons. In non-capital appeals, the Division represents the State on direct appeal in the Arizona Court of Appeals and in the Arizona Supreme Court. The Section also represents the State in federal court cases arising from state-court convictions. In capital appeals, the 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,740.4	10,916.9	12,186.2
Other Appropriated Funds	9,499.5	4,768.9	3,981.5
Other Non Appropriated Funds	24,308.9	34,276.4	34,412.2
Total Funding	42,548.8	49,962.2	50,579.9
FTE Positions	217.2	232.2	233.2

◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Death penalty cases open	118	125	120	125	130
Death sentences carried out	2	5	1	3	5
Percentage of capital case convictions upheld by the Arizona Supreme Court on direct appeal and in post-conviction proceedings	100	95	88	95	95
Percentage of death penalty sentences affirmed by the Arizona Supreme Court	100	95	88	95	95

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of briefs, habeas answers, petitions for review and responses to petitions for review filed	996	950	660	670	670

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	34	34	26	26	26
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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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cases open (BCS & DRG Section Totals)	1,079	1,100	1,121	1,200	1,250
Opened cases resolved within the year (BCS & DRG Section Totals)	527	425	558	450	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)	754	800	700	800	850
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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)	6	5	2	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cases open (BCS, FSP & HCF Section Totals)	1,307	1,300	1,198	1,250	1,300
Opened cases resolved within the year (BCS, FSP & HCS Section Totals)	558	400	568	650	700
Matters reviewed but not opened (BCS, FSP & HCF Section Totals)	306	100	424	400	400
Total victim losses (\$ millions) (BCS, FSP & HCF Section Totals)	259.6	250	254.3	175	200

Explanation: The FY16 and FY17 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)	21,081	25,000	18,475	3,000	3,500
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Explanation: The number of victims per case opened in FY15 was less. The FY16 and FY17 estimates have been reduced due to the closing of a complex fraud case involving potentially 15,592 victims in FY15.

Restitution ordered by the courts (\$ millions) (BCS, FSP & HCF Section Totals)	19.2	13	42.3	15	17
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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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
County Attorney conflict of interest referrals (BCS, DRG, FSP & HCF Section Totals)	31	20	36	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New Forfeiture cases opened	2,372	2,500	1,710	1,850	2,000

Explanation: Decrease in FY15 is due to the conservative and selective approach in accepting cases from our local law enforcement partnerships. In part, in light of existing and anticipated resources, including those dedicated to litigating and resolving heavily contested and complex cases.

Opened cases resolved within the year	6,225	3,000	2,947	2,500	2,600
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Explanation: Decrease in FY 15 is due to lesser amount assets being 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)	3,044	2,544	3,035	2,500	2,500
Amount forfeited to State (\$ millions)	16.9	17	26.3	17.5	18.5

Explanation: Increase in FY15 is due to the implemented efficiencies and the increase in resolution of new/lagging cases resulting in an increased amount forfeited to the state.

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Law enforcement training seminars	94	50	42	50	50
Financial inquiry assists	7,000	5,000	4,962	4,500	4,500

Explanation: The increase in FY14 was due to the inclusion of inquiries related to the transactional money remitter records being searched for federal, state and local law enforcement agencies.

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of victim service network events participated in	73	75	90	75	75
Total awards disbursed (\$ millions)	3.23	3.2	3.2	3.2	3.2

Explanation: In FY14 the legislature increased the VRP Appropriation this year in order to fund the implementation and ongoing maintenance of an electronic grants management system.

Percent of VRP recipients in compliance with mandates	100	100	100	100	100
Number of trainings and presentations given	45	50	68	50	50
Number of attendees at trainings and presentations	1,142	1,000	1,904	1,000	1,000
% 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	15	18	13	15	15

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of victims served	11,321	10,000	9,895	10,000	10,000

Explanation: Decrease in FY15 numbers for victims served and mandated services was due to a decreased number of large multi-victim cases being prosecuted.

Number of mandated services provided	32,029	20,000	20,626	20,000	20,000
Number of non-mandated services provided	74,853	110,000	81,420	110,000	110,000
Open restitution cases	332	250	381	340	340
Compliance checks of restitution orders conducted	1,876	1,300	1,932	1,600	1,600

Explanation: Increase in FY15 was due to an increased monitoring by Restitution Advocates and an increased number of defendants ordered to pay victim restitution.

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Open cases	528	600	618	650	700
Explanation:	Decrease in FY14 was due to continued reallocation of resources, including several vacancies from retirements and resignations.				
Law enforcement assists	7,431	7,500	5,539	5,500	5,500
Explanation:	In FY14 the number of LEAs were substantially increased due to the inclusion of inquiries related to the transactional money remitter records being searched for federal, state and local law enforcement agencies.				
Matters reviewed but not opened by Duty Agent	1,949	2,000	2,079	2,000	2,000

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 11 of the 15 Arizona counties.

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

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,000.0	0.0	9,446.4
Other Appropriated Funds	0.0	0.0	795.7
Other Non Appropriated Funds	2,489.6	2,336.9	2,336.9
Total Funding	3,489.6	2,336.9	12,579.0
FTE Positions	12.0	0.0	90.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of dependencies filed by the DCS (including supplemental and in-home petitions)	5,585	6,255	5,875	6,169	6,477

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	6,803	7,619	6,795	7,135	7,491
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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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of hearings held to establish a permanent plan within 12 months	7,512	7,512	8,210	8,621	9,052

Explanation: In FY2015, the number of children in dependency matters continued to rise. As a result, the number of permanency hearings held within 12 months of removal continue to rise.

Number of reunifications achieved (child back with parents)	2,674	2,995	2,723	2,859	3,002
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Explanation: With more children in care throughout the state, there was a corresponding higher percentage of children that were reunified with their parents. Additionally, with the implementation of baby courts statewide, the Department's emphasis for this vulnerable population, was on timely, safe reunification with at least one parent.

Number of guardianships achieved (child placed with guardian)	400	448	494	519	545
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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)	2,892	2,950	2,293	2,408	2,528
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Explanation: With more children in care throughout the state and the lack of corresponding resources in the court system, DCS, and PSS, the ability to achieve permanency for children through termination actions has been impacted.

- ◆ **Goal 3** To increase the percentage of cases in the State's child support caseload which have child support orders and to increase the percentage of collections on current support.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of court ordered cases ratio required	87	89	88	89	89
Percentage of current support collected	56	57	56	58	60

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of children with paternity established	1,698	1,500	1,450	1,500	1,600

Explanation: The slight decrease in the number of children with paternity established is attributable to the decreased number of paternity actions referred by our client agency.

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Administrative, Civil and Appellate litigation resolved (cases closed)	574	700	568	600	600
Civil Collection litigation resolved (judgments)	328	275	385	275	275
Criminal prosecutions completed successfully (sentenced)	160	190	126	150	150

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Civil judgments (\$)	1,255,245	700,000	1,191,604	825,000	825,000
Garnishment funds received (\$)	309,739	340,000	377,985	340,000	340,000
Criminal restitution ordered (\$)	702,830	475,000	653,951	425,000	425,000
Criminal restitution received prior to sentencing (\$)	726,000	425,000	557,772	425,000	425,000

◆ **Goal 7** To provide comprehensive legal advice to the Department of Economic Security and Department of Child Safety.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Hours of counsel and advice	27,000	32,087	16,231	23,000	23,000

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. In addition, the Division major duties are to enforce the administrative, environmental, consumer protection, and antitrust laws in a largely pro-active manner. The Division has administrative and civil functions. While most of its work involves using the Attorney General's independent authority to pursue wrongdoing, the Division also has client representation duties. The Division is divided into the Sections listed below

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 Behavioral Health Services, 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, occupation or businesses. The Section provides legal advice to client agencies regarding their statutes and rules as well as open meetings, public records and employment law issues. In addition, the Section provides litigation services by prosecuting administrative hearings against licenses and defending appeals of agency actions in Superior Court. Some of the agencies represented by the Section include the Accountancy Board, the Arizona Medical Board, the Dental Board, the Department of Liquor Licenses and Control and the Nursing Board.

Liability Management Section (LMS) – LMS represents the State 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) – 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, the State Forester, 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 has been moved to SGD from what was formerly the Public Advocacy Division. 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) overseeing and advising on significant criminal appeals; (3) supervising the production of formal Attorney General opinions; (4) handling matters of election law; (5) providing independent advice to state agencies and boards in administrative proceedings in which other assistant attorneys general appear as advocates; (6) representing the Governor's Regulatory Review Council and five appellate boards; (7) serving as a clearinghouse for lawyers throughout the Attorney General's Office on a variety of special projects; and (8) providing policy support in the specific areas of ethics and training, specialized litigation, and key programs as prioritized by the Attorney General.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,614.1	5,903.1	6,033.0
Other Appropriated Funds	30,663.1	37,787.4	40,332.6
Other Non Appropriated Funds	3,512.3	9,057.3	9,093.6
Total Funding	39,789.5	52,747.8	55,459.2
FTE Positions	394.1	400.0	408.0

◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Amounts recovered, generated, and/or saved (in millions of dollars)	96.8	100	100	100	110

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
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Average months in suit: per tort lawsuit - AGO 18 20 20 20 20

Explanation: Average for any given year is based only on those cases which closed during that year. The facts of each case are different - as are the witnesses, attorneys, and judges - thereby causing fluctuations in average numbers from one year to the next. Additionally, criminal cases have priority over civil cases for judge assignments.

Average months in suit: per tort lawsuit - OSC 28 28 34 28 30

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 240 280 277 285 290

Average billable hours: per tort lawsuit - OSC 311 300 1703 400 500

Average billable hourly rate: per tort lawsuit - AGO 105 120 99 105 105

Average billable hourly rate: per tort lawsuit - OSC 199 200 262 450 450

Average months in suit: per employment lawsuit - AGO 16 20 35 35 35

Average billable hours: per employment lawsuit - AGO 708 700 1,385 1,200 1,200

Average billable hourly rate: per employment lawsuit - AGO 131 125 158 150 150

Average billable hourly rate: per workers compensation matter: AGO 119 116 99 100 100

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
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Advice matters and files opened 0 0 265 275 275

Civil litigation files opened 0 0 669 600 600

Cases resolved within the year 0 0 569 550 550

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
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Meetings with client agency directors and/or commissioners 0 0 38 35 35

Explanation: Personnel changes resulted in more meetings with Directors and/or Commissioners.

Training sessions with clients 0 0 18 10 15

Explanation: Personnel changes resulted in more training sessions with clients

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Days to respond to a request for a legal opinion	0	0	41	60	60

◆ **Goal 6** To be responsive to public concerns about consumer fraud.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints Opened	0	0	16,339	16,000	16,000

Explanation: Outreach events and press releases resulted in more consumer complaints filed.

Complaints closed	0	0	11,768	12,000	12,000
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Explanation:
/ closed.

Telephone calls received from the public	0	0	30,675	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Civil cases/investigations opened	0	0	142	130	130

Explanation: Due to current economy & hiring additional staff, our office opened more investigations and cases than anticipated.

Judgments	0	0	40	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Youth compliance checks conducted	0	0	1,989	2,000	2,000

◆ **Goal 9** To protect and promote competition for the benefit of Arizona consumers through enforcement of the Arizona Uniform Antitrust Act.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Restitution ordered for Arizona consumers and costs recovered in antitrust cases (\$ dollars)	0	0	150,000	75,000	75,000

Explanation: We recovered attorneys' fees in the Visa/Master card case, which we did not expect.

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Revenue Increase Over Prior Year(\$ dollars)	0	0	6,478,253	6,900,000	7,500,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	6,438.5	5,359.7	5,517.5
Other Appropriated Funds	403.2	412.7	373.8
Other Non Appropriated Funds	2,775.3	4,903.8	4,918.3
Total Funding	9,617.0	10,676.2	10,809.6
FTE Positions	109.0	94.3	94.3

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Administrative costs as a % of total costs	5.6	5.5	7.2	7	6.3

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction rating for client agencies (scale of 1 to 8, with 8 the highest)	7.33	7.50	7.51	7.51	7.51

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Days to respond to a request for a legal opinion	48	60	0	60	0

Explanation: Positioning from one Solicitor General to an acting Solicitor General to the current Solicitor General while several opinions were pending. The number of opinion requests continues to gradually increase, and SGO is relying more heavily on attorneys in other AGO divisions to assist in drafting. In that way, SGO expects to meet the FY 2015 estimate despite the greater demand.

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of agency staff turnover	12	17	18.3	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,065.0	5,297.5	6,272.5
Other Non Appropriated Funds	0.0	66.5	66.5
Total Funding	5,065.0	5,364.0	6,339.0
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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	6.0	6.0	6.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	6,200,000.0	6,200,000.0	7,000,000.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of studies and research analysis of auto theft crime trends and best practice approaches.	8	10	10	12	12

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of vehicles stolen statewide (2014 calendar year).	15,551	15,000	15,814	15,000	15,000

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)	243	235	237	235	235
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◆ **Goal 3** To deter vehicle theft and associated criminal activity through effective and proactive law enforcement strategies.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of AZ. Auto Theft Task Force positions funded by the AATA.	30	34	28.5	32.5	34
Number of stolen vehicles recovered by the AZ. Auto Theft Task Force	852	900	1,023	1,150	1,200

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).	8.2	10.0	12.0	12.5	13.0
Number of felony arrests by the AZ. Vehicle Theft Task Force	127	200	241	245	250
Number of "chop shops" investigated by the Task Force.	19	25	15	20	25
Number of insurance fraud investigations by the Task Force	13	25	10	12	15
Number of trainings and investigative assistance provided by the AZ. Vehicle Theft Task Force.	1,066	1,200	636	650	650
For every \$1 dollar funded by the AATA, this amount recovered by the AZ. Auto Theft Task Force.	2.1	3.5	3.04	3.42	3.56
Number of law enforcement grants awarded to Arizona agencies.	4	10	5	5	5

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

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of auto theft prosecutors funded by the AATA.	4.5	4.5	4.5	6	7

Explanation: The Agency is presently working to expand the Vertical Prosecution program into additional counties across Arizona in upcoming years.

Number of participating counties	4	4	4	6	7
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Explanation: Funding reductions since FY09 have impacted the Vertical Prosecution Program and the number of participating counties.

Number of vehicle theft cases filed.	738	800	702	750	800
Number of vehicle theft convictions	559	600	524	600	700
Amount of restitution ordered	552,000	1,000,000	793,000	1,500,000	2,000,000

◆ **Goal 5** To provide public awareness & prevention strategies to reduce victimization of auto theft crimes across Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Public Awareness grants to statewide law enforcement agencies.	1	6	3	15	20

Explanation: Public Awareness grants funded in FY15 for the first time in five years due to funding constraints. Agency presently increasing outreach to agencies to solicit effective auto theft prevention program grants.

Number of PACE (Public Awareness and Community Education) events statewide.	65	75	80	95	105
Number of statewide PACE events sponsored by the AATA.	35	40	25	35	40
Number of statewide PACE events sponsored by AATA grantees and law enforcement partners.	30	35	55	60	65
Number of ACTIVE Watch Your Car (WYC) enrollments	42,000	40,000	37,500	38,000	40,000

Explanation: The WYC program has experienced little growth since Agency staffing and budget reductions in recent years.

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of professional training grants awarded to agencies	5	40	18	15	15

Explanation: Major statewide Auto Theft Training Seminar hosted in Arizona every two years. Agency also co-hosted the 63rd Annual International Assoc. of Auto Theft Investigators (IAATI) Seminar August 2015 (350+ attendance).

Number of law enforcement/criminal justice personnel receiving auto theft training	5	50	70	25	45
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◆ **Goal 7** To maximize Agency effectiveness, efficiency and stakeholder/customer satisfaction.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Ratio of administrative costs as a percent of total expenditures	4.43	6.0	4.50	6.0	6.0
Explanation: Ratio decrease is the result of a complete evaluation of all administrative programs.					
Number of grant agency contractual compliance reviews.	38	40	33	50	60
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.	50	55	62	75	80
Explanation: Increased participation in AATA grant programs will result in additional agency site visits.					
Initiate monthly e-newsletter and electronic communications with agency customers/stakeholders.	96	120	160	180	200
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	306.2	335.4	406.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	306.2	335.4	406.3
FTE Positions	3.8	4.0	4.0

5 Year Plan

Issue 1 To service licensees in an efficient manner

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

Solutions:

We issue or deny an applicant's request for a license within 7 days. We assist our licensee with questions they may have, thereby allowing them to obey the laws that govern their license. By helping them with their questions with sanitation, we are also helping to protect the public's health. In order to protect the public's health, three-fourths of our staff spends most of their time investigating complaints and inspecting barber shops and barber schools; this also helps keep our administrative costs low.

Issue 2 To enforce legislative requirements concerning the regulation of barbers

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

Solutions:

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

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

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

Solutions:

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

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

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

Solutions:

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

Issue 5 To update the website.

Description The website needs to have many of its sections brought up to date and new sections added. We feel this will help the public and our licensees. We also want to make the website more user friendly for our staff by adding software that will enable our staff to make corrections directly on the website without going through a third party. During the last year a section has been added for upcoming agendas and approved minutes.

Solutions:

We have acquired the software to allow us to have better control of the website without having to pay a programmer every time a change is made to the website. We are now training more employees in the program. We are also exploring simpler programs.

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 to our rules have been submitted to GRRC and we are anticipating a GRRC hearing regarding proposed rules.

We have a funding issue in our current budget submission requesting the funds to hire a lobbyist.

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	335.4	335.4	335.4
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New examination applications accepted	320	391	312	391	350
Number of first examinations passed	178	238	159	178	178
Percent of examinations passed	56	58	51	55	55
Number of all exam applicants (includes retakes)	831	850	834	850	850
Number of written examinations given	422	430	417	440	440
Number of practical examinations given	409	411	447	430	440
Number of new barber/instructor licenses issued	348	350	339	350	350
Number of new shop/school licenses issued	256	275	227	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of inspections conducted	2,467	3,200	2,065	3,200	3,200
Percent of total inspections passed	86	90	80	90	90
Number of complaints received	350	350	413	390	400
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of inspections conducted	2,467	3,200	2,065	3,200	3,200
Percent of inspections passed	86	90	80	90	90
Number of licenses revoked or suspended	0	2	0	2	2
Disciplinary actions	75	50	127	100	100
Disciplinary actions resulting in penalties	41	45	123	100	100

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of calendar days from receipt of application to acceptance or denial	.02	3	.03	3	3
Administrative cost as a percent of total cost	8.1	10	7.5	10	10
Number of all licenses	7,816	7,902	8,056	8,254	8,400

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,551.8	1,760.5	1,760.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,551.8	1,760.5	1,760.5
FTE Positions	17.0	17.0	17.0

5 Year Plan

Issue 1 Implementation of process changes required by SB 1374.

Description SB 1374 was adopted during the 2013 legislative session. That bill makes a number of significant changes to the Board's current statutory authority. The Board is currently making the process modifications needed to implement those changes.

The Board anticipates the following challenges related to implementation of SB 1374:

1. Implementation of changes mandated by SB 1374 will require a significant investment of Board resources.
2. The Board's workload will expand significantly when it becomes responsible for all complaint review processes.
3. It is anticipated that the Board will experience processing delays until it is able to develop new processes to address this workload increase.
4. The Board anticipates a significant increase in its expenses as a result of changes mandated by SB 1374.

Solutions:

The Board plans to address these challenges as follows:

1. The Board will direct all available internal resources to ensure timely implementation of changes mandated by SB 1374.
2. The Board will hire independent contractors to provide services as needed to implement SB 1374.
3. The Board will likely need to increase the number of its monthly meeting dates to absorb the increase in its complaints workload.

Issue 2 Continuing efforts to reduce the Board's average complaint resolution timeframe.

Description The only finding in the 08/31/12 Performance Audit and Sunset Review by the Auditor General (08/12 Audit Report) addressed the following:

1. The Auditor General has determined that Arizona health regulatory boards should resolve complaints within 180 days of receipt.
2. The Board should improve its complaint resolution timeliness as the majority of complaints closed in FY 2010-2011 took more than 180 days to resolve.

Solutions:

The Board agreed with this finding and took immediate action to implement all of the changes recommended in the 08/12 Audit Report to help the Board eliminate complaint processing delays. Despite these changes, the Board remains unable to achieve the 180 day complaint resolution timeframe recommended by the Auditor General.

The Board plans to continue its efforts to reduce complaint processing delays as follows:

1. The Board will continue to follow all the recommendations set forth in the 08/12 Audit Report.
2. The Board will continue to direct all available resources toward processes designed to reduce complaint timeframes.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	17.0	17.0	17.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,760.5	1,760.5	1,760.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of application reviews completed within 180 days	98	90	98	90	90
Number of new and existing licenses issued	9313	9,454	9,674	9,800	9,800
Administration as a percentage of total cost	3.6	4.0	3.6	4.0	4.0
Applications received	1249	1025	1286	1300	1300
Individuals licensed	947	765	1027	1000	1000
Renewals received	4142	3698	3604	3700	3700
Average number of days to renew a license from receipt of application to issuance	7	7	11	10	10
Average number of days to process verifications	7	10	10	10	10
Verifications received	256	256	207	200	200
Numbers of inspections/investigations	339	370	509	400	400
Average days to resolve a complaint	382	300	360	300	300
Number of complaints received about licensees	71	100	118	120	120
Customer satisfaction rating (scale 1- 8)	6	5.5	6.5	6	6

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	896.4	1,200.9	1,200.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	99.4	48.5	48.5
Total Funding	995.8	1,249.4	1,249.4
FTE Positions	9.0	13.0	13.0

5 Year Plan

Issue 1 The Arizona State Board for Charter Schools (“Board”) does not have adequate resources to ensure all schools in its portfolio are providing a learning environment that improves pupil achievement.

Description Over the last 10 years, the number of students enrolled in charter schools has almost doubled. The Board has approved contracts for both new applicants entering the charter sector for the first time and existing quality charter holders for the expansion of their programs.

When evaluated using the Board's Academic Performance Framework, almost half of the Board's portfolio has demonstrated their programs produce sustainable quality results. The trade of autonomy for accountability has proven effective for these schools. The Board has academic oversight and expansion processes that require minimal work for both the charter holder and the Board, when the charter holder is performing academically.

However, 38% of the Board’s portfolio with three years of academic data demonstrates, from year to year, students are not consistently provided a learning environment that produces improved performance. The Board has developed an Intervention Schedule along with monitoring and oversight processes that support improved academic performance when the school has the capacity and makes the effort. Or conversely, when the capacity and effort is lacking, these same processes enable the Board to build a strong case for school closure and revocation of the charter.

Solutions:

The Board has implemented its processes to the extent possible with existing capacity. Resources for additional FTE and related operating expenses were appropriated for FY 2016 and the Board is in the process of filling new positions. The Board has also revised its organizational structure to maximize staff time and expertise. The new organizational structure and additional FTE will assist the Board in timely implementation of its Intervention Schedule and provide appropriate levels of oversight of schools that are not improving their academic performance.

Issue 2 Provide the public with electronic access to charter school information.

Description Parents, pupils and the general public should have access to information about charter schools when making choices about educational options. The Board currently has all historical information available in its office for public review. Recent new application submissions, amendments to existing charters, changes in corporate structures and members of governing bodies and the like are accessible through ASBCS Online, the Board’s searchable database. Other documents, including complaints and past performance reviews, are only available in hardcopy.

In its recent performance audit and sunset report, the Auditor General’s Office recommended the Board make the information it collects on charter schools available on its website. As the Board has moved to an electronic submission system, contracts, including the approved application and other legal documents collected and generated moving forward will be made publicly available through ASBCS Online. Historical paper hardcopies of documents prior to the electronic conversion and since 1995 are only accessible at the Board’s office.

Solutions:

Resources to further develop ASBCS Online to provide charter school information electronically to the public.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	13.0	13.0	13.0
General Fund	1,200,900.0	1,200,900.0	1,200,900.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	48.5	48.5	48.5
Federal Funds	0.0	0.0	0.0

- ◆ **Goal 1** To increase the quality of the Board's portfolio of charter schools by monitoring academic performance and fiscal and contractual compliance to ensure the continuation of schools that meet contractual obligations.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Board sponsored charters with one or more sites in operation	406	423	423	443	450
Number of Board sponsored charter school sites in operation	526	546	546	557	575
Number of annual on-site monitoring visits	140	82	42	60	33
Explanation: Reflects academic monitoring only.					
Number of on-site general monitoring visits.	28	35	31	52	37
Explanation: New measure in FY14 - separating academic from compliance monitoring visits					
Number of contract amendments processed annually not related to expansion.	938	960	778	975	975
Explanation: Modified measure in FY14 to separate expansion from non-expansion requests processed.					
Number of contract amendments processed annually for expansion.	62	75	108	75	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.	385	394	394	405	410
Number of corrective action plans mandated based on fiscal or contractual noncompliance.	47	80	39	45	50
Explanation: Any non-compliance matter requiring further action by charter holder and the Board.					
Number of corrective action matters prepared for Board consideration.	38	35	20	20	20
Number of disciplinary actions that resulted in withholding of funds.	14	20	5	10	15
Number of Notices of Intent to Revoke Charter issued.	6	10	4	5	5
Explanation: Revocation proceedings cross fiscal years, but are only reported once.					
Number of charter contracts voluntarily surrendered.	6	6	3	8	8
Number of charter contracts surrendered under duress.	1	2	3	2	2
Number of F rated schools evaluated.	3	12	6	0	0
Number of Consent/Settlement Agreements entered.	2	3	2	4	5
Number of charter contracts revoked.	2	5	1	5	3
Number of charter school sites closed.	13	15	27	15	25
Explanation: Includes surrendered and revoked charters, non-renewals, and other school closures.					
Number of student record requests processed.	222	254	210	270	300
Number of five-year interval reviews completed.	24	15	14	81	66
Number of academic improvement plans reviewed.	17	63	52	52	52

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of academic improvement reports reviewed.	60	101	72	72	86
Number of annual complaints regarding sponsored schools	103	110	89	80	80

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of new application packages reviewed by staff for administrative completeness.	27	24	24	15	12
Number of new application packages considered by the Board.	13	13	13	7	7
Number of new application packages approved by the Board.	12	10	13	7	7
Number of eligibility forms to replicate received.	14	20	3	10	10
Number of replication application packages processed.	11	14	13	8	7
Number of replication application packages approved by the Board.	11	14	13	8	7
Number of renewal applications prepared.	36	33	29	51	17

Explanation: Determination of application criteria based upon previous performance.

Number of renewal applications processed that do not meet the Performance Framework Expectations.	19	18	16	25	9
Number of renewal application packages approved by the Board without conditions.	23	20	20	25	8
Number of renewal application packages approved by the Board with conditions.	7	10	7	0	0
Number of hearings for denied renewal applicants that file an appeal.	1	4	1	2	1

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ INVESTIGATIONS AND OPERATIONS	249,727.8	258,639.1	307,995.8
➤ OFFICE OF CHILD WELFARE INVESTIGATIONS	4,324.5	10,706.7	10,706.7
➤ OUT-OF-HOME CARE	347,090.2	358,373.2	414,505.3
➤ SUPPORT SERVICES	228,035.6	219,797.9	235,929.9
Agency Total:	829,178.1	847,516.9	969,137.7
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	355,199.4	356,448.2	461,009.8
Other Appropriated Funds	473,977.5	491,067.6	508,126.8
Other Non Appropriated Funds	1.2	1.1	1.1
Total Funding	829,178.1	847,516.9	969,137.7
FTE Positions	2,965.2	3,057.1	3,280.6

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

	FY2018 Estimate	FY2019 Estimate	FY2020 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

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 A.R.S. § 8-453

Mission:

To ensure the safety of children and promote services to enable them to achieve permanency in a safe and stable placement.

Description:

The Investigations and Operations functions of the Department investigate reports of child abuse and neglect, coordinate services to achieve permanency on behalf of the child, strengthen the family and provide prevention, intervention and treatment for neglected and abused children and provides administrative oversight and operating support to the programs within the Department.

This Program Contains the following Subprograms:

- ▶ Investigations and Operations
- ▶ Retention Pay
- ▶ Overtime
- ▶ Training Resources
- ▶ Records Retention Staff
- ▶ Inspections Bureau
- ▶ Attorney General Legal Services
- ▶ General Counsel
- ▶ Internet Crimes Against Children

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	132,100.2	119,313.7	159,318.7
Other Appropriated Funds	117,626.4	139,324.3	148,676.0
Other Non Appropriated Funds	1.2	1.1	1.1
Total Funding	249,727.8	258,639.1	307,995.8
FTE Positions	2,838.2	2,929.1	3,152.6

Subprogram Summary

INVESTIGATIONS AND OPERATIONS

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	95,063.8	87,808.7	124,576.4
Other Appropriated Funds	103,416.7	121,368.6	130,879.5
Other Non Appropriated Funds	1.2	1.1	1.1
Total Funding	198,481.7	209,178.4	255,457.0
FTE Positions	2,579.0	2,657.9	2,878.9

- ◆ **Goal 1** To provide quality leadership and training opportunities to enhance the delivery of quality services and promote accountability.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of newly hired Department of Child Safety (DCS) Specialists completing training within seven months of hire.	N/A	100.0	45.0	45.0	45.0
Percent of complaints reviewed by the Office of the Citizens Aide where allegations are reported as valid by the Ombudsman.	N/A	30.1	26.0	30.0	30.0
Number of reports received.	N/A	46,726	51,064	52,596	54,174
Specialist response rate (percent)	N/A	100.0	99.0	100.0	100.0
Percent of reports that are substantiated	N/A	8.0	8.0	8.0	8.0
Percent of original dependency cases where the court denied or dismissed the dependency	N/A	25	0.3	0.3	0.3
Percent of Office of Administrative Hearings (OAH) where case findings are affirmed	N/A	84.0	80.5	84.0	84.0
Agencywide customer satisfaction rating (scale 1-5)	N/A	3.9	3.8	4.0	4.0
Percent of OLR licenses to foster homes without a complaint	N/A	96.4	65.3	75.0	75.0

Subprogram Summary

RETENTION PAY

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	618.0	1,707.0	1,707.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	618.0	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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Specialists reaching 18-month benchmark	N/A	336	299	433	433
Number of Specialists reaching 36-month benchmark	N/A	235	106	249	249

Subprogram Summary

OVERTIME

Illya Riske, Finance Manager
Phone: (602) 255-2777
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,075.7	2,610.7	4,291.0
Other Appropriated Funds	6,439.3	5,789.3	6,176.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	13,515.0	8,400.0	10,467.9
FTE Positions	0.0	0.0	0.0

Subprogram Summary

TRAINING RESOURCES

Illya Riske, Finance Manager
Phone: (602) 255-2777
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	150.0	150.0
Other Appropriated Funds	1,782.3	5,000.0	5,000.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,782.3	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of students graduating from BSW program	N/A	30	19	28	28
Number of students graduating from MSW program	N/A	40	43	37	37

Subprogram Summary					
RECORDS RETENTION STAFF					
Illya Riske, Finance Manager Phone: (602) 255-2777 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	500.0	498.4	498.4
Other Appropriated Funds	69.9	97.2	97.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	569.9	595.6	595.6
FTE Positions	5.0	5.0	5.0

◆ **Goal 1** To increase the number of completed records.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of records completed by Centralized Record Coordination Unit	N/A	13,207	13,814	17,040	17,040

Subprogram Summary					
INSPECTIONS BUREAU					
Illya Riske, Finance Manager Phone: (602) 255-2777 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	570.9	1,335.9	1,335.9
Other Appropriated Funds	131.4	1,150.6	1,150.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	702.3	2,486.5	2,486.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Internal Affairs investigations conducted	N/A	50	15	n/a	n/a

Subprogram Summary					
ATTORNEY GENERAL LEGAL SERVICES					
Illya Riske, Finance Manager					
Phone: (602) 255-2777					
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	13,866.5	13,696.9	15,603.9
Other Appropriated Funds	5,786.8	5,918.6	5,371.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	19,653.3	19,615.5	20,975.7
FTE Positions	222.2	234.2	236.7

Subprogram Summary

GENERAL COUNSEL

Illya Riske, Finance Manager
Phone: (602) 255-2777
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	80.3	156.1	156.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	80.3	156.1	156.1
FTE Positions	1.0	1.0	1.0

Subprogram Summary

INTERNET CRIMES AGAINST CHILDREN

Illya Riske, Finance Manager
Phone: (602) 255-2777
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	325.0	350.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	325.0	350.0	0.0
FTE Positions	0.0	0.0	0.0

Program Summary

OFFICE OF CHILD WELFARE INVESTIGATIONS

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,686.1	9,562.7	9,562.7
Other Appropriated Funds	638.4	1,144.0	1,144.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,324.5	10,706.7	10,706.7
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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of OCWI investigations that were jointly investigated	N/A	100	94.0	98.0	100.0
Percentage of all criminal conduct reports that received a joint investigation	N/A	75	47.0	47.0	47.0

Program Summary

OUT-OF-HOME CARE

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 A.R.S. § 8-846

Mission:

To provide permanence, stability, and continuity of care in safe placements that meet the needs of children who enter out-of-home care.

Description:

This Program Contains the following Subprograms:

- ▶ Adoption Services
- ▶ Emergency and Residential Placement
- ▶ Foster Care Placement
- ▶ Grandparent Stipends
- ▶ Independent Living Maintenance
- ▶ Permanent Guardianship Subsidy

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	134,765.1	141,672.9	168,757.9
Other Appropriated Funds	212,325.1	216,700.3	245,747.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	347,090.2	358,373.2	414,505.3
FTE Positions	0.0	0.0	0.0

Subprogram Summary

ADOPTION SERVICES

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	58,791.0	69,965.8	79,008.9
Other Appropriated Funds	128,404.2	136,335.2	152,196.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	187,195.2	206,301.0	231,205.3
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote placements in permanent adoptive homes.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of children with finalized adoptions	N/A	3,129	3,079	3,356	3,658
Percent of adoptions within 24 months	N/A	56	49.0	53.0	56.0

Subprogram Summary

EMERGENCY AND RESIDENTIAL PLACEMENT

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	37,828.0	31,228.0	46,429.4
Other Appropriated Funds	51,034.8	45,078.3	55,838.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	88,862.8	76,306.3	102,267.6
FTE Positions	0.0	0.0	0.0

Subprogram Summary

FOSTER CARE PLACEMENT

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	24,522.8	26,287.5	28,537.5
Other Appropriated Funds	29,743.1	32,793.8	34,553.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	54,265.9	59,081.3	63,091.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote permanent placements for children who enter out-of-home care.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of children in out-of-home care (*point in time 6/30)	N/A	16,994	18,059	19,000	20,000
Percent change in number of children in out-of-home care (*point in time 6/30)	N/A	3.0	9.0	5.0	5.0

◆ **Goal 2** To enhance children's health and development by providing stable and nurturing environments.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of children remaining in shelter more than 21 days	N/A	776	900	776	776
Average number of days spent in shelter care for those children in shelter care 21 days or longer	N/A	100	104	100	100
Number of children under 3 in shelter care as of June 30	N/A	41	32	25	25
Number of children under 6 in group homes as of June 30	N/A	50	49	45	45

Subprogram Summary

GRANDPARENT STIPENDS

Illya Riske, Finance Manager
Phone: (602) 255-2777
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	841.2	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	841.2	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Average number of children receiving Grandparent Stipend per month	N/A	1,100	964	1,100	1,100

Subprogram Summary

INDEPENDENT LIVING MAINTENANCE

Illya Riske, Finance Manager
Phone: (602) 255-2777
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,709.8	2,719.3	3,208.2
Other Appropriated Funds	1,400.0	750.0	1,416.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,109.8	3,469.3	4,624.5
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To assist young adults achieve self-sufficiency.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Young Adult Independent Living Subsidy participants (*point in time 6/30)	N/A	350	485	490	490

Subprogram Summary

PERMANENT GUARDIANSHIP SUBSIDY

Illya Riske, Finance Administrator
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	10,072.3	10,472.3	10,573.9
Other Appropriated Funds	1,743.0	1,743.0	1,743.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	11,815.3	12,215.3	12,316.9
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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of children receiving subsidized guardianship payments	N/A	2,650	2,289	2,734	2,734

Program Summary

SUPPORT SERVICES

Illya Riske, Finance Manager
Phone: (602) 255-2777
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:

- ▶ Children Support Services
- ▶ In-Home Preventative Services
- ▶ Out-of-Home Support Services
- ▶ Intensive Family Services
- ▶ DCS Child Care Subsidy

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	84,648.0	85,898.9	123,370.5
Other Appropriated Funds	143,387.6	133,899.0	112,559.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	228,035.6	219,797.9	235,929.9
FTE Positions	0.0	1.0	1.0

Subprogram Summary

CHILDREN SUPPORT SERVICES

Illya Riske, Finance Manager
Phone: (602) 255-2777
A.R.S. § 8-802

Mission:

To strengthen, stabilize, and promote safety of families through the provision of a continuum of family-centered in-home services that are comprehensive, coordinated, community-based, accessible, and culturally responsive.

Description:

The line item is no longer used. These services are now divided between In-Home Preventative Services, CHA 4.2, and Out-of-Home Support Services, CHA 4.3.

Subprogram Summary

IN-HOME PREVENTATIVE SERVICES

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,185.0	15,794.0	7,037.1
Other Appropriated Funds	13,349.9	19,420.4	15,771.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	14,534.9	35,214.4	22,808.3
FTE Positions	0.0	1.0	1.0

- ◆ **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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of families receiving in-home services	N/A	7,000	6,792	7,000	7,000
Number of children receiving services through Healthy Families	N/A	4,900	4,913	5,200	5,200

Subprogram Summary

OUT-OF-HOME SUPPORT SERVICES

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	69,803.9	56,604.9	96,649.2
Other Appropriated Funds	90,435.0	79,725.0	54,555.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	160,238.9	136,329.9	151,204.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote recovery from alcohol and drug abuse

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of DCS clients referred for substance abuse treatment services	N/A	6,600	6,600 est.	6,900	6,900

◆ **Goal 2** To provide medical and dental care for children in foster care.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Average number of children enrolled	N/A	15,634	16,833	17,480	18,400

Subprogram Summary

INTENSIVE FAMILY SERVICES

Illya Riske, Finance Manager
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,500.0	8,500.0	8,500.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	8,500.0	8,500.0	8,500.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

DCS CHILD CARE SUBSIDY

Illya Riske, Finance Administrator
 Phone: (602) 255-2777
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,159.1	5,000.0	11,184.2
Other Appropriated Funds	39,602.7	34,753.6	42,233.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	44,761.8	39,753.6	53,417.2
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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of DCS children receiving child care subsidy per month	N/A	8,600	9,256	10,140	11,046

Agency Summary

BOARD OF CHIROPRACTIC EXAMINERS

Justin Bohall, Interim 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	377.5	451.4	451.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	377.5	451.4	451.4
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.

Solutions:

During the 2015 Session, the Board presented Omnibus Legislation including a request to allow annual adjustments to licensure, certification and renewal fees up and down within maximum rate. This will provide the opportunity to set fees on an annual basis while including the opportunity for public comment prior to the decision.

With the passage of SB1008 the Board needs to address rule prior to making any adjustment to in current renewal fee. A preliminary request to receive an exemption from EO2015-01 to draft rules for this statue change has been made. Once the exemption has been received a rulemaking docket will be opened; the rules will be drafted, will be published and presented to the Governor's Regulatory Review Council for approval.

Issue 2 Improve the timelines to complete investigations, formal interviews and formal hearings.

Description While FY2014 resulted in the Board's ability to increase the percentage of complaints resolved within 180 days of receipt with no hearing required as well as the average number of months to resolve administrative hearings; the Auditor General's Office recommends that cases be concluded within 180 days.

Solutions:

The Board 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.

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 is preparing for the first online renewals process in November of 2015.

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.

Issue 5 Establish the capability of accepting licensure and payment for services in electronic formats.

Description The Board currently only accepts hard copy applications for renewal and payments in the form of check or money order.

Solutions:

The above-referenced database by GLSolutions has the capability to provide for online renewals and electronic payment processing. The Board is currently in process to begin to take other forms of payment through an online payment portal.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of applications for licensure received	89	80	84	80	80
Explanation: This measure is used to assess future revenues.					
Average number of days between receipt of complete application and Board action	18	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	70	70	77	70	70
Explanation: This measure identifies a trend that impacts revenue, staffing and resources planning					
Number of licenses issued prior to undisclosed conviction being identified	0	0	0	0	0
Explanation: This performance measure is related to the Board's mission to protect the health, welfare and safety of the public.					
Number of licenses eligible for renewal	2357	2500	2,358	2,369	2,360
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of new complaints filed	95	120	98	120	120
Percent of complaints resolved within 180 days of receipt with no hearing required	58	35	51	50	50
Average number of months to resolve an administrative hearing	4	3	8	5	4
Total number of investigations conducted	114	165	65	110	100

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of survey responses which indicate that staff was knowledgeable and courteous in public communications or that the measure was not applicable.	96	97	100	97	97
Administration as a percent of total cost	11	17	11	12	12

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Self assessment surveys returned.	26	30	14	30	30
Percent of complaint investigations that the Board found to be outside of its jurisdiction.	0	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	8,994.8	11,732.6	11,732.6
Total Funding	8,994.8	11,732.6	11,732.6
FTE Positions	6.3	6.3	6.3

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

	FY2018 Estimate	FY2019 Estimate	FY2020 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	5,000.0	11,732.6
Federal Funds	0.0	0.0	0.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of certified participating candidates (calendar years)	69	70	0	70	0
Total funds distributed to participating candidates (calendar years in thousands)	5,250.8	4,000.0	0	3,500.0	0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of candidates submitting candidate statements (calendar years)	375	0	0	200	0
Number of candidate statement pamphlets mailed to AZ households (calendar years in thousands)	3,600.0	0.00	0	3,700	0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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)	8.0	9.0	0.8	9.0	0.9

Agency Summary

ARIZONA COMMERCE AUTHORITY

Sandra Watson, CEO
Phone: (602) 845-1215
41-1501

Mission:

To provide private sector leadership in growing and diversifying the economy of Arizona, create high quality employment through expansion, attraction and retention of business, and market Arizona for the purpose of expansion, attraction and retention of businesses.

Description:

The Arizona Commerce Authority (Authority) was established by Laws 2011, Chapter 1, Second Special Session. The Authority is charged with the following responsibilities: job creation, expansion of capital investment through business attraction, expansion and retention of business, including business incubation and entrepreneurship; creation, monitoring and execution of a comprehensive economic and workforce strategy; management and administration of economic development and workforce programs; providing statewide marketing leadership; utilizing all means necessary, prudent and practical to integrate private sector-based innovation, flexibility, focus and responsiveness; and advance public policy to meet its objectives.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	31,788.4	26,800.0	26,800.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	26,696.4	30,137.1	26,888.0
Total Funding	58,484.8	56,937.1	53,688.0
FTE Positions	66.0	67.0	67.0

Issue 1 Creation of 75,000 Higher-Wage Jobs In Arizona Over A 5 Year Period With Two-Thirds Of Those New Jobs Being High-Value Jobs.

Description Higher-wage jobs are the foundation of economic prosperity. They drive the broader economy through higher household incomes and higher discretionary spending. High-value jobs have an average wage substantially over the median wage. Such high-value jobs will be the primary focus of the Arizona Competes Fund that permits flexibility in when and how it is used. The ACA will use the Arizona Competes Fund to ensure the State of Arizona receives the highest return on its investment as measured in economic benefit to the State. The ACA also manages of the State's economic development incentive programs. Many of these programs wage eligibility 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, management 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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	67.0	67.0	67.0
General Fund	48.8	48.8	48.8
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	10.3	10.3	10.3
Federal Funds	8.0	8.0	8.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of companies participating in trade events	275	300	305	300	300
Number of substantive export and trade related technical assistance sessions provided to export-related, growth-potential companies and individuals	221	250	300	250	250
Number of trade events (trade shows, trade missions, conferences and workshops)	21	20	23	20	20

- ◆ **Goal 2** To help create and retain higher paying jobs that support emerging and base industries in every region of the state.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of workers under contract to be trained	5,820	11,000	10,050	5,000	0
Number of companies assisted	52	80	56	30	0
Number of new jobs created as a result of grant program	5,820	1,250	4,508	3,000	2,000
Percent of Job Training funds distributed to small businesses	26.4	10.0	30.0	25.0	25.0

- ◆ **Goal 3** To Provide technical assistance to Arizona manufacturers through individual engagements, multi-company training workshops, and RevAZ programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Hosted Multi-Company Workshops	3	8	12	12	16
Number of Formally Presented Manufacturing Assistance Webinars	2	6	4	2	2
Number of ExporTech session rounds of program	1	2	2	4	4
Number of Client Engagements	0	0	57	80	80

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Potential foreign investors attracted to Arizona for site visits	9	15	20	15	15
Foreign delegations served (attracted or assisted)	12	15	17	12	12

- ◆ **Goal 5** To enhance awareness of Arizona as a premier state for business relocation and expansion activities in targeted industries that generates new company locates or expansion through out the state.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Jobs created by companies utilizing Arizona Commerce Authority business development programs	17,154	15,000	18,314	17,000	18,000
Average hourly wage rate per job	22.6	24.0	24.91	25.0	26.00
Number of new company relocations/expansions	97	78	120	85	90
Locate/expansion capital investments (in millions)	3,340	1,200	1,510	1,300	1,500
Number of companies recruited to rural locations	7	20	14	20	20

Agency Summary

CONSTABLE ETHICS STANDARDS AND TRAINING

Scott Tipton, Chairman
 Phone: (928) 205-8148
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	267.7	383.0	383.0
Total Funding	267.7	383.0	383.0
FTE Positions	0.0	383.0	383.0

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

	FY2018 Estimate	FY2019 Estimate	FY2020 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 investigate and resolve complaints against constables

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
The number of complaints against constables received by the Board	10	8	36	10	10
The number of complaints against constables resolved by the Board	7	8	25	10	10
The number of constables	88	88	88	88	88

◆ **Goal 2** To distribute grants for constable training & equipment

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
The number of grants awarded	36	36	26	30	30

◆ **Goal 3** To ensure compliance with constable training reporting requirements

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of constables reporting approved training	79	80	77	88	88
Number of writs served	65,056	65,500	58,761	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 contractors 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ REGULATORY AFFAIRS	8,137.0	12,187.5	12,187.5
Agency Total:	8,137.0	12,187.5	12,187.5
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,137.0	12,187.5	12,187.5
Other Non Appropriated Funds	931.9	4,666.8	4,666.8
Total Funding	9,068.9	16,854.3	16,854.3
FTE Positions	95.0	111.8	111.8

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 is the current design of the Agency's website and its presentation of information.

Solutions:

Within the next five years, the Agency will increase public awareness of Agency activities. We will use press releases to proactively engage with the media. The Agency PIO will work with appropriate vendors and resources to develop Video PSAs. Facebook and Twitter accounts have been established, and the Agency will continue to grow its social media presence. The Agency's newsletter will target and educate industry constituents. In addition, our website has to be redesigned. It has to be more intuitive and easier to navigate. 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 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 40,000 contracting entities in Arizona. These contractors include general, mechanical, electrical, roofing, swimming pool and other scopes, for a total of 106 license classifications. At the moment, requests are submitted primarily on paper. The current 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:

A modern computer system will streamline Agency processes and improve the services we provide. A newer 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 can submit forms and supporting documentation while the system validates the minimum elements. The newer options also offer implementation alternatives. This flexibility reduces costs because each option may have inherent cost savings. After we assess the long-term viability of each of these options, the Agency will select the most cost-effective implementation model.

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:

We will implement Agency-wide customer service training as soon as possible. Telephone calls and written correspondence will be monitored and reviewed. The Agency will also begin a review of our over-the-counter interactions to ensure that the quality of our customer service is consistent throughout the Agency. Employees will learn how to communicate with customers in non-technical terms. Our staff will learn how to deal with difficult customers, and all customer inquiries will be addressed within 48 hours. The Agency will also increase its use of comment cards and review the procedures we use to obtain that information. After the new quality-control procedures are in place, specific problems that arise for a particular case will provide opportunities for improvement. In addition, the Agency has begun a general review of all of our customer and public service processes to reduce the amount of time required to complete certain tasks. Each of the departments is participating in this review and will alter processes as possibilities for improvement are discovered.

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 by statute. For example, per 32-1155(C)(1), the contractor has to be able to inspect the work no later than 15 days after the Registrar’s written notice has been received. 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. The inspection process can start over. This is not the normal course — complaints usually close with both parties reaching resolution. This is just an example of a situation where we can add time to the process when we give parties more time to resolve the complaint.

The same can be said of the unlicensed activity department. After a complaint for unlicensed activity is filed, we need three to four 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 increases significantly if the unlicensed entity is a repeat offender. These cases may be referred to the Attorney General’s office, local law enforcement, city attorneys or county attorneys for potential violations of the criminal code (title 13). Within the unlicensed activity department, lack of personnel and unnecessary steps in the investigative process are significant factors. Caseloads have soared to all-time highs within the past 24 months.

Solutions:

The Agency will eliminate letters to the parties such as the acknowledgement letter. For construction investigations, this letter allows an additional 15 days beyond the 15 that are mandated by 32-1155(C)(1). Removing this letter will save the parties 15 days. Other steps within the process can also be tightened up — improved case management will come with training and increased supervisor oversight. Within the unlicensed activity department, the policies and procedures for investigations have been revised and were recently posted. Soon, we will also add seven new investigators, and all of them will be trained to perform construction and unlicensed activity complaints. The Agency will be able to react timely and better balance caseloads.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	105.6	105.6	105.6
General Fund	0.0	0.0	0.0
Other Appropriated Funds	12,187.5	12,187.5	12,187.5
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,137.0	12,187.5	12,187.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	8,137.0	12,187.5	12,187.5
FTE Positions	89.9	105.6	105.6

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of days to process an application and issue a new license.	49	30	39	26	25
Average number of days to close complaints in compliance.	83	50	110	95	90
Average number of days to close complaints with a default order.	282	180	73	73	73
Average number of days to close complaints with an administrative hearing.	434	365	280	280	280
Average number of days to pay administrative recovery fund claims.	287	250	143	143	143
Average number of days to close investigations of unlicensed contracting.	78	45	85	80	75

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of technology services internal agency customers indicating they received good or excellent customer service.	88	88	94	94	94
Percent of licenses renewed online.	39	45	52	55	58

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of external customers responding that the license application forms and instructions are clear, concise, and understandable.	56	65	76	78	80
Percent of external customers responding that the license renewal forms and instructions were clear, concise, and understandable.	88	88	77	78	80
Percent of external customers responding that the correspondence from the inspections department was clear, concise, and understandable.	NA	95	91	94	96
Percent of external customers responding that the correspondence from the legal department was clear, concise, and understandable.	60	65	37	37	37
Percent of external customers responding that the correspondence from the recovery fund department was clear, concise, and understandable.	75	80	43	43	43
Percent of external customers responding that the correspondence from the investigations department was clear, concise, and understandable.	98	98	96	98	98

Agency Summary

CORPORATION COMMISSION

Jodi Jerich, Executive Director

Phone: (602) 542-3931

Arizona Constitution Article XV, A.R.S. § 40-101 et seq.

Mission:

To exercise exclusive state regulatory authority over public service corporations (public utilities) in the public interest; to grant corporate status and maintain 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 include reviewing and establishing public utility rates, regulating the sale of securities, ensuring pipeline and railroad safety, and administering the Arizona Corporations Code. The Commission also serves as the repository of corporate annual reports and other publicly available documents filed by corporations in accordance with state law.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	3,424.3	3,252.2	3,252.2
➤ HEARINGS	2,242.3	2,350.0	2,400.0
➤ CORPORATIONS	3,808.5	4,068.7	6,068.7
➤ SECURITIES	4,421.2	4,603.0	4,885.0
➤ RAILROAD SAFETY	647.1	660.0	705.0
➤ PIPELINE SAFETY	1,724.7	1,715.0	1,715.0
➤ UTILITIES	5,607.3	5,995.0	5,995.0
➤ LEGAL	1,938.6	1,940.0	1,940.0
➤ INFORMATION TECHNOLOGY	2,455.8	2,679.4	2,679.4
➤ BROADCASTING SERVICES	419.3	540.0	540.0
Agency Total:	26,689.1	27,803.3	30,180.3
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	606.1	614.2	659.2
Other Appropriated Funds	25,261.9	26,364.1	28,696.1
Other Non Appropriated Funds	821.1	825.0	825.0
Total Funding	26,689.1	27,803.3	30,180.3
FTE Positions	301.9	301.9	301.9

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:

The Commission wants to provide business the convenience to submit and pay for any document electronically. 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.

In 2014, the Commission issued an RFP to solicit proposals from qualified vendors for such a system. However, the Commission did not receive funding for this project in the FY2016 budget and the RFP was cancelled. For FY2017, the Commission is requesting \$2 million from the Public Access Fund to create the online filing system.

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 FY2015, the Commission's Docket Control Center received approximately 9,500 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 "Dockcaase" with a visual basic application now called "eDocket". In 2014, the Commission also replace 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 intends to roll-out new document management functionality to Docket Control in Q2 2016, followed by eFiling for utility matters in the second half of the year. 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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	305.0	306.0	308.0
General Fund	6.0	6.0	6.0
Other Appropriated Funds	300.0	302.0	305.0
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,422.8	3,252.2	3,252.2
Other Non Appropriated Funds	1.5	0.0	0.0
Total Funding	3,424.3	3,252.2	3,252.2
FTE Positions	28.0	27.0	27.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of open meetings held	58	60	70	70	70
Agenda items considered	356	400	407	410	425

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Purchase orders issued	259	300	235	250	250
Claims processed	0	0	1,601	1,600	1,600
Revenue deposited with the Treasurer (in millions)	0	0	64	65	65

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,242.3	2,350.0	2,400.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,242.3	2,350.0	2,400.0
FTE Positions	21.0	21.0	21.0

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Rehearings granted - Hearing Officer's error	0	0	0	0	0
Procedural Orders issued	428	450	347	400	400
Proposed Orders issued	132	140	124	140	140

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Open Meeting items processed	973	1,000	1,050	1,000	1,000
Filings docketed (in thousands)	8	8	7.5	8	8
Number of Decisions	631	700	560	700	700

Program Summary

CORPORATIONS

Patricia L. Barfield, Director
Phone: (602) 542-3521
A.R.S. Title 10

Mission:

To approve corporate names and grant corporate or limited liability company status to entities organizing under the laws of the State of Arizona; to approve applications from foreign corporations and limited liability companies to transact business in this State; to collect annual reports from all corporations of record; and to maintain corporate and limited liability company records for the benefit of public record and service of process.

Description:

The Corporations Division is comprised of five sections (Annual Reports, Corporate Filings, Records, Call Center, Initial Processing). The Division also has a few staff members in the Tucson office of the Corporation Commission to provide some services to the residents of Southern Arizona.

The Corporations Division approves for filing all articles of incorporation, amendments to articles, mergers, consolidations, withdrawals, and dissolutions for Arizona corporations; approves corporate and limited liability company (LLC) names; approves all articles of organization, amendments, changes and terminations for LLCs; grants authority to foreign corporations and LLCs transacting business in this State; propounds interrogatories when necessary; and may administratively dissolve or revoke corporations and LLCs that do not comply with specific provisions of Arizona law.

The Division collects from every corporation an annual report reflecting the current statutory agent, corporate address, amount of stock issued (forprofits), lists of officers and directors, Certificate of Disclosure and Statement of Bankruptcy. The Division updates the corporation's public record with information provided by the annual report and also when amendments or changes are submitted by the corporation. The Division must maintain all information on corporations and LLCs in a data format conducive to public access; respond to public questions concerning Arizona corporations and LLCs; and respond to the needs of the business sector by disseminating information. The Division has limited investigatory powers and no regulatory authority. Arizona corporations and LLCs, however, may be administratively dissolved if certain statutory requirements are not met. Likewise, the authority of foreign (non-Arizona) corporations or LLCs to transact business in Arizona may be administratively revoked. The Division acts as an agent for Arizona corporations and limited liability companies whenever either entity does not maintain a statutory agent or when the agent cannot be located. In these instances, services of process directed to the entity are accepted by the Records Section on behalf of the entity. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology infrastructure.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,808.5	4,068.7	6,068.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,808.5	4,068.7	6,068.7
FTE Positions	69.5	69.5	69.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of expedited requests achieved within 5 business days	100	100	100	100	100
Percent of regular requests achieved within 30 business days	100	100	100	100	100
Range of days to process expedited requests - corporate filings	2-5	2-5	4-9	2-5	2-5
Range of weeks to process regular requests - Corporate Filings	3-7	3-6	3-7	3-6	3-6
Total active corporations and Limited Liability Corporations recorded	817,715	880,000	851,844	900,000	920,000
Total filings received	387,278	390,000	404,122	420,000	440,000
Average turnaround time (days) for normal Annual Reports	13	22	20	22	22
Average turnaround time (days) for expedited Annual Reports	2	2	2	2	2
Annual reports filed	131,616	132,000	129,145	132,000	132,000
Number of e-filed Annual Reports	104,736	110,000	106,654	108,000	110,000

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Division-wide incoming calls for corporate filings and records, annual reports, and calls to Tucson office	130,083	135,000	131,218	135,000	135,000
Division-wide calls answered	95,456	100,000	113,190	115,000	115,000
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	40,918	40,000	37,111	40,000	40,000
Number of website hits (in Millions)	8,616,020	8,800,000	9.9	10	10
Corps. Forms hits (In Millions)	823,170	830,000	1.66	1.7	1.7

Explanation: Changed from thousands to millions in FY15

Annual Report Views	332,165	335,000	291,445	300,000	300,000
Total number of document images viewed (in millions)	11.5	15	16.4	16	16

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total mail received - division-wide, including faxes	136,747	140,000	141,343	140,000	130,000
Initial Processing Section documents scanned	242,623	245,000	204,126	200,000	200,000
Division checks processed	108,799	110,000	108,231	100,000	100,000

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
General in-house class hours	767	500	593.5	600	600
Class hours per full-time equivalent (FTE)	11.12	7.25	10.33	10	10

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Overall satisfaction score from customer surveys on a 100% scale	6.6	7.8	41	45	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,421.2	4,603.0	4,885.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,421.2	4,603.0	4,885.0
FTE Positions	50.4	50.4	50.4

- ◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of applications/filings	26,648	20,000	28,173	22,000	24,000
Number of registrations/exemptions	28,267	21,000	30,066	23,000	25,000
Number of exemptions (Rule 126)	1,545	1,500	1,803	1,500	1,500
Number of months required to review applications	1.5	1.5	1.5	1.5	1.5
Number of other exemptions	74	100	90	100	100
Number of name changes	1,674	2,000	2,283	2,000	2,000
Number of dealer examinations	3	15	0	10	5
Number of dealer registrations	1,981	2,000	1,932	2,000	1,900
Number of salesman registrations	180,290	175,000	187,109	175,000	175,000
Number of IA registrations	529	350	563	350	400
Number of IAR registrations	7,142	4,000	7,825	5,000	5,000
Number of IA examinations	49	35	70	35	40
Number of Public Educational Programs	46	55	43	55	50
Number of Legislative initiatives	2	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of complaints	113	250	152	250	200
Enforcement action: number of investigations initiated	19	45	7	45	40
Enforcement action: number of subpoenas issued	285	300	168	300	300
Commission Order: Number of Cease and Desist Orders	23	35	12	35	30
Commission Order: Fines- Number of Respondents	36	50	21	50	50
Commission Order: Restitution - Number of Respondents	27	40	20	40	40
Number of civil cases initiated	3	2	5	2	2
Number of indictments - True Bills	6	7	2	7	5
Number of civil proceedings closed	3	2	0	2	2
Number of civil proceedings open at year end	3	2	6	2	2
Total examinations under oath	44	50	33	50	50
Number of cases to hearing	7	5	2	5	5
Administrative Proceedings: Number Respondents	33	45	18	45	40
Number of administrative proceedings initiated	14	20	9	20	20
Civil Proceeding Initiated : Number of Defendants	9	5	8	5	5
Number Criminal Defendants - Indicted	7	10	2	10	10
Number of Criminal Restitution Orders	13	8	9	8	8
Number of Defendant Pleas and Convictions	17	8	16	8	8
Number of Investigations Closed	30	50	10	50	40
Number of Investigations Open at Year End	53	70	44	70	60
Number of Respondents: Commission Orders	47	65	21	65	50

Program Summary

RAILROAD SAFETY

Robert Marvin, Director
 Phone: (602) 262-5601
 A.R.S. §§ 42-201 et. seq.

Mission:

To ensure that the citizens of Arizona as well as railroad employees throughout the State have a Railroad System that is operated and maintained in as safe a manner as possible.

Description:

The Railroad Safety Section is responsible for inspection activities on both intrastate and interstate railroads operating in Arizona. Inspection activities are carried out under the authority of the federal government by way of an Interagency Agreement between the Commission and the Federal Railroad Administration (FRA). It is through this agreement that the Commission's Rail Safety Staff obtains the authority to fulfill its mission objectives.

Under the terms of the agreement, Commission Inspectors must be FRA certified. Inspectors conduct inspections, informing railroads of any defects that are found. Defects must be corrected and verified by a re-inspection. If an inspector finds that defects were not corrected and no effort was made to address the problem, he/she may submit a federal violation against the company. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	605.5	614.2	659.2
Other Appropriated Funds	41.6	45.8	45.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	647.1	660.0	705.0
FTE Positions	6.0	6.0	6.0

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Miles of railroad track inspected	1,451	1,300	1,351	1,350	1,400
Freight cars inspected	2,359	2,400	2,115	2,200	2,300
Locomotive units inspected	193	200	220	225	225
Operating practices inspections	39	100	144	125	125
Hazardous materials inspections	1,185	2,200	2,517	2,400	2,400
Grade crossing inspections	241	275	303	285	285
Industrial spur track inspections	10	8	7	8	8
Federal violations filed	15	12	21	15	15
Derailments	25	20	27	26	26
Number of grade crossing accidents	15	20	18	20	20
Other accidents	3	3	2	3	3
Grade crossing complaints	22	25	18	20	20
Other complaints	6	8	4	6	6
Operation Lifesaver presentations	2	3	4	3	3
HazMat Accidents/Incidents	14	12	21	18	18

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Grade crossings improved	11	8	4	6	6
New Grade Crossings Installed	0	1	0	1	1
Signal & Train control inspections	16	15	20	15	15
Signal system components inspected	754	700	567	600	600

Program Summary

PIPELINE SAFETY

Robert Marvin, Director
 Phone: (602) 262-5601
 A.R.S. §§ 42-201 et. seq.

Mission:

To enforce federal and state pipeline safety regulations and to provide training and guidance to pipeline operators to ensure safe operation of pipeline facilities. To enforce the Arizona Underground Facilities Law and to provide training to facility owners and excavators in an attempt to reduce damage to underground facilities and to eliminate personal injuries and deaths associated with underground facilities.

Description:

The Pipeline Safety Office maintains staff in Phoenix, Tucson, and Prescott. The Office has the responsibility for the inspection of all intrastate pipeline operators within the State of Arizona. The Office also has the responsibility to enforce the Arizona Underground Facilities Law and to provide training to facility owners and excavators. The Office conducts training classes for operators of master meter gas systems and maintains a natural gas equipment loan-out program to assist them in complying with Pipeline Safety regulations. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	912.6	890.0	890.0
Other Non Appropriated Funds	812.1	825.0	825.0
Total Funding	1,724.7	1,715.0	1,715.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Fines collected (in thousands)	48	20	72	45	46
Total intrastate inspections	54	80	105	90	93
Violations: Intrastate (major operators only)	50	60	99	80	80
Explanation: Prior years include master meter operators					
Violations: Master Meter	1,044	1,100	1,296	1,004	1,198
Total master meter inspections	1,160	1,200	1,390	1,300	1,295
Total number of code compliance inspections	1,332	1,300	1,495	1,350	1,398
Total Bluestake violations written	79	75	138	100	107
Random Bluestake inspections	39	30	25	25	28
Seminars/Public awareness meetings held	30	22	16	18	19
Investigated incidents	139	200	163	162	182
Total number of Interstate pipeline safety violations	1	0	16	8	8
Total interstate inspections	9	12	11	12	12

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total intrastate violations corrected (major operators only)	50	75	116	90	96
Explanation: Past years included Master Meter violations corrected					
Major pipeline operators training classes held	0	0	2	2	2
Master Meter training classes held/persons attending	16/340	16/225	15/237	15/230	16/231
Bluestake training classes held/persons attending	46/1,837	40/2,250	31/1,292	35/2,183	36/1,771
Total master meter violations corrected	961	1,000	1,252	1,011	1,126

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,599.8	5,995.0	5,995.0
Other Non Appropriated Funds	7.5	0.0	0.0
Total Funding	5,607.3	5,995.0	5,995.0
FTE Positions	66.5	66.5	66.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Utilities regulated	670	677	614	620	620
Rate cases completed	52	41	41	41	41
Tariff applications processed	248	248	206	225	225

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
CLEC applications filed	150	150	225	200	200
ILEC applications filed	42	40	25	30	30
CLEC Interconnection Agreements filed	0	0	18	15	15

Explanation: PM added in FY15

Certifications processed: CLECs	113	110	7	20	20
Certifications processed: ILEC	38	35	0	20	20
CLEC interconnection agreements processed	62	50	57	50	50
Total Telecom applications filed	192	190	268	200	200
Total Telecom applications processed	151	150	250	175	175

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Consumer complaints/requests submitted electronically	1,113	2,500	3,237	3,200	3,200

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of public awareness functions	25	17	24	20	20
Number of water workshops	0	2	0	2	2
Number of electric workshops	3	2	2	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:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,938.6	1,940.0	1,940.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,938.6	1,940.0	1,940.0
FTE Positions	19.5	19.5	19.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Education and training expenditures (\$)	5,117	7,200	6,012	7,200	7,200
Attorney legal education classes completed	18	20	48	20	20
Job-related education classes for attorneys	132	75	135	75	75
Classes completed: job-related education for support staff	38	20	56	20	20
Classes completed: other education	20	0	0	0	0
Expenditures on advanced research tools	33,714	33,000	28,104	33,000	33,000

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Docketed matters handled	471	500	457	500	500
Administrative hearing days handled by the Legal Division	45	30	11	30	30
Orders to Show Cause prepared by the Legal Division	0	1	0	1	1
Formal complaints prepared by the Legal Division	0	1	1	1	1
Discovery/Data Requests/ Responses/ Oppositions prepared	212	300	156	300	300
Motions, Briefs, & other pleadings prepared	438	300	171	300	300

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Commission actions appealed to courts	7	3	4	3	3
Motions, briefs and other pleadings filed in courts	39	20	19	20	20

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Open/Special Open Meetings attended by Legal counsel	41	65	34	65	40
Explanation: On numerous occasions, more than 1 staff member attend.					
Line Siting hearing days attended by counsel	0	2	4	2	4
Explanation: On numerous occasions, more than 1 staff member attend.					
Commission Staff Meetings attended by counsel	15	20	21	20	20
Explanation: On numerous occasions, more than 1 staff member attend.					
Commission hearing days attended by counsel	157	200	187	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.6	0.0	0.0
Other Appropriated Funds	2,455.2	2,679.4	2,679.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,455.8	2,679.4	2,679.4
FTE Positions	20.0	20.0	20.0

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Corporations available via the internet (in thousands)	809	820	849	875	900
Number of dockets available via the internet	18.4	18.8	18.9	19.3	19.7
Number of internet-submitted electronic filings to the ACC (in thousands)	0	0	134.6	169	174

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of hits to agency intranet pages (in millions)	4,225	4,300	4.7	5.0	5.0
Percentage of staff using electronic document management integrated with business processes.	70	70	71	70	70

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of staff in attendance at IT-related training classes	43	45	67	60	60

Program Summary

BROADCASTING 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	419.3	540.0	540.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	419.3	540.0	540.0
FTE Positions	5.0	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Yearly assessment video of all Commissioners	1	1	1	1	1
Introduction video for all Commissioners	4	5	1	5	2
Agency Recognition Committee videos	2	3	4	4	4
Safety and training videos for Division projects	3	3	9	3	3
Open Meetings broadcast	16	30	16	15	15
Hearings broadcast	131	130	98	110	110
Special Open Meetings broadcast	11	15	14	15	15
Staff Meetings broadcast	15	15	20	15	15
Workshops broadcast	3	5	2	3	3
Website and web page reconstruction.	8	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ PRISON OPERATIONS AND SERVICES	1,022,100.3	1,079,362.8	1,146,891.3
➤ COMMUNITY CORRECTIONS	18,153.1	18,997.2	20,144.9
➤ ADMINISTRATION	46,557.2	49,379.6	59,127.1
Agency Total:	1,086,810.6	1,147,739.6	1,226,163.3
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	929.1	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	929.1	0.0
FTE Positions	0.0	0.0	0.0

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 42,132 in FY 2015 (a 58.5% 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. The Department housed 42,611 convicted felons at the end of FY 2015.

The Department continues to follow its long-term strategy to enhance planning and process improvement throughout the organization to maximize resources and to ensure the safety of the public, staff, and inmates. Anticipated growth, coupled with segments of the population that are experiencing rapid growth (such as medium and close custody, sex offenders, and protective custody), requires an ongoing focus on bed plan forecasting and optimal placement and management of specific populations. The Department must manage the inmate population and maximize accessibility to inmate programming and services, while ensuring the availability of sufficient resources and maintenance of the physical plants throughout the state. Refined strategies for management of multiple populations, such as Restrictive Status Housing, have been implemented to manage close and maximum custody inmates, including those with mental health challenges. These initiatives focus on providing avenues for inmates to achieve less restrictive housing assignments through successful completion of a program designed to address inmate needs and to assist inmates in better decision-making. These programs are monitored and guided by staff and support a safe and productive environment for both staff and inmates.

Solutions:

Specific initiatives for this year focus on meeting the needs of maximum custody and Severely Mentally Ill inmates through additional treatment, programs, and out-of-cell time. 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. Further implementation and refinement of the program audit process will serve as the foundation for continuous improvement of the quality and consistency 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. While 1,142 Correctional Officers (COs) were hired in FY 2015, 787 COs left. The constant turnover among COs creates an ongoing and expensive cycle of recruitment and training. Increasingly, the Department loses many seasoned staff to retirement. We expect this trend to intensify in the future, as more than 60% of the Department's high-level management staff is 50 or older. As we lose these leaders, we significantly diminish our capacity for grooming and mentoring our junior staff to assume more responsible roles. We also lose considerable agency knowledge and leadership acumen as our veteran leaders exit.

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 83% of the agency's workforce. The CO hiring process was recently the subject of a Lean process improvement project, to increase candidate retention by reducing the average hiring process time. Preliminary results indicate that the project resulted in a more efficient, effective hiring process. The Department is already planning next steps for continuous improvement.

Solutions:

In addition to continuous improvement of the CO hiring process, 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 improving 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 for newly hired Correctional Officers. Career advisement, informal mentoring, and cross-training are other elements of a comprehensive employee retention plan.

To ensure a seamless transition to the next generation of leaders, the Department intends to begin integrating these initiatives into 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 focus with respect to inmate health care is to ensure contract compliance and the delivery of quality health care through ongoing monitoring by the Health Services Contract Monitoring Bureau (HSCMB) and continuous collaboration with Corizon, the contracted vendor.

The Department is being challenged by external sources on issues related to inmate mental health, medication management, conditions of confinement, and timely access to medical care. 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.

Solutions:

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.

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 improve communication between the HSCMB and Corizon through regularly scheduled meetings, with emphasis on a collaborative approach to solving problems. Areas of review are focused on appropriate staffing, equipment needs, and availability and utilization of specialty beds identified for inmates with significant medical needs. Continuing attention will be being given to successful implementation of an Electronic Health Record (EHR) throughout the state, which will improve access to current health information and reduce reliance on paper records in the future.

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). This year, the Department will seek to improve interface between different systems to improve data quality, retrieval, and efficiency. Finally, the Department will explore collaboration tools to increase communication and improve 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 38.4%, including new felony convictions (2,794, 19.3%) and technical violations of conditions of supervision (2,765, 19.1%). Since FY 2012, technical violations have represented approximately 16.1% of annual prison admissions. To reduce this number, the Department is focusing on strategies for strengthening community re-entry and transition efforts. The Department is also working to ensure the optimal alignment and delivery of inmate programs to proactively support successful re-entry and transition. With a specific focus on reducing recidivism due to technical violations, the Department opened the Southern Region Community Corrections Center (SRCCC) in Pima County in December, 2012. SRCCC introduced additional sanctions and interventions that also included providing temporary housing for inmates released to homelessness, a factor that increases the risk of recidivism. Temporary housing is also available to sex offenders on community supervision, a group that poses unique challenges for the Department and is of particular concern to the public.

Solutions:

The Department is focused on increasing the successful transition of inmates to the community. Initiatives include the expansion of re-entry classes to the maximum custody units in the institution and the addition of pre-release meetings, either in person or through phone calls and video visitations, facilitated by community corrections personnel and institutional staff. These efforts complement established support and treatment programs in the institution by presenting information and strategies that address the barriers and challenges associated with successfully transitioning from prison to the community. In addition, the Department will support and assist local community-initiated re-entry programs and create or strengthen community partnerships that provide offenders with employment, treatment and housing opportunities. These programs have the potential to reduce recidivism by better preparing and assisting the thousands of offenders who are released annually back to the community.

The Department will continue exploring the establishment of a Community Corrections Center (CCC) in Maricopa County. In FY 2015, 19,773 offenders were released from prison, 11,922 of whom were released to Community Supervision. Of those, approximately 59% were released to Maricopa County, which lacks the intermediate intervention options available at SRCCC in Pima County. Based on SRCCC outcomes and further analysis of re-entry needs, the Department will refine the plan for a CCC in Maricopa County.

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 focus 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 our 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 plan focuses 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. This year, the Department will take steps to develop an agency-wide 'positive news network' to reinforce and strengthen positive perceptions of the Department and its employees, both internally and externally. The plan calls for increasing internal distribution of agency news and information of value and interest to employees through publication of the newsletter and e-briefings. External communications will be strengthened by developing a plan for holding community town halls that education local leaders and media about Department operations to promote better understanding and to develop stronger relationships between the Department and local communities in which prisons are located.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	9,632.0	9,782.0	9,782.0
General Fund	1,128,313,300.0	1,162,610,400.0	1,159,747,000.0
Other Appropriated Funds	49,944,000.0	49,944,000.0	49,944,000.0
Non-Appropriated Funds	56,536,500.0	56,536,500.0	56,536,500.0
Federal Funds	6,732,800.0	6,732,800.0	6,732,800.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	921,912.8	972,843.5	1,038,292.4
Other Appropriated Funds	45,181.7	47,639.7	47,856.9
Other Non Appropriated Funds	55,005.8	58,879.6	60,742.0
Total Funding	1,022,100.3	1,079,362.8	1,146,891.3
FTE Positions	9,184.0	9,184.0	9,271.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	633,918.9	666,641.3	710,005.9
Other Appropriated Funds	9,877.5	11,861.2	11,861.2
Other Non Appropriated Funds	10.2	12.3	892.7
Total Funding	643,806.6	678,514.8	722,759.8
FTE Positions	7,808.0	7,808.0	7,871.0

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of escapes of inmates from any location	0	0	2	0	0
Number of major rule violations per 1,000 inmates per average daily population	525.00	500.00	612	550	500
Number of inmate on staff assaults per 1,000 inmates per average daily population	11.00	9.50	11.00	9.50	9.00
Number of inmate on staff assaults resulting in staff injury per 1,000 inmates per average daily population	0	0	1.47	1.20	1.00
Explanation: New measure					
Percent of inmate on staff assaults resulting in staff injury	0	0	13.36	12.50	11.00
Explanation: New measure					
Number of inmate on inmate assaults per 1,000 inmates per average daily population	9.00	8.00	7.14	6.00	5.00
Number of major inmate disturbances	6	0	3	1	0
Number of inmate homicides	3	0	4	1	0

Explanation: Homicide numbers are subject to change based on official medical examiner reports, which may be issued in a subsequent fiscal year.

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of inmate random positive urinalysis results per 1,000 inmates per average daily population	31.00	28.00	53.31	45.00	40.00

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of formal inmate grievances (excluding health grievances) per 1,000 inmates per average daily population	71.00	70.00	75.64	70.00	70.00
Number of inmate lawsuits (non-habeas) per 1000 inmates per average daily population	2.39	2.41	2.28	2.20	2.10

Explanation: The count is based on "cases filed." Note that a case with multiple plaintiffs is counted as a single case filed.

Subprogram Summary	
INSPECTIONS AND INVESTIGATIONS	
Charles L. Ryan, Director Phone: (602) 542-5225 A.R.S. § 41-1604	

Mission:

To promote Department safety and security by conducting administrative, civil, criminal, and gang-related investigations; conducting daily, weekly, monthly, and annual inspections and performance audits; and ensuring agency compliance with fire and life safety codes.

Description:

This subprogram conducts background and administrative investigations in support of the hiring and retention of professional staff through enforced policy compliance; conducts investigations into criminal acts and civil violations committed by inmates, staff, or others, to support successful prosecution and/or effective applications of discipline; develops intelligence, and investigates Security Threat Group activity to support management of inmates and the safe operation of institutions; conducts annual compliance audits of each prison; and provides consultation and assistance in fire and life safety code compliance to support staff, inmate, and environmental safety in all agency matters.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,333.6	7,541.4	7,849.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	7,333.6	7,541.4	7,849.2
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of administrative investigations completed within established time frames	100	100	100.00	100.00	100.00
Average annual Arizona State-Operated Prison compliance audit percent score	92.82	95.50	92.73	95.00	96.00
Average annual CORE competency test score for correctional series staff	NA	87.00	90.04	90.00	90.00

Subprogram Summary

INMATE EDUCATION, TREATMENT, AND WORK PROGRAMS

Gail Rittenhouse, Division Director
 Phone: (602) 364-3234
 A.R.S. § 41-1604, 1604.02, 41-1623

Mission:

To require inmate participation in self-improvement programming opportunities and services including work, education, substance abuse treatment, sex offender treatment, and spiritual access designed to prepare inmates to be responsible citizens upon release.

Description:

This subprogram establishes structured access to work, education, substance abuse treatment, sex offender treatment, and spiritual services to improve the offender's successful reintegration into the community in accordance with Department goals, mandates, and statutes.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	27,326.7	28,372.4	29,792.7
Other Appropriated Funds	623.0	1,095.5	1,112.7
Other Non Appropriated Funds	42,871.4	46,685.5	47,647.9
Total Funding	70,821.2	76,153.4	78,553.3
FTE Positions	484.5	484.5	498.5

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of all eligible inmates participating in appropriate work, education, and treatment assignments	75.60	75.00	73.20	72.50	72.50
Number of inmate hours worked through the Work Incentive Pay Plan	26.0M	28.0M	33.71M	33.72M	33.72M
Average number of inmates working per month (excluding ACI)	0	0	20,940	21,000	21,000
Number of inmates released to the Transition Program for Non-Violent Offenders per A.R.S. § 31-281	943	1,000	937	975	975

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of ACI inmate hours worked	3.9M	3.8M	4.10M	4.00M	4.60M
Average number of inmates working for ACI per month	0	0	1,858	1,900	2,100
Dollar amount deducted from ACI inmate wages being deposited directly in the State General Fund	2.5M	2.5M	2.80M	2.80M	3.10M

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of inmates completing the functional literacy program	4,738	4,800	4,738	4,800	4,800
Number of inmates achieving the General Equivalency Diploma (GED)	549	520	341	246	360

Explanation: Decrease is the result of testing cost increase to inmates from the vendor. This will be rectified by FY2017 through availability of electronic testing.

Number of inmates receiving special education services	344	375	344	375	375
Percent of special education inmates receiving special education services	100.00	100.00	100.00	100.00	100.00
Percent of target inmate population enrolled in the ADC high school	78.00	80.00	86.00	90.00	90.00
Number of Career and Technical Education Certificates earned	3,068	3,680	1,932	2,250	2,250

Explanation: Changed counting rules from program completions to certificates awarded; certificates require completion of multiple programs

Percent of inmates enrolled in Career and Technical Education earning one or more certificates	74.00	75.00	30.00	35.00	35.00
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Explanation: Changed counting rules from program completions to certificates awarded; certificates require completion of multiple programs

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of eligible inmates completing substance abuse treatment programs	2,219	3,700	2,009	2,500	2,500
Number of eligible inmates completing sex offender treatment	147	175	164	175	175

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

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of inmates involved in spiritual services per month	14,251	14,219	13,030	13,356	13,895
Number of volunteer spiritual service hours provided	42,289	45,108	42,109	44,214	45,999

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	10,859.7	5,841.5	6,013.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	10,859.7	5,841.5	6,013.9
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of inmates requiring ongoing mental health services	25.26	25.50	27.00	26.25	25.50
Percent of inmates requiring ongoing mental health services admitted for psychiatric hospital care	3.32	3.30	1.76	2.50	2.50
Number of formal inmate health grievances per 1,000 inmates per average daily population	52.09	55.00	47.92	50.00	45.00
Percent of ADC state prison complexes accredited by the National Commission on Correctional Health Care (NCCHC)	90.00	100.00	90.00	100.00	100.00
Number of hospital admissions	1,574	1,600	1,452	1,400	1,400
Average length of stay for in-patient hospital care in days	3.69	4.00	4.31	4.00	4.00
Average cost per inmate for health care	3,686	3,803	4,234	4,500	4,500
Percent of formal inmate health grievance appeals upheld	0	0	15.00	15.00	13.00
Explanation: New measure					
Percent of compliance threshold	0	0	75.00	80.00	85.00
Explanation: New measure					
Percent vendor staffing maintained	0	0	90.00	93.00	95.00
Explanation: New measure					

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	113,185.5	128,488.1	146,523.3
Other Appropriated Funds	25,496.2	25,496.2	25,496.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	138,681.7	153,984.3	172,019.5
FTE Positions	32.0	32.0	38.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average annual Contracted Private Prison compliance audit percent score	95.24	96.80	93.03	95.00	96.50

Subprogram Summary					
PRISON MANAGEMENT AND SUPPORT					
Carson McWilliams, Division Director					
Phone: (602) 542-3894					
A.R.S. § 41-1604					

Mission:
To provide leadership and direction in the administration and operations of all prisons to ensure inmate accountability and staff safety.

Description:
 This subprogram oversees prison operations, Regional Operations Directors, and Wardens and their immediate staff; administers prison budgets and staffing/safety programs; manages prison activation; and directs centralized operational systems and services. This subprogram includes fiscal management, fleet management, fire and safety, food service, warehouse, and maintenance. This subprogram is also responsible for inmate classification, protective segregation, time computation and records, legal access, and family assistance services.

Funding:	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
General Funds	129,288.4	135,958.8	138,107.4
Other Appropriated Funds	9,185.0	9,186.8	9,386.8
Other Non Appropriated Funds	12,124.1	12,181.8	12,201.4
Total Funding	150,597.5	157,327.4	159,695.6
FTE Positions	718.5	718.5	722.5

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average daily inmate population	41,084	42,253	42,132	43,061	45,761
Average daily rated bed surplus or (deficit)	(4,812)	(4,616)	(4,476)	(4,976)	(4,809)

Program Summary

COMMUNITY CORRECTIONS

Carson McWilliams, Division Director
 Phone: (602) 542-3894
 A.R.S. § 41-1604

Mission:

To provide effective community supervision of offenders, facilitate their successful transition from prison to the community, and return offenders to prison when necessary to protect the public.

Description:

This program is charged with supervising offenders on community supervision and identifying and returning to prison offenders who violate conditions of supervision and represent a serious threat to public safety. The program refers to law enforcement and prosecutorial agencies sex offenders subject to registration, community notification and sexually violent person laws; coordinates sex offender registration prior to release; assists in the apprehension, extradition and transportation of fugitives; completes due process on all offenders returned to custody; represents the Department at revocation hearings conducted by the Board of Executive Clemency; conducts administrative hearings; provides criminal history information to authorized criminal justice agencies; manages the implementation of the Interstate Compact for the Supervision of Adult Inmates and Offenders (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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	14,323.0	14,859.2	16,006.9
Other Appropriated Funds	1,272.0	1,736.5	1,736.5
Other Non Appropriated Funds	2,558.1	2,401.5	2,401.5
Total Funding	18,153.1	18,997.2	20,144.9
FTE Positions	184.0	184.0	191.0

◆ **Goal 1** To provide re-entry services for inmates/offenders transitioning from prison to the community

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of inmates who participated in Community Corrections re-entry orientation classes	0	0	170	200	200

Explanation: New measure

◆ **Goal 2** To effectively manage offenders on community supervision

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average daily population of offenders on community supervision	5,789	5,825	5,749	5,750	5,750

◆ **Goal 3** To effectively release, supervise, and monitor offenders under active ADC community supervision

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of admissions due to technical violations	10.60	10.00	11.90	11.50	11.50
Number of offenders who participated in intervention programming at a Community Correction Center	0	0	925	1,000	1,000
Explanation: New measure					
Number of offenders who participated in the Community Corrections Community Accountability Program (CAP)	0	0	2,090	3,000	3,000

Explanation: New measure

◆ **Goal 4** To effectively monitor and track all offenders on community supervision

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of admissions due to absconding	5.00	5.00	5.30	5.25	5.25

◆ **Goal 5** To apply meaningful incentives and sanctions to encourage civil behavior

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of admissions due to offenders committing a new crime	0.90	1.00	0.90	1.00	1.00

Program Summary

ADMINISTRATION

Charles L. Ryan, Director
 Phone: (602) 545-5225
 A.R.S. § 41-1602, 41-1604

Mission:

To provide leadership, support, and resources that enable Department employees to perform their duties and achieve professional excellence and to ensure that the Department is responsive to internal and external stakeholders

Description:

This program determines current policy and future direction of the Department through the following functional areas: legal services; legislative affairs; public and internal communications; constituent services; policy promulgation; human services, employee relations, equal opportunity, employee grievances and disciplinary actions; training and employee development; budgeting, planning, and research; engineering and physical plant services; financial and procurement services; and information technology services.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	40,021.7	41,268.8	42,650.7
Other Appropriated Funds	0.0	0.0	2,350.6
Other Non Appropriated Funds	6,535.6	8,110.8	14,125.8
Total Funding	46,557.2	49,379.6	59,127.1
FTE Positions	382.5	382.5	386.5

◆ **Goal 1** To recruit, retain, recognize, and develop staff

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of formal employee grievances	146	134	153	158	158
Annual Correctional Officer II vacancy rate percent	7.46	7.46	9.07	8.50	8.00
Annual Correctional Officer II turnover rate percent	15.37	15.00	14.09	13.00	12.00
Annual employee turnover rate percent (excluding Correctional Officer IIs)	10.54	11.00	10.21	9.25	8.25
Percent of staff completing mandatory training	95.00	95.00	93.00	95.00	95.00

◆ **Goal 2** To maintain and/or enhance information technology applications and communications and to meet current and future network needs by providing optimal support to computer users

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of network uptime	99.95	99.95	93.40	94.50	96.00
Percent of IT help desk calls resolved in accordance with ADC policy	96.00	96.00	88.00	90.00	95.00

◆ **Goal 3** To provide a standard process for receiving, reviewing, and responding to public concerns regarding inmate-related issues

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of service contacts provided to inmate families and friends	29,210	30,410	33,771	39,000	42,000

- ◆ **Goal 4** To provide victim services and restorative justice programs that assist inmates in making positive contributions to the community.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of crime victim Notifications of Release sent	8,391	8,891	4,171	4,671	6,171
Explanation: Decrease reflects revised counting rules and improved tracking to reduce duplicate counts per victim					
Number of service contacts provided to crime victims	13,812	14,312	14,008	14,508	16,558
Dollar amount of court-ordered restitution collected from inmates	1.5M	1.5M	1.57M	1.58M	1.56M
Average dollar amount of court-ordered restitution paid per inmate required to pay court-ordered restitution	251.76	252.00	275.34	275.00	275.00
Number of hours provided to communities by inmates per established IGAs or work contracts (excluding ACI)	2.4M	2.6M	2.88M	2.90M	2.90M
Number of inmate hours dedicated to Wildland Fire Crews	0	0	229,091	254,000	270,000
Explanation: New measure					
Dollar amount raised by inmate fundraising events	0	0	320,000	360,000	400,000
Explanation: New measure					

- ◆ **Goal 5** To respond to all public records requests in accordance with statutory requirements

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of requests received from the public	0	0	554	765	2,224
Explanation: New measure; increase anticipated due to a number of request trends, including increased use of public records requests by attorneys for preliminary research prior to litigation					
Number of requests received from the media	0	0	106	110	120
Explanation: New measure					

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,771.4	1,807.7	1,807.7
Other Non Appropriated Funds	235.7	0.0	724.3
Total Funding	2,007.1	1,807.7	2,532.0
FTE Positions	17.0	17.0	40.0

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 155,503.2 licenses in the BOC's database, a number that had been kept a steady pace of growth yearly. With the situation of lessor trained and qualified employees at has reached its downfall in the productivity of number of inspections that were not met this fiscal year.

The BOC will continue to use "operating expenses" for education for consumers and licensees, through newsletters and website updates with our continued endeavors and education we have seen, and will continue to see a reduction in serious injuries to clients.

To allow the Board to fulfill its mandate within constraints of a limited appropriated budget, the Board is seeking to increase our revenue without intervening with Operating demands, due to cost increases for, attorney services, computer system maintenance; supplies, facility maintenance and other operating expenses.

Issue 2 Improved Enforcement Efficiency

Description Improved Enforcement Efficiency

Solutions:

The BOC is at a 31% reduction in staff positions. Filling the vacant Inspector and Investigators positions is always top priority when permitted. With the 9000 plus salons in the State of Arizona, the importance in conducting health and safety inspections at least once a year is a priority for the protection of consumers and the education of licensee's through inspections. These goals can not be met, due to reduction of staff. A hiring of temporary services must be initiated so that a Risk Based Salon Inspection approach can be implemented, which is being studied by the Board. We are presently working at a 61% employee rate and our goal is by 2016 to be at 70%, then by 2017 at 78% and reaching our goal of 100% by 2018.

Issue 3 Employee Development

Description Employee Development

Solutions:

The BOC recognizes the value of good employees and must safeguard the professional growth and development of these employees. The reduction of staff and the increase of work load, have not lifted the employee's moral and have instead challenged their dedication. The BOC must continue to show appreciation to the current employees by providing continued wage increases, professional development, and implementing the technology necessary for staff to meet the demands for even greater efficiency. As a result the agency will retain personnel longevity and satisfaction. The 2012 personnel reform has brought employees closer to the level of the private sector, but has not guaranteed a continued wage increase. BOC would like to project wage increase(s), promotions, and incentives to employees who are recognized with qualified & efficient performance(s).

Issue 4 System maintenance Support, Equipment Replacement, Enhancement, & Upgrades.

Description System maintenance Support, Equipment Replacement, Enhancement, & Upgrades.

Solutions:

The BOC must continue to work on the efficiency and accuracy of licensee's electronic filing. Maintenance and enhancement of the current system or implementation of new system, will allow user friendly use and increase application on-line which must be continued and improved.

False documentation is another Board concern for the health and welfare of the public. The BOC must be able to identify individuals performing services at the time services are being performed, and not after the fact by looking at pictures in the licensees file.

The BOC 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.

The BOC scans pictures for new licenses for reciprocity and new examination applications, and those pictures are printed on the licenses. By 2016- The BOC also needs to purchase or set in place a hand held device for inspectors and investigators that will enable them to have a pictures, and information at the job site, along with the ability to print reports for salons & schools.

Equipment Replacement:

-Continued upgrades and replacement computers, and laptops

-Phone replacement by 2015/2016

System maintenance support, enhancement, and upgrades:

-Main frame upgrades and maintenance

-Network services reviewed and renewal of service contracts.

Issue 5 Budget Contingency Plan

Description Budget Contingency Plan

Solutions:

Establish a fund or insurance plan available for legal issues at a state level for every year, such as, but not limited to, lawsuits, court representation, witnesses, specialists, etc; Re: Case (Fish Pedicure) Vong vs Aune.

Continued services provided by a lobbyist for continued consistency and efficiency, which prevent un-foreseen hindrances in legislative and regulatory interpretations and Rule writing.

Issue 6 Rule Promulgation

Description Rule Promulgation

Solutions:

Rule promulgation is needed to be able to require all license renewal applications to be accompanied with current photographs. With an updated system those pictures would be scanned and printed on licenses. At this time the BOC requires pictures to be submitted for all first licenses, but requires rule promulgation for renewals. 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, by 2016/2017 rewrite & update standard rules, and continually review and update all rules on an as need basis by 2018 and to include changes in rules giving authorization from statutes.

Issue 7 External Partners

Description External Partners

Solutions:

To maintain its relationship with current partners, the leadership involvement that has proven to assist the board to benchmark and remain current both as a regulatory agency and as a leader in the Cosmetology profession. These partners include The Internal Revenue Service (for small business participation and investigative tax fraud), National Interstate Council of State Boards of Cosmetology, National Accreditation Commission of Cosmetology Arts and Sciences, Council for Licensure, Enforcement and Regulation Federation Association of Regulatory Boards, AACCS American Association of Cosmetology Schools, The Salon Association, ACIA (Arizona Cosmetology Industry Association), and others. All require travel to meeting locations or electronic participation at the very least which must continue to be funded. Board members hold office at National levels. Board Chairman, Vice Chair, & Executive Director work & Co- Chair National committee positions.

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 2015 and 2016 printing brochures and/or newsletters for licensees, salons, and schools for distribution, is a goal of the Board. By 2016 – 2018 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. Already our servers are hosted at an outside location providing extra security and minimal down time to the public & an Offsite storage back up location. Review practical check points to assure maintainability we perform yearly.

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 2015/2016 fees are calculated to be at a yearly rise, which we estimate will double.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	24.5	24.5	24.5
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,885.0	1,885.0	1,885.0
Non-Appropriated Funds	210.0	210.0	210.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To establish standards for the professional practice of cosmetology.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
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Average calendar days from receipt of completed application to issuance of license 25 25 25 25 25

Total individuals and establishments licensed 64673 72000 75,391 76,000 76,000

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 6312 6000 12,247 10,000 10,000

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 23887 20000 80,053 81,000 81,000

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total inspections conducted	6011	7000	4,088	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	1836	1500	1,510	1,500	1,500
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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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Educational class opportunities offered to the public in class or over the internet		28	29	28	28

Explanation: The Board wants to mandate (Rule Law Change) that all reciprocity applications take classes

Percent of citizen satisfaction surveys reporting Board service as satisfied or higher	95	95	95	95	95
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◆ **Goal 4** To provide services through efficient government.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Constituents aided in transferring to another governmental jurisdiction or educational institution.	1200	2,000	1,931	2,000	2,000
Licenses accepted through reciprocity from another state or country.	1926	2,000	1,931	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

John A. Blackburn, Jr., Executive Director
 Phone: (602) 364-1146
 A.R.S. § 41-2401

Mission:

To sustain and enhance the cohesiveness, the effectiveness, and the coordination of the criminal justice system in Arizona; to monitor the criminal justice system and identify needed revisions to the system; to monitor existing criminal justice statutes and proposed or new criminal justice statutes and identify needed revisions in the statutes or proposed legislation; to acquire and administer designated funds for the enhancement of specified criminal justice programs and activities in the State of Arizona; and to make reports on these activities and functions.

Description:

The Commission administers federal criminal justice grants provided to state, county and local law enforcement agencies and non profit organizations.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ AGENCY MANAGEMENT	1,186.5	1,484.7	1,368.8
➤ CRIME VICTIMS	4,435.6	5,812.1	5,599.6
➤ STATISTICAL ANALYSIS CENTER	597.6	757.7	583.0
➤ CRIME CONTROL	9,046.6	10,620.0	9,960.0
➤ CRIMINAL JUSTICE SYSTEM IMPROVEMENT	3,006.0	4,754.5	4,588.3
Agency Total:	18,272.3	23,429.0	22,099.7
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	1,881.5
Other Appropriated Funds	4,539.3	5,956.2	7,197.8
Other Non Appropriated Funds	13,732.9	17,472.8	13,020.4
Total Funding	18,272.3	23,429.0	22,099.7
FTE Positions	28.0	28.0	28.0

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	14.0	14.0	14.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	7,197.8	7,197.8	7,197.8
Non-Appropriated Funds	5,313.9	5,313.9	5,313.9
Federal Funds	7,706.5	7,706.5	7,706.5

Program Summary

AGENCY MANAGEMENT

John A. Blackburn, Jr., Executive Director
 Phone: (602) 364-1146
 A.R.S. § 41-2405

Mission:

To provide planning, direction, and administration for all Commission mandates, programs, functions, and activities to carry out the mission of the Agency.

Description:

The Agency Support operations consist of central management, coordination, and administrative functions of the Arizona Criminal Justice Commission. It organizes, supports, schedules, and carries out the many public meetings of the nineteen member Commission; the many meetings of the various committees, task forces, and working groups of the Commission; and implements the decisions of these groups. It serves as the clearing house and liaison focus for the enhancement and coordination of criminal justice system wide concerns and activities. It also provides for the direct management oversight, fiscal administration, and policy establishment functions for the Commission staff and for all programs contained within the Commission.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	404.7	566.8	566.8
Other Non Appropriated Funds	781.8	917.9	802.0
Total Funding	1,186.5	1,484.7	1,368.8
FTE Positions	13.5	13.5	13.5

- ◆ **Goal 1** To acquire and distribute timely, accurate information regarding relevant criminal justice legislation at both state and federal levels and to provide an effective mechanism for both legislative advocacy and related informational resources.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of agency legislative events	175	200	185	200	175
Number of criminal justice legislative liaison meetings coordinated	30	30	27	30	30

- ◆ **Goal 2** To develop, establish, and maintain reliable accurate fiscal systems for all Commission activities including grant programs and fund distribution functions.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Generate and execute contracts, working agreements and other routine fund distribution and expenditure functions	125	175	175	175	150

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Organize, support and conduct meetings under the Commission responsibility to produce effective results	38	35	35	35	35
Conduct liaison with congressional and legislative officials and other officials at all levels of federal, state, county, and municipal governments that produce coordination, cooperation and effective outcomes	115	125	115	125	100

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent completion of statutory mandates regarding Commission duties, responsibilities and mandates	100	100	100	100	100
Number of reports	100	100	38	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,206.3	4,195.7	4,321.5
Other Non Appropriated Funds	1,229.3	1,616.4	1,278.1
Total Funding	4,435.6	5,812.1	5,599.6
FTE Positions	3.0	4.0	4.0

◆ **Goal 1** To increase the number of compensation claims filed and awarded to eligible crime victims.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Obtain increased spending authority for the crime victim compensation program	4.1M	4.1M	4.1	4.1M	4.3
Increase in compensation awards reported by Operational units	4.0M	4.0M	4.0	4.0M	4.1
Increase in eligible benefits available to crime victims	4.0M	4.0M	4.0	4.0M	4.1

◆ **Goal 2** To effectively manage the allocation and administration of Crime Victim Compensation Funds.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Applicants requesting funds	55	55	54	55	55
Grants awarded in a timely manner to victim services providers	47	47	46	47	47
Number of site visits completed	26	20	20	22	22
Program audits reflecting no deficiencies	15	18	18	15	15
Program single audits reflecting compliance with Administrative Rules	25	25	25	25	25

Program Summary

STATISTICAL ANALYSIS CENTER

Shana Malone, Statistical Analysis Center Director
 Phone: (602) 364-1146
 A.R.S. § 41-2405

Mission:

To improve the criminal justice system in Arizona through the efforts of a quality Statistical Analysis Center.

Description:

The Statistical Analysis Center's purpose is to oversee the research, analysis, studies, reports, and publications regarding crime and criminal justice statistics for the benefit of criminal justice agencies across the State. The Statistical Analysis Center also conducts the biennial School Drug Survey (AYS) which provides critical information to the Governor and Legislature regarding the use of drugs among students in Arizona. Other statistical and research projects are conducted by the Center with the approval of the Executive Director.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	158.6	220.1	585.9
Other Non Appropriated Funds	439.0	537.6	-2.9
Total Funding	597.6	757.7	583.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of studies/research projects proposed by internal and external customers	18	20	26	20	25
Number of studies/reports completed and published	11	35	37	20	25
Number of research products mailed via US mail to external customers (paper reduction).	2	0	0	0	0
Number of public and media data requests processed	77	60	82	70	75
Number of legislative and policy-maker data requests processed	24	40	51	40	40

Program Summary

CRIME CONTROL

Tony Vidale, Crime Control Program Manager
 Phone: (602) 364-1146
 A.R.S. § 41-2402

Mission:
To enhance and coordinate the funded efforts to deter, investigate, prosecute, adjudicate, and punish drug, violent crime, and criminal street gang offenders.

Description:
 The program administers the federally funded Edward Byrne Memorial Justice Assistance Grant (Byrne JAG Grant Program), a congressionally consolidated local law enforcement program in 2004 previously known as Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program and the Local Law Enforcement Block Grant Program (LLEBG). This grant program provides enhanced funding to state and local law enforcement and related agencies to carry out the purposes set forth under A.R.S. § 41-2402. The Arizona Criminal Justice Commission is designated as the State Administrative Agency (SAA) for this program. In 1996 the Arizona Criminal Justice Commission was also designated as the State Administrative Agency for the Residential Substance Abuse Treatment Grant Program. This program also administers a number of non-grant projects such as Fill the Gap funds for distribution to counties.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	751.5	973.6	1,723.6
Other Non Appropriated Funds	8,295.1	9,646.4	8,236.4
Total Funding	9,046.6	10,620.0	9,960.0
FTE Positions	2.5	2.0	4.5

◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Grants identified, applications submitted and approved by funding authorities	2	2	2	2	2
Number of grant applications received from criminal justice agencies requesting grant funds for criminal justice system activities authorized by the Commission.	39	40	49	40	40
Number of grant applications evaluated and awarded to criminal justice agencies for criminal justice system activities authorized by the Commission.	39	39	49	39	40
Number of arrests made by grant-funded task forces	5630	5400	5,385	5,400	5,400
Convictions reported by grant-funded prosecution projects	21624	21000	24562	24000	24000
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	13	15	5	7	7
Federal grantor agency conferences, workshops and planning sessions attended by Commission staff	1	1	1	1	1
Complaints received by Commissioners regarding actions by the Commission staff in the administration of sub-grants	0	0	0	0	0
Percent of complete, accurate reports submitted on or before due dates	100	100	100	100	100

Program Summary

CRIMINAL JUSTICE SYSTEM IMPROVEMENT

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	1,881.5
Other Appropriated Funds	18.3	0.0	0.0
Other Non Appropriated Funds	2,987.7	4,754.5	2,706.8
Total Funding	3,006.0	4,754.5	4,588.3
FTE Positions	3.0	2.5	0.0

◆ **Goal 1** To apply for available federal funds in such program areas as DNA and Laboratory Improvements.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Meetings conducted annually	3	3	3	3	3

◆ **Goal 3** To improve disposition reporting of each county to the central repository each year.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Meetings coordinated to discuss record improvement challenges by records coordinator annually.	32	12	6	9	12
Percentage of increase in disposition reporting utilizing the Records Quality Index (RQI) tool for record improvement projects funded through the program annually.	9	5	5	5	5

◆ **Goal 4** To introduce legislation to change/improve criminal history reporting as needed.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Bills submitted to Legislature	1	1	3	1	1
Bills passed by the Legislature for the improvement of criminal history record reporting	1	0	2	1	1

◆ **Goal 5** To administer, monitor, and evaluate grant projects on a continual basis.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Site visits to grantee agencies	5	8	4	8	6
Assistance provided to grantee agencies	60	50	75	50	80
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	308	162	142	162	162

◆ **Goal 6** To develop a strategic plan and allocation plans for utilization of available funds on an annual basis to assist in the completion of the Arizona Records Improvement Plan.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Grants awarded to agencies for improvement of criminal justice/history records	14	12	12	12	14

◆ **Goal 7** To apply for available funds from federal Justice Department agencies.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of grant applications submitted to proper agencies	4	3	3	3	3
Number of grant awards provided to the Commission by the various granting agencies	3	3	0	3	0
Number of applicants requesting funding	8	12	16	12	12

Agency Summary

ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

Marv Lamer, Superintendent
 Phone: (520) 770-3704
 A.R.S. § 15-1300 et. Seq

Mission:

To work together with parents, school districts, advocacy organizations, business and community members to create nurturing environments in which children with a vision or hearing loss feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.

Description:

The Arizona State Schools for the Deaf and Blind (ASDB) provide education and evaluation to children and youths, with a vision or hearing loss, from birth to 22 years of age. School age children are served either in one of the schools located in Tucson or Phoenix, or in their home district. The Tucson campus provides a residential program. Regional Cooperative provides Infants and toddlers with vision or hearing loss, with services in their home throughout the state. ASDB also provides comprehensive evaluation services for some children referred with multiple disabilities.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ PHOENIX DAY SCHOOL	10,264.3	11,869.5	11,869.5
➤ TUCSON CAMPUS	14,694.0	14,814.1	14,814.1
➤ REGIONAL COOPERATIVES	15,930.7	17,640.8	17,640.8
➤ PRESCHOOL/OUTREACH	4,151.0	5,098.4	6,698.4
➤ ADMINISTRATION	5,666.6	4,869.3	4,869.3
Agency Total:	50,706.6	54,292.1	55,892.1
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	21,225.5	21,596.4	23,196.4
Other Appropriated Funds	11,460.7	11,561.4	11,561.4
Other Non Appropriated Funds	18,020.4	21,134.3	21,134.3
Total Funding	50,706.6	54,292.1	55,892.1
FTE Positions	746.2	714.9	730.9

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

	FY2018 Estimate	FY2019 Estimate	FY2020 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

Marv Lamer, Superintendent
 Phone: (520) 770-3704
 A.R.S. § 15-1300 et. Seq

Mission:

To create a nurturing environment in which children who are deaf or hard of hearing feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.

Description:

PDSD was established in 1967 and has expanded over the years from its inception as an elementary school to include a middle school and high school. The campus in North-Central Phoenix sits on 14 acres and currently provides educational services to approximately 318 students aged 5 through 22 who live within the metropolitan Phoenix area for whom daily transportation is feasible.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,505.2	4,853.7	4,853.7
Other Appropriated Funds	5,701.8	5,341.0	5,341.0
Other Non Appropriated Funds	1,057.3	1,674.8	1,674.8
Total Funding	10,264.3	11,869.5	11,869.5
FTE Positions	177.9	161.2	161.2

◆ **Goal 1** To increase efficiency and effectiveness in the instructional program for students served by ASDB Programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Individual Education Programs (IEP) or Individual Family Service Plans (IFSP) with participation of the representatives from school districts.	97	95	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents satisfied with the quality of transportation services provided at PSDS	97	95	96	97	98
Percent of parents satisfied with the quality of food services provided at PSDS	89	90	90	91	93
Percent of parents satisfied with the quality of medical services provided at PSDS	96	95	96	97	98

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	10,205.6	10,274.9	10,274.9
Other Appropriated Funds	3,938.9	3,480.7	3,480.7
Other Non Appropriated Funds	549.5	1,058.5	1,058.5
Total Funding	14,694.0	14,814.1	14,814.1
FTE Positions	237.1	219.5	219.5

◆ **Goal 1** To increase efficiency and effectiveness in the instructional program for students served by ASDB Programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Individual Educational Plans (IEP) with participation of representatives from school districts in Tucson	98	95	100	100	100
Percent of IEPs developed with participation of parent	98	95	98	99	100
Percent of parents satisfied with their involvement in the program in Tucson	98	95	98	98	99
Percent of parents satisfied with the quality of educational programs provided to their child.	98	95	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents satisfied with the quality of transportation services provided at ASD/ASB in Tucson.	100	95	100	100	100
Percent of parents satisfied with the quality of food services provided at ASD/ASB in Tucson.	86	90	86	90	95
Percent of parents satisfied with the quality of medical services provided at ASD/ASB in Tucson.	95	95	98	99	100

Program Summary	
REGIONAL COOPERATIVES	
Marv Lamer, Superintendent	
Phone: (520) 770-3704	
A.R.S. § 15-1300 et. Seq	

Mission:

To work together with parents, school districts, advocacy organizations, business and community members to create nurturing environments in which children with a vision or hearing loss feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.

Description:

The assessment of students is done by certified staff personnel many of whom have advanced degrees up to and including several individuals with Doctorates. Instruction is provided by itinerant teachers who serve several school districts. These teachers work in cooperation with the child's family and the local school district. Placement for each child is a team decision made by the family, the home school district and ASDB staff. The decision is based on the individual comprehensive evaluation and the Individual Education Plan.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	633.5	821.9	821.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	15,297.2	16,818.9	16,818.9
Total Funding	15,930.7	17,640.8	17,640.8
FTE Positions	221.2	230.2	230.2

- ◆ **Goal 1** To provide quality programming for students

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents rating the program as good or excellent	98.5	95	97	98	99

- ◆ **Goal 2** To provide programming meeting the individual needs of students

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents rating the student IEP progress as good or excellent	100	95	97	98	99

- ◆ **Goal 3** To increase the number of students served through the regional cooperatives.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of students served by the regional cooperatives and the Outreach program	1674	1,600	1669	1700	1750

- ◆ **Goal 4** To increase the number of school districts served by the Cooperatives

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
General Funds	1,927.4	1,493.8	3,093.8
Other Appropriated Funds	1,820.0	2,739.7	2,739.7
Other Non Appropriated Funds	403.6	864.9	864.9
Total Funding	4,151.0	5,098.4	6,698.4
FTE Positions	43.4	51.8	67.8

- ◆ **Goal 1** To increase the number of students participating in the Parent Outreach Program

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of students served annually through the Parent Outreach Program and the Preschool program.	597	600	488	550	600

◆ **Goal 2** To provide quality programming for preschool students

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents rating overall quality as good or excellent	97	95	97	98	99
Percent of parents indicating the staff regularly communicates with them.	97	95	97	98	99
Percent of parents who feel their child is progressing satisfactorily toward their child's IEP/IFSP goals.	94	96	94	95	96
Percent of parents satisfied with their level of participation in the IEP/IFSP and MET process.	94	95	94	95	96
Percent of parents satisfied with the services and specialized equipment provided based on the IEP/ISFP.	95	95	97	98	99

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,953.8	4,152.1	4,152.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	712.8	717.2	717.2
Total Funding	5,666.6	4,869.3	4,869.3
FTE Positions	66.6	52.2	52.2

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents satisfied with the quality of the medical services provided at ASDB.	96	95	97	98	99
Percent of parents satisfied with the quality of transportation services provided at ASDB.	95	95	97	98	99
Percent of parents satisfied with the quality of food services provided at ASDB.	89	90	89	95	96

◆ **Goal 2** To maintain a positive relationship with parents

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents satisfied with leadership at ASDB	95	90	95	96	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents satisfied with instructional programs and services as measured by a survey PDS	96	95	0		0
Percent of students graduating from PDS with a high school diploma	100	100	0		0
Percent of students graduating from ASB and ASD with a high school diploma	100	100	0		0

◆ **Goal 4** To maintain a communication system with parents

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents indicating that staff and teachers regularly communicate with me.	98	95	98	99	99

◆ **Goal 5** To provide quality services to the schools within the Regional Cooperatives

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of parents with students served through the cooperatives satisfied with the services provided by ASDB.	95	96	97	98	98

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ COUNCIL ACTIVITIES	2,149.0	1,888.2	1,888.2
➤ TDD - TELECOMMUNICATION DEVICE FOR THE DEAF	1,374.1	2,424.6	2,424.6
Agency Total:	3,523.1	4,312.8	4,312.8
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,523.1	4,312.8	4,312.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,523.1	4,312.8	4,312.8
FTE Positions	15.0	15.0	15.0

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

	FY2018 Estimate	FY2019 Estimate	FY2020 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

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,149.0	1,888.2	1,888.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,149.0	1,888.2	1,888.2
FTE Positions	12.0	12.0	12.0

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of information and referral contacts	2,485,308	1,000,000	6,562,152	3,500,000	3,500,000
Explanation: Contacts and Trainings					
Total number of website visits	87,950	60,000	145,221	100,000	100,000
Explanation: FY15 Launched a redesigned website.					
Total number of advertisements	4,966,116	1,500,000	1,543,925	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	7,909,690	1,500,000	21,739,398	1,500,000	1,500,000
Explanation: In FY11 Agency revised data collection methods to reflect publication circulation, matching industry standards.					
Number of persons receiving training, exhibits and workshops providing information on the Arizona Commission for the Deaf and Hard of Hearing, the Arizona Relay Service, and the Arizona Telecommunications Equipment Distribution Program	18,463	22,000	17,838	30,000	20,000
Number of newsletters distributed	67,043	50,000	74,100	75,000	75,000
Explanation: Agency began weekly E-Newsletter Distribution					
Number of viewers impacted by Community View on an annual basis	0	0	0	10,000	10,000
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of partnerships formed	5	5	8	5	5

◆ **Goal 3** To prepare future American Sign Language instructors for national-level standards and certification.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of workshop hours	0	0	0	1	1
Explanation: National ASL Teacher's Association is not currently active.					

◆ **Goal 4** To improve interpreter support services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of general licensed interpreters	253	320	277	350	350
Average number of calendar days from receipt of complaint about licensed interpreter to resolution	111	120	0	120	120
Number of complaints about certified/licensed interpreters	6	5	3	5	5
Number of licensed legal interpreters	44	45	52	45	45
Number of provisional interpreters	52	95	38	25	25

◆ **Goal 5** To improve public relations on issues related to hearing loss.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of printed articles related to the Arizona Commission for the Deaf and Hard of Hearing	2035	1,000,000	914,160	700,000	700,000

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	250235	1,000,000	481,004	250,000	400,000
Number of printed articles related to the Arizona Relay Service	1,230,247	150,000	1,908,920	700,000	700,000

Explanation: In FY11 Agency revised data collection methods to reflect publication circulation, matching industry standards.

Number of telecommunication advertisements for Arizona Relay Service	3	5	414	400	400
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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	1	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:

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,374.1	2,424.6	2,424.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,374.1	2,424.6	2,424.6
FTE Positions	3.0	3.0	3.0

◆ **Goal 1** To monitor telecommunications relay services to ensure compliance with current contract.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of telecommunications relay service calls completed without a complaint	99.9	99.5	97.9	99.5	99.5
Annual call minutes for the telecommunications relay service	1,140,356	1,200,000	588,654	1,200,000	1,200,000

◆ **Goal 2** To administer voucher system of the Telecommunications Equipment Distribution Program.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of customer satisfaction with equipment distribution voucher program	98.2	95	98.0	95	95
Number of equipment distributed to consumers	725	1,100	824	1,000	1,000
Number of applications distributed to consumers regarding the equipment distribution program	1,057	1,575	919	1,000	1,000
Number of demonstrations performed	214	150	245	250	250

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 9,290 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,116.0	1,215.5	1,215.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,116.0	1,215.5	1,215.5
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 decreased time information is available to the public.

As the Dental Practice Act is amended, the Agency is challenged to maintain a database which supports new processes and allows for consistency and increases employee efficiency. Looking to the future, the Agency acknowledges new levels of dental providers are emerging whose regulation will be added to the Dental Practice Act.

Staying current with technology is a priority of Agency leadership. The Agency is challenged to maintain, upgrade and secure the database to prevent frustration and lack of confidence in the Agency's technology by the public using the online directory of licensees, the licensee using an online function and staff maintaining the data.

The final component of using technology to improve employee efficiencies is the challenge of eliminating the flow of paper through the office. All aspects of licensure from initial application to expiration of a license and all aspects of the complaint process are paper driven. Although online renewal has eliminated much of the paper in the renewal process, a paper copy of the renewal certificate is maintained in the licensee's administrative file.

Solutions:

Strategy 1

The Agency plans to build on the realized efficiencies by developing an online renewal component for business entities, online initial license application submission, and online address changes to include the ability to order and pay for additional licenses.

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 sees the advantages of being paperless outweigh being paper driven. As with the database, technology is a significant part of initiating and maintaining the project. Network scanners will be required as well as electronic storage. The Agency will build the paperless office incrementally. After researching solutions, the Agency will budget accordingly.

Issue 2 Dissemination of information

Description Disseminating relevant information such as statute changes is important for licensees as well as the public. In the past, the Agency published and mailed a newsletter. In the electronic age, printing and mailing a paper newsletter is not only costly, but not environmentally responsible.

Solutions:

Strategy 1

Although the Agency's website contains relevant information, the Agency plans to publish articles not only about statute changes but specifically to address issues encountered by the Board which the licensee should know and would be of interest to the public. Licensees will be informed of a new article published to the website via email. There will be no additional funds used to implement and the Agency has the manpower to allocate to this issue.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	11.0	11.0	11.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,215.5	1,215.5	1,215.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	804	788	846	816	820
Total number of individuals or facilities licensed	9,042	9,206	9,289	9,445	9,605
Customer satisfaction rating (scale 1-5)	5	4	4	4	4
Total number of licenses/renewals issued	3,358	3,496	3,601	3,301	3,334
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)	83	90	91	90	90
Average number of calendar days from receipt of complaint to resolution of complaint	90	150	95	150	150
Percent of investigations resulting in disciplinary or enforcement action	12	15	5	15	15
Number of licenses revoked or suspended	2	6	2	2	2
Total number of investigations conducted	241	263	276	257	257
Total number of complaints received annually	327	283	327	305	305
Total number of inspections conducted	196	206	205	196	196
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Publication of articles to our website which provides information to licensees regarding statutes and rules	7	6	12	6	6
Administration as a percent of total cost	4.5	5.0	3.9	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	162,550.5	150,683.2	152,509.5
Total Funding	162,550.5	150,683.2	152,509.5
FTE Positions	146.2	146.2	146.2

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	155.7	155.7	155.7
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	144,664.7	144,664.7	144,664.7
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To support the building of a comprehensive, high quality early childhood development and health system

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Dollars (in millions) awarded in support of direct program delivery	153	155	170	126	126
Number of awards made	262	260	254	174	145
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Dollars (in millions) spent on Communications	3.26	4.0	3.1	3.3	3.3
% of regions participating in a coordinated communications strategy	100	100	100	82	82
% of Arizonans who see Early Education as important and % who see K-12 important.	71/83	75/85	71/83	75/85	75/85

◆ **Goal 3** To achieve high level of integration, coordination and collaboration with early childhood partners and stakeholders.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Estimated number of grants that have Grant and Sub-Grantee relationship	27	24	35	30	30
Number of multi-agency grants FTF is the recipient of	2	2	1	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Dollars (in millions) spent on evaluation and Needs & Assets	2.5	8.9	2.0	6.7	6.7
% 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Staff Vacancy Rate (%)	8	7	22	18	18
Staff External Turnover Rate (%)	19	18	16	16	16
Staff External Voluntary Turnover Rate (%)	12	15	13	13	13
% of regional councils with dedicated staff	100	100	100	100	100
% of female (vs. male) employees	84	84	84	84	84
% of minority employees	47	47	46	46	46

◆ **Goal 6** To be fiscally accountable to the citizens of Arizona

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Major Deficiencies in the Annual Audit	0	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	115,733.3	128,617.3	125,811.1
➤ DEVELOPMENTAL DISABILITIES	1,074,398.0	1,211,920.1	1,336,355.8
➤ BENEFITS AND MEDICAL ELIGIBILITY	1,745,556.2	1,726,252.8	1,726,252.8
➤ CHILD SUPPORT ENFORCEMENT	49,412.3	59,107.7	105,356.6
➤ AGING AND ADULT SERVICES	113,394.1	131,034.4	138,159.3
➤ CHILDREN, YOUTH AND FAMILIES	174,575.9	175,640.7	175,640.7
➤ EMPLOYMENT AND REHABILITATION SERVICES	612,291.4	662,803.4	695,687.6
Agency Total:	3,885,361.2	4,095,376.4	4,303,263.9
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	482,462.2	496,181.9	582,294.9
Other Appropriated Funds	246,848.6	306,981.8	303,081.8
Other Non Appropriated Funds	3,156,050.4	3,292,212.7	3,417,887.2
Total Funding	3,885,361.2	4,095,376.4	4,303,263.9
FTE Positions	7,215.0	7,488.1	7,698.4

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.

In Arizona, over 25 percent of children are currently living in poverty. 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 to 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. In an attempt to strengthen efforts going forward, the Department is driven to improve strategic processes by engaging clients early and often not only to educate them regarding their fiscal responsibilities, but also to assist in the identification of obligation barriers such as unemployment or underemployment, parenting issues, job search issues, and unreasonable or unmanageable support orders. 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.

2. Provide care and protection for vulnerable adults and individuals with disabilities.

The Department operates a developmental disabilities program serving approximately 35,000 individuals statewide. Persons served by the Department programs include individuals diagnosed with various disabilities, including cognitive disabilities, autism, and cerebral palsy. Services provided support the individual and their families to lead the most healthy, self-sufficient, productive lives within their capabilities.

The Department is also working closely with the Arizona Health Care Cost Containment System (AHCCCS) to assess AHCCCS Contractors' compliance with the recently revised Medicaid Home and Community-Based Services rules. The rules will have a significant impact on the Department's residential and day services as well as member planning processes. The new regulations stipulate that all service settings must be integrated and support full access to the greater community.

The Department endeavors to provide dental services for persons with developmental disabilities, 21 years of age and older, that receive Arizona Long Term Care Services (ALTCSS). Arizona is one of only five states that offer no dental coverage to individuals with intellectual and developmental disabilities. Recent studies conclude that individuals who have disabilities are at a greater risk for oral diseases. Poor dental health can also lead to behavioral issues. For persons with an intellectual or developmental disability, a common reaction to persistent pain is increased self-injurious as well as aggressive behavior. Failure to address this potential issue leads to inadequate and inappropriate intervention for the behavior, leaving the individual at risk of restrictive procedures and unnecessary medication, all while still experiencing the pain. The Department is seeking additional state funding, to be matched with Title XIX dollars, to fund dental services for persons with developmental disabilities as described above.

The Department's Adult Protective Services (APS) program investigates reports of abuse, neglect, and exploitation of vulnerable and incapacitated adults. Since State Fiscal Year (SFY) 2012, the program has seen a staggering 57 percent growth rate in the number of new reports received for investigation. Areas of risk, such as the financial exploitation of vulnerable adults, have also intensified as caseload counts continue to grow, creating the need for increased support for the program. The Department initiated, in 2015, the use of the Four Disciplines of Execution (4DX) to improve performance and facilitate efficiencies during the investigation process. This approach, coupled with a request for increased funding for staff and automation support, are intended to enable the Department to meet this growing need.

The Department coordinates with community providers in the delivery of services to victims of domestic violence. The Department will use the information gleaned from meetings with these stakeholders over the past two years 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.

The Department, through a federal grant, will create and sustain a dementia-capable Home and Community-Based Services system that includes a single entry point access for individuals with dementia and their caregivers aimed at ensuring access to a comprehensive, innovative, and sustainable quality services. Services offered will be evidence-based or evidence-informed to the extent possible. The initiative will develop and implement diversified, culturally sensitive approaches in education and training for professionals and caregivers serving the Alzheimer's Disease and Related Dementia population. It will also increase awareness about younger-onset dementia with the goals of increasing early detection and accurate diagnosis, providing access to specialized care, and developing collaborative programs among state, non-profit and for-profit organizations. Finally, it will promote research awareness and recruitment campaigns for clinical trials.

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.

The Department is modernizing and streamlining access to public assistance through the Health-e-Arizona Plus (HEAplus) online application and eligibility system that allows Arizona residents to apply for AHCCCS medical insurance, SNAP, and Cash Assistance.

The Department has implemented significant improvements for clients in local office lobbies and call centers. Office hours at seven of the busiest Family Assistance local offices have been extended, and kiosks have been installed to enable clients to apply for assistance via the HEAplus application. At call centers, improvements to the interactive voice response self-service menu have resulted in drastically reduced wait times and reduced the need for clients to come into local offices.

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), in partnership with Community Action Agencies and other service providers, is enhancing its data collection capabilities through the implementation of Low-Income Home Energy Assistance Program (LIHEAP) performance measures for assessing energy burden, households where LIHEAP prevented a potential home energy crisis, and households where LIHEAP benefits restored home energy. CAP is also 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 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. The Department is reviewing and rewriting eligibility policies and procedures to make the application and change-reporting processes easier and faster for clients to receive quality child care. The authorization period for being eligible for child care services is being expanded from 6 months to 12 months, aligning the child care program with more family-friendly practices.

Child care assistance is a vital component in helping working families to achieve and maintain employment. For low-income families, the affordability of safe and stable child care may make the difference between climbing out of poverty or continuing to rely on public assistance. Arizona child care rates are based upon a Market Rate Survey conducted in 2000, the oldest market rate currently in use in the country. The Department is requesting funding to use a more recent Market Rate Survey, which will serve to make child care more affordable for low-income working families.

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.

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'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 who have poor employment prospects. The Department will promote the viability of a career as a direct care professional to SCSEP participants, strengthen partnerships and collaborations among SCSEP grantees and Workforce Investment Opportunities 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.

The Department assists persons with disabilities to achieve their goals for employment and independence through Vocational Rehabilitation (VR) and Independent Living services. Federal law requires that clients who are the most significantly disabled will be served first. Funding limitations have required the Department to maintain a waitlist for VR services for those individuals with significant disabilities who do not have the most significant disabilities. Looking forward, the Department endeavors to serve all individuals who are eligible to receive services from the VR program. Expanding the population provided VR services will increase the number of persons with successful employment outcomes and generate greater federal participation in funding VR services. Additionally, the newly implemented Workforce Investment and Opportunity Act mandates the provision of services for older individuals who are blind. Services for this blind population are critical to prevent institutionalization and increased need for supportive care.

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. The transfer of AIB 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.

The Department has six different employment services specifically designed to provide clients with developmental disabilities the assistance needed to get and keep a job. The Department also continues to hold a leadership role as Chairperson of the broadly based partnership working on a statewide "Employment First" Strategic Plan to improve integrated and competitive outcomes for all individuals with a disability.

The Department administers a statewide, interagency system of supports and services for infants and toddlers with developmental delays or disabilities and their families. The Department partners with community agencies to provide eligible children and their families access to services that enhance the capacity of families and caregivers to support early child development. As part of a multiyear State Systemic Improvement Plan, the Department identified a State Identified Measurable Result to increase the percentage of children who exit early intervention, in identified regions, with greater-than-expected improvements in their social relationships. The selected regions comprise a mix of urban, rural and tribal areas and represent 40 percent of the children and families served by the statewide early intervention system.

5. Promote a culture of transparency and accountability in the Department's operations.

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 DES/OIG comprises seven principal functions: audit, assessment, and review; continuous improvement; administrative and criminal investigation; research and analysis; risk management; 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 is developing an Enterprise Risk Management (ERM) policy to manage risk systematically across the agency and successfully apply the appropriate risk treatment. An effective ERM program promotes higher levels of visibility and accountability in the management of risks and enhances the public's trust and confidence in the integrity of the agency.

The Department's Unemployment Insurance (UI) Program maintains quality control by using measures of acceptable levels of performance to ensure that determinations are issued accurately and timely to clients. The Department also conducts audits of wages in a professional, non-bullying, respectful manner to determine whether improper payments were made to claimants.

The Department is also launching "Project Justice," which establishes the agency's version of a whistleblower program, a supplement to the existing federal and state whistleblower programs. This program aims to establish a direct line of communication to the Director for employees 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. Colleagues from all levels in the agency are engaged with partners and stakeholders to coordinate action to achieve the Department's mission.

The Department continues to be a key partner in community initiatives that provide groceries, clothing, medical, dental, haircuts, and hygiene items to the most needy and marginalized populations in Phoenix, Prescott, and Tucson. The Department is a partner in providing support services to professionals, schools, and community leaders serving youth, young adults, and vulnerable persons throughout the state. These supports help to strengthen safety net partnerships within individual communities.

The Department has partnered with other state agencies and stakeholders who are developing the state's first business leadership network in support of employment of persons with developmental disabilities. This network supports businesses by connecting them with qualified job candidates who meet their workforce needs.

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, veterans 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.

Issue 2 The Department needs to be fueled by a culture of kindness and excellence.

Description Approximately 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 deploy 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 will recognize and reinforce 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 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 41 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.

The Department will revise its web presence and continue to conduct Human Rights Committee meetings, stakeholders meetings, and public forums to communicate effectively regarding services offered to persons with developmental disabilities.

In several areas of the Department, leadership teams 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 merged the Office of Communications and the Office of Professional Development (OPD) to create a more robust, dynamic communications and professional development community. The training entity within DES, formerly known as the Training and Development Administration (TDA), has undergone a name change to indicate its new mission and focus; which is to 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.

Another significant new colleague development initiative is the Leadership Development Program (LDP). This program will provide 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 will offer 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 is redesigning its colleague recognition program to be more robust, rewarding, and successful. The Department uses engagement surveys as the foundation for actions that assist colleagues with needed support, including tools and training.

Daily, department colleagues on the front line provide critical support to the clients that they serve. The Department has identified positions that have had historical turnover in excess of 40 percent. These key positions primarily include colleagues who are line workers, including those who serve as eligibility determination workers, case managers and child support officers. Within the constraints of the current budget, the Department is aggressively addressing the recruitment and retention of line staff.

To better promote excellence through human resources tools, the Department is partnering with the Arizona Department of Administration on revising and updating the Position Description process and format. Due to the number of position classifications available in DES, this will be an ongoing initiative.

4.Provide culturally appropriate excellent service.

The values of the New 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. Department leadership will support colleagues providing culturally appropriate excellent service through the initiative described above and through the infusion of the values of the New DES in their daily work.

In addition, the Department is expanding the Human Resources Administration Employee Relations Unit to better address employment issues. With the additional resources, DES expects to more quickly address those issues that may negatively affect the workplace and hinder the full embrace of 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.Improve or replace inadequate and unsupportable 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. The Department of Child Safety has begun a project to transition the child welfare system, which currently resides on the DES mainframe, to a new platform. 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 align application architecture and functionality with business and regulatory requirements. Modernization efforts will include establishing an enterprise application architecture to facilitate application hosting both in-house and in cloud service provider environments. DES will also adopt industry best practices regarding enterprise intelligence.

The Department will 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.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.

Improvements to be implemented include segregating each DES program division into separate network segments protected by firewalls. DES will implement 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 be updated. These combined actions allow DES to demonstrate compliance with all applicable security and privacy law and to quickly adapt to new requirements.

3.Complete the move into a state-of-the-art data center and continue improving the IT infrastructure (e.g., a multi-tenant, service-oriented architecture).

The Department will create a high-density computing environment that is based on industry best practices in a Tier 3 data center. The DES IT environment will be migrated into the new data center, and all applications will be migrated onto individual server stacks as part of the IT continuous improvement process. DES will 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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	7,737.0	7,776.0	7,815.0
General Fund	582,294.9	593,900.0	605,800.0
Other Appropriated Funds	303,081.8	312,200.0	321,600.0
Non-Appropriated Funds	974,679.3	1,003,900.0	1,034,000.0
Federal Funds	2,443,207.9	2,504,300.0	2,566,900.0

Program Summary

ADMINISTRATION

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954

Mission:

To provide leadership, direction, coordination, and support to enable the Department of Economic Security to achieve its mission and vision.

Description:

The Administrative support areas provide leadership, direction, coordination, and support to the Department and its six client divisions in delivering human services to the people of Arizona.

This Program Contains the following Subprograms:

- ▶ Central Administration
- ▶ Attorney General Legal Services
- ▶ Governor's Advisory Council on Aging
- ▶ Governor's Council on Developmental Disabilities
- ▶ Arizona Early Intervention Program

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	44,876.5	43,151.1	47,115.8
Other Appropriated Funds	11,307.6	9,834.5	9,834.5
Other Non Appropriated Funds	59,549.2	75,631.7	68,860.8
Total Funding	115,733.3	128,617.3	125,811.1
FTE Positions	1,174.3	1,174.3	1,181.3

Subprogram Summary

CENTRAL ADMINISTRATION

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 PL 108-446

Mission:

To provide leadership, direction, coordination, and support to enable the Department of Economic Security to achieve its mission and vision.

Description:

The Central Administration of DES consists of the Office of the Director, Office of Accountability, Business and Finance, Technology Services, Financial Services, Human Resources, and Training and Development.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	43,577.7	41,875.7	43,640.4
Other Appropriated Funds	8,836.1	7,140.2	7,140.2
Other Non Appropriated Funds	42,882.5	56,609.6	49,838.7
Total Funding	95,296.3	105,625.5	100,619.3
FTE Positions	980.0	980.0	987.0

◆ **Goal 1** To improve the quality and efficiency of services delivered to customers.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Agencywide customer satisfaction rating (scale 1-5)	4.0	3.9	3.9	3.9	3.9
Total Office of Accounts Receivable and Collections cost per dollar to administer, bill, and collect debts	0.05	0.06	0.07	0.07	0.07
DES percentage below Phoenix Market Rate per square foot	15.3	15.8	21.0	21.0	21.0
Explanation: % below/(above) comparable market rate					
Percent of OLCR licenses to foster homes without a complaint	96.1	N/A	N/A	N/A	N/A

Subprogram Summary

ATTORNEY GENERAL LEGAL SERVICES

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-191

Mission:
To provide the Department of Economic Security with high-quality and timely legal advice and representation to promote the safety, economic self-sufficiency, and well-being of children, adults, and families.

Description:
 The Attorney General Child and Family Protection Division is responsible for providing legal services to all programs and business operations of the Department of Economic Security (DES). The division provides these services through three sections: the Protective Services Section, which represents Child Protective Services; the Child Support Enforcement Section, which represents the Division of Child Support Support; and the Civil, Criminal Litigation and Advice Section (CLA) which provides legal advice and representation in administrative hearings and state and federal courts to all other programs within the Department, as well as all personnel and operations matters. In addition, CLA prosecutes criminal cases relating to various DES programs, including recipient benefit fraud, employee embezzlement, provider fraud, and criminal nonpayment of child support.

NOTE: Goals and performance measures for this program are included in the Master List for the Attorney General, AGA 1.4, Child and Family Protection Division.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,237.4	1,229.0	1,229.0
Other Appropriated Funds	2,471.5	2,694.3	2,694.3
Other Non Appropriated Funds	7,541.2	8,239.6	8,239.6
Total Funding	11,250.1	12,162.9	12,162.9
FTE Positions	180.3	180.3	180.3

Subprogram Summary

GOVERNOR'S ADVISORY COUNCIL ON AGING

Jim Whallon, Chief Financial Officer
Phone: (602) 542-3786
A.R.S. § 46-183

Mission:

To advise the Governor, Legislature, and all state departments that the Council deems necessary on all matters and issues relating to the aging population, including the administration of the State Plan on Aging.

Description:

The Governor's Advisory Council on Aging (GACA) is a policy advisory body and does not have regulatory authority. It was established and organized to meet the responsibilities and duties prescribed in A.R.S. § 46-183. The Council advises the Governor, the Legislature, and state departments about aging policies and programs. The Council works to find solutions to the current aging problems and lay groundwork for the future needs of an increasingly aging population.

Note: The goals and performance of this program are reflected in the measures for the Division of Aging and Adult Services and its programs.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	61.4	46.4	46.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	166.2	139.9	139.9
Total Funding	227.6	186.3	186.3
FTE Positions	2.0	2.0	2.0

Subprogram Summary

GOVERNOR'S COUNCIL ON DEVELOPMENTAL DISABILITIES

Jim Whallon, Chief Financial Officer
Phone: (602) 542-3786
Public Law 106-402; E.O. 2009-8

Mission:

To work in partnership with individuals with developmental disabilities and their families through systems change, advocacy, and capacity building activities that promote independence, choice, and the ability of all individuals to pursue their own dreams.

Description:

The Developmental Disabilities Planning Council (DDPC) is Arizona's state planning council for people with developmental disabilities. It was established in 1974 and organized to meet the responsibilities and duties prescribed in the Developmental Disabilities Assistance and Bill of Rights Act (Public Law 98-527 as amended by Public Law 104-183, Public Law 106-402).

Note: The goals and performance of this program are reflected in the measures for the Division of Developmental Disabilities and its programs.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,625.2	1,728.0	1,728.0
Total Funding	1,625.2	1,728.0	1,728.0
FTE Positions	4.0	4.0	4.0

Subprogram Summary

ARIZONA EARLY INTERVENTION PROGRAM

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 PL 108-446

Mission:

To enhance the capacity of families to support the infants and toddlers with delays or disabilities to thrive in their homes and communities.

Description:

The Arizona Early Intervention Program (AzEIP) is Arizona's statewide, interagency system of supports and services for infants and toddlers with developmental delays or disabilities and their families. AzEIP is established by Part C of the Individuals with Disabilities Education Act (IDEA), which provides eligible children and their families access to services to enhance the capacity of families and caregivers to support the child's development.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	2,200.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,334.1	8,914.6	8,914.6
Total Funding	7,334.1	8,914.6	11,114.6
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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Total AzEIP cases	5,436	5,699	5,842	6,134	6,440

Program Summary

DEVELOPMENTAL DISABILITIES

Jim Whallon, Chief Financial Officer
Phone: (602) 542-3786
A.R.S. § 36-554

Mission:

To support the choices of individuals with developmental disabilities and their families by promoting and providing flexible, quality, consumer-driven services and supports.

Description:

The Division of Developmental Disabilities, in partnership with individuals with developmental disabilities, their families, advocates, community members, and service providers, administers and manages the various programs, services, and supports to Arizonans and their families who have autism, cerebral palsy, epilepsy, or a cognitive disability, which is manifested before the age of 18, and children who are below the age of six and at risk of having a developmental disability.

The Division serves both Arizona Long Term Care System (ALTCs) eligible individuals and state only eligible individuals with developmental disabilities. ALTCs is a federally matched Medicaid research and demonstration program. Individuals with developmental disabilities who are eligible for services through the Division may also be eligible for services through the Arizona Long Term Care System.

This Program Contains the following Subprograms:

- ▶ Developmental Disabilities Operations
- ▶ Case Management - Title XIX
- ▶ Case Management - State Only
- ▶ Home and Community Based Services - Title XIX
- ▶ Home and Community Based Services - State Only
- ▶ Institutional Services - Title XIX
- ▶ Medical Services
- ▶ ATP-Coolidge - Title XIX
- ▶ State-Funded Long Term Care
- ▶ Medicare Clawback Payments
- ▶ Autism-Parenting Skills

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	358,792.4	373,388.7	418,965.8
Other Appropriated Funds	28,930.8	31,371.3	26,971.3
Other Non Appropriated Funds	686,674.8	807,160.1	890,418.7
Total Funding	1,074,398.0	1,211,920.1	1,336,355.8
FTE Positions	1,772.3	2,026.4	2,081.7

Subprogram Summary

DEVELOPMENTAL DISABILITIES OPERATIONS

Jim Whallon, Chief Financial Officer
Phone: (602) 542-3786
A.R.S. § 36-554

Mission:

To enhance supports and services to consumers and families through the effective and efficient use of state and federal funding.

Description:

The Division of Developmental Disabilities Operations subprogram provides administrative oversight and operating support for the all of the Division's programs, including programs for both Arizona Long Term Care System (ALTCS) eligible individuals and state only eligible individuals with developmental disabilities. The Division of Developmental Disabilities coordinates services and resources through five district offices and approximately 58 local offices in various communities throughout the state.

Note: Goals and performance for the operating function of the division are reflected in the goals and performance of the division's programs and special line items.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	14,331.0	14,322.3	14,322.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	37,282.6	39,977.3	39,977.3
Total Funding	51,613.6	54,299.6	54,299.6
FTE Positions	294.3	294.3	294.3

Subprogram Summary

CASE MANAGEMENT - TITLE XIX

Jim Whallon, Chief Financial Officer
Phone: (602) 542-3786
A.R.S. § 36-554

Mission:

To coordinate services and supports in a timely manner for eligible individuals with developmental disabilities and their families to promote attainment of maximum potential for independence, productivity, and integration into the community.

Description:

Case management services coordinate services and supports for Long Term Care eligible individuals and their families.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	15,210.9	16,210.7	20,015.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	33,192.8	35,532.2	44,095.5
Total Funding	48,403.7	51,742.9	64,111.4
FTE Positions	755.5	1,009.6	1,064.9

◆ **Goal 1** To provide quality case management services for all eligible consumers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of consumer satisfaction with case management services (Title XIX only)	98.8	98.8	98.7	98.8	98.8
Average number of consumers with developmental disabilities served	26,807	27,956	27,597	28,974	30,425

Subprogram Summary					
CASE MANAGEMENT - STATE ONLY					
Jim Whallon, Chief Financial Officer					
Phone: (602) 542-3786					
A.R.S. § 36-554					

Mission:

To coordinate services and supports in a timely manner for eligible individuals with developmental disabilities and their families to promote attainment of maximum potential for independence, productivity, and integration into the community.

Description:

Case management services coordinate services and supports for state-only eligible individuals and their families.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,978.6	3,912.7	6,282.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,527.8	4,976.5	5,597.9
Total Funding	8,506.4	8,889.2	11,880.4
FTE Positions	79.3	79.3	79.3

◆ **Goal 1** To promote quality case management services for all eligible consumers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of consumers with developmental disabilities served	7,125	7,277	7,041	7,100	7,100

Subprogram Summary					
HOME AND COMMUNITY BASED SERVICES - TITLE XIX					
Jim Whallon, Chief Financial Officer					
Phone: (602) 542-3786					
A.R.S. § 36-552					

Mission:

To effectively meet the needs of eligible individuals with developmental disabilities and their families, in the least restrictive home- and community-based settings, using the principles of family support and self-determination to promote independence and inclusion within the community.

Description:

This program consists of home- and community-based services including, but not limited to, respite, habilitation, therapies, and attendant care delivered in the consumer's home and community.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	250,343.8	260,668.2	289,114.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	491,701.7	595,599.8	659,084.1
Total Funding	742,045.5	856,268.0	948,198.9
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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of child and adult consumers with a developmental disability that live with their family or in their own home or in a community-based setting	90.8	91.0	87.9	88.0	90.0

- ◆ **Goal 2** To provide consumer, family, and caregiver satisfaction with home- and community-based services and supports.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of relatives and caregivers of consumers stating the services received meet the consumer's needs	98.9	98.9	98.9	99.0	99.0
Percent of relatives and caregivers satisfied with the providers of services received.	99.2	99.2	99.0	99.2	99.4

- ◆ **Goal 3** To increase consumers' economic prosperity and self-sufficiency by placing adult consumers in community employment opportunities.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of eligible adult consumers placed in community employment	20.6	21.4	22.3	22.5	22.5

Subprogram Summary	
HOME AND COMMUNITY BASED SERVICES - STATE ONLY	
Jim Whallon, Chief Financial Officer	
Phone: (602) 542-3786	
A.R.S. § 36-552	

Mission:

To effectively meet the needs of eligible individuals with developmental disabilities and their families, in the least restrictive home- and community-based settings, using the principles of family support and self determination to promote independence and inclusion within the community.

Description:

This program consists of home- and community-based services, including, but not limited to, respite, habilitation, therapies, and attendant care delivered in the consumer's home and community.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	16,776.1	16,625.9	16,675.9
Other Appropriated Funds	3,000.0	4,817.3	4,817.3
Other Non Appropriated Funds	1,900.1	1,187.6	1,187.6
Total Funding	21,676.2	22,630.8	22,680.8
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of child and adult consumers with a developmental disability who live with their family or in their own home or in a community-based setting	99.0	99.0	99.0	99.0	99.0

Subprogram Summary

INSTITUTIONAL SERVICES - TITLE XIX

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 36-552

Mission:
To provide services and supports to eligible individuals with developmental disabilities that will promote home- and community-based placement whenever appropriate.

Description:
 This program consists of state and privately operated intermediate care facilities (ICF) and nursing facilities.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	6,040.5	6,468.9	7,034.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	13,180.1	14,512.2	15,785.9
Total Funding	19,220.6	20,981.1	22,820.7
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of consumers in ICF/MRs and skilled nursing facilities (*point in time 6/30)	232	232	211	191	174

Subprogram Summary

MEDICAL SERVICES

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 36-2939

Mission:

To provide cost-effective, quality medical services that enable Arizona Long Term Care System (ALTCs) eligible individuals with developmental disabilities to achieve and maintain optimal health and well-being.

Description:

The program provides medical care and services for ALTCs-eligible individuals including hospital care; physician, pharmacy, laboratory, and rehabilitation services; durable medical equipment; and early and periodic screening, diagnosis, and treatment and other medical services, care, and supports.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	44,141.4	47,315.8	51,455.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	94,553.6	105,948.7	115,264.6
Total Funding	138,695.0	153,264.5	166,720.0
FTE Positions	35.4	35.4	35.4

◆ **Goal 1** To provide cost effective, quality health care.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of consumers receiving acute care services through the Division of Developmental Disabilities	26,317	27,536	28,307	30,447	32,749

Subprogram Summary

ATP-COOLIDGE - TITLE XIX

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 36-2939

Mission:

To provide active treatment, residential care, supervision, and services to eligible individuals to promote home and community placements whenever possible and appropriate.

Description:

The Arizona Training Program at Coolidge is an Intermediate Care Facility (ICF) consisting of certified residential facilities that provide active treatment and other services in accordance with federal and state regulations.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,067.7	4,935.5	4,935.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,336.1	9,425.8	9,425.8
Total Funding	15,403.8	14,361.3	14,361.3
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of consumers living at Arizona Training Program at Coolidge	97	95	95	93	92

Subprogram Summary					
STATE-FUNDED LONG TERM CARE					
Jim Whallon, Chief Financial Officer					
Phone: (602) 542-3786					
Laws 2007, Chapter 255, Section 28					

Mission:

To effectively meet the needs of Long Term Care-eligible individuals with developmental disabilities.

Description:

This funding provides non-Title XIX services to Long Term Care-eligible consumers.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	6,200.0
Other Appropriated Funds	25,930.8	26,554.0	22,154.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	25,930.8	26,554.0	28,354.0
FTE Positions	2.0	2.0	2.0

◆ **Goal 1** To provide state funded services to Long Term Care-eligible consumers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Long Term Care-eligible consumers that receive state-funded room and board to live in community-based homes	4,202	4,390	4,386	4,578	4,778

Subprogram Summary					
MEDICARE CLAWBACK PAYMENTS					
Jim Whallon, Chief Financial Officer					
Phone: (602) 542-3786					
Laws 2007, Chapter 255, Section 28					

Mission:

To provide Medicare clawback funds as required by federal law under the Medicare Modernization Act.

Description:

The Medicare clawback payment budget provides for a payment each year to Medicare, as required by the Medicare Modernization Act (MMA). The health plan medical costs are reconciled on actual claims data rather than on accrued audited financial statements. A data warehouse has been developed to house claims data and to facilitate the production of standard reporting.

Note: The Department has no control over the payment.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,902.4	2,928.7	2,928.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,902.4	2,928.7	2,928.7
FTE Positions	0.0	0.0	0.0

Subprogram Summary			
AUTISM-PARENTING SKILLS			
Jim Whallon, Chief Financial Officer			
Phone: (602) 542-3786			
Laws 2014, Second Special Session, Chapter 2, Section 7			

Mission:

To train parents in rural areas to provide intensive behavioral treatment for children with autism.

Description:

Monies will be used to train parents in counties with populations less than 500,000 to provide intensive behavioral treatment to children with autism who are younger than 5 years of age.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	0.0	0.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide parenting skills to families for children with autism in rural areas.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of families receiving parenting skills training for children with autism in rural areas. Line item swept before spent in FY 15 and not appropriated in FY 16.	N/A	25	N/A	N/A	N/A

Program Summary

BENEFITS AND MEDICAL ELIGIBILITY

Jim Whallon, Chief Financial Officer
Phone: (602) 542-3786
A.R.S. § 41-1954

Mission:

To promote the safety, well-being, and self-sufficiency of children, adults, and families.

Description:

The Division of Benefits and Medical Eligibility determines eligibility, operates an evaluation and monitoring program, and pays benefits for the Temporary Assistance for Needy Families (TANF) Cash Assistance, Nutrition Assistance (formerly Food Stamps), and Tuberculosis Control programs. The Division also provides financial assistance to Native American tribes operating their own TANF programs and provides child passenger restraint seats.

This Program Contains the following Subprograms:

- ▶ Benefits and Medical Eligibility Operations
- ▶ Disability Determination Services Administration
- ▶ TANF Cash Benefits
- ▶ Tribal Pass-Through Funding
- ▶ Nutrition Assistance Benefits
- ▶ Child Passenger Restraint
- ▶ Coordinated Hunger

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	36,977.2	37,086.4	37,086.4
Other Appropriated Funds	51,178.6	54,078.6	54,078.6
Other Non Appropriated Funds	1,657,400.4	1,635,087.8	1,635,087.8
Total Funding	1,745,556.2	1,726,252.8	1,726,252.8
FTE Positions	1,368.2	1,376.2	1,376.2

Subprogram Summary

BENEFITS AND MEDICAL ELIGIBILITY OPERATIONS

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954

Mission:

To promote the safety, well-being, and self-sufficiency of children, adults, and families.

Description:

Division of Benefits and Medical Eligibility Operations includes the following areas:

The Family Assistance Administration (FAA) provides support to field staff by providing leadership, oversight, policy and procedures, training, system support, financial and purchasing control, human resources, and management information. FAA programs ensure conformity with federal and state laws in the Nutrition Assistance (formerly Food Stamps), Cash Assistance under Temporary Assistance for Needy Families (TANF), General Assistance, and Tuberculosis Control programs; coordinate eligibility determination for Medical Assistance programs; and provide child passenger restraint seats.

The Office of Program Evaluation (OPE) evaluates and monitors eligibility for the following programs: Cash Assistance, Nutrition Assistance, and specialized areas within the Arizona Health Care Cost Containment System (AHCCCS) through the application of approved quality control and performance measurements. OPE performs a management evaluation function by reviewing local office processes to determine Supplemental Nutrition and Cash Assistance program accuracy and compliance with state and federal mandates.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	31,042.3	31,151.5	31,151.5
Other Appropriated Funds	12,079.2	8,579.2	8,579.2
Other Non Appropriated Funds	143,196.0	151,973.1	151,973.1
Total Funding	186,317.5	191,703.8	191,703.8
FTE Positions	1,048.8	1,048.8	1,048.8

◆ **Goal 1** To improve customer service and accessibility.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of recipients per month receiving medical assistance for which DES determines eligibility	1,121,611	1,300,000	1,313,366	1,300,000	1,537,904
Average vendor call center customer satisfaction (1.0 - Very Satisfied, 5.0 - Satisfied, 9.0 - Not Satisfied)	0	0	2.05	1.75	1.75

Subprogram Summary

DISABILITY DETERMINATION SERVICES ADMINISTRATION

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954; 46-251

Mission:

To provide timely and accurate disability determinations for applicants

Description:

The Disability Determination Services Administration (DDSA) adjudicates Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) benefit claims from Social Security offices in Arizona. Federal statutes and regulations require the states to administer the disability documentation and decision-making process for claimants who are residents. DDSA operates under federal statutes and regulations that require states to make SSDI and SSI disability determinations for their residents. The Social Security Administration (SSA) funds 100 percent of the program cost and mandates specific program guidelines and performance standards. In addition, DDSA reviews and determines entitlements for all referred initial and continuing Arizona Health Care Cost Containment System acute care claims. The applicant's potential for vocational rehabilitation is considered, with referrals made as appropriate. DDSA measures are reported on federal fiscal year.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	34,210.4	35,065.8	35,065.8
Total Funding	34,210.4	35,065.8	35,065.8
FTE Positions	319.4	327.4	327.4

◆ **Goal 1** To improve Disability Determination Services Administration performance.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of correct cases	94.7	96.5	96.4	96.6	96.8
Average Social Security Disability Insurance initial case processing time (days)	94.8	98.0	103.6	101	100
Average Supplemental Security Income initial case processing time (days)	103.8	100.0	103.4	101	100

Subprogram Summary

TANF CASH BENEFITS

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954; 46-291

Mission:

To promote the safety, well-being, and self-sufficiency of children, adults, and families.

Description:

Cash Assistance (CA) under Temporary Assistance for Needy Families (TANF) provides for financial benefit payments to those individuals who meet the eligibility criteria. The CA program also offers a grant diversion program which offers a one-time up-front payment to needy CA applicants who are likely to obtain immediate employment. The one-time diversion payment is intended to eliminate the applicant's need for ongoing enrollment in the CA program.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	38,599.4	44,999.4	44,999.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	38,599.4	44,999.4	44,999.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the Family Assistance Administration's efficiency and accountability.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of TANF Cash Assistance recipients	32,888	29,800	29,670	29,400	26,768
Percent of TANF Cash Assistance issued timely	97.7	97.0	98.2	97.0	98.2
Total number of TANF Cash Assistance applicants diverted from long-term cash assistance with diversion grants	10,954	10,500	8,570	10,500	9,000

Subprogram Summary

TRIBAL PASS-THROUGH FUNDING

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 46-134

Mission:

To promote the safety, well-being, and self-sufficiency of children, adults, and families.

Description:

Tribal Pass-Through Funding provides financial assistance to Native American tribes who elect to operate their own Temporary Assistance for Needy Families (TANF) programs by providing cash assistance for eligible households to help them become self-sufficient through increased educational and employment opportunities and supportive services while maintaining tribal values. In addition to monies received from this pass-through, these tribes independently receive TANF block grant monies from the federal government.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Monthly average of individuals receiving Cash Assistance benefits through a Tribal Cash Assistance program.	1,600	1,700	1,395	1,700	1,700

Subprogram Summary

NUTRITION ASSISTANCE BENEFITS

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954

Mission:

To promote the safety, well-being, and self-sufficiency of children, adults, and families.

Description:

Food Stamps, now known as the Supplemental Nutrition Assistance Program, provides low-income households increased food-purchasing power, enabling them to obtain a more adequate nutritional diet. This is a federal program regulated by the U.S. Department of Agriculture (USDA). The state administers the distribution of nutrition assistance through electronic benefit transfers (EBT).

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,476,459.6	1,444,252.7	1,444,252.7
Total Funding	1,476,459.6	1,444,252.7	1,444,252.7
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the Family Assistance Administration's efficiency and accountability.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of total nutrition assistance payments issued accurately	95.2	95.0	96.2	95.0	96.2
Average monthly number of supplemental nutrition assistance recipients	1,070,674	1,050,000	1,029,388	1,050,000	1,050,000
Percent of total nutrition assistance payments issued timely	95.5	95.0	95.6	95.0	96.0

Subprogram Summary

CHILD PASSENGER RESTRAINT

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 28-907

Mission:

To promote the safety, well-being, and self-sufficiency of children, adults, and families.

Description:

The program provides car seats for distribution to requesting hospitals, health clinics, domestic violence shelters, and homeless shelters for loan to indigent applicants.

Pursuant to Laws 2015, 1st Regular Session, Chapter 257, the Department of Child Safety is responsible for administration of program beginning FY2016.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	110.8	0.0	0.0
Total Funding	110.8	0.0	0.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To disburse the Child Passenger Restraint Fund monies on purchasing and distributing child restraint seats.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Car seats purchased and distributed	1,972	2,800	1,945	0	0

Subprogram Summary

COORDINATED HUNGER

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 41-1954; 41-1981; PL 97-35; Title VI

Mission:

To implement effective policies, services, programs, and partnerships that address food security in Arizona.

Description:

The Coordinated Hunger Program provides a focal point for addressing hunger issues in Arizona and promoting food security. The program coordinates with various federal, state, and local organizations that provide food assistance to the hungry and contracts with various hunger organizations to leverage federal and state resources.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,254.6	1,254.6	1,254.6
Other Appropriated Funds	500.0	500.0	500.0
Other Non Appropriated Funds	3,423.6	3,796.2	3,796.2
Total Funding	5,178.2	5,550.8	5,550.8
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To more effectively distribute food resources among counties in Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total pounds of food distributed by Department contracted food banks from all food sources (millions of pounds)	129.5	125.0	119.0	120.0	120.0

Program Summary

CHILD SUPPORT ENFORCEMENT

Jim Whallon, Chief Financial Officer
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,738.1	11,764.8	26,724.8
Other Appropriated Funds	7,363.4	14,257.0	14,257.0
Other Non Appropriated Funds	30,310.8	33,085.9	64,374.8
Total Funding	49,412.3	59,107.7	105,356.6
FTE Positions	623.0	623.0	626.0

Subprogram Summary

CHILD SUPPORT ENFORCEMENT OPERATIONS

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954; Laws 1994, Ch 374

Mission:

To provide effective and fair child support services.

Description:

This program provides intake services, locates absent parents, establishes paternity, and establishes the legal obligation to pay child support and provide medical support in local and interstate cases. The program enforces child support obligations and medical support through various administrative and judicial remedies. Child support services are provided to custodial persons who receive Cash Assistance, Arizona Health Care Cost Containment System (AHCCCS) medical assistance services, foster care assistance, as well as to any other custodial or non-custodial person who applies. These services are provided pursuant to Title IV-D of the Social Security Act. Services in 12 counties are provided by the Department of Economic Security's Division of Child Support Enforcement (DCSE), in conjunction with the Attorney General's Office. DCSE has intergovernmental agreements with County Attorneys to provide services in three counties. The program also provides payment processing services statewide for all cases, Title IV-D and non-Title IV-D.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,738.1	11,764.8	26,724.8
Other Appropriated Funds	7,199.1	13,177.9	13,177.9
Other Non Appropriated Funds	25,319.4	27,424.8	56,713.7
Total Funding	44,256.6	52,367.5	96,616.4
FTE Positions	623.0	623.0	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
IV-D dollars collected for each IV-D dollar expended (cost-effectiveness ratio)	5.62	5.00	5.55	5.00	5.00
Ratio of court ordered cases (in percent)	86.42	86.42	87.04	86.42	87
Ratio of current IV-D child support collected and distributed to current IV-D support due	54.59	55.74	55.66	55.74	59
Number of IV-D cases	185,614	185,614	183,588	180,739	179,855
Total amount of IV-D support collections (millions)	356.5	356.5	349.8	354.0	352.6

Subprogram Summary

COUNTY PARTICIPATION

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954; Laws 1994, Ch 374

Mission:

To ensure that the participating County Attorney-operated child support offices provide effective and fair child support services.

Description:

The Division of Child Support Enforcement has intergovernmental agreements with three participating County Attorneys to provide multiple services to custodial persons who receive Cash Assistance, Arizona Health Care Cost Containment System (AHCCCS) medical assistance services, foster care assistance, as well as any other custodial or noncustodial person who applies for child support services.

Note: Performance measures for the counties operating their own programs are included in the state-wide measures in Division of Child Support Enforcement Operations.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	164.3	1,079.1	1,079.1
Other Non Appropriated Funds	4,991.4	5,661.1	7,661.1
Total Funding	5,155.7	6,740.2	8,740.2
FTE Positions	0.0	0.0	0.0

Program Summary

AGING AND ADULT SERVICES

Jim Whallon, Chief Financial Officer
Phone: (602) 542-3786
A.R.S. § 41-1954

Mission:

To support and enhance the ability of at-risk and older adults to meet their needs to the maximum of their ability, choice, and benefit. To assist refugees in Arizona with attaining social and economic self-sufficiency and well-being. To provide leadership by establishing partnerships and building community networks that deliver premiere human services to vulnerable, at-risk populations.

Description:

The Division of Aging and Adult Services administers a statewide program of advocacy, social services, and programs to serve at-risk and older adults. Emphasis in the delivery of services is placed on at-risk and older adults with the greatest social and economic needs. Aging and adult services include investigative and protective services, case management, home care (housekeeper, home health aide, personal care, and home nursing), home repair/adaptation/renovation, transportation, the State Health Insurance Assistance Program, the Family Caregiver Support Program, the Long-Term Care Ombudsman, legal assistance, congregate meals, home-delivered meals, socialization/recreation, counseling, subsidized employment, volunteer opportunities and training, and adult day care.

Through its community services programs, the Division addresses urgent, short-term basic needs and strategies for long-term solutions by providing direct services and utilizing comprehensive networks and partnerships.

The Arizona Refugee Resettlement Program (RRP) supports and advances successful resettlement of refugees, individuals forced to flee their home countries due to persecution, war, and human rights violations.

This Program Contains the following Subprograms:

- ▶ Aging and Adult Services Operations
- ▶ Adult Services
- ▶ Community and Emergency Services
- ▶ Coordinated Homeless
- ▶ Domestic Violence Prevention
- ▶ Refugee Resettlement Program
- ▶ Homeless Capital Grant
- ▶ Long Term Care Assisted Living

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	19,820.9	20,573.9	27,698.8
Other Appropriated Funds	14,463.0	14,463.0	14,463.0
Other Non Appropriated Funds	79,110.2	95,997.5	95,997.5
Total Funding	113,394.1	131,034.4	138,159.3
FTE Positions	290.2	301.2	340.2

Subprogram Summary

AGING AND ADULT SERVICES OPERATIONS

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954

Mission:

To support and enhance the ability of at-risk and older adults to meet their needs to the maximum of their ability, choice, and benefit. To assist refugees in Arizona with attaining social and economic self-sufficiency and well-being. To provide leadership by establishing partnerships and building community networks that deliver premiere human services to vulnerable, at-risk populations.

Description:

Division of Aging and Adult Services Operations provides administrative oversight and operating support to the programs in the Division. This program also includes the Adult Protective Services (APS) program. APS accepts and evaluates reports of abuse, neglect, and exploitation of vulnerable and incapacitated adults and offers appropriate services. Elder Rights, as part of Title VII of the Older Americans Act, includes four major components under state leadership. These components are Elder Abuse Prevention, Legal Services Assistance, the State Long-Term Care Ombudsman, and the State Health Insurance Assistance Program. Elder Rights is an advocacy program that incorporates all services, support, and protection to assist vulnerable adults in understanding their rights, maintaining and exercising control over decision making, and benefiting from services and benefits promised by law.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,345.8	8,493.7	12,948.4
Other Appropriated Funds	248.8	248.8	248.8
Other Non Appropriated Funds	6,576.6	9,991.0	9,991.0
Total Funding	14,171.2	18,733.5	23,188.2
FTE Positions	278.2	289.2	328.2

◆ **Goal 1** To improve the Adult Protective Services investigation process.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Adult Protective Services investigation percentage rate	100	100	100	100	100

Subprogram Summary

ADULT SERVICES

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954; 46-191

Mission:

To further develop and provide a continuum of services designed to meet the needs of older or at-risk adults so they may retain independence and autonomy; to provide statewide leadership in the areas of planning, developing, and coordinating a comprehensive system of protection and advocacy programs that assist disabled and vulnerable elders to exercise their rights and choices promised by law; and to empower economically disadvantaged persons aged 55 or older with job opportunities in training programs or stipend volunteer programs to enhance the participants' quality of life.

Description:

The system of home- and community-based services includes services that assist disabled adults and the elderly to live as independently as possible in their homes and community. Services provided include home care, home delivered meals, transportation, adult day health care, respite, home repair, and case management. Services are also available for family caregivers.

The Senior Community Service Employment Program (SCSEP), also known as Title V of the Older Americans Act, provides job training and subsidized employment to workers 55 years of age and older who are at or below 125 percent of the federal poverty levels. The purpose of Title V is to train workers to enable them to move to unsubsidized employment in the public and private sectors.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,924.1	7,924.1	10,594.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	32,568.1	40,393.8	40,393.8
Total Funding	40,492.2	48,317.9	50,988.1
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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of clients served	272,334	284,423	284,423	270,000	270,000

Subprogram Summary

COMMUNITY AND EMERGENCY SERVICES

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1954; 46-241; PL 97-35; Title VI

Mission:

To assist Community Action Agencies in addressing the causes of poverty, pursue community revitalization, and assist low-income people to become more self-sufficient.

Description:

This program funds Community Action Agencies both for services that assist with short-term basic needs and to develop responses to poverty. Areas addressed by agencies include issues associated with energy assistance and homelessness prevention.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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	26,423.7	28,907.5	28,907.5
Total Funding	30,147.7	32,631.5	32,631.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of households receiving financial assistance in paying rent and mortgage to prevent eviction	1,801	1,695	1,695	1,700	1,700
Number of households receiving financial assistance for paying home energy bills	34,544	35,793	35,793	35,800	35,800

Subprogram Summary

COORDINATED HOMELESS

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 41-1954; PL 100-77; PL 100-628

Mission:

To work toward preventing and ending homelessness for homeless individuals and families and those at risk of homelessness throughout the state.

Description:

The Coordinated Homeless Program is responsible for staffing the Interagency and Community Council on Homelessness, co-chaired by the DES Director and Department of Housing Director and for the development and implementation of the State Plan to End Homelessness. Additional areas of responsibility include administration of homeless shelter and supportive services contracts, implementation of the Statewide Program Evaluation Project, data collection and analysis, and support for and participation in local homeless planning activities.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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	3,379.3	3,339.6	3,339.6
Total Funding	5,901.9	5,862.2	5,862.2
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Individuals receiving emergency shelter	9,702	10,020	10,020	10,025	10,025

Subprogram Summary

DOMESTIC VIOLENCE PREVENTION

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 36-3001

Mission:

To provide safety and services to the victims of domestic violence and their children and to improve the comprehensive Domestic Violence Program in Arizona.

Description:

The Domestic Violence Program provides contractual funding for shelter and supportive services for victims of domestic violence and their children utilizing a statewide network of private nonprofit shelter facilities including safe houses. Technical assistance is provided to the domestic violence network members in collaboration with a statewide coalition against domestic violence.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,283.0	3,283.0	3,283.0
Other Appropriated Funds	8,840.7	8,840.7	8,840.7
Other Non Appropriated Funds	93.9	828.0	828.0
Total Funding	12,217.6	12,951.7	12,951.7
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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of women and children sheltered in emergency shelters	8,441	8,005	8,005	8,010	8,010
Number of unduplicated women and children sheltered in transitional housing	344	344	344	350	350

Subprogram Summary

REFUGEE RESETTLEMENT PROGRAM

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 PL 96-212

Mission:

To assist refugees in Arizona with attaining social and economic self-sufficiency and well-being.

Description:

The Arizona Refugee Resettlement Program (RRP) supports and advances successful resettlement of refugees, individuals forced to flee their home countries due to persecution, war, and human rights violations, through the coordination of public and private resources that best enable them to be firmly established on the path to success and well-being. RRP partners with a wide array of organizations, including local Voluntary Agencies (VOLAGs) and Mutual Assistance Associations (MAAs), to coordinate and provide core employment and case management services that promote self-sufficiency and integration, such as housing, school enrollment, cultural orientations, employment orientations, benefits applications, and ongoing adjustment services.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,068.6	12,537.6	12,537.6
Total Funding	10,068.6	12,537.6	12,537.6
FTE Positions	12.0	12.0	12.0

◆ **Goal 1** To promote refugee social and economic self-sufficiency and well-being.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of refugees obtaining employment	731	1,019	1,019	1,020	1,020

Subprogram Summary

HOMELESS CAPITAL GRANT

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

Laws 2014, 2nd Regular Session, Chapter 18, Section 127

Mission:

To award a grant to a faith-based facility in Phoenix.

Description:

Funding for a faith-based facility located in a city with a population over one million persons according to the 2010 decennial census. The facility would that provide homelessness services, including substance abuse treatment, behavioral medicine treatment, and job training to those facing hunger and homelessness.

Note: The goals and performance of this program are reflected in the measures for the Division of Aging and Adult Services and its programs.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	375.0	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	375.0	0.0	0.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

LONG TERM CARE ASSISTED LIVING

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

TBD

Mission:

To provide long-term care assisted living services in a county with a population of less than 500,000 people.

Description:

TBD

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	19.9	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	19.9	0.0	0.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To provide long-term care assisted living services in a county with a population of less than 500,000 people

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of clients served	n/a	195	0	n/a	n/a

Program Summary

CHILDREN, YOUTH AND FAMILIES

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 41-1954; 8-800

Mission:

To promote services for children to enable them to be safe, and live with strong families so they can be successful in life.

Description:

The Division of Children, Youth and Families (Division) provides the following services to children and families: child abuse prevention, family support and preservation, substance abuse treatment, Children Support Services, out-of-home care, adoptions, permanent guardianship, independent living, health care services, and other child welfare programs.

The Division serves as the state-administered child welfare services agency, and is divided into three administrations: Child Welfare Administration (CWA), Finance and Business Operations Administration (FBOA), and Comprehensive Medical and Dental Program (CMDP).

Arizona's 15 counties are divided into five regions. Either directly or through contracts with community providers, each region provides investigation of Child Protective Services (CPS) reports, case management, in-home services, out-of-home services, contracted support services, permanency planning, and foster and adoptive home recruitment, study and supervision.

The Statewide Child Abuse Hotline is centralized for the receiving and screening of incoming communications regarding alleged child abuse and neglect. Incoming communications are centrally screened to determine if the communication meets the definition and criteria of a CPS report. Report information is triaged to determine risk of harm to the child, and to establish a response timeframe. Reports are investigated by Child Protective Services specialists or referred to other jurisdictions (such as tribal jurisdictions) for action.

Finance and Business Office Operations provide oversight of district functions; policy and program development, including analysis of state and federal legislation; management of the Child Welfare Training Institute (CWTI) for initial in-service staff training, ongoing/advanced staff training, and out-service and education programs; management of the Comprehensive Medical and Dental Program (CMDP) that provides dental and health care services for children in out-of-home care; oversight of programs including: Healthy Families Arizona, Promoting Safe and Stable Families, Arizona Families F.I.R.S.T., Adoption Subsidy, Subsidized Guardianship, Independent Living Programs including Chafee, Child Abuse Prevention and Treatment Act, Foster and Adoptive Home Recruitment, Study and Supervision, the Interstate Compact on the Placement of Children; oversight of statewide practice improvement, including case record reviews, data and trend analysis, the federal Child and Family Services Review process, continuous quality improvement processes, new practice improvement initiatives, and implementation of Family to Family strategies; oversight of strategic planning, including development and implementation of the federal Child and Family Services Plan; management of the appeals process for proposed substantiated CPS reports; management of family advocacy; management of business operations, including finance, budget, contracts, payment operations, and the Division's case management and payment processing automated system; and management of data, data analysis, report preparation, and the Division's data dashboard.

This Program Contains the following Subprograms:

- ▶ Children, Youth and Families Operations
- ▶ Children Support Services
- ▶ Foster Care Placement
- ▶ Permanent Guardianship Subsidy
- ▶ Adoption Services
- ▶ Independent Living Maintenance
- ▶ CPS Emergency and Residential Placement

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	174,575.9	175,640.7	175,640.7
Total Funding	174,575.9	175,640.7	175,640.7
FTE Positions	0.0	0.0	0.0

Subprogram Summary	
CHILDREN, YOUTH AND FAMILIES OPERATIONS	
Jim Whallon, Chief Financial Officer	
Phone: (602) 542-3786	
A.R.S. § 41-1954; 8-800	

Mission:

To promote services for children to enable them to be safe, and live with strong families so they can be successful in life.

Description:

The Division of Children, Youth and Families Operations program provides administrative oversight and operating support to the programs within the Division. In addition, it also includes Child Protective Services, which investigates reports of child abuse and neglect.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	174,575.9	175,640.7	175,640.7
Total Funding	174,575.9	175,640.7	175,640.7
FTE Positions	0.0	0.0	0.0

- ◆ **Goal 1** To provide quality leadership and training opportunities to enhance the delivery of quality services and promote accountability.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of newly hired Child Protective Services (CPS) Specialists completing training within seven months of hire	100.0	0.0	0	0.0	0
Percent of CPS complaints reviewed by the Office of the Citizens Aide where allegations are reported as valid by the Ombudsman	30.1	0.0	0	0.0	0
Number of CPS reports received	45,365	0.0	0	0.0	0
Child protective services response rate (percent)	99.0	0.0	0	0.0	0
Percent of child protective service reports that are substantiated	9.0	0.0	0	0.0	0
Percent of CPS original dependency cases where the court denied or dismissed the dependency	.32	0.0	0	0.0	0

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- ◆ **Goal 2** To provide quality leadership and training opportunities to enhance the delivery of quality services to promote accountability.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Office of Administrative Hearings (OAH) where CPS case findings are affirmed	78.9	0.0	0	0.0	0

Subprogram Summary

CHILDREN SUPPORT SERVICES

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 8-802; 8-701; 8-521

Mission:

To strengthen, stabilize, and promote safety of families through the provision of a continuum of family-centered in-home services that are comprehensive, coordinated, community-based, accessible, and culturally responsive.

Description:

The Children Support Services Program focuses on families where unresolved problems have produced visible signs of existing or imminent child abuse, neglect, or dependency, and the home situation presents actual and potential risk to the physical or emotional well-being of a child. In-home children services seek to prevent further dependency or child abuse and neglect through provision of social services to stabilize family life and preserve the family unit. These services, including voluntary services without court involvement and court-ordered in-home intervention, are available statewide. Services include parent aide, parenting skills training, counseling, self-help, and contracted case management. Families may also receive referrals for services provided by other Divisions within the Department or other state agencies, including behavioral health services and other community resources.

Contracted services provided are available statewide. This integrated services model includes two service levels, intensive and moderate, which are provided based upon the needs of the child and family. The model is provided through collaborative partnerships between CPS, community social service agencies, family support programs, and other community and faith-based organizations.

The Division uses in-home service units to support delivery of integrated services and other in-home supports. Cases served include voluntary foster care, in-home court intervention, in-home dependency, integrated services, and other in-home support cases.

In the Young Adult Program, youth and Division staff work together to establish youth-centered case plans that include services and supports to assist each youth to reach his or her full potential while transitioning to adulthood and maintain safe, stable, long-term living arrangements and relationships with persons committed to their support and nurturance. State policy requires an individualized independent living case plan for every youth age 16 and older in out-of-home care, regardless of his or her permanency goal. Life skills assessments and services are provided to ensure each youth acquires the skills and resources necessary to live independently of the foster care system at age 18.

Youth in out-of-home care who do not have a goal of reunification, adoption, or guardianship are assisted to establish another planned permanent living arrangement through participation in services, opportunities, and activities through the Arizona Young Adult Program, which is Arizona's State Chafee Program. The Arizona Young Adult Program provides training and financial assistance to children in out-of-home care who are expected to make the transition from adolescence to adulthood while in foster care.

State statute allows youth to continue to receive Division services and supports to age 21 through voluntary foster care services and/or the Transitional Independent Living Program. Young adults served under the Transitional Independent Living Program are former foster youth, ages 18 through 20, who were in out-of-home care and in the custody of the Department while age 16, 17, or 18. This program provides job training, skill development, and financial and other assistance to former foster youth, to complement their efforts toward becoming self-sufficient.

Arizona Families F.I.R.S.T. provides an array of structured interventions to reduce or eliminate abuse of and dependence on alcohol and other drugs, and to address other adverse conditions related to substance abuse.

The Comprehensive Medical and Dental Program (CMDP) provides for the full coverage of medical and dental care for Arizona's children in foster care who are under the jurisdiction of the Department, the Arizona Department of Juvenile Corrections, or the Administrative Office of the Courts/Juvenile Probation Offices. CMDP operates as an acute health care plan under the Arizona Health Care Cost Containment System (AHCCCS) for children who are determined Medicaid eligible.

- ◆ **Goal 1** To enhance the ability of parents being served by Child Protective Services to create safe, stable, and nurturing home environments by providing cost-effective services that promote the safety of all family members.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of families receiving in-home services (*point in time 6/30)	6,229	0.0	0	0.0	0
Number of children receiving services through Healthy Families	4,751	0.0	0	0.0	0

- ◆ **Goal 2** To promote recovery from alcohol and drug abuse for Arizona Families F.I.R.S.T. program participants.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of CPS clients referred for substance abuse treatment services	6,509	0.0	0	0.0	0

- ◆ **Goal 3** To provide medical and dental care for children in foster care.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of children enrolled in Comprehensive Medical and Dental Program	14,850	0.0	0	0.0	0

Subprogram Summary

FOSTER CARE PLACEMENT

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 8-514

Mission:

To provide permanence, stability, and continuity of care in safe homes that meet the needs of children who enter out-of-home care. Services include, but are not limited to, case management, permanency planning, provision of out-of-home care, and other out-of-home support services to individuals or families.

Description:

Out-of-home placement services are available statewide for children who are unable to remain in their homes due to immediate safety concerns or impending and unmanageable risk of maltreatment. Placement services promote safety, permanency, and child and family well-being through supervision and monitoring of children in out-of-home placement, and support of the out-of-home caregiver's ability to meet the child's needs. State policy requires a complete individual placement needs assessment for every child who requires out-of-home care, and that the Division whenever possible: place children in the least restrictive placement available, consistent with the needs of the child; place children in close proximity to the parents' home and within the child's own school district; seek adult relatives or adults with whom the child has a significant relationship to meet the placement needs of the child in out-of-home care; place siblings together unless there is documented evidence that placement together is detrimental to one of the children; and place children with caregivers who can communicate in the child's language.

Placement types include: emergency shelters, kinship homes, foster homes, adoptive homes, group homes, residential treatment centers, and independent living subsidy arrangements.

Goals and performance measures for the Foster Care Placement Program, CPS Emergency Placement, and CPS Residential Placement line items are contained in this program as only aggregate data for out-of-home children services is available.

◆ **Goal 1** To promote permanent placements for children who enter out-of-home care.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of children in out-of-home care (*point in time 6/30)	16,566	0.0	0	0.0	0
Percent change in number of children in out-of-home care (*point in time 6/30)	14.0	0.0	0	0.0	0

◆ **Goal 2** To enhance children's health and development by providing stable and nurturing environments.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of children remaining in shelter more than 21 days	802	0.0	0	0.0	0
Average number of days spent in shelter care for those children in shelter care 21 days or longer	100	0.0	0	0.0	0
Number of children under 3 in shelter care as of June 30	43	0.0	0	0.0	0
Number of children under 6 in group homes as of June 30	55	0.0	0	0.0	0

Subprogram Summary

PERMANENT GUARDIANSHIP SUBSIDY

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 8-814

Mission:

To provide permanency for children by strengthening the guardianship placement with a monetary subsidy to persons appointed permanent guardians of a dependent child.

Description:

The Permanent Guardianship subsidy provides a monthly partial reimbursement to caretakers appointed as permanent guardians of children in the care, custody, and control of the Department. These are children for whom reunification and adoption has been ruled out as unachievable or contrary to the child's best interest. Medical services are provided to Title XIX eligible children through the Arizona Health Care Cost Containment System (AHCCCS). Administrative services include payment processing, administrative review, and authorization of services. Many of the permanent homes supported by Subsidized Guardianship are kinship placements.

◆ **Goal 1** To increase permanency for children who have been adjudicated dependent by providing a monetary subsidy to persons appointed as permanent guardians.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of children receiving subsidized guardianship payments	2,551	0.0	0	0.0	0

Subprogram Summary

ADOPTION SERVICES

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 8-141 - 8-173

Mission:

To promote the timely placement of children into permanent adoptive homes, to provide adoption support services to these children and families to maintain the placement, and to provide for the special needs of children who are adopted.

Description:

The Adoptions Services program primarily provides adoption subsidy maintenance payments to adoptive parents who adopt a special needs child. A special needs child is defined in A.R.S. § 8-141 as a child with, or at risk of, a physical, mental or developmental disability, an emotional disturbance; or with other characteristics that make adoption more difficult, such as children age six or older, sibling groups, or racial/ethnic factors. The physical, mental, or emotional disorders may be a direct result of the abuse or neglect the children suffered before entering the child welfare system.

In addition to monthly subsidy payments, the Adoption Services program provides special services, non-recurring adoption costs, and adoptive home recruitment. Special services include payments for services not covered by the subsidy, such as specialized therapy, accommodations for a disability or other specialized services needed to maintain the adoptive placement. These services must be approved prior to the service being rendered and the adoptive parent must first try to receive coverage through their private insurance or through the Arizona Health Care Cost Containment System (AHCCCS). Non-recurring costs are legal costs associated with the adoption process.

◆ **Goal 1** To promote placements in permanent adoptive homes.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of children with finalized adoptions	2,871	0.0	0	0.0	0
Percent of adoptions within 24 months	55.9	0.0	0	0.0	0

Subprogram Summary

INDEPENDENT LIVING MAINTENANCE

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 8-802, 8-521

Mission:

To provide young adults with the opportunity to achieve self-sufficiency with independent living skills.

Description:

The independent living maintenance program provides stipends to former foster youth between 18 and 21, who are now living on their own and are either enrolled in a postsecondary program or employed.

◆ **Goal 1** To assist young adults to achieve self-sufficiency.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Young Adult Independent Living Subsidy participants (*point in time 6/30)	340	0.0	0	0.0	0

Subprogram Summary

CPS EMERGENCY AND RESIDENTIAL PLACEMENT

Jim Whallon, Chief Financial Officer
Phone: (602) 542-3876
A.R.S. § 8-514

Mission:

To provide permanence, stability, and continuity of care in safe homes that meet the needs of children who enter out-of-home care. Services include, but are not limited to, case management, permanency planning, provision of out-of-home care, and other out-of-home support services to individuals or families.

Description:

Description, goals, and performance measures for this program are contained in the Foster Care Placement program, DEA 6.5, as these programs operate in concert with one another and only aggregate data for out-of-home children services is available.

Program Summary

EMPLOYMENT AND REHABILITATION SERVICES

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. §§ 41-1967; 41-1954; 46-801; 46-136

Mission:

To increase self-sufficiency and well-being for individuals and families through programs and services that promote and support employment and independent living.

Description:

The Division of Employment and Rehabilitation Services administers a comprehensive range of employment programs, services, and supports to Arizonans and their families that includes employment, education, and training services to individuals receiving TANF Cash Assistance and Supplemental Nutrition Assistance, child care assistance for eligible recipients, assistance to individuals with disabilities in achieving and/or maintaining employment, independent living services and supports to individuals with significant disabilities, Workforce Investment Act (WIA) programs for adults, dislocated workers, and economically disadvantaged youth administered through Local Workforce Investment Areas (LWIAs), Unemployment Insurance benefits to eligible individuals and collection of payroll taxes from employers to fund the payment of those benefits, and employment services to assist job seekers and employers to achieve a quality workforce.

This Program Contains the following Subprograms:

- ▶ Employment and Rehabilitation Services Operations
- ▶ JOBS
- ▶ Day Care Subsidy
- ▶ Independent Living Rehabilitation Services
- ▶ Workforce Investment Act Services
- ▶ Rehabilitation Services
- ▶ Arizona Industries for the Blind
- ▶ Unemployment Insurance
- ▶ Employment Services

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	10,257.1	10,217.0	24,703.3
Other Appropriated Funds	133,605.2	182,977.4	183,477.4
Other Non Appropriated Funds	468,429.1	469,609.0	487,506.9
Total Funding	612,291.4	662,803.4	695,687.6
FTE Positions	1,987.0	1,987.0	2,093.0

Subprogram Summary

EMPLOYMENT AND REHABILITATION SERVICES OPERATIONS

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. §§ 41-1967; 41-1954; 46-801; 46-136

Mission:

To increase self-sufficiency and well-being for individuals and families through programs and services that promote and support employment and independent living.

Description:

Division of Employment and Rehabilitation Services Operations provides administrative oversight and operating support for all Division programs. The costs reflected in this line item include the costs associated with the Rehabilitation Services Administration, Child Care Administration, Employment Service, Unemployment Insurance and the Workforce Investment Act. For the Jobs program, the administrative costs paid from this program do not include the contracted costs, as they are paid from the Jobs program.

Note: Goals and performance for the operating function of the division are reflected in the goals and performance of the division's programs and special line items.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,171.7	6,156.6	7,698.0
Other Appropriated Funds	18,435.6	18,892.5	19,392.5
Other Non Appropriated Funds	69,003.1	68,256.3	73,535.1
Total Funding	94,610.4	93,305.4	100,625.6
FTE Positions	1,241.2	1,241.2	1,347.2

Subprogram Summary

JOBS

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 41-1954; 46-136

Mission:

To provide eligible individuals the opportunity to become economically independent through employment. Jobs removes barriers by providing a variety of services that make a positive difference in their lives.

Description:

The Jobs Program provides comprehensive employment, education, and training services to work eligible individuals receiving Temporary Assistance for Needy Families (TANF) Cash Assistance benefits. The services provided include employment skills assessment, job search/job readiness activities, work experience, vocational training, GED preparation, job development and placement, case management, and support services.

The Supplemental Nutrition Assistance Employment and Training (SNA E&T) program provides short-term training, work experience and also offers limited support services for mandatory Supplemental Nutrition Assistance recipients in the program.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	300.0	300.0	300.0
Other Appropriated Funds	9,722.5	12,705.6	12,705.6
Other Non Appropriated Funds	198.6	300.0	300.0
Total Funding	10,221.1	13,305.6	13,305.6
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Cash Assistance employment placements	6,596	4,666	4,666	4,500	4,500

Subprogram Summary

DAY CARE SUBSIDY

Jim Whallon, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. §§ 41-1967; 46-801

Mission:

To support the well-being and economic independence of Arizona's families by providing child care assistance and developing quality child care

Description:

The program provides child care assistance for eligible recipients under state appropriation of state and federal block grant funding sources, certifies small family child care homes that serve eligible families, provides funding to increase the availability and improve the quality of child care services, and provides leadership for statewide coordination and collaboration of various child care and early childhood development programs.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	25.0	0.0	7,938.7
Other Appropriated Funds	64,496.3	98,396.6	98,396.6
Other Non Appropriated Funds	0.0	0.0	1,026.6
Total Funding	64,521.3	98,396.6	107,361.9

FTE Positions

0.0 0.0 0.0

◆ **Goal 1** To increase the availability, supply, and quality of child care providers to support the needs of children and families.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of customer satisfaction with child care	91	89	89	90	90
Number of children whose families are assisted by Child Care Resource and Referral	37,842	38,758	38,758	39,500	39,500
Average number of children in Day Care Subsidy program per month	23,761	28,500	28,500	25,900	25,800

Explanation: *Includes Transitional Child Care population

Subprogram Summary

INDEPENDENT LIVING REHABILITATION SERVICES

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 (SLI) PL 93-112

Mission:

To work with individuals who have significant impairments to maintain and increase self-determination and independence (placing primary emphasis on core services: information and referral services, independent living skills services, peer counseling, and self-advocacy) in partnership with the Centers for Independent Living, other Independent Living Programs, and the Statewide Independent Living Council.

Description:

The Independent Living Rehabilitation Services (ILRS) program promotes and advocates for the independent living needs and goals of individuals with significant disabilities, provides information and referral services, provides peer support and counseling services, provides grants and contracts to community programs to provide services and for community development, provides training in independent living skills to individuals, provides other independent living services as necessary and appropriate to individuals including: technology assistance, adaptive aids and devices, home modifications, etc.; and provides eye exams and glasses.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	166.0	166.0	1,666.0
Other Appropriated Funds	1,091.8	1,123.4	1,123.4
Other Non Appropriated Funds	1,329.7	1,907.0	1,907.0
Total Funding	2,587.5	3,196.4	4,696.4
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of individuals receiving services in order to achieve or maintain their independence	710	1,000	671	300	0

Subprogram Summary

WORKFORCE INVESTMENT ACT SERVICES

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. §§ 41-1954; PL 105-220

Mission:

To provide leadership and support to programs that prepare eligible individuals for long-term employment and self-sufficiency.

Description:

The Department of Economic Security is the agency and grant recipient for the Workforce Investment Act (WIA) Title I-B federal funds. It has the responsibility for state program planning and policy direction, overall management, program development, and performance oversight of the employment and training programs operated in 12 Local Workforce Investment Areas (LWIAs). The LWIAs administer the programs for adults, dislocated workers, and economically disadvantaged youth. In addition, five percent of the federal WIA allocation is available for discretionary purposes such as administration, statewide initiatives, and competitive grants for employment and training programs.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	39,654.3	51,654.6	51,654.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	39,654.3	51,654.6	51,654.6
FTE Positions	0.0	0.0	0.0

- ◆ **Goal 1** To achieve the goals of the Workforce Investment Act by providing employment assistance to adults, youth, and dislocated workers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of adults who entered employment	1,725	1,400	1,422	1,500	1,500
Number of youth who entered employment	343	300	276	350	350
Number of dislocated workers who entered employment	1,386	1,055	1,055	1,100	1,100

Subprogram Summary

REHABILITATION SERVICES

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. §§ 23-501; 36-552

Mission:

To work with individuals with disabilities to achieve gainful employment through the provision of jointly developed and individually planned vocational rehabilitation services in a partnership with the State Rehabilitation Council (SRC), Community Rehabilitation Programs (CRP), and all other stakeholders.

Description:

This subprogram assists individuals with disabilities to evaluate and determine appropriate employment goals and to identify the activities and services necessary to achieve these goals, including the provision of employment support services. To assist individuals in achieving and/or maintaining employment, this subprogram provides counseling and an array of individually planned and purchased services, including medical and psychological restoration, training, job development and placement, job coaching, rehabilitation technology aids, etc. The subprogram also provides program development grants to community rehabilitation programs to develop new or different patterns of services that will benefit clients of the Vocational Rehabilitation (VR) program and provides for the purchase of services and goods that benefit groups of individuals eligible for the VR program.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,594.4	3,594.4	7,100.6
Other Appropriated Funds	204.7	204.7	204.7
Other Non Appropriated Funds	60,689.5	65,566.4	78,520.9
Total Funding	63,488.6	69,365.5	85,826.2
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Individuals in the Vocational Rehabilitation program successfully rehabilitated	1,193	1,240	1,275	1,364	1,200

Subprogram Summary

ARIZONA INDUSTRIES FOR THE BLIND

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 41-1971

Mission:

To create, sustain, and improve employment and training opportunities for Arizonans who are blind via business enterprise.

Description:

Arizona Industries for the Blind (AIB) was created under Arizona Revised Statute 41-1971 to 41-1976. AIB's focus is to provide employment opportunities for the blind and visually impaired by providing goods and services to government and commercial customers. AIB participates in the Federal AbilityOne program, authorized by the Javits-Wagner-O'Day (JWOD) Act (41 USC 46-48c), and is an affiliate of the National Industries for the Blind. The AbilityOne program requires federal customers to purchase products and services manufactured or provided by nonprofit agencies employing people who are blind. AIB operates as a self-supporting enterprise fund, where all costs are paid through revenue generated by the program.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	18,895.6	19,400.8	19,400.8
Total Funding	18,895.6	19,400.8	19,400.8
FTE Positions	127.0	127.0	127.0

Subprogram Summary

UNEMPLOYMENT INSURANCE

Jim Whallon, Chief Financial Officer
 Phone: (602) 542-3786
 A.R.S. § 23-601

Mission:

To collect taxes from covered employers and to pay benefits to eligible unemployed workers.

Description:

The program provides Unemployment Insurance benefits to eligible individuals based on their past earnings and collects payroll taxes from subject employers to fund the payment of those benefits.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	315,152.7	311,018.6	309,656.6
Total Funding	315,152.7	311,018.6	309,656.6
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To increase the degree of timeliness in paying Unemployment Insurance benefits.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
First payment timeliness	80.4	87.0	85.8	87.2	92

Subprogram Summary

EMPLOYMENT SERVICES

Jim Whallon, Chief Financial Officer
Phone: (602) 542-3786
(SLI) PL 93-112

Mission:

To assist job seekers and employers to achieve a quality workforce through an improved service delivery system.

Description:

The program provides job placement, counseling, job search assistance, referral to training, and certification of employers who qualify for a tax credit for providing jobs to eligible job seekers.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,159.9	3,159.9	3,159.9
Total Funding	3,159.9	3,159.9	3,159.9
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of clients entered employment	82,000	82,200	82,200	82,000	82,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	204.4	1,325.2	1,325.2
Other Appropriated Funds	0.0	379.8	379.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	204.4	1,705.0	1,705.0
FTE Positions	11.0	11.0	11.0

◆ **Goal 1** To set fair and reasonable policies and standards that foster excellence in public education.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Arizona high school students who enter 9th grade and graduate within four years	0	0	0	79	79

◆ **Goal 2** To ensure student safety by investigating and taking appropriate action on complaints made against professional educators.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of investigative cases closed	0	0	299	300	300
Adjudications by State Board of Education - cases presented to and voted on by board members.	0	0	42	65	65

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 oversees direct services to 236 locally-governed school districts, including 14 vocational districts and 9 accommodation districts. The Superintendent, in conjunction with the State Board for Charter Schools, oversees 457 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ OFFICE OF THE SUPERINTENDENT	880.0	987.2	987.2
➤ STATE BOARD OF EDUCATION / VOC AND TECH EDUCATION	40,842.0	40,464.1	40,464.1
➤ ADMINISTRATION	452,784.8	448,744.6	460,679.6
➤ SCHOOL FINANCE	4,205,716.3	4,437,330.5	4,437,330.5
➤ HIGHLY EFFECTIVE SCHOOLS	1,500.0	1,000.0	1,000.0
➤ HIGHLY EFFECTIVE TEACHERS AND LEADERS	47,638.4	43,075.5	43,075.5
➤ HIGH ACADEMIC STANDARDS FOR STUDENTS	54,479.1	78,452.6	82,786.3
➤ ACCOUNTABILITY AND ASSESSMENT	42,086.1	43,029.1	48,152.9
Agency Total:	4,845,926.7	5,093,083.6	5,114,476.1
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,730,656.7	3,894,424.4	3,907,716.9
Other Appropriated Funds	48,726.0	56,977.1	65,077.1
Other Non Appropriated Funds	1,066,544.0	1,141,682.1	1,141,682.1
Total Funding	4,845,926.7	5,093,083.6	5,114,476.1
FTE Positions	425.2	425.3	458.8

Issue 1 Low percentage of Arizona students deemed college and career ready

Description Our challenge is to achieve increases in student achievement through ADE support provided to (local control) districts and charters, to achieve the following results for Arizona’s students:

1. Establish the baseline for high school students who are proficient, based on the results of the first administration of AzMERIT.
2. Establish the baseline for adult learners who achieve the High School Equivalency diploma from 2014-15 results on the new GED.

Solutions:

Our strategies to increase student achievement and opportunities for success are focused in six areas:

- A. Accountability. High performing schools lead to high performing students.
 - B. School Improvement. Underperforming schools receive comprehensive services and targeted support.
 - C. Graduation Rate. High graduation rates indicate success along the entire pre-K through twelve and adult education systems.
 - D. Post-Secondary Engagement. Enrollment in post-secondary programs without the need for remediation indicates success along the entire pre-K through twelve continuums.
 - E. Community and Parent Engagement. Highly engaged communities and parents provide support to Local Education Agencies (LEAs) to enhance services and build strong school systems.
 - F. Data Literacy. Educators, parents, and students who understand data are better able to adjust their practice in order to improve achievement.
1. Review/develop standards for Arizona students through an inclusive process that addresses needs unique to Arizona’s students, parents, school systems, leaders, and teachers.
 2. Implement the state accountability transition plan to meet state and federal requirements, and issue AzMERIT results in a timely manner to inform instructional design/student support.
 3. Increase ADE academic programs’ collaborative support to underperforming schools (including support to school systems, leaders, and teachers) through Aligning Efforts Community of Practice (COP) and Integrated Support Team COP.
 4. Identify the percentage of students on track to be college and career ready by August 31, 2016, and facilitate inclusive review and problem-solving annually to drive progress.
 5. Annually increase State Board approved Career and Technical Education (CTE) programs that have integrated math, science, economics, or English language arts credits from 26 in 2015, and collaborate with business, community, higher education, and parent association partners to increase annually the number of attainable CTE industry recognized credentials (76 in 2015).
 6. Increase involvement of all ADE academic program areas in community and parent engagement initiatives, to include development of resources that incorporate the six, evidence-based principles of effective family engagement.
 7. Professional development (PD)/technical assistance sessions with applicable resources will be provided to educators of adults via the ADE Learning Management Systems (LMS)/CMS.
 8. Annually increase (from 35% in 2015), the percent of educators who participate in training related to the effective implementation of academic standards in the classroom.

Issue 2 Ineffective systems and processes cost both ADE and schools substantial added expense, with a poor quality student information system a major inefficiency due to limited funding to implement data system improvements

Description Our challenge is to implement the Arizona Education Learning Assessment System (AELAS) with limited funding resources. This critical tool is necessary to provide teachers, school administrators, students, parents and policy makers information that can be used to inform both instruction in the classroom, and policy decisions that will enhance opportunities for Arizona's students to increase their achievement, while reducing the administrative burdens on schools. When completed, this system will also allow ADE to properly count students and pay schools. Limited funding and resources negatively impacts our ability to implement this vital system.

Solutions:

Our strategies to develop and implement efficient and effective practices are focused in three areas:

A. Management of Grants. Well-managed grants and grants systems reduce redundancies for and increase timely feedback to LEAs.

B. Data Governance. Well-managed data ensures that LEAs receive fewer data requests, and increases security of student-level data.

C. Internal and External Processes. Streamlined and up-to-date processes reduce waste and rework, and add value to customers.

1. Evaluate ALEAT, design changes or a replacement that will more effectively meet the needs of schools and ADE while reducing costs.

2. Through effective marketing and communication, increase in 2016 the number of LEAs participating in the State Opt-In Student Information System.

3. Implement and refine a complete Online AZ Certification Information System (OACIS) that includes internal, educator, district, and public portals.

4. Implement a Title 15 Working Group with education stakeholders who are impacted by the statutes, to develop legislative solutions to reduce unnecessary burdens and outdated statutory provisions affecting Arizona's public schools. The Working Group will focus on the following:

a. Does a law improve educational outcomes for children?

b. Does it improve financial or other accountability?

c. Is it appropriate that the state mandate this or should it be left to local LEA control?

5. Streamline and standardize internal operating procedures (including accountability review and documentation) to ensure accuracy and compliance with state and federal grants/procurement regulations and requirements, in order to establish a legacy of responsible stewardship of public funds.

6. Increase annually, ADE program technical assistance and professional development provided through online tools via the ADE Learning Management System (LMS) and Content Management System (CMS).

7. Continue refinements to the Single Point of Contact (SPOC) initiative for management of grants, to better serve customers and continue the process of minimizing the burden of reporting requirements.

Issue 3 Improving educational outcomes through enhanced services and supports so schools can focus on student needs

Description Our challenge (and opportunity) is to continue to increase external customer overall satisfaction rating with ADE services to 4.25 or higher by 2020. Although we're making progress (rating of 3.54 in 2013, to 3.81 in 2014 and in 2015), we continue in our quest to provide services that are value-added, from our customers' perspectives.

Solutions:

Our strategies to provide exceptional services to support great schools, excellent teachers, and successful students are focused in two areas:

A. Agency Communication. Organized, and comprehensive communication structures reduce confusion, and enhances the agency's service-oriented reputation.

B. Customer Satisfaction. Exceptional service to internal and external customers results in high levels of customer satisfaction.

1. Track customer and review ratings of effectiveness of communication in all program (external) customer surveys, with the aim of increasing or maintaining a rating of 4.25 (on a scale of 1 to 5).
2. Increase ADE responsiveness in providing service and information to parents as well as educators, serving as a conduit in helping parents navigate education systems.
3. Engage staff ADE-wide in defining and implementing action plans to address customer feedback provided in surveys (e.g., reduce administrative burdens; provide more outreach, training, resources to districts/charters) through collaborative, cross-division teams and opportunities (including Aligning Efforts, and Integrated Support Team communities of practice).
4. Align program-specific performance objectives to key initiatives in ADE Strategic Plan, with regular measures of progress identified in program area Dashboards, to ensure forward movement on customer-related objectives.

Issue 4 Creating and sustaining a work culture defined by collaboration and performance

Description We recognize that quality and high performance are achieved from full participation and partnership between staff and management. To that end, our commitment to build a great place to work is based on creating and sustaining a supportive work culture that sets standards and accountability for cooperation, communication, customer-driven service and continuous improvement. We have a great opportunity to continue to build on progress achieved to date, by responding to key issues/concerns identified in employee satisfaction surveys, and partnering with employees to identify and implement solutions.

Solutions:

Our strategies to build a great place to work are focused in two areas:

A. Employee Satisfaction and Retention. A positive working environment leads to greater employee retention and high job satisfaction.

B. Employee Professional Learning. Job-related professional learning increases the employee's ability to carry out their work, and increases job satisfaction.

1. Implement a Supervisor Boot Camp (training and development) process, to improve the quality of line-level supervision, and to provide coaching and peer mentoring network and support to new and veteran supervisors.
2. Provide on-going Leadership Academy sessions for mid-, and senior level management.
3. Through collaborative initiatives led by Human Resources, a series of activities that provide staff opportunities to learn about ADE programs, and engage with staff from units across ADE, and that also demonstrate appreciation for employee commitment and efforts.
4. Across all programs, with cooperation between supervisors and employees, create and implement training and development plans to promote employee growth, and to increase their contributions to program and ADE mission and objectives.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	200.0	200.0	200.0
General Fund	4,020,070,430.0	4,140,672,543.0	4,264,892,719.0
Other Appropriated Funds	65,277,100.0	65,477,100.0	65,677,100.0
Non-Appropriated Funds	680,020,005.0	714,021,005.0	749,722,056.0
Federal Funds	1,175,376,900.0	1,175,376,900.0	1,175,376,900.0

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:
 The Policy Development and Government Relations Office is focused on representing the department to all levels of local, state, and federal government. Policy Development and Government Relations keeps policymakers informed of the Department's perspective on issues affecting K-12 education, while keeping internal customers informed of what changes are necessary to comply with state or federal policy changes. Policy Development and Government Relations also develops and disseminates guidance and technical assistance to the department's external customers as necessary.

The Communications Office oversees the Department's communications, constituent services, marketing, conference planning, and special projects. To accomplish its objectives, the Communications Office emphasizes and facilitates highly effective communication, collaboration and a commitment to excellence in all that the Department does.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	880.0	987.2	987.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	880.0	987.2	987.2
FTE Positions	7.0	7.0	7.0

◆ **Goal 1** To increase customer satisfaction

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Internal customer overall satisfaction rating for Policy Development and Government Relations	3.90	3.95	3.50	3.65	3.80
Internal customer satisfaction rating on Policy Development and Government Relations effectiveness of communication*	0	0	3.56	3.71	3.86
Explanation: *New measure for 2015					
Internal customer satisfaction rating on Policy Development and Government Relations timeliness of service	4.10	4.15	3.87	4.02	4.10
Increase Internal satisfaction rating for the Department's website (on a 1.0 - 5.0 scale)	4.08	4.15	4.01	4.20	4.25
Increase Constituent Services' e-mail satisfaction rating for e-mail responses (on a 1.0 – 5.0 scale)	4.82	4.70	4.88	4.75	4.80
Increase satisfaction rating for internal conference operations and management (on a 1.0 – 5.0 scale)	4.21	4.35	4.11	4.25	4.25

Program Summary

STATE BOARD OF EDUCATION / VOC AND TECH EDUCATION

Christine Thompson, Executive Director

Phone: (602) 542-5057

Arizona State Constitution, A.R.S. § 15-201-231

Mission:

To aggressively set policies that foster excellence in public education.

Description:

The 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	40,572.2	39,917.3	39,917.3
Other Appropriated Funds	269.8	246.8	246.8
Other Non Appropriated Funds	0.0	300.0	300.0
Total Funding	40,842.0	40,464.1	40,464.1
FTE Positions	3.9	2.0	2.0

◆ **Goal 1** To set fair and reasonable policies and standards that foster excellence in public education

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Arizona high school students who enter 9th grade and graduate within four years	75.15	77	76	79	81

Explanation: Fiscal Year data represents class cohort from 1 year previous (i.e. FY 2014 = Class of 2013).

◆ **Goal 2** To ensure student safety by investigating and taking appropriate action on complaints made against professional educators

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of investigative cases closed	285	310	299	300	300
Adjudications by State Board of Education	57	70	42	65	65

Explanation: Adjudications - cases presented to and voted on by board members.

Evaluation completion date for all submitted K-3 Literacy Plans (A.R.S. 15-211)*	April**	March***	April****	*****	*****
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Explanation: *Completion date by scheduled board meeting of indicated month **LEAs permitted to submit FY2014 Literacy Plans for review through March 2014 (81% of evaluations were completed by January) ***LEAs are permitted to submit FY2015 Literacy Plans for review through February 2015 **** Estimate not available ***** 2016 and 2017 Estimates not available

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	6,326.0	5,960.5	9,795.5
Other Appropriated Funds	200.1	399.0	8,499.0
Other Non Appropriated Funds	446,258.7	442,385.1	442,385.1
Total Funding	452,784.8	448,744.6	460,679.6
FTE Positions	250.8	252.6	270.6

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, and process improvement functions. These administrative functions are centralized to ensure efficient and effective operational support to the agency, and consistent application of state, federal and agency rules, regulations, guidelines, and procedures.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,199.6	3,727.9	3,907.9
Other Appropriated Funds	200.1	399.0	1,199.0
Other Non Appropriated Funds	5,933.5	6,135.8	6,135.8
Total Funding	10,333.2	10,262.7	11,242.7
FTE Positions	100.5	102.3	104.3

◆ **Goal 1** To improve process efficiency

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Properly completed external maintenance requests completed within 3 days (%)	98.47	97.2	97.49	98.00	98.50
Average turnaround time on pending classification position actions (in weeks)	3.08	4.00	3.41	3.75	3.75
Percent of print jobs completed on time	98.47	97.2	98.73	98.00	98.50

◆ **Goal 2** To improve employee and customer satisfaction

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Internal customer overall satisfaction rating for Human Resources services	3.99	4.15	4.01	4.16	4.25
Internal customer overall satisfaction rating for Organizational Development services	3.86	3.90	4.05	4.20	4.25
Internal customer overall satisfaction rating for Business and Finance services	3.65	4.05	3.97	4.12	4.30
Overall ADE external customer satisfaction rating	3.81	3.90	3.81	3.96	4.11
Overall employee satisfaction rating	3.88	3.95	3.63	3.78	3.93

◆ **Goal 3** To provide accurate and helpful information to the public

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Issue preliminary draft audit reports of at least 9 Average Daily Membership (ADM) audits to the audited school districts and charter schools during the Fiscal Year, including at least one on-line school.	20	30	34	36	40
Perform at least 96* federal fiscal monitoring reviews of school districts and charter schools by June 30th of each year	129	96	154	200	225

Explanation: * Measure revised from 18 to 96 for FY 2014

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,040.2	2,138.6	5,313.6
Other Appropriated Funds	0.0	0.0	7,300.0
Other Non Appropriated Funds	20,605.0	17,106.7	17,106.7
Total Funding	22,645.2	19,245.3	29,720.3
FTE Positions	60.5	58.8	74.8

◆ Goal 1 To ensure customer business success

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Service availability on critical applications at 99.75% uptime	99.75	99.75	99.79	99.75	99.75

◆ Goal 2 To ensure customer system availability

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Meet/exceed baseline target of 57% for First Call resolution by Support Center.	97.5	85	98	90	90

◆ Goal 3 To increase quality of customer delivery

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Deploy 92% of all production changes on time and performing as designed	99.9	92	99.25	92	92

Subprogram Summary

RESEARCH AND EVALUATION

Carrie Giovannone, Deputy Associate Superintendent

Phone: (602) 364-1994

A.R.S. § 15-743, 15-746, P.L. 107-110

Mission:

To serve the Arizona Department of Education and Arizona's education system by providing reliable and valid research, evaluation of various education initiatives and the academic performance of Arizona's students, public schools and LEAs.

Description:

The ADE Research and Evaluation subprogram was divided into two units: Program Evaluation & Data Literacy Support under High Quality Assessments and Adult Education; and Data Governance & Strategic Research under Special Projects. The Program Evaluation & Data Literacy Support unit conducts evaluations to either determine the merit and worth of ADE programs for various divisions within the ADE or to provide formative results to inform continuous improvement of ADE programs. In addition, this unit supports the agency's data literacy initiative providing resources to various stakeholders at all levels from parents to ADE colleagues on the meaning and a common understanding of the data used by the agency.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	745.2	850.0	850.0
Total Funding	745.2	850.0	850.0
FTE Positions	5.6	6.4	6.4

◆ **Goal 1** To issue on time, valid and reliable evaluations of school and student performance as required by State and Federal statutes.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of students in grade 3 meeting or exceeding state academic standards in reading	78	*	**	NA	NA
Explanation: * Establishing new baseline using new state assessment in FY 15 **Data not available until October 2015					
Percent of students in grade 10 meeting or exceeding state academic standards in reading	86	*	**	NA	NA
Explanation: * Establishing new baseline using new state assessment in FY 15 **Data not available until October 2015					
Percent of students in grade 10 meeting or exceeding state academic standards in writing	75	*	**	NA	NA
Explanation: * Establishing new baseline using new state assessment in FY 15 **Data not available until October 2015					
Percent of students in grade 10 meeting or exceeding state academic standards in math	64	*	**	NA	NA
Explanation: * Establishing new baseline using new state assessment in FY 15 **Data not available until October 2015					

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:

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, day care centers and homes. Over two-thirds of the children served are low income, based on free and reduced-income eligibility status. The free and reduced status is based on the federal poverty guidelines and is an indicator of a child's at-risk status. Training, technical assistance, 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, and School Health Programs.

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.

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.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	86.2	94.0	574.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	418,975.0	418,292.6	418,292.6
Total Funding	419,061.2	418,386.6	418,866.6
FTE Positions	84.2	85.1	85.1

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Food Service Management Contracts in program compliance with invoicing SFAs	88	89	77	80	82
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	94	95	92	92	92
Maintain the percent of S3 schools with Action Plans aligned to State Plan (100% in 2012)	100	100	100	NA*	NA*

Explanation: *S3 grant ended in 2015

◆ **Goal 2** To increase customer satisfaction

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Overall external customer rating on Health & Nutrition Services*	0	0	4.13*	4.25	4.27
Explanation: *New measure for 2015					
External customer overall satisfaction rating on School Safety and Prevention	4.33	4.33	4.36	4.33	4.33
21st CCLC annual external customer overall satisfaction rating	4.47	4.50	4.42	4.50	4.50

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,654,246.2	3,820,668.7	3,820,668.7
Other Appropriated Funds	46,475.5	47,359.5	47,359.5
Other Non Appropriated Funds	504,994.6	569,302.3	569,302.3
Total Funding	4,205,716.3	4,437,330.5	4,437,330.5
FTE Positions	16.0	15.0	15.0

◆ **Goal 1** To provide timely and reliable customer service.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Instructional Improvement Fund (IIP) payments made on a quarterly basis	100	100	100*	100	100
Explanation: * payment schedule modified to semi-annual basis					
Percent of Classroom Site Fund payments made on a monthly basis	100	100	100	100	100
External customer overall satisfaction rating for School Finance	3.62	3.78	3.70	3.80	3.95
Number of days to process budget analysis from July 18	100	77	77	77	77

Program Summary	
HIGHLY EFFECTIVE SCHOOLS	
Shari Zara, Deputy Superintendent	
Phone: (602) 364-2347	
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.

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,500.0	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	1,500.0	1,000.0	1,000.0
FTE Positions	0.0	0.0	0.0

Subprogram Summary

EXCEPTIONAL STUDENT SERVICES

Angela Denning, 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	33,242.1	32,242.1	32,242.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	253,392.3	270,112.8	270,112.8
Total Funding	286,634.4	302,354.9	302,354.9
FTE Positions	140.2	139.7	139.7

◆ Goal 1 To ensure that all students with disabilities have access to an excellent education

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
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Percent of students with IEPs graduating from high school with a regular diploma	67**	68	63**	68	68
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Explanation: ** Fiscal Year Actual data represents one year previous (i.e. FY 2014 = graduation data from 2012-2013)

Percent of children with IEPs scoring at or above proficient in reading as measured by the state approved standardized assessment	41	44	*	45	NA**
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Explanation: * Data not available until October 2015 **Estimate not available

Percent of children with IEPs scoring at or above proficient in math as measured by the state approved standardized assessment	29	33	*	34	NA**
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Explanation: * Data not available until October 2015 **Estimate not available

◆ Goal 2 To improve customer satisfaction

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
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External customer overall satisfaction rating for Exceptional Student Services	3.74	4.00	3.88	4.03	4.18
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Subprogram Summary

SCHOOL IMPROVEMENT AND INTERVENTION

Yovhane Metcalfe, Chief Accountability Officer

Phone: (602) 364-1983

A.R.S. § 15-241, 15-741.01, 15-809, P.L. 107-110

Mission:

To drive academic reform and innovation through meaningful accountability, professional learning, cross-divisional collaboration, and external partnerships designed to significantly increase and sustain student achievement.

Description:

The ADE School Improvement Section and the ADE Accountability Section have combined as the Accountability, Support & Innovation (ASI) section in order to reduce administrative burden and streamline resources aimed at increasing academic achievement for all students. ASI 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, ASI employs multiple methods to inform decision-making and measure school improvement in order to provide actionable data designed around facilitating achievement for all students. ASI uses a state-developed differentiated System of Support with an emphasis on building capacity of the LEA/Charter Holder to support continuous improvement through technical assistance, professional development, on-site visits, desktop monitoring, fiscal monitoring, progress monitoring and compliance monitoring.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	29,207.0	21,468.1	21,468.1
Total Funding	29,207.0	21,468.1	21,468.1
FTE Positions	14.0	13.4	13.4

◆ **Goal 1** To provide technical assistance and training for districts and schools to improve effectiveness

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Complete at least 95% of scheduled monitoring visits to SIG/Priority schools on time	96	97	96	97	97
Annual external customer overall satisfaction rating for Support and Innovation	3.96	4.06	3.76	3.90	4.05

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 72 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,575.4	11,560.9	11,560.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	24,548.3	25,382.8	25,382.8
Total Funding	36,123.7	36,943.7	36,943.7
FTE Positions	44.8	44.4	44.4

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Annual external customer overall satisfaction rating for CTE	3.87	3.97	3.93	4.07	4.22
Percent of 12th grade students in the same cohort year who are CTE program concentrators.	6.08*	6.00	NA**	6.25	6.75

Explanation: *Data not available until October, FY2014 number reflects FY2013 data **Data not available until October 2015

Percent of CTE program concentrators who earned an industry recognized credential	2.9*	5	4**	5	6
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Explanation: *Data not available until October, FY2014 number reflects FY2013 data **Estimate for FY2015, data not available until October 2015

Subprogram Summary

TITLE I

Nancy Konitzer, Deputy Associate Superintendent
Phone: (602) 542-7470
P.L. 107-110

Mission:

To support the implementation of the Federal Title I Grant for Arizona's System of School Support in order to impact teaching and learning in Kindergarten through 12th grade classrooms so that educationally disadvantaged students achieve high academic success.

Description:

Title I, under the Elementary and Secondary Education Act, provides financial assistance to local educational agencies to meet the needs of educationally deprived children at preschool, elementary, and secondary school levels who are in low income areas. The purpose of this Title I funding is to help all children achieve the state's academic standards. This is accomplished through supplemental programs that consist of instructional services, instructional support services, school wide reform efforts, and increased involvement of parents in their children's education.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,125.8	3,646.5	3,646.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	340,140.0	353,464.8	353,461.3
Total Funding	344,265.8	357,111.3	357,107.8
FTE Positions	40.4	40.4	40.4

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of districts in compliance in (Cycle 1) Federal indicator	98	98	95	98	98
Percent of districts in compliance in (Cycle 2) Federal indicator	97	97	97	97	98
Percent of districts in compliance in (Cycle 3) Federal indicator	99	95	95	95	96
Percent of districts in compliance in (Cycle 5) Federal indicator	95	95	100	95	96
Percent of districts in compliance in (Cycle 6) Federal indicator	100	99	99	99	99

Subprogram Summary

EMERGENT STUDENT SERVICES

Leah Landrum Taylor, Associate Superintendent of Special Projects

Phone: (602) 364-1952

A.R.S. § 15-1241, P.L. 89-329, P.L. 101-610, P. L. 107-110

Mission:

To serve Local Education Agencies (LEAs) in accessing quality educational programs to serve Arizona’s diverse school populations through technical assistance, timely allocation and distribution of program funds, monitoring state and federal grants, and providing data collection related to school safety to ensure that every child has access to a safe school environment and an excellent education.

Description:

The Special Projects sub-program (formerly Emergent Student Services) serves Arizona’s diverse school populations through a variety of targeted initiatives provided by several Units within the Sub-Program. These include:

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 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.

Office of Indian Education:

The Indian Education program administers federal grants, including the Johnson-O’Malley Program, to meet the educational and cultural needs of participating LEAs and implements A.R.S. 15-244, Indian Education Act. 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.

Data Governance & Strategic Research:

The Data Governance and Strategic Research program supports and coordinates the policies, processes and standards that govern the quality, collection, management, and protection of ADE’s data. In addition, the mission of the Strategic Research program is to use data, information and research findings to support the development and planning of agency policy initiatives.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	169.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,163.2	10,079.4	10,079.4
Total Funding	10,163.2	10,079.4	10,248.4
FTE Positions	9.8	9.9	11.4

◆ **Goal 1** To provide timely and reliable customer service

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Annual external customer overall satisfaction rating on Migrant Education	4.33	4.45	4.49	4.50	4.55
Annual external customer overall satisfaction rating on Education for Homeless Children and Youth	4.60	4.65	4.50	4.55	4.60
Annual external customer overall satisfaction rating for the Office of Indian Education	3.66	3.85	4.22	4.25	4.25

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	500.0	500.0
Other Appropriated Funds	1,780.6	1,971.8	1,971.8
Other Non Appropriated Funds	45,857.8	40,603.7	40,603.7
Total Funding	47,638.4	43,075.5	43,075.5
FTE Positions	40.1	38.6	38.6

Subprogram Summary

OFFICE OF ARIZONA CHARTER SCHOOLS PROGRAMS (AZCSP)

Mark Francis, Deputy Associate Superintendent
 Phone: (602) 542-4020
 A.R.S. § 15-181-15-189.03

Mission:

To ensure High-Quality Educational Choices by Selecting, Monitoring, and Assisting Transformative Leaders.

Description:

The Arizona Charter School Program (AZ CSP) is a competitive start-up grant that supports visionary leaders who will form charter schools which will improve student achievement to high academic standards and improve high school student achievement and graduation rates. Special preference will be awarded to those leaders who form schools in urban and rural areas with a history of poor academic performance.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	8,275.9	4,865.5	4,865.5
Total Funding	8,275.9	4,865.5	4,865.5
FTE Positions	3.7	3.2	3.2

◆ **Goal 1** To ensure high-quality educational choices

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of academic, governance, and financial monitoring visits conducted	97	113	114	74	56
Maintain an annual external customer satisfaction rating of at least 4.5/5 for AZ CSP	4.1	4.5	4.67	4.5	4.5

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, Certification, and Professional Learning.

The Effective Teachers and Leaders unit is responsible for overseeing the implementation of ESEA federal legislation for achieving the goal of having a highly qualified/effective teacher in every classroom, achieving equitable distribution of effective teachers, working collaboratively with stakeholders and Institutions of Higher Education to design and implement a rigorous professional preparation program approval process and rigorous educator assessments based on the AZ professional educator standards, assisting LEAs with meeting federal and state requirements for principal and teacher evaluation, and overseeing pay for performance initiatives.

The Certification unit certifies teachers, administrators, speech language pathologists, speech language technicians, school psychologists and guidance counselors. The unit provides technical assistance regarding certification statutes and state board 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.

The Professional Learning unit delivers and provides assistance to Arizona educators, LEAs, and other ADE divisions in the design, implementation, and evaluation of high quality and targeted professional learning. The unit stays on the cutting edge of professional learning by maintaining relationships with national and local experts in the areas of facilitation, adult learning strategies, effective school based initiatives, and collaborative work environments. The Professional Learning unit implements interactive practices to present information to the field.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	500.0	500.0
Other Appropriated Funds	1,780.6	1,971.8	1,971.8
Other Non Appropriated Funds	37,581.9	35,738.2	35,738.2
Total Funding	39,362.5	38,210.0	38,210.0
FTE Positions	36.4	35.4	35.4

◆ **Goal 1** To provide timely and reliable customer service

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Reduce from 10 days the average processing time of certification services requiring an evaluation.*	12	10	10	9	8
Explanation: * Temporary increase in processing time anticipated in response to implementation of new certification system					
Maintain at least a 4.50 customer service satisfaction rating at the counter and for outreach services	4.99	5.00	5.00	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	98.0	98.5	100	99	99

◆ **Goal 2** To ensure the quality of Arizona’s educators through evaluation and certification

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Increase the percent of core academic teaching positions taught by highly qualified teachers within the state	98*	98.5	98.3	95	95

Explanation: *Preliminary number

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 professional development and technical assistance that supports the needs of LEAs.

Description:

The High Academic Standards subprogram 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 subprogram provide guidance documents, professional development and technical assistance to Arizona educators to ensure that educators have the necessary information to provide effective instruction. The High Academic Standards subprogram provides support specifically to educators and classrooms providing instruction to K-12 students, K-12 English Language Learners and young students ages 3-5 in early education programs as well as providing career and technical education services to high school students and community colleges.

This Program Contains the following Subprograms:

- ▶ K-12 Academic Standards
- ▶ Early Childhood
- ▶ Title III - OELAS

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,408.7	11,468.3	15,802.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	43,070.4	66,984.3	66,984.3
Total Funding	54,479.1	78,452.6	82,786.3
FTE Positions	63.6	65.3	76.8

Subprogram Summary

K-12 ACADEMIC STANDARDS

Sarah Galetti, Deputy Associate Superintendent
Phone: (602) 364-2810
A.R.S. § 15-704, P.L. 107-110

Mission:

To provide Arizona'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.

Additionally, the K-12 Academic Standards section 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 also provides professional development for educators across Arizona in the area of foundational reading standards in support of Move On When Reading. Content specialists from all academic standards areas provide statewide professional development and technical assistance to LEAs, including to LEAs receiving Race To The Top round 3 grant funding.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	4,333.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,332.2	12,262.8	12,262.8
Total Funding	12,332.2	12,262.8	16,596.5
FTE Positions	23.5	23.9	35.4

◆ **Goal 1** To provide training and professional development to improve the effectiveness of standards based teaching and learning

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of LEAs completing ADE-sponsored Mathematics Standards professional development (as measured cumulatively by LEAs who have attended ADE face to face sponsored trainings for mathematics between the 2010-2011 school year and the 2014-2015 school year)	81	83	85	87	89
Percent of LEAs completing ADE-sponsored ELA Standards professional development (as measured cumulatively by LEAs who have attended ADE sponsored face to face trainings for ELA between the 2010-2011 school year and the 2014-2015 school year. Over this past year we have experienced an increase in webinar attendance and as a result have offered more webinar trainings and fewer face-to-face trainings. This number does not include webinar participants.)	77	80	77	80	82
Percent of K-12 teachers implementing Arizona's College and Career Ready standards as measured by Superintendent Standards Declarations. (15% of 630 LEAs who submitted standards declarations reported a number that was less than 100%)	86	92	85	92	94
Percentage of teachers reporting expanded content knowledge of K-3 reading instruction as a result of implementing Move On When Reading literacy plans as measured by expanded content knowledge by participants in Teaching Reading Effectively training which supports Move on When Reading.	89	91	99	95	95

Subprogram Summary

EARLY CHILDHOOD

Carol Lippert, Associate Superintendent

Phone: (602) 364-1985

A.R.S. § 15-715, 15-771, 15-901.02, 15-1251, P.L. 107-110

Mission:

To provide leadership and support to schools, organizations, educators, families, and communities in implementing programs that assist all children from birth through age 8 years to become successful lifelong learners.

Description:

The Early Childhood Education section provides professional support to Arizona’s early childhood educators and also participates in multiple partnerships designed to create quality learning environments and opportunities for young children. Specifically this section focuses on programs that include Preschool Special Education programs for children ages 3 to 5 years old with disabilities, Head Start programs, First Things First funded classrooms, federal Early Childhood Block Grant, and Title I preschools. Content specialists in this section also provide professional support to LEAs with kindergarten through grade three programs. The Early Childhood Education section supports school readiness and early learning success by encouraging the implementation of high quality program guidelines and educational standards. Local community programs are provided access to resources, on-site support, funding, and opportunities for professional development to promote developmentally appropriate learning environments.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,792.5	31,886.7	31,886.7
Total Funding	9,792.5	31,886.7	31,886.7
FTE Positions	17.8	18.0	18.0

◆ **Goal 1** To ensure compliance with the Office of Special Education Programs requirements

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of preschool children in general education who met age level expectations in social and emotional development at the end of the school year. Explanation: New measure for FY2014	93	93	93	93	93
Percentage of preschool children in general education who met age level expectations in physical development at the end of the school year Explanation: New measure for FY2014	95	95	93.5	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. Explanation: New measure for FY2014	91	91	90	90	90
Percentage of preschool children in general education who met age level expectations in literacy development at the end of the school year. Explanation: New measure for FY 2014	92	92	93	93	93
Percentage of preschool children in special education who met age level expectations in social and emotional development at the end of the school year. Explanation: New measure for FY2014	85	85	68	68	68
Percentage of preschool children in special education who met age level expectations in physical development at the end of the school year. Explanation: New measure for FY2014	92	92	77	77	77
Percentage of preschool children in special education who met age level expectations in language development at the end of the year. Explanation: New measure for FY 2014	92	92	60	60	60
Percentage of preschool children in special education who met age level expectations in literacy development at the end of the school year. Explanation: New measure for FY 2014	92	92	71	71	71

◆ **Goal 2** To increase customer satisfaction

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Annual external customer overall satisfaction rating for Early Childhood Education	3.86	4.00	3.71	4.20	4.20

Subprogram Summary

TITLE III - OELAS

Kelly Koenig, Deputy Associate Superintendent
 Phone: (602) 542-9689
 A.R.S. § 15-241, 15-751-756.01-.13, 15-910, 41-1279.03, P.L. 107-110

Mission:
To assist schools in providing services that support high academic success for English Language Learning (ELL) students.

Description:
 The Office of English Language Acquisition Services (OELAS) was formally established on September 21, 2006, pursuant to A.R.S 15-756.07. This subprogram is authorized under the federal No Child Left Behind Act of 2001 (NCLB) and the federal Civil Rights Act to provide technical assistance to local educational agencies for their English Language Learner (ELL) students. In addition, pursuant to A.R.S. § 15-751 through A.R.S. § 15-756.01, each school with enrolled ELL students must provide programs that allow these students to develop their skills in the English language and to give them the opportunity to meet Arizona Academic Standards.

The assistance the subprogram provides to LEAs consists of the following: (1) Providing notification to local educational agencies of their requirements/responsibilities for compliance under federal and state statutes; (2) Providing notification to local educational agencies of their requirements/responsibilities in regards to Arizona Department of Education policy and as described under the Flores lawsuit; (3) Providing methods/technical assistance to local education agencies for identifying, assessing, re-assessing, re-classifying, and reporting on ELL students; (4) Providing information, materials, resources, and strategies for Structured English Language Immersion models; and (5) Providing professional development opportunities for teachers and administrators to ensure ELL student attainment of English language proficiency and the academic achievement through the use of Structured English Language Immersion (SEI) models, the state Compensatory Instruction Fund, Title III funding, and providing technical assistance for SEI budget calculation and submission; (6) Review and approve continuous improvement plans in ALEAT to ensure required Title III components have been addressed; (7) Review and recommend for Arizona State Board approval of SEI Endorsement Coursework.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,408.7	11,468.3	11,468.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	20,945.7	22,834.8	22,834.8
Total Funding	32,354.4	34,303.1	34,303.1
FTE Positions	22.3	23.4	23.4

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 1, 2015.	*	15	39	40	42

Explanation: *New measure

◆ **Goal 2** To increase academic gains of students reclassified as FEP

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of students reclassified as Fluent English Proficient (FEP)*	29.9	32	30	30.5	31

Explanation: *AZELLA assessment significantly revised in 2013; prior comparisons no longer applicable

Program Summary

ACCOUNTABILITY AND ASSESSMENT

Leila Williams, Associate Superintendent
 Phone: (602) 364-2811
 A.R.S. § 15-241, 15-741-15-747, 15-809, P.L. 107-110

Mission:
To promote attainment of high academic achievement for all students through implementation of valid and reliable assessments and accurate measurement of school and student performance.

Description:
 The Accountability and Assessment program focuses on improving student achievement through development and administration of valid and reliable assessments and report academic outcomes in order to make informed decisions about students, classroom practice, schools, and districts in Arizona.

This program includes Arizona’s Adult Education which supports educational opportunities for adult learners who did not complete high school.

This Program Contains the following Subprograms:

- ▶ Assessment
- ▶ Adult Education

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	15,723.6	13,922.4	19,046.2
Other Appropriated Funds	0.0	7,000.0	7,000.0
Other Non Appropriated Funds	26,362.5	22,106.7	22,106.7
Total Funding	42,086.1	43,029.1	48,152.9
FTE Positions	43.8	44.8	48.8

Subprogram Summary

ASSESSMENT

Irene Hunting, Deputy Associate Superintendent
 Phone: (602) 542-5450
 A.R.S. § 15-741 - 15-742, P. L. 107-110

Mission:

To develop and administer valid and reliable student assessment aligned to adopted state standards.

Description:

The Assessment Section develops, administers, and provides score reports for statewide assessments that meet both state and federal statutory requirements for student assessment. The assessments are developed using 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.
- NCSC 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,223.6	9,422.4	14,046.2
Other Appropriated Funds	0.0	7,000.0	7,000.0
Other Non Appropriated Funds	15,575.5	10,893.4	10,893.4
Total Funding	26,799.1	27,315.8	31,939.6
FTE Positions	22.8	22.8	22.8

◆ **Goal 1** To develop relevant and accurate instruments to assess all Arizona students

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer rating on administration of AZELLA	4.24	4.30	4.31	4.25	4.25
Customer rating on administration of Achievement Assessments (AzMERIT* and AIMS Science)	NA	3.30	3.91*	4.06	4.25
Explanation: *New assessment in FY15					
Customer rating on administration of Alternate Assessment (NCSC* and AIMS A Science)	NA	4.08	4.00*	4.15	4.25
Explanation: *New assessment in FY15					

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,500.0	4,500.0	5,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,787.0	11,213.3	11,213.3
Total Funding	15,287.0	15,713.3	16,213.3
FTE Positions	21.0	22.0	26.0

◆ **Goal 1** To increase academic achievement of learners age 16 and over

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of learners age 16 and over increasing academic skills by two or more grade levels as measured by standardized assessments	61*	62	56**	60	61

Explanation: * Updated 2014 Actual numbers – data not available in time for 2014 submission deadline; estimates were provided **Estimate, final end-of-year data is not available until October 2015

Percent of learners age 16 and over achieving their goal of earning a High School Equivalency diploma	60*	***	29**	50	55
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Explanation: * Updated 2014 Actual numbers – data not available in time for 2014 submission deadline; estimates were provided ** Implementation of new High School Equivalency Test occurs halfway through FY2014.

* Estimate, final data available Dec 2014

***New baseline, full year for new High School Equivalency Test aligned to AZCCRS.

Percent of GED transcript request fulfilled in one business day	97	97	99	97	97
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◆ **Goal 2** To improve customer satisfaction

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Annual external customer overall satisfaction rating for Adult Education	4.06	4.16	3.89	4.21	4.24

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	3,365.3	4,458.7	4,458.7
➤ EMERGENCY MANAGEMENT	10,133.2	30,909.2	18,426.2
➤ MILITARY AFFAIRS	52,236.5	45,522.5	44,722.0
Agency Total:	65,735.0	80,890.4	67,606.9
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,322.1	11,012.7	13,636.2
Other Appropriated Funds	128.5	0.0	0.0
Other Non Appropriated Funds	60,284.4	69,877.7	53,970.7
Total Funding	65,735.0	80,890.4	67,606.9
FTE Positions	447.5	473.6	473.6

Issue 1 Adequate funding of Operations and Maintenance budget for Army National Guard facilities to fulfill state obligation.

Description The Department of Emergency and Military Affairs requires an increase in the National Guard Service Contracts appropriation for state-match funding requirements of \$2,585,000. This will bring the state-match appropriation to \$2,800,000 from its current \$215,000 in order to fully fund the National Guard state-match requirement and address maintenance and repairs that have been deferred due to previous years of insufficient funding. This appropriation directly supports the Arizona National Guard Readiness Centers (i.e., Armories) and Air Wing facilities throughout Arizona that house units, Soldiers, Airmen, and equipment that support state and federal missions as directed by the Governor and the President.

The Arizona Air National Guard has two Air Bases that require state-match funding: a 25% state-match requirement for the 161st Air Refueling Wing at Sky Harbor International Airport, and a 5% state-match requirement for the 162nd Wing at Tucson International Airport, which is lower due to a foreign military sales offset. Combined, the Arizona Air National Guard requires an annual state-match appropriation of \$600,000 for the operation and maintenance of these two air installations. This state-match requirement was previously met through the state-match appropriation of \$1.215 million before being reduced to \$0.215 million in FY16. This \$600,000 match requirement provides exceptional value and return on investment to the State of Arizona. Through this state-match funding, the 884 Airmen of the 161st Air Refueling Wing at Sky Harbor International Airport have a total economic impact of \$130,664,000 to the state economy, and the 1,639 Airmen of the 162nd Wing at Tucson International Airport has a total economic impact of \$279,551,000 to the state economy.

The Arizona Army National Guard has a total of 298 facilities, 52 of which are considered either Readiness Centers or Readiness Center support facilities that require either a 25% or 50% state-match for their operations and maintenance, with the balance matched by the federal government. The 33 Readiness Centers total 634,256 square feet and the 19 Readiness Center support facilities total 161,169 square feet. These 52 facilities have not been fully funded by the state in the past, receiving only the available balance of the state-match appropriation remaining after the air wings were funded and additional monies saved from the Military Affairs appropriation. The average age of these Readiness Centers is 41 years old, with some approaching 70 years old, and due to the age of these facilities the maintenance and repairs required to maintain the functionality of these buildings has steadily increased. Despite an economic impact of \$305,898,000 to the state economy, the Arizona National Guard has not received an increase for state-match funding to maintain and repair these facilities since 2006, which has resulted in continual deferral of required maintenance activities and the categorization of a number of Army National Guard facilities as either deficient or failing by the National Guard Bureau. These 52 Army facilities require an average of \$1.1 million per year for operations and maintenance, but because they have been underfunded a backlog of deferred maintenance now totals \$3.4 million. This is in addition to \$1.4 million in needed critical health, life and safety repairs.

The request to increase state-match funding to a total of \$2,800,000 would fully fund the annual operating state-match cost of Army and Air National Guard facilities (\$1.7 million/year) and address the backlog of deferred health, life and safety repairs and deferred maintenance over five years (\$1.1 million/year). Please note that this increase in total state investment in National Guard facilities would bring the total state-match to only \$1.77 per square foot. This in turn enables the drawdown of \$158.32 per square foot, a total of \$250,796,356, in federal funding for operations and maintenance – a tremendous return on investment.

Per National Guard Bureau Regulation (NGR) 5-1, all “National Guard facilities are owned by, leased for, or licensed to the States. As a result the States, and not the Federal government, operate and maintain all National Guard facilities.” Once the state provides its required match, then the Federal government will match accordingly. Funding for facilities is tracked by the National Guard Bureau through the Facilities Inventory and Support Plan (FISP), and those facilities are routinely evaluated on a 1 to 4 scale, with 1 being the best and 4 being failing. Thirteen (13) Arizona Army National Guard facilities are rated as a 3 (deficient) or 4 (failing), and constitute the bulk of the \$3.4 million maintenance backlog. If facilities remain with a 3 or 4 rating, the state risks losing federal funding for those poor or failing Readiness Centers all-together, resulting in the facility becoming a completely 100% funded state facility. Due to a lack of state funding for maintenance and repairs, this past year the Mesa and Flagstaff Readiness Centers were removed from the FISP, requiring the maintenance of these facilities to be completely covered by the state without any federal assistance. Without an increase in the state-match appropriation to support our Army National Guard Facilities, additional Readiness Centers will continue to fall into disrepair and could lose their ability to receiving federal matching funds for maintenance.

Continued loss of facilities impacts Force Structure and the ability of the Arizona Army National Guard to respond in the event of emergency or disaster, and even to support our national defense when called upon for deployment by the President. Force Structure for the Army National Guard is determined based on a variety of factors, but an important factor in the retention of force structure is having the proper facilities to support and train those units. Article 1 § 8 of the U.S. Constitution requires that the training of the National Guard is reserved to the states. As the Operational Reserve of the U.S. Army, the Army National Guard must train to the same standards as their Active Duty counterparts. Continued loss of these state facilities impacts the ability to properly support and train those units to the federal standard, leading to less federal support for authorized force structure in the state. Arizona is already under represented in the Army National Guard and has one of the lowest amounts of Soldiers per capita, significantly impacting the Governor's ability to mobilize and respond capable forces in the event of emergency, disaster, or policy decision. Closure of Readiness Centers located around the state negatively impact the ability to project forces throughout the state during an emergency, and ultimately risks losing community support for their National Guard. The Army National Guard only has a presence in 20 communities throughout the state, and in most of those communities that presence is a sole Readiness Center. The state has closed many rural Readiness Centers due to lack of state funding, including Winslow, Kingman, Bisbee, Payson, Claypool, Nogales, Sierra Vista, and Flagstaff, which is problematic for a geographically large state. Without a presence in our communities, especially our rural communities, the National Guard loses its community-based roots and the ability to quickly and effectively respond to an event in a rural part of the state.

Adequately funding the Arizona National Guard state-match requirements ensures that the Army National Guard has sufficient, state-required support structure and improves the Arizona Army National Guard's ability to serve and respond as the Governor's force in readiness for disasters and other missions as needed, as well as fulfill its Defense Support of Civil Authorities (DSCA) mission across the state and federal missions across the nation and world. Combined, the total federal dollar draw-down that is made possible by the state-match for facilities operation is \$136 for every \$1 the state provides to facilities operation and maintenance. The National Guard provides a tremendous return on investment, not only through the economic benefits derived from our activities and federal resources provided, but also through the organic capabilities created to protect and defend the people of Arizona, which is one of the basic functions and constitutional responsibilities of our state governments.

Solutions:

To properly fund the state-match requirement of \$2.8 million, which fully funds the current operational and maintenance state-match requirement of \$1.7 million for both Army and Air National Guard facilities and provides \$1.1 million needed to perform 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. Enclosure 1 provides a list of category 3 (deficient) and 4 (failing) facilities and projects that are required to bring the facility to category 2. Enclosure 2 provides a five-year plan for addressing the project backlog of deferred maintenance. Enclosure 3 provides a list of the Health, Life and Safety projects that would be addressed over the next five years.

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.

Impact of not funding this fiscal year: 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 FY17, 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 2 Expanded State Emergency Operations Center to fulfill statutory requirements.

Description The Arizona Division of Emergency Management is established in A.R.S. § 26-305 and is directed to “prepare for and coordinate those emergency management activities that may be required to reduce the impact of disaster on persons or property” and “coordinate the cooperative effort of all governmental agencies including the federal government, this state and its political subdivisions to alleviate suffering and loss resulting from disaster.” An effective facility in which to conduct the statutory requirements of the Division is needed which necessitates a capital improvement of approximately \$22-25 million dollars. The existing facilities that house the Division’s functions and the Emergency Operations Center on Papago Park Military Reservation are insufficient and do not meet life-safety standards and codes.

There are two reasons this is a strategic issue for the Agency; 1) the current facility is wholly inadequate for emergency management operations and is actually unsafe and 2) the Division needs to consolidate all departments and functions into one facility to improve business practices and gain efficiencies in their daily operations.

The existing facility was originally designed in 1983, as the Offsite Nuclear Emergency Response Center. This facility evolved into the State Emergency Operations Center simply due to need and lack of alternatives. Space once identified as storage rooms, dormitory/sleeping quarters, and the building lobby have been converted to offices that lack appropriate space and privacy. For example, the Policy Room is dramatically undersized for use by the Governor, the ADEM Director, and the Public Information Officer. Throughout the building, the mechanical and electrical systems have reached the end of their useable life and there is no automatic fire protection system. Restroom facilities do not meet current building codes and do not provide required capacity for building occupancy during activation. Telecommunications and audio/visual systems that are essential to emergency management are outdated. The building has congested circulation, substandard air conditioning, an unreliable backup electrical power supply, inadequate security, and inappropriate architectural design elements. During activations for emergency/disaster events, these inadequacies found within the Emergency Operations Centers are magnified.

SEOC CURRENT DEFICIENCIES

The existing SEOC lacks sufficient space and building systems to allow ADEM to efficiently and effectively operate under both day-to-day and emergency conditions:

- Substandard furnishings exacerbate the mental and physical strain of extended work schedules and 24 hour operations.
- Dated Audio/Visual technologies are difficult to upgrade and maintain without invasive construction.
- Mechanical/electrical systems are at the end of the useful life.
- Insufficient restroom facilities for occupancy during activation.
- Unconditioned storage containers hold office supplies, records and electronics.
- Vehicles with sophisticated technology are stored outside and subject to degradation from weather.
- No controlled access to the building.
- Lobby, storage and dormitory rooms now serve as offices.
- No conference or break-out rooms for meetings, training, emergency events.
- Lack of visual/auditory privacy compromised operations
- Building does not meet fire code or ADA requirements.
- Inadequate fire and life safety protection.

To provide a basic illustration of the inadequacies of the current facility, 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 alone 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.

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.

Solutions:

Expansion of the State EOC would provide a cohesive space for the Arizona Division of Emergency Management (Office of the Director, Preparedness, Operations, Logistics, and Recovery) to perform both their emergency and non-emergency duties as required in statute. The project would provide a safe and more efficient working environment for the occupants, improve access to the media and emergency management community, reduce utility costs, provide growth flexibility, and improve security. If the work is not completed, there would be continued inefficiencies in both operational and building systems and recurring code compliance problems.

The consolidation of staff from multiple locations on Papago Park Military Reservation would also reduce long-term DEMA expenses. The cost to maintain the separate Joint Information Center and call center, which currently totals 5,340 square feet, would be eliminated as would the state match requirement that is incurred through ADEM's utilization of office space at the Joint Force Headquarters, which would otherwise be 100% federally funded without ADEM staff. A new State Emergency Operations Center would also provide space for storage, which would eliminate the expense for conex storage trailers and provide storage space for the State's Mobile Command Units, which increases longevity of those units and reduces the maintenance cost and long-term wear and tear on those vehicles and trailers.

In addition to the consolidation of ADEM and those cost savings, possibilities exist to partner with other agencies to leverage as many economies of scale as possible. It may be possible to partner with Maricopa County and the Arizona National Guard to create a joint State/County/Federal facility that would meet the needs of the Emergency Operation Centers for the state and Maricopa County and as the Joint Operations Center for the Arizona National Guard. Additionally, DEMA has learned that the dispatching facilities for both the Arizona Department of Public Safety and State Forestry Division are obsolete and in need of replacement. DEMA has also learned that a location for a secure server farm is needed by ADOA to support other state agencies. DEMA would be willing and able to incorporate any or all of these crucial state missions into the design and function of the State Emergency Operations Center, providing a secure facility for the state to perform and maintain critical communication and electronic storage functions for the state within the Papago Park Military Reservation. Any of these partnership opportunities would provide additional cost savings for the state, both through less construction costs and reduced long-term maintenance costs.

Consolidation of ADEM personnel and elimination of facility costs from utilization of multiple locations to house ADEM staff. Increased capacity to respond and manage an emergency and greater ability to coordinate with the counties and local emergency response organizations. Reduced annual state costs that are incurred by spreading staff throughout multiple facilities.

Continued use of the existing facility, which will require increasing investment to maintain systems that are reaching their end of life cycles after thirty-three years. 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.

Issue 3 Future Army Readiness Center Construction

Description Due to shifting federal interests, the Arizona Army National Guard is increasingly faced with ensuring that the State can meet its requirement to contribute a 25% share for design and construction of a facility in order to replace aging facilities that no longer sustain the readiness and training requirements of the force. The Arizona Army National Guard requests an annual appropriation of \$1.5 million to the National Guard Fund established by A.R.S. § 26-152(C) for capital outlay for Readiness Center construction, which will allow the required state match requirements to accumulate and be available to drawdown as federal Military Construction funding becomes available on the Future Years Defense Program (FYDP). The last time the State of Arizona provided matching state funds for Readiness Center construction was 1972.

The Arizona Army National Guard has 33 Readiness Centers located in 20 different communities across the state. The average age of Readiness Centers is 41 years old, with over 50% of Readiness Centers averaging 50 years old or older. 30% of the current Readiness Centers are in poor or failing condition. The current level of state funding to sustain the aged inventory of Army Guard facilities does not keep up with the demand for repairs and modernization, much less new construction. New construction of Readiness Centers is required to meet current and future readiness and training requirements for the Arizona National Guard. As the Operational Reserve of the U.S. Army, the Army National Guard must train to the same standards as their Active Duty counterparts. Aging readiness centers also do not provide adequate space for newer equipment that is vital to current operations, the size of which were not envisioned when the older armories were constructed 50 years ago.

Below are the Military Construction (MILCON) (over \$750k) projects forecasted for Arizona Army National Guard facilities:

Future Years Defense Program (FYDP) Funding	Date
Rittenhouse Readiness Center \$13M (Federal \$9.75M; State \$3.25M)	2021
Safford Readiness Center \$11M (Federal \$8.25M; State \$2.75M)	2021

Note: Projects under the FYDP are approved by US Congress and National Guard Bureau, and federal funds are committed.

Completion

Future Years Defense Program (FYDP) Funding	Date
Goodyear Readiness Center \$12M (Federal \$9M; State \$3M)	2021

Note: Projects under 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, the Arizona Army Guard is in the process of applying revenues from sales of facilities that no longer support the Guard mission or have outlived their 50-year life expectancy. This includes the Roosevelt Armory in downtown Phoenix and the former Project Challenge facility near the future site of the Rittenhouse Readiness Center. However, sales of old facilities do not meet the growing financial requirements of facilities needed to replace them.

State Match Required for Military Construction:

Estimate of Sales Revenue for next 5 years:	\$3M
Estimate of State Share for future construction:	\$9M (Rittenhouse \$3.25M; Safford \$2.75M; Goodyear \$3M)
State Match Required:	\$6M

Without these funds, National Guard Bureau will not commit federal match funding to build new facilities, which will prevent construction of Readiness Centers and eventually negatively impact Soldier readiness.

Solutions:

Annual appropriation of \$1 million to the National Guard Fund established by A.R.S. § 26-152(C) for capital outlay for Readiness Center construction, which will allow the required state match requirements to accumulate and be available to drawdown as federal Military Construction funding becomes available on the Future Years Defense Program (FYDP).

The only alternative is to fund Readiness Center construction for the full state amount when the project becomes available on the

FYDP. 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 4 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.

Issue 5 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 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, 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 Arizona.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	474.6	474.6	474.6
General Fund	12,301.8	12,301.8	12,301.8
Other Appropriated Funds	1,424.4	1,424.4	1,424.4
Non-Appropriated Funds	18,333.8	18,333.8	18,333.8
Federal Funds	37,599.8	37,599.8	37,599.8

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 was created this year to gain efficiencies through the consolidation of similar state and federal department functions. This Division executes the day-to-day business operations for the Agency that support all Divisions, which 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, risk management, and public affairs. Camp Navajo Industrial Operations was also separated from the garrison's command and realigned under this Division due to the state nature of the operation. Performance measures for this new Division will be reflected in future strategic plans.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,562.2	1,813.0	1,813.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,803.1	2,645.7	2,645.7
Total Funding	3,365.3	4,458.7	4,458.7
FTE Positions	39.0	43.3	43.3

◆ **Goal 1** To provide quality and timely support services to our customers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of weeks to process personnel actions	1	1	1	1	1

Program Summary

EMERGENCY MANAGEMENT

Wendy Smith-Reeve, Director
Phone: (602) 464-6379
A.R.S. § 26-305

Mission:

To coordinate emergency services and the efforts of governmental agencies to reduce the impact of disasters on persons and property in Arizona.

Description:

The Division of Emergency Management directs and coordinates a statewide Comprehensive Emergency Management program to minimize personal and property losses caused by natural and man-made disasters. This is accomplished through numerous preparedness, response, recovery, and mitigation activities and programs. This past year the Division was reorganized along functional and statutory lines into three sections, Preparedness, Operations and Coordination, and Grant Administration, and future strategic plans will reflect that structure as well as applicable performance measures.

This Program Contains the following Subprograms:

- ▶ Mitigation and Preparedness
- ▶ Response and Recovery

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,096.5	7,656.4	7,694.9
Other Appropriated Funds	128.5	0.0	0.0
Other Non Appropriated Funds	7,908.2	23,252.8	10,731.3
Total Funding	10,133.2	30,909.2	18,426.2
FTE Positions	47.0	48.0	48.0

Subprogram Summary

MITIGATION AND PREPAREDNESS

William D. Wolfe, Assistant Director
Phone: (602) 464-6234
A.R.S. § 26-305

Mission:

To reduce or eliminate the loss of life and loss of property due to disaster and to prepare state agencies and local emergency management organizations to respond to, recover from, and mitigate disasters through planning, training, and exercise activities.

Description:

The Mitigation element integrates several funding programs that reduce repetitive losses caused by disaster by managing structural and non-structural projects that eliminate losses. The mitigation group provides technical assistance to political subdivisions to develop mitigation plans, analyze vulnerabilities, and to assess risks to support land use decisions.

The Preparedness element serves three main functions; technical assistance for the development of state and local emergency operations plans; training for emergency managers, elected officials, and first responders; and exercising the capabilities of state and local government. These activities will increase the overall capability to respond to, recover from, and mitigate disasters and thereby reduce the impact of disasters

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,096.5	3,656.4	3,694.9
Other Appropriated Funds	128.5	0.0	0.0
Other Non Appropriated Funds	7,765.9	16,126.6	8,428.9
Total Funding	9,990.9	19,783.0	12,123.8
FTE Positions	47.0	48.0	48.0

◆ **Goal 1** To reduce loss of life and loss of property from all hazards.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of communities with sustained Disaster Resistant Community Programs	118	118	118	118	118

◆ **Goal 2** To increase local emergency management capability through training assistance programs.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of requests for contingency exercise assistance supported	100	100	100	100	100

Subprogram Summary

RESPONSE AND RECOVERY

Anthony Cox, Assistant Director
 Phone: (602) 464-6242
 A.R.S. § 26-306

Mission:

To coordinate the actions of federal, state and local jurisdictions to respond to and recover from disasters.

Description:

Response & Recovery coordinates the response of state agencies to emergency incidents; administers the Governor's Emergency Fund; and manages post-response recovery efforts to include the acquisition and disbursement of special state appropriations and federal disaster funds, and allocation of resources.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	4,000.0	4,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	142.3	7,126.2	2,302.4
Total Funding	142.3	11,126.2	6,302.4
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To reduce human suffering during disasters and enhance community recovery after disaster strikes.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Average number of months of community recovery time from declaration of emergency to termination of emergency	12.36	15	12.57	15	15
Customer satisfaction rating for communities served during disasters (Scales 1 - 8)	7.46	7	7.472	7	7

Program Summary

MILITARY AFFAIRS

Brigadier General Kerry Muehlenbeck, Director, Joint Staff
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.

Future strategic plans will reflect the Joint Task Force and updated performance measures.

This Program Contains the following Subprograms:

- ▶ Army National Guard
- ▶ Air National Guard

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,663.4	1,543.3	4,128.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	50,573.1	43,979.2	40,593.7
Total Funding	52,236.5	45,522.5	44,722.0
FTE Positions	361.5	382.3	382.3

Subprogram Summary

ARMY NATIONAL GUARD

Colonel (P) 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 civil disturbances and natural disasters. When federalized by the President of the United States, the Army National Guard provides trained and ready units in support of any active Army contingency.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,247.5	1,269.2	3,469.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	43,998.8	36,783.8	33,649.5
Total Funding	45,246.3	38,053.0	37,118.7
FTE Positions	287.0	307.8	307.8

◆ **Goal 1** To recruit and retain highly qualified personnel.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Army National Guard soldiers re-enlisted	98.34	85	99.3	85	85

Subprogram Summary

AIR NATIONAL GUARD

Brigadier 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	415.9	274.1	659.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,574.3	7,195.4	6,944.2
Total Funding	6,990.2	7,469.5	7,603.3
FTE Positions	74.5	74.5	74.5

◆ **Goal 1** To recruit and retain highly qualified personnel.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Air National Guard soldiers re-enlisted	92	90	93.21	83	83

Agency Summary

DEPARTMENT OF ENVIRONMENTAL QUALITY

Misael Cabrera, Director, Pending Confirmation

Phone: (602) 771-2203

A.R.S. §§ 49-101 et seq.

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Arizona Department of Environmental Quality protects public health and the environment by establishing and ensuring compliance with standards of quality for Arizona's air, land, and water; advancing public policy; and encouraging participation through statewide outreach.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	16,912.0	15,208.3	15,008.3
➤ AIR	35,997.1	43,223.7	40,531.6
➤ WASTE	37,724.9	49,024.4	75,721.6
➤ WATER	15,531.2	24,305.6	22,454.2
Agency Total:	106,165.2	131,762.0	153,715.7
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,000.0	7,000.0	12,000.0
Other Appropriated Funds	55,149.6	69,273.3	64,227.0
Other Non Appropriated Funds	44,015.6	55,488.7	77,488.7
Total Funding	106,165.2	131,762.0	153,715.7
FTE Positions	612.5	612.5	610.5

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	610.5	610.5	610.5
General Fund	12,000.0	12,000.0	12,000.0
Other Appropriated Funds	64,227.0	64,227.0	64,227.0
Non-Appropriated Funds	60,037.0	60,037.0	60,037.0
Federal Funds	17,451.7	17,451.7	17,451.7

Program Summary

ADMINISTRATION

Misael Cabrera, Director, Pending Confirmation
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	12,772.0	13,373.7	13,173.7
Other Non Appropriated Funds	4,139.9	1,834.6	1,834.6
Total Funding	16,912.0	15,208.3	15,008.3
FTE Positions	111.5	98.7	98.7

◆ **Goal 1** To fully support and champion delivery of ADEQ's mission

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Reduce Voluntary Attrition Rate to less than 10% in 5 years.	9.5	9.5	15.3	12.0	11.0
Generate yearly report that clearly links budget to state-wide priorities, ADEQ plans, and customer and/or citizen outcomes.	1.0	1.0	1.0	1.0	1.0
To pay 95% of invoices payable within 30 calendar days.	99.7	95.0	98.8	95.0	95.0
Receive 90% of Accounts Receivable within 10 days of due date.	83.8	90.0	89.0	90.0	90.0
Reduce total elapsed time from Purchase Requisition to issuance of purchase order by 40% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	16.5	24.0	17.8	32.0	40.0
Reduce the total time from initial records request to availability of records by 30% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	70.0	75.0	81.0	80.0	85.0
99.9% availability of critical services from 7:00 a.m. to 5:00 p.m.	99.7	99.9	100.0	99.9	99.9

◆ **Goal 2** To support environmentally responsible economic growth

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction rating for citizens (scale of 1-8)	8.0	7.8	7.2	7.8	7.8
Percentage of statutorily set permit timelines met through License Time Frame rule.	99.4	99.5	99.5	99.5	99.5
Triple participation in voluntary stewardship programs over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	0	0	Baseline	38.0	50.0

Program Summary

AIR

Eric Massey, Air Quality Division Director

Phone: (602) 771-2308

A.R.S. §§ 49-401 to 49-593

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Air Quality Division is responsible for supporting ADEQ's mission by identifying and ensuring appropriate control of various sources of air pollution and assuring compliance with federal and state environmental laws. Major activities relied upon for protecting air quality include planning and program development, monitoring and research, issuance of permits, compliance and enforcement, legal support and vehicle emissions inspections.

This Program Contains the following Subprograms:

- ▶ Air Quality Management and Analysis
- ▶ Vehicle Emissions Control

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	32,724.7	39,080.7	36,388.6
Other Non Appropriated Funds	3,272.4	4,143.0	4,143.0
Total Funding	35,997.1	43,223.7	40,531.6
FTE Positions	131.9	137.1	135.1

Subprogram Summary

AIR QUALITY MANAGEMENT AND ANALYSIS

Eric Massey, Air Quality Division Director
 Phone: (602) 771-2308
 A.R.S. §§ 49-401 to 49-593

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

This subprogram supports ADEQ's mission by monitoring and assessing existing concentrations of air pollution throughout the state; conducting daily forecasts of future concentrations of air pollution in the Phoenix metropolitan area, Yuma, and Nogales; identifying sources of air pollution and developing plans and rules to remedy poor air quality and prevent unacceptable degradation of good air quality; performing inspections to ensure sources of air pollution comply with all air pollution plans, statutes, rules and permit conditions; taking timely and appropriate action to remedy and prevent noncompliance; and issuing permits to various sources of air pollution to prevent unacceptable degradation of existing air quality. This subprogram also plans, controls, and monitors expenditures of personnel and budgetary resources; provides for personnel training and evaluations; develops policies and procedures; provides input on legislative issues; develops, implements, and monitors workplans; measures and evaluates program effectiveness; and oversees delegation agreements with local jurisdictions.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	9,241.5	12,499.0	10,657.3
Other Non Appropriated Funds	3,272.4	4,143.0	4,143.0
Total Funding	12,513.8	16,642.0	14,800.3
FTE Positions	105.9	111.1	111.1

◆ **Goal 1** To enhance Arizona's unique environment

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of non-attainment areas exceeding national ambient air quality standards.	16	17	16	17	16
A net of 50% of air quality monitors demonstrating improvement over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	3.5	30.0	53.6	40.0	40.0
Number of days per year exceeding National Ambient Air Quality Standards (NAAQS) for Ozone (O3), Carbon Monoxide (CO), or Particulates (PM10).	2.7	2.7	2.7	2.7	2.6

◆ **Goal 2** To support environmentally responsible economic growth

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	62.7	67.0	70.8	74.0	77.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	58.3	60.0	51.3	60.0	70.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	28.2	30.0	31.2	40.0	50.0
Present Exceptional Event documentation to EPA within 180 days of event. Measured as a cumulative percentage in each fiscal year during the planning horizon.	75.0	80.0	N/A	85.0	100.0
Explanation: No exceptional event documents were necessary during fiscal year 2015. As a result, this measure is not applicable for FY15.					
95% of Exceptional Event submittals approved by EPA over 5 years.	100.0	100.0	N/A	100.0	100.0
Explanation: No exceptional event documents were necessary during fiscal year 2015. As a result, this measure is not applicable for FY15.					

Subprogram Summary

VEHICLE EMISSIONS CONTROL

Eric Massey, Air Quality Division Director
 Phone: (602) 771-2308
 A.R.S. §§ 49-401 to 49-593

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

This subprogram supports ADEQ's mission by overseeing a contract with a private employer that implements a basic and enhanced emissions inspection program in the Tucson and Phoenix areas respectively to reduce emissions of air pollution from vehicles, thereby reducing concentrations of air pollution in these planning areas. This subprogram also issues permits to companies to inspect their own fleets of vehicles, and performs inspections to ensure compliance with all air pollution plans, statutes, rules, permits and the contract; and takes timely and appropriate action to remedy and prevent noncompliance.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	23,483.3	26,581.7	25,731.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	23,483.3	26,581.7	25,731.3
FTE Positions	26.0	26.0	24.0

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Increase the number of vehicles in compliance at the time of emissions inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	7.0	20.0	19.1	30.0	40.0
Reduce time to make VEI permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	40.2	45.0	57.9	70.0	80.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	30.6	40.0	39.0	45.0	50.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	8.6	30.0	59.2	70.0	80.0

Program Summary

WASTE

Laura Malone, Waste Programs Division Director
 Phone: (602) 771-4567
 A.R.S. §§ 49-701 to 49-973

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Waste Program carries out its mission by regulating solid and hazardous waste management and facilities, hazardous waste generators, waste tire management and facilities and underground storage tanks. The program issues permits; conducts inspections; approves closure activities; conducts or oversees remediation of contaminated sites; administers funds; provides grants; and encourages recycling, reuse and other forms of pollution prevention.

This Program Contains the following Subprograms:

- ▶ Waste Control and Management
- ▶ Underground Storage Tank
- ▶ Remediation

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,000.0	7,000.0	12,000.0
Other Appropriated Funds	2,487.1	4,490.9	4,188.1
Other Non Appropriated Funds	28,237.8	37,533.5	59,533.5
Total Funding	37,724.9	49,024.4	75,721.6
FTE Positions	195.6	198.4	198.4

Subprogram Summary

WASTE CONTROL AND MANAGEMENT

Laura Malone, Waste Programs Division Director
Phone: (602) 771-4567
A.R.S. §§ 49-701 to 49-973

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

This subprogram provides management and administrative services to the program; plans, controls and monitors staff and budgetary expenditures; provides for staff development; develops rules, policies and procedures; provides input on legislative issues; assists in developing agency strategic plans and action plans; develops, implements and monitors workplans; evaluates program effectiveness; oversees delegation agreements with local jurisdictions; implements the state waste tire program; implements the state and federal hazardous waste laws pursuant to delegation from U.S. Environmental Protection Agency (EPA); maintains an inventory of hazardous waste generators, as well as hazardous and solid waste management facilities; reviews applications for licenses, permits and plan approvals, modifications and amendments and takes appropriate action; encourages community involvement; conducts inspections, collects and maintains compliance data, provides compliance assistance and pursues enforcement actions for significant noncompliance for hazardous and solid waste management and facilities and waste tire management facilities; promotes and encourages pollution prevention, reviews and approves pollution prevention plans and reports; advocates for solid waste reduction, reuse, and recycling; and provides grant monies to selected demonstration projects.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,487.1	4,468.9	4,188.1
Other Non Appropriated Funds	2,172.2	2,392.9	2,392.9
Total Funding	4,659.3	6,861.8	6,581.0
FTE Positions	66.5	70.7	70.7

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Reduce time to make permitting decisions by 40% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	52.1	60.0	79.3	60.0	65.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	25.3	35.0	16.9	30.0	40.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	3.3	12.0	16.7	22.0	27.0
Reduce the amount of natural resources consumed cumulatively through Pollution Prevention (P2) by 20% over three years.	0	0	Baseline	33.0	66.0

Explanation: The Pollution Prevention (P2) performance measure has been separated into two measures to provide more actionable data on natural resource consumption and hazardous waste generation.

Reduce the pounds of hazardous waste generated cumulatively through Pollution Prevention (P2) by 20% over three years.	0	0	Baseline	33.0	66.0
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Explanation: The Pollution Prevention (P2) performance measure has been separated into two measures to provide more actionable data on natural resource consumption and hazardous waste generation.

◆ **Goal 2** To accelerate cleanups

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of contaminated sites in Waste Programs Division closed requiring no further action (cumulative) versus known universe of contaminated sites in the Waste Programs Division (cumulative)	71.5	74.1	68.2	69.0	70.0
Reduce total time until the (brownfield) property is determined to be available for productive use by 25% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	45.0	50.0	34.2	36.0	38.0

Explanation: This performance measure was previously calculated as an aggregate of three subprograms' performance. To increase transparency and relevancy, this measure now calculates each subprogram separately.

Subprogram Summary

UNDERGROUND STORAGE TANK

Laura Malone, Waste Programs Division Director
 Phone: (602) 771-4567
 A.R.S. §§ 49-1001 to 49-1093

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The subprogram assures the proper operation and maintenance of underground storage tank (UST) systems in the state of Arizona and maintains an inventory of these systems. This program is also responsible for overseeing the cleanup of soil and groundwater contamination from leaking underground storage tanks. In addition, the subprogram provides outreach and compliance assistance to owners and operators of USTs to keep them aware of current compliance requirements. The subprogram responds to complaints regarding UST sites and fully investigates any potential violations of Arizona's underground storage tank laws. The subprogram also administers the State Assurance Fund, which covers costs associated with removal and remediation of leaking underground storage tank sites.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	22.0	0.0
Other Non Appropriated Funds	13,700.4	18,912.0	40,912.0
Total Funding	13,700.4	18,934.0	40,912.0
FTE Positions	69.7	70.3	70.3

◆ **Goal 1** To accelerate clean ups

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Reduce total time to implement (begin) final remedy by 30% in UST over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	24.8	32.8	28.0	29.0	29.0
Percent of contaminated sites in Waste Programs Division closed requiring no further action (cumulative) versus known universe of contaminated sites in the Waste Programs Division (cumulative).	91.9	94.7	92.0	97.5	89.6

Explanation: This performance measure was previously calculated as an aggregate of three subprograms' performance. To increase transparency and relevancy, this measure now calculates each subprogram separately.

Reduce time to make permitting decision by 40% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	43.1	51.1	73.7	59.9	62.0
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Subprogram Summary

REMEDIATION

Laura Malone, Waste Programs Division Director

Phone: (602) 771-4567

A.R.S. §§ 49-701 to 49-973

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

This subprogram evaluates potentially contaminated sites; reviews plans for and oversees privately-funded clean up activities; investigates and remediates WQARF priority sites using state funds; identifies responsible parties; negotiates settlements with potentially responsible parties; develops evidence and data needed for cost recovery and settlement actions by the Attorney General's Office; provides funding to the Attorney General's Office, Arizona Department of Water Resources, and other governmental and political subdivisions for the purpose of assisting ADEQ with its remediation efforts; oversees remediation of RCRA sites; assists, oversees, and expedites voluntary remediation of contaminated sites; administers the state's Greenfields and Brownfields initiatives; supports Waste Program recruitment, training, data management, strategic planning, budgeting and resolution of cross programmatic issues; and responds to environmental emergencies.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,000.0	7,000.0	12,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,365.2	16,228.6	16,228.6
Total Funding	19,365.2	23,228.6	28,228.6
FTE Positions	59.4	57.4	57.4

◆ **Goal 1** To accelerate clean ups

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Reduce total time to implement (begin) final remedy by 30% in WQARF over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	0.0	2.0	3.0
Explanation: ADEQ revised methodology to more accurately reflect program outputs.					
Reduce document review time in the Voluntary Remediation Program by 30% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	10.0	57.7	58.0	60.0
Explanation: ADEQ revised methodology to more accurately reflect program outputs.					
Percent of contaminated sites in Waste Programs Division closed requiring no further action (cumulative) versus known universe of contaminated sites in the Waste Programs Division (cumulative).	2.9	5.9	2.9	8.9	8.6
Explanation: This performance measure was previously calculated as an aggregate of three subprograms' performance. To increase transparency and relevancy, this measure now calculates each subprogram separately.					
Improved water quality in 50% of the monitored waters of the state over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	N/A	Baseline	Baseline	30.0	30.0

Program Summary

WATER

Trevor Baggione, Water Quality Division Director
Phone: (602) 771-2321
A.R.S. §§ 49-201 to 49-391

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Water Quality Program ensures that regulated water systems deliver safe drinking water to its customers; develops water quality standards; monitors and assesses the quality of surface and groundwater throughout the state; identifies water pollution problems and prepares plans to address them; regulates discharges to surface water and groundwater from wastewater treatment plants, drinking water treatment facilities, mining operations, industrial facilities and stormwater through issuance of permits; investigates complaints and violations of Arizona's water quality laws, rules and permits; and works with federal, state and local partnerships within the state's watersheds to maintain and improve water quality.

This Program Contains the following Subprograms:

- ▶ Underground Water Regulation
- ▶ Surface Water Regulation
- ▶ Drinking Water Regulation

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	7,165.8	12,328.0	10,476.6
Other Non Appropriated Funds	8,365.5	11,977.6	11,977.6
Total Funding	15,531.2	24,305.6	22,454.2
FTE Positions	173.5	178.3	178.3

Subprogram Summary

UNDERGROUND WATER REGULATION

Trevor Baggione, Water Quality Division Director
Phone: (602) 771-2321
A.R.S. §§ 49-201 to 49-391

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Underground Water Regulation program protects groundwater which is essential to Arizona's safe drinking water supplies. The Aquifer Protection Permit program is designed to protect groundwater quality in Arizona's aquifers by issuing permits to discharging facilities, conducting compliance inspections of permitted facilities and enforcing permit conditions. This program also registers drywells, issues reclaimed water permits, reviews engineering design plans and issues construction approvals for on-site wastewater treatment facilities and sewage collections systems; and reviews subdivision plans to ensure adequate provision of water, wastewater and refuse services. The Underground Water program also manages the pesticide contamination prevention program for agricultural use pesticides, monitors groundwater basins throughout the state and provides technical assistance to industry and the public.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,117.6	6,538.0	4,686.6
Other Non Appropriated Funds	376.8	348.4	348.4
Total Funding	3,494.4	6,886.4	5,035.0
FTE Positions	40.6	42.5	42.5

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	59.9	70.0	60.2	63.0	65.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	78.1	80.0	70.9	85.0	85.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	-25.1	20.0	-12.8	11.0	10.0

Explanation: Standard work and higher quality inspections have initially increased the number of deficiencies identified during inspections. This data will help ADEQ target outreach and tools to prevent deficiencies, and will result in better environmental outcomes because high risk violations will be identified and corrected earlier.

Subprogram Summary

SURFACE WATER REGULATION

Trevor Baggione, Water Quality Division Director
 Phone: (602) 771-2321
 A.R.S. §§ 49-201 to 49-391

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Surface Water Regulation program protects water quality in Arizona’s streams, rivers, lakes and wetlands from both point and nonpoint pollution. Point source discharges include wastewater treatment plants, concentrated animal feeding operations, mining operations, industrial and commercial facilities, and stormwater discharges from construction and industrial sites. Nonpoint source pollution comes from activities including agriculture, forestry, mining and recreation. The Arizona Pollutant Discharge Elimination System (AZPDES) program issues permits to point source discharging facilities, conducts compliance inspections of permitted facilities and enforces permit conditions. The Surface Water Regulation program also develops surface water quality standards; monitors and assesses surface water quality; identifies water pollution problems and develops plans to improve water quality; and finally works with permitted facilities, local stakeholder groups and land management agencies to develop implementation plans to help these impacted waters meet their beneficial uses and attain water quality standards.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,582.9	3,459.5	3,459.5
Other Non Appropriated Funds	4,811.1	7,593.7	7,593.7
Total Funding	7,393.9	11,053.2	11,053.2
FTE Positions	83.9	91.3	91.3

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	-19.7	25.0	11.2	20.0	31.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	66.3	80.0	67.2	80.0	80.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	-16.0	20.0	-6.3	5.0	10.0

Explanation: Standard work and higher quality inspections have initially increased the number of deficiencies identified during inspections. This data will help ADEQ target outreach and tools to prevent deficiencies, and will result in better environmental outcomes because high risk violations will be identified and corrected earlier.

◆ **Goal 2** To enhance Arizona's unique environment

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Improved water quality in 50% of the monitored waters of the state over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	18.5	25.0	40.0	41.0	50.0

Subprogram Summary

DRINKING WATER REGULATION

Trevor Baggione, Water Quality Division Director
 Phone: (602) 771-2321
 A.R.S. §§ 49-201 to 49-391

Mission:

To protect and enhance public health and the environment in Arizona.

Description:

The Drinking Water Regulation program is federally mandated to ensure regulated public water systems provide safe drinking water to their customers. The program regulates public water systems based on state drinking water rules that are continually updated to conform to federally promulgated regulations. Staff reviews water system construction plans, conducts compliance inspections on drinking water systems, reviews water quality monitoring data, initiates enforcement actions in response to continued or significant noncompliance, and conducts outreach to educate stakeholders on regulatory requirements. The program also evaluates source waters to ascertain their susceptibility to contamination, promotes voluntary community programs aimed at protecting aquifers for drinking water use, and administers the monitoring assistance program to assist public water systems in complying with monitoring requirements under the federal safe drinking water act.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,465.3	2,330.5	2,330.5
Other Non Appropriated Funds	3,177.6	4,035.5	4,035.5
Total Funding	4,642.9	6,366.0	6,366.0
FTE Positions	49.0	44.5	44.5

◆ **Goal 1** To support environmentally responsible economic growth

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	12.6	30.0	23.7	32.0	33.5
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	75.9	80.0	72.3	85.0	85.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	-88.2	20.0	-83.9	5.0	10.0

Explanation: Standard work and higher quality inspections have initially increased the number of deficiencies identified during inspections. This data will help ADEQ target outreach and tools to prevent deficiencies, and will result in better environmental outcomes because high risk violations will be identified and corrected earlier.

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	188.3	189.0	189.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.2	0.0	0.0
Total Funding	188.5	189.0	189.0
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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	188.6	188.6	188.6
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.2	0.2	0.2
Federal Funds	188.8	188.8	188.8

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	200	200	100
Number of community organizations contacted by GOEO to help facilitate the dissemination of information regarding positions on State Boards and Commissions	130	130	130	130	80
Contact with tribes, tribal members and off-reservation native Americans regarding employment, appointment and procurement opportunities with the state	250	250	250	250	30

- ◆ **Goal 4** To enhance the growth and development of minority and women-owned business enterprises.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of minority/women-owned businesses contacted and provided with information regarding state contracting opportunities	200	200	200	200	100
Number of minority/women-owned businesses referred to DOA procurement	130	130	130	130	80

◆ **Goal 5** To provide alternative dispute resolution services to state agencies.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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, Chairperson
Phone: (602) 364-1601
A.R.S. §§ 42-16151 et al.

Mission:

To provide an independent appeal process for taxpayers, the county assessors, and the Department of Revenue in disputes relating to the valuation and classification of property for ad valorem tax purposes. Inherent to this responsibility the Board must create a venue in which each taxpayer is afforded due process of law in matters concerning the valuation and classification of their respective properties in non-judicial hearings.

Description:

The State Board of Equalization (SBOE) is comprised of forty-one members, twenty-one appointed by the Governor, including the Chairman, and ten members from both Maricopa and Pima counties appointed by the Boards of Supervisors. The Board's jurisdiction is primarily over locally assessed real and personal property in Maricopa and Pima counties. Under A.R.S. §§ 42-14001 et al, the Board's authority extends to centrally assessed property statewide. The State Board of Equalization also can provide hearing officer services for outlying counties. Currently, the SBOE provides services to Mohave, Pinal, Santa Cruz and Yavapai counties. The Board, formerly Division I of the State Board of Tax Appeals, was created on August 1, 1995 through a consolidation of the property valuation and classification appeals process.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	501.2	642.8	642.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	501.2	642.8	642.8
FTE Positions	7.0	7.0	7.0

5 Year Plan

Issue 1 Modernize the Board's Information Technology system for efficiency, accuracy, user simplification, security 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.

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 available assets to become compliant with all information security requirements.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	7.0	7.0	7.0
General Fund	651,000.0	661,000.0	671,000.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cost per appeal (in dollars)	117.74	74.10	91.20	85	85

Explanation: Statutory increase in member compensation.

Appeals received	5,430	8,658	5,461	6,500	6,500
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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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Enhance training for staff members. This performance measure is for the percentage of staff members who have completed training.			25	50	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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.	0	0	25	50	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2016. 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	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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

Explanation: Work with Department of Revenue and legislators.

Agency Summary

BOARD OF EXECUTIVE CLEMENCY

Terry L. Adriance, Executive Director
Phone: (602) 542-5648
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	906.1	956.0	1,142.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	21.0	41.2	41.2
Total Funding	927.1	997.2	1,184.1
FTE Positions	14.0	14.0	15.0

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 with 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:

(1) To further develop practices and procedures to better meet the demands of scheduling revocation hearings by employing a full-time Hearing Officer. The Hearing Officer will conduct all requested Probable Cause hearings (Phase I). If probable cause is found, then the individual will be scheduled to appear before the Board for the Phase II portion of a Revocation hearing. This procedure will reduce the amount of time the Board spends conducting a revocation hearing because the Phase I portion would have been already conducted. The Board's calendar would realize more time to conduct other types of hearings.

(2) Submit a decision package/justification to increase AZBOEC appropriations to include salary plus ERE's to hire a full-time Hearing Officer.

(3) Probable Cause hearings will be conducted telephonically. Audio recording of hearings will automatically be recorded through Century Link technology, which is already in place. Travel time may occur infrequently if at all.

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; 6-front line staff, executive director, 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 orgainzed 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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	14.0	14.0	14.0
General Fund	1,142,900.0	1,142,900.0	1,142,900.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	43,688.0	43,688.0	43,688.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of notifications for parole and clemency hearings.	0	0	3157	3200	3200

◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ INTERIM EVENTS	4,681.4	4,775.6	4,775.6
➤ STATE FAIR	6,625.6	6,840.5	8,024.4
Agency Total:	11,307.0	11,616.1	12,800.0
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	11,307.0	11,616.1	12,800.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	11,307.0	11,616.1	12,800.0
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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	184.0	184.0	184.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	13.5	14.0	14.5
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

Program Summary

INTERIM EVENTS

Kristi Walsh, Assistant Executive Director
 Phone: (602) 252-6771
 A.R.S. §§ 3-1001 to 3-1013, 5-113

Mission:

To maximize incremental income during the non-fair period by providing quality facilities and services.

Description:

The Arizona Exposition and State Fair provides rental opportunities during the non-fair period for events such as antique markets, gun shows, livestock shows, youth activities, sporting events, and community activities.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,681.4	4,775.6	4,775.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,681.4	4,775.6	4,775.6
FTE Positions	72.0	72.0	72.0

◆ **Goal 1** To increase the number of non-fair rental days.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Non-fair rental days over previous year	23	5	16	5	5
New promoters requesting space	6	5	7	5	5
Repeat promoters annually	23	25	21	23	25

◆ **Goal 2** To maximize the use of existing parking space.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Parking lot rentals	13	10	16	10	10
New strategic partners renting parking lots	0	1	2	1	1

Program Summary

STATE FAIR

Kristi Walsh, Assistant Executive 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,625.6	6,840.5	8,024.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,625.6	6,840.5	8,024.4
FTE Positions	112.0	112.0	112.0

◆ **Goal 1** To develop partnerships with business, industry, community, and volunteer groups.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New partners acquired	17	25	15	20	21
Exhibit space used by partners for business showcase (square feet)	80,000	80,000	80,000	85,000	87,000

◆ **Goal 2** To maximize all fair revenue sources.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New revenue streams identified	4	7	7	6	6
New revenue received from alternative sources (in dollars)	99,476	20,000	491,327	20,000	20,000

◆ **Goal 3** To increase midweek fair attendance.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Increase Wednesday attendance	24,014	10,000	-3691	10,000	10,000
Fair attendance (in thousands)	1,178.5	1,175	1,147	1,175	1,175

◆ **Goal 4** To maximize the satisfaction of fair guests.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of guest service contacts	346	355	335	345	355
Improvements implemented	23	28	20	25	25

Agency Summary

STATE DEPARTMENT OF FINANCIAL INSTITUTIONS

Lauren W. Kingry, Superintendent of Financial Institutions
 Phone: (602) 771-2800
 A.R.S. §§ 6-110 et. seq.

Mission:

To license, examine, and supervise Financial Institutions, in compliance with State law, to ensure safety for the Arizona consumer and soundness for the Arizona business.

Description:

The Department licenses, supervises, and regulates state-chartered financial institutions and enterprises to ensure the safety and soundness of these financial entities, and verify compliance with state and federal laws. The Department also investigates complaints that are filed by consumers against licensed individuals and entities and directs appropriate remedial action if the violations are substantiated.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ OFFICE OF SUPERVISION	3,510.1	3,627.9	4,073.6
➤ OFFICE OF REGULATORY AFFAIRS	1,500.6	2,512.5	2,567.3
➤ RECEIVERSHIPS	342.2	953.1	73.7
Agency Total:	5,352.9	7,093.5	6,714.6
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,004.6	3,008.0	3,867.7
Other Appropriated Funds	1,134.2	2,279.1	1,919.9
Other Non Appropriated Funds	1,214.1	1,806.4	927.0
Total Funding	5,352.9	7,093.5	6,714.6
FTE Positions	61.1	70.1	70.7

5 Year Plan

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.

Issue 3 Retaining, attracting, educating and retaining qualified and key Agency personnel.

Description The Agency has been unsuccessful in its past efforts to obtain additional funding to provide examiners and other key personnel, promotional opportunities and more competitive salaries. In addition, although ongoing professional development is necessary for DFI staff to support the financial industry, lack of funding for affordable training has prevented DFI staff from timely and effective training programs to advance their knowledge base and career path. Examiner turnover causes inefficiencies and can reduce DFI effectiveness, but experienced examiners are easily recruited elsewhere with higher salaries. Retention of trained and experienced examiners is essential to the overall effectiveness of the Department's examination and supervisory responsibilities. With properly trained personnel, efficiencies can be met, employee satisfaction improves, and attracting replacement staff is more successful.

Solutions:

- 3.1 The Agency will seek funding for all promotional opportunities when earned.
- 3.2 Provide tiered career laddering in all departments within the Agency.
- 3.3 Pursue all appropriate training strategies within budget confines.
- 3.4 Develop and implement all aspects of the Performance Management and Compensation Pay Systems.

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 if possible.

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	71.7	73.7	77.1
General Fund	3,794.4	3,944.4	4,094.4
Other Appropriated Funds	2,293.2	2,443.2	2,593.2
Non-Appropriated Funds	877.8	877.8	877.8
Federal Funds	0.0	0.0	0.0

Program Summary

OFFICE OF SUPERVISION

Lauren W. Kingry, 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 11,600 licensees (including over 8,300 loan originators) spread among 18 different types of regulated entities. Responsibilities include conducting examinations (pursuant to statutory requirements), reporting results of examinations, and taking appropriate formal or informal regulatory enforcement action where necessary.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,092.9	2,028.1	2,711.3
Other Appropriated Funds	531.7	723.4	485.9
Other Non Appropriated Funds	885.5	876.4	876.4
Total Funding	3,510.1	3,627.9	4,073.6
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of licensees scheduled to be examined annually that are examined	100	100	80	100	100
Percent of licensees scheduled to be examined biannually that are examined	75	75	79	75	75
Percent of licensees scheduled to be examined every third year that are examined	31	55	57	15	15
Percent of licensees scheduled to be examined every fourth year that are examined	24	25	36	25	25
Percent of licensees scheduled to be examined every fifth year that are examined	25	20	33	20	20
Percent of licensees examined with no examination schedule requirement	1.5	2.0	3.9	3.0	3.0
Percent of examinations receiving a satisfactory composite rating	86	80	98	85	85

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Supervisory actions taken based on examination findings	63	65	127	70	70
Formal/informal supervisory actions taken	110	115	169	115	115

◆ **Goal 3** To improve relations with licensees through the examination process.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of examination reports mailed within 25 days of completion of all examination procedures	87	85	84	85	85
Percent of licensees indicating they receive good or better service from the Department	100	98	100	98	98

Program Summary	
OFFICE OF REGULATORY AFFAIRS	
Lauren W. Kingry, 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	898.1	956.8	1,133.3
Other Appropriated Funds	602.5	1,555.7	1,434.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,500.6	2,512.5	2,567.3
FTE Positions	22.3	31.3	31.9

Subprogram Summary

OFFICE OF REGULATORY AFFAIRS

Lauren W. Kingry, Superintendent of Financial Institutions
 Phone: (602) 771-2800
 A.R.S. §§ 6-101 et. seq.

Mission:

To ensure qualified entities are licensed in accordance with statute and to promote high standards of compliance, quality, and ethical behavior among entities licensed by the Department.

Description:

The primary function of this area is to license entities to conduct business in this State based on statutory requirements. In addition, the program receives and investigates complaints against licensees and issues administrative orders to those found who have violated statutes or administrative code. Regulatory Affairs is also charged with educating consumers, licensees, and other government agencies on statutory provisions relating to state-regulated financial entities. The program is divided among two units: Licensing and Consumer Affairs.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	898.1	956.8	1,133.3
Other Appropriated Funds	602.5	734.3	612.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,500.6	1,691.1	1,745.9
FTE Positions	22.3	22.3	22.9

- ◆ **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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Applications processed (home office and branch)	3,440	3,375	3,186	3,775	3,225
Total applications processed (including renewals)	12,661	14,275	12,685	15,175	16,275
Licenses/renewals issued	12,551	14,275	12,447	15,175	16,275

- ◆ **Goal 2** To implement and administer a new licensing program to license all mortgage loan originators, effective July 1, 2010.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of licensed loan originators	7,572	9,200	7,887	9,800	11,100
Total number of all licensees	10,697	12,450	11,146	13,200	14,600

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average days from receipt to approval of license applications (Excluding Banks and Credit Unions)	8	8	10	12	12
Average days from receipt to approval of license applications (Excluding Banks, Credit Unions & Loan Originators)	30	30	18	20	20
Average days from receipt to approval of Loan Originator license applications.	4	4	8	10	10
Percent of license applications approved within 45 days of receipt (excluding Banks and Credit Unions)	97	95	98	95	95
Percent of surveyed applicants who respond they received 'good' or better overall service	99	95	98	95	95

- ◆ **Goal 4** To receive and investigate consumer complaints/unlicensed activity and resolve disputes in a prompt and professional manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of calendar days from receipt to resolution of regular complaint	29	50	72	50	50
Regular complaints filed	531	550	468	500	525
Complaints received and forwarded	192	200	154	200	200
Complaints closed (reg and forwarded)	685	700	646	700	725
Unlicensed activity identified	248	150	144	150	150
Percent of complainants indicating they receive good or better overall service from the Department	70	75	88	75	75

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 disciplinary body to ensure conformity to the statutes, rules, and regulations governing the agency. In addition to protecting the interests of the general public, the Division provides services for Appraisers, appraisal course providers, Property Tax Agents, other state appraisal boards, and lending institutions.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	821.4	821.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	821.4	821.4
FTE Positions	0.0	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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of complaints received against appraisers	126	130	105	120	120
Number of complaint resolutions	158	126	106	120	120
Appraisers with more than one complaint filed	10	10	8	10	10

- ◆ **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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Average days from receipt of application to test approval	80	40	38	35	35
Average days from receipt of test scores to licensure/ certification	11	10	10	10	10
Average days from receipt of nonresident application to licensure/certification	4	3	4	3	3

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Disciplinary actions	38	25	22	25	25
Recidivism rate for those receiving disciplinary action	6	5	4	5	5
Average days from receipt of complaint to resolution	178	100	131	100	100
Average annual backlog of noncurrent cases	10	0	5	1	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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Processing days from receipt of registration until name appears on list	15	10	7	10	10
Days from receipt of renewal form until the list is updated	8	5	5	5	5
Number of new and existing licensees	2,149	2,000	2,079	2,000	2,000

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
To register all AMC's as prescribed by A.R.S. 32-3662	165	160	167	160	160

Program Summary	
RECEIVERSHIPS	
Lauren W. Kingry, 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	13.6	23.1	23.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	328.6	930.0	50.6
Total Funding	342.2	953.1	73.7
FTE Positions	0.5	0.5	0.5

- ◆ **Goal 1** To promptly marshal and liquidate the assets of assigned receiverships.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Open receiverships (at any point in fiscal year)	1	1	1	1	0
Receiverships closed in period	0	1	0	1	0

- ◆ **Goal 2** To expedite the closure of all assigned receiverships while maximizing the recovery dollars for injured parties.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Close 'Landmarc Capital' receivership	0	1	0	1	N/A

Explanation: Receivership action against Landmarc Capital commenced in June 2009

Agency Summary

BOARD OF FINGERPRINTING

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	552.0	594.0	594.0
Total Funding	552.0	594.0	594.0
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 2015, the Board made progress on reducing the average time to process applications in all areas. The average wait time decreased by more than 2 full days, and the time that the Board spends processing the applicant decreased by more than 3 full days. The Board was in full or nearly full statutory compliance.

In upcoming fiscal years, the Board will continue to take steps to reduce the time for processing applications and achieve full statutory compliance 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
- Approve funding in budgets for fiscal years 2017 and 2018

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

	FY2018 Estimate	FY2019 Estimate	FY2020 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	594.0	594.0	594.0
Federal Funds	0.0	0.0	0.0

- ◆ **Goal 1** To make fair and consistent determinations on good-cause-exception applications.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of investigator recommendations for expedited reviews accepted.	99.12	96	98.72	96	96
Percent of applications approved.	97.69	96	98.43	96	96
Explanation: Excludes applications that are closed administratively.					
Percent of approvals by expedited review.	95.35	95	92.38	95	95
Percent of approvals by administrative hearing.	4.65	5	7.62	5	5

- ◆ **Goal 2** To provide applicants with timely decisions on their good-cause-exception applications.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of good-cause-exception applications received.	2,697	2,600	2461	2,600	2600
Number of applications disposed.	2,715	2,600	2564	2,600	2600
Ratio of cases opened to cases closed.	1:1.01	1:1	1:1.04	1:1	1:1
Average number of days to dispose.	33.5	30.0	27.80	30	30
Average number of days spent processing application.	19.73	20	16.47	20	20
Average number of days spent processing application from receipt to expedited review.	12.83	12	10.48	12	12
Percent of applications that undergo an expedited review within 20 days (processing time).	99.96	100	99.79	100	100
Average days from expedited review to hearing.	34.54	34	34.66	35	35
Percent of applications heard within 45 days of expedited review.	100	100	97.84	100	100
Percent of applications decided within 80 days of hearing.	97.66	100	100	100	100

- ◆ **Goal 3** To develop fair and comprehensible rules, policies, and procedures for determining good cause exceptions.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of applications complete on initial submission.	79.61	85	84.10	85	85

Agency Summary

DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

Debra Blake, Interim Director
 Phone: (602) 364-1003
 A.R.S. § 41-2141

Mission:

To provide consumer protection and public safety by maintaining and enforcing standards of quality and safety for manufactured/mobile homes, factory-built buildings, and by reducing hazards to life and property through enforcement of the State Fire Code.

Description:

The Department of Fire, Building and Life Safety enforces safety standards for public buildings, manufactured homes, mobile homes, and factory-built buildings. The Department is comprised of the Office of Manufactured Housing and the State Fire Marshal.

The Office of Manufactured Housing licenses and regulates the production and ownership of manufactured housing; administers funds paid by manufacturers, mobile home park owners and residents; and administers funds reserved for claims filed against the payers or for involuntary relocation. Additionally, it acts on behalf of the Federal Department of Housing and Urban Development in the implementation and enforcement of regulations regarding manufactured and mobile homes in Arizona.

The State Fire Marshal enforces the State Fire Code through the inspections of schools and public buildings and enforces the Fire Safety Complaint Cigarettes and Fireworks Sales laws.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	231.4	673.8	673.8
➤ MANUFACTURED HOUSING	1,462.0	1,337.6	1,337.6
➤ STATE FIRE MARSHAL	812.8	721.6	1,242.7
Agency Total:	2,506.2	2,733.0	3,254.1
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,917.1	2,202.0	2,723.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	689.1	703.7	703.7
Total Funding	2,606.2	2,905.7	3,426.8
FTE Positions	19.7	29.7	36.7

Issue 1 Develop and implement an Employee Enhancement System

Description The Department of Fire, Building and Life Safety (“Department”) is statutorily responsible for many public safety issues including but not limited to life, fire and building safety. In 2010, the Department endured a large budget cut causing a vast decrease in staff without reducing the Department’s statutory responsibilities. Because this Department is responsible for public and consumer safety, the importance of building and maintaining a strong group of employees is emphasized. Training and experience is vital to the successful operation of the Department. Therefore, developing and maintaining a system to hire, train, and retain committed employees is a strategic management priority. As a significant portion organizational knowledge and experience advances toward retirement age, systems must be in place to create a dependable and capable succession planning process.

Solutions:

- 1.Support a culture of leadership and continuous learning.
 - a.Identify tools and processes to define the competencies that the Department must develop and retain to ensure that the Department has the right skills it needs to meet organizational goals.
 - b.Conduct an annual training assessment to ensure there is training in place, designed to improve organizational and individual performance.
 - c.Develop a leadership succession plan that includes a leadership gap analysis.
 - d.Pilot the implementation of at least one knowledge management tool to support knowledge sharing across the Department.

- 2.Sustain a productive workforce and achieve results by recognizing performance in an environment in which all employees are encouraged to contribute.
 - a.Develop, in conjunction with the new personnel reform policies, a performance management system and ward program using a new performance evaluation method. (MAPS).
 - b.Design, test and implement at least one reward based program which will encourage employees to share ideas that with further and strengthen the agency’s mission and vision.

- 3.Maximize employee talent through recruitment, outreach, hiring and retention.
 - a.Conduct a formal review of the Departments orientation process and develop and implement a plan to streamline and improve employee on-boarding.
 - b.Review the classification and qualification standards for mission critical positions within the Department.
 - c.Provide ongoing human resource training to administration personnel to build experience and knowledge within the statewide HRIS and MAPS system.

- 4.Evaluate and monitor results relating to the MAPS and the Department’s management policies, practices, and programs.
 - a.The Department will work to develop an employee accountability system in line with the HRIS personnel rules.
 - b.The Department will proactively engage external customers in the analysis of our workforce and ID weaknesses and will address concerns

Issue 2 Use technology to streamline and improve efficiency and effectiveness of the Department

Description Use of technology such as tablets and databases, can improve the Department’s effectiveness and streamline processes such as issuing permits, for inspections. It will allow employees to maximize their time while out in the field also, and ensure fast delivery time to customers.

Solutions:

- 1.Complete development and implementation of new OMH & OFM databases.
 - a.Complete design of forms and databases
 - b.Test and evaluate modules in real world test environment.
 - c.Implement transition to new databases & forms

Issue 3 Deliver excellent customer service to customers

Description Customer service is an important part of every section of the Department of Fire, Building & Life Safety. Our employees deliver services to state agencies, municipal and county governments, Dealers, Installers, and Manufacturers.

Solutions:

1. Strengthen customer service survey process to include all division touch points related to customer service.
 - a. Develop and complete a meaningful survey of customers on an annual basis that measures customer satisfaction.
 - b. Use survey to establish baseline and continual improvement annually.

2. Improve the Department's website so there is more transparency and easier access of information for customers.
 - a. Ensure information created by the office is posted timely and in a manner easily understood by the general public.
 - b. Improve the design of the website in general, and ease of access.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	31.0	31.0	31.0
General Fund	2,202.0	2,202.0	2,202.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	689.1	689.1	689.1
Federal Funds	342.5	342.5	342.5

Program Summary	
ADMINISTRATION	
MaryAnn Knight, Deputy Director Administration	
Phone: (602) 364-1003	
A.R.S. § 41-2171 to 41-2196	

Mission:

To provide administrative services necessary to support the operations of the Office of Manufactured Housing and the Office of the State Fire Marshal.

Description:

The purpose of the Office of Administration is to provide the administrative services necessary to facilitate the operation of the Office of Manufactured Housing and the Office of the State Fire Marshal, including procedures to ensure compliance with laws and rules relating to the offices.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	231.4	579.8	579.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	94.0	94.0
Total Funding	231.4	673.8	673.8
FTE Positions	6.7	6.7	6.7

◆ **Goal 1** To be responsive and accurate in response to internal and external requests for administrative services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Relocation forms received	41	265	24	215	215
Relocation claims paid	39	250	16	175	175

Program Summary

MANUFACTURED HOUSING

Debra Blake, Interim Director
 Phone: (602) 364-1003
 A.R.S. § 41-2151 to 41-2157

Mission:

To protect the public while maintaining and enforcing standards of quality and safety.

Description:

The purpose of the Office of Manufactured Housing is to maintain standards of quality and safety for manufactured/mobile homes, and accessory structures and factory-built buildings. The standards are maintained by ensuring that the responsibilities for the Office of Manufactured Housing are conducted consistently with minimum standards of the U.S. Department of Housing and Urban Development so as to be designated the "state inspector" for manufactured homes and related industries. The Office implements all existing laws and regulations mandated by the federal government, its agencies and the State for such purposes.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	884.2	814.8	814.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	577.8	522.8	522.8
Total Funding	1,462.0	1,337.6	1,337.6
FTE Positions	13.0	14.0	14.0

◆ **Goal 1** To rapidly and accurately investigate alleged illegal conduct within the manufactured housing industry.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of licenses revoked or suspended	43	43	35	35	35
Total investigations conducted	364	364	326	326	326
Percent of licensees with disciplinary action	22	22	15	15	15
Average calendar days per investigation from start to final adjudication	30	30	30	30	30
Percent of investigations resulting in convictions	30	30	0	0	0
Percent of investigations resulting in disciplinary enforcement action	30	30	49	40	40
Trust account audits	89	89	36	54	60
Background investigations	225	225	245	247	250
Cease and desist orders issued	38	38	16	30	30
Administrative hearings held	13	13	1	2	2
Citations and complaints issued	114	114	222	210	210

◆ **Goal 2** To expedite licensing of qualified applicants.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average days from receipt of complete application to granting of license	2	2	1	1	1
Licenses issued	214	214	224	229	235
Renewals issued	769	769	775	775	775
Total individuals or facilities licensed	1,177	1,177	1,189	1,194	1,200
Tests administered	71	71	46	46	46

◆ **Goal 3** To ensure safe products for consumers of manufactured/mobile homes and factory-built buildings.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of complaints closed vs. complaints filed	87	87	82	87	87

Explanation: Lower percentages due to change in definition and process

Program Summary
STATE FIRE MARSHAL
Fred Durham, Assistant State Fire Marshal
Phone: (602) 364-1003
A.R.S. § 41-2161 to 41-2169

Mission:

To protect the public while reducing hazards to life and property through enforcement of the State Fire Code.

Description:

The Office of the State Fire Marshal establishes a regularly scheduled fire safety inspection program for state and county owned buildings, public and private schools and other occupancies, as well as the review of plans and specifications for construction or remodeling.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	701.5	634.7	1,155.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	111.3	86.9	86.9
Total Funding	812.8	721.6	1,242.7
FTE Positions	0.0	8.0	15.0

◆ **Goal 1** To increase life safety and property conservation through fire code enforcement.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of enforcement inspections for new construction	776	1,000	1,126	1,250	1,250
Scheduled - State, County, DOC, school buildings inspections	1081	1000	1,175	1,000	1,000

◆ **Goal 2** To ensure public safety by the review of plans for construction, and issuing permits for the installation or removal of underground flammable liquid storage tanks under Arizona Department of Environmental Quality requirements..

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total tank inspections	98	120	145	120	120

Explanation: OFM will be required to increase inspections

Average number of days from receipt of plan submittal to initial plan review	32	40	40	5	5
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Explanation: An increase in turnaround time is expected.

Agency Summary

STATE FORESTER

Jeff Whitney, State Forester
 Phone: (602) 771-1400
 A.R.S. §§ 37-621 to 37-661

Mission:
To manage and reduce wildfire risk to Arizona's people, communities, and wildland areas and to provide forest resource stewardship through strategic implementation of forest health policies and cooperative forestry assistance programs.

Description:
 Under A.R.S. § 37-623, 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. On jurisdiction lands, State Forestry responds to an average of approximately 400 wildfires per year that burn approximately 25,000 acres.

State Forestry's other primary role is the delivery of cooperative forestry programs. 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 insect and disease prevention, forest industry assistance, forest invasive plant management, forest landowner stewardship, urban and community forestry, tribal outreach and forest easements.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ STATE FORESTER	34,144.5	34,032.8	40,976.5
➤ EASTERN COUNTIES ENVIRONMENT GRANTS	275.0	250.0	250.0
Agency Total:	34,419.5	34,282.8	41,226.5
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,763.6	9,012.3	15,736.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	25,655.9	25,270.5	25,490.0
Total Funding	34,419.5	34,282.8	41,226.5
FTE Positions	81.3	95.5	95.5

Program Summary

STATE FORESTER

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Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,488.6	8,762.3	15,486.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	25,655.9	25,270.5	25,490.0
Total Funding	34,144.5	34,032.8	40,976.5
FTE Positions	81.3	95.5	95.5

◆ **Goal 1** To enhance wildland firefighting response.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of fires controlled at 100 acres or less. Explanation: Controlling fires when they are small reduces damage and costs.	96.3	97	98.1	97	97
Percentage of fire departments under cooperative agreement for wildfire response. Explanation: Increased numbers of partners increases fire responsiveness and capacity.	93.2	94	97	95	95
Number of fire departments with State issued wildland fire equipment. Explanation: Issuing wildland equipment allows more cooperators to participate.	84	88	84	85	86
Number of State and local NWCG qualified firefighting positions in State Forestry ROSS/IQS database. Explanation: Increased numbers of qualified firefighters increases capacity.	2865	2900	2,639	2,700	2,700
Number of hours deployed on wildfires by state inmate fire crews Explanation: Inmate fire crews are a cost effective means to fight wildland fire.	0	0	38,541.5	50,000	50,000
Percentage of the state (excluding lands under federal jurisdiction) covered by permanent repeaters allowing radio contact with State dispatch for wildfire crews and Arizona Department of Agriculture Law Enforcement Officers Explanation: Dispatch coverage helps ensure safety of Officers and wildland firefighting personnel.	0	0	75	82	87
Percentage of full-time State Forestry employees with active wildland firefighting qualifications. Explanation: Increasing the numbers of wildland qualified employees increases capacity.	0	0	86	90	90

◆ **Goal 2** To strengthen wildfire prevention, community preparedness, and fuel mitigation programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of acres of state and private land treated to protect communities from wildfire and increase forest health.	1649	3000	3071	3000	3000
Explanation: Treatment is a cost effective way to protect forests and communities.					
Number of acres of non-federal and federal land treated by State inmate fire crews to protect communities from wildfire and increase forest health	2835	4200	11,761	10,000	10,000
Explanation: Inmate fire crews are a cost-effective way to treat at risk lands.					
Number of communities with Firewise Recognition	58	63	65	72	79
Explanation: Firewise communities are more resistant to wildfire.					
Number of State qualified Firewise Assessors and Advisors	290	360	359	380	400
Explanation: Firewise Assessors and Advisors assist communities in becoming Firewise.					
Number of available NWCG qualified State and local wildland fire investigators.	0	0	4	6	10
Explanation: Qualified fire investigators help decrease arson rates and increase cost recovery programs.					

◆ **Goal 3** To enhance fire business efficiencies.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average time in days to audit fire bills from local agency cooperators and private contractors.	0	0	34.9	30	25
Explanation: Reductions in audit time result in faster payments to cooperators.					
Number of local cooperators provided with training in the fire billing process.	0	0	26	120	150
Explanation: Increased training results in less errors in billing and more efficient payments.					

- ◆ **Goal 4** To effectively deliver cooperative forestry and natural resource management programs to enhance protection and stewardship of State, community, and private lands.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of landowners and leasees receiving technical assistance in forest management to increase insect, disease and fire resistance. Explanation: Proper management of private property increases resistance to disease and wildfire.	115	125	1,318	1,250	1,250
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	20	20	25	25
Number of communities recognized as Tree City USA by the National Arbor Day Foundation. Explanation: Tree City assists municipalities in properly managing their urban tree cover.	25	26	27	27	28
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.	5	6	21	15	15
Number of technical assistance contacts with forest industry representatives. Explanation: Timber industry revenues allow treatment costs to be reduced.	24	27	86	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.	15	13	21	19	19

Program Summary

EASTERN COUNTIES ENVIRONMENT GRANTS

Jeff Whitney, State Forester
 Phone: (602) 771-1400
 FILL IN

Mission:

To pass through money received as a line item to assist Greenlee, Graham, Gila, Navajo, and Apache Counties in planning and implementation of environmental programs impacting economic development.

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:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	275.0	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	275.0	250.0	250.0
FTE Positions	0.0	0.0	0.0

- ◆ **Goal 1** To pass through money to allow the listed Counties to represent and advocate for Greenlee, Graham, Gila, Navajo, and Apache Counties in natural resource issues, including planning and regulatory endeavors with local, state, and federal agencies.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Participation in regional natural resource meetings	125	125	200	125	125
Explanation: Numbers reported by the Eastern Arizona Counties Organization					
Comments provided on natural resource proposed actions, including NEPA	75	75	150	75	75
Explanation: Numbers reported by the Eastern Arizona Counties Organization.					

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	326.3	352.2	386.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	326.3	352.2	386.2
FTE Positions	3.0	3.0	3.0

5 Year Plan

Issue 1 New SI

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:

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	386.2	376.2	366.2
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Applications received	1,630	1,645	1,635	1,650	1,640
Licenses issued	1,621	1,640	1,629	1,650	1,650
Applications denied	2	1	0	0	1
Average days to process license	30	30	30	30	30
Number of investigations	23	20	35	30	35
Number of inspections	35	150	70	100	70
Number of complaints received	23	25	11	15	15
Average number of days to investigate	30	30	30	30	30
Average number of days to renew license	2	2	2	2	2

- ◆ **Goal 2** To ensure and enforce that information is made available to both the consumer and the licensee that educates them to the standards of practice relating to providing funeral goods and services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of consumers receiving pamphlet determined through information received through complaint investigations.	99	99	100	100	100
Number of complaints received as a measure to determine the effectiveness of boards education efforts for both licensee and consumer.	23	25	12	10	15

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints processed	10	12	12	14	14
Average days to renew license	2	2	2	2	0
Average days to investigate complaint	30	30	30	30	30
Number of licenses	1,601	1,680	1,629	1,640	1,650

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ CENTRAL ADMINISTRATIVE	14,982.7	17,497.9	17,534.7
➤ WILDLIFE CONSERVATION	67,765.1	71,056.3	75,939.5
➤ RECREATION	19,247.5	20,830.3	24,081.7
Agency Total:	101,995.3	109,384.5	117,555.8
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	34,698.4	42,375.4	50,546.8
Other Non Appropriated Funds	67,297.0	67,009.1	67,009.0
Total Funding	101,995.3	109,384.5	117,555.8
FTE Positions	635.1	635.1	635.1

Issue 1 Wildlife management in a state that is diverse, culturally and in wildlife-related interests

Description The ability of the Department to adequately represent current public interests is being tested by an ongoing societal shift in the way people value and interact with wildlife. The Department conserves game, sport fish and nongame wildlife species, primarily using revenues from discretionary spending of customers relating to hunting and fishing license sales. Increasingly, fewer people are participating in hunting and fishing, yet there has been growth in other forms of wildlife-related recreation, such as wildlife viewing. Although valuable and contributory to local economies, these activities (e.g. wildlife viewing) provide little direct revenue for the Department. Tied to these trends is the increasing interest in providing input in how wildlife is managed. People have many different preferences for wildlife-related programs and services. Greater diversity in viewpoints has contributed to increased conflict, as well as contradictory social values among stakeholders. Because of these challenges, the Department will continue to endure challenges to its authority through mechanisms such as legislation, ballot initiatives and public referenda.

Adding to the challenges are demographic changes that have led to greater ethnic diversity and a more urbanized society. Given the growing influence of minorities, engaging those communities in the Department's management is important to the Department's future. The long-term success of the Department is contingent upon its ability to reach and provide services for audiences that are diverse, both in terms of their cultural heritage as well as their wildlife-related interests.

Solutions:

- Encourage partner-hosted wildlife recreation events.
- Pursue funding to enhance wildlife viewing opportunities.
- Identify and reduce the barriers to participation in wildlife-related recreation.
- Encourage greater participation in commission meetings by holding them in various regions of the state and offer electronic means to participate for those that cannot attend.
- Perform social science research to achieve a greater understanding of the Department's constituency.
- Execute programs designed to engage ethnically diverse audiences.
- Ensure broad-based public input into hunt guidelines and recommendations, and Commission Orders.

Issue 2 Maintain and improve wildlife habitats

Description There are extensive demands on natural resources. The State is not out of its long-term drought yet, and severe wildfires over the past decade have significantly impacted wildlife habitats. Arizona is also still one of the fastest growing states, and urban sprawl, leap frog development, and associated infrastructure is negatively impacting wildlife. This trend is expected to continue. Invasive species are increasingly causing problems (quagga mussels in the Colorado River Lakes and Lake Pleasant; bufflegrass; and other invasive species). Habitat loss, fragmentation, and continued threats to the health and diversity of these habitats create challenges for the Department's wildlife management efforts. The Department must use its limited resources efficiently to maintain and improve habitats for Arizona's wildlife through habitat enhancements, sustainable land-use, water catchment development, wildlife translocations, and other means. Partnerships and cooperation with federal, state, tribal and local governments, conservation and recreational organizations, private landowners, and individual citizens will be crucial to future success.

Solutions:

- Maintain an enhanced statewide Geospatial representation of crucial habitats and wildlife resources.
- Seek to avoid, minimize or mitigate impacts to wildlife resources.
- Actively conserve statewide wildlife corridors and habitats through partnerships, policy, and direct conservation actions.
- Collaborate with private, federal, state, municipal, and other land and water management interests to ensure that the needs of wildlife and wildlife habitats are considered during long and short range planning processes.
- Develop plans, recommendations, and guidelines for mitigating losses or for enhancement of fish and wildlife populations and their habitats.
- Develop wildlife water sources to alleviate this limiting factor of wildlife in arid portions of Arizona.
- Reduce the impacts of introduced invasive species.
- Encourage landowners to utilize their land that is compatible with wildlife.
- Limit the impacts of off-highway vehicles on habitat.
- Reduce the transference of aquatic invasive species between water bodies.

Issue 3 Long-term, stable funding for the future

Description Funding received by the Department to support wildlife management and recreation, and shooting sports, watercraft and OHV management is linked to expenditures of the public's discretionary funds. Revenues, whether from the purchase of licenses, tags or stamps, lottery tickets, gaming, watercraft registrations or off-highway vehicle decals are a result of discretionary purchases by the public. As a result, many revenue sources have decreased, yet overall operational costs have increased (e.g. health care benefits, fuel, trout production, etc). Because the Department must manage operations consistent with revenue, a reduction in management, educational programs, or enforcement may cause a decline in public satisfaction with ongoing work efforts.

Solutions:

- Research potential sources of new funding.
- Ensure compliance with eligibility of expenditures by fund.
- Foster a culture of individual fiscal responsibility and accountability.
- Use knowledge of fund eligibilities to enhance financial agility.
- Improve systems to enhance monitoring of budget and expenditures, and to ensure transparency.
- Recruit and Retain hunters and anglers to continue to generate revenue from this established revenue source.
- Simplify the Department's license structure to remove barriers to new hunters and anglers.
- Enforce the public use of off-highway vehicle decals.

Issue 4 Recruitment and retention of hunters and anglers

Description Despite a recent, modest rebound in participation in hunting and angling, overall trends of the past two decades show a decline in these activities. Moreover, the American Sportfishing Association in partnership with the Association for Fish and Wildlife Agencies recently completed research into license buying habits of anglers, and revealed that loyal anglers are not buying licenses as frequently as thought. Together, the data suggest that people are increasingly turning to alternative forms of recreation. Changing lifestyles, urbanization, competition for time and alternative recreational activities are factors in those declines. Hunting and fishing traditions have long promoted family values, and it was hunters and anglers that comprised the economic, political, and social driving forces for massive and historic wildlife conservation efforts in North America over the past century. More people are engaging in wildlife viewing activities, which validates that wildlife and appreciation for the natural world still has immense intrinsic value. It will be hunters and anglers that continue to promote the model of wildlife conservation into the future.

Solutions:

- Encourage partner-hosted recruitment and retention events.
- Evaluate, and refine hunter, angler and wildlife viewer recruitment and retention practices.
- Cross-promote other wildlife recreation opportunities to customers who participate in Department programs.
- Encourage independent participation by youth and families after participating in Department sport fish, hunting and wildlife recreation introductory camps or programs.
- Identify and reduce the barriers to participation in hunting and angling.
- Increase programs designed to facilitate public participation in low-cost wildlife-related recreation.
- Improve communication with the public through emergent technology.
- Increase the number of waters open to public fishing.
- Simplify license structure and regulations to reduce obstacles to participation.
- Expand the Community Fishing Program.
- Maintain support for shooting sports.

Issue 5 Wildlife management in a constantly changing physical environment

Description Issues listed above (wildlife habitats) are intrinsically tied to wildlife species abundance. Wildlife stressors associated with habitat loss or fragmentation, and continued threats to the health and diversity of habitats through development associated with population growth, introduction and expansion of invasive species, increased demands from the public, wildland fires, illegal immigration traffic, increased off-highway vehicle use, and long-term drought are some of the issues that create challenges for the Department’s wildlife management efforts. The above-mentioned factors can markedly change species abundance. Keeping common species common in a changing environment will be a challenge. Moreover, the Department lacks sufficient funding to develop and implement projects needed to recover less common, or extremely rare (endangered and threatened species), and to conserve others that are imperiled or at risk of imperilment. As a result, the rate at which species are recovered and then dropped from the federal endangered species list is below potential, and new species are propose for addition to the threatened and/or endangered species list.

Solutions:

- Retain the Department’s wildlife management authority.
- Provide science-based information to guide the decisions of partners with regards to wildlife.
- Integrate Comprehensive Game Management Planning and Statewide Wildlife Action Planning efforts.
- Use the State Wildlife Action Plan to inform and engage partners in the conservation of Arizona’s biodiversity.
- Manage wildlife populations to provide diverse wildlife recreation opportunities.
- Ensure wildlife is abundant in balance with competing societal expectations.
- Manage human-wildlife conflicts.
- Enhance understanding of wildlife recreation as an economic driver in many Arizona communities.
- Remain financially agile to maintain the fiscal resiliency of the Department.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,125.0	10,426.0	10,462.8
Other Non Appropriated Funds	6,857.7	7,071.9	7,071.9
Total Funding	14,982.7	17,497.9	17,534.7
FTE Positions	86.0	86.0	86.0

◆ **Goal 1** To provide administrative support for wildlife conservation and compatible outdoor recreation.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of customers who use online DRAW self-service features to apply for hunting permits.	82	85	85	90	95
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.	32.2	33	33	40	40
Percent of customers who use online WATERCRAFT self-service features for registering boats.	36	36	38	40	45

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	22,670.0	26,032.6	30,915.8
Other Non Appropriated Funds	45,095.1	45,023.8	45,023.7
Total Funding	67,765.1	71,056.3	75,939.5
FTE Positions	424.6	424.6	424.6

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	14,341.2	21,446.2	24,257.6
Other Non Appropriated Funds	4,095.0	4,812.8	4,812.8
Total Funding	18,436.2	26,259.0	29,070.4
FTE Positions	170.6	170.6	170.6

◆ **Goal 1** To enforce laws designed to promote wildlife conservation.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Maintain at least 95% compliance rate for hunting contacts.	91	95	98	95	95

Explanation: This percent is based on the number of total contacts made by Department officers versus the number of citations issued

Maintain at least 90% compliance rate for fishing contacts.	91.8	90	95	90	90
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Explanation: This percent is based on the number of total contacts made by Department officers versus the number of citations issued

◆ **Goal 2** To conserve wildlife while complying with environmental laws and regulations.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Ensure 100% of submitted environmental compliance checklists are completed and accompanied by the necessary supporting documentation.	96	100	100	100	100

◆ **Goal 3** To conserve wildlife habitats.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Redevelop or construct wildlife water developments.	5	20	22	20	20

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Disseminate research findings and scientific expertise via at least 4 peer-reviewed publications annually.	5	4	4	4	4
Contribute to the body of scientific knowledge by presenting in regional and national scientific meetings.	12	10	63	30	30

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.	0	0	96	80	80
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◆ **Goal 5** To educate Arizonans about wildlife.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Increase the number of participants attending outreach events and education classes by 5%.	163,278	140,000	159,648	160,000	160,000

Subprogram Summary

GAME WILDLIFE PROGRAM

Vacant, Game Branch Chief
 Phone: (623) 236-7385
 A.R.S. §§ 17-101 et seq;

Mission:
To manage game wildlife populations and their habitats to maintain the natural diversity of Arizona, and to manage for game wildlife oriented recreation opportunities.

Description:
 Arizona is host to many species of wildlife. Those mammals and birds which are actively hunted are considered game animals. Hunting can be a management tool for the Department and is an important recreational past-time and valued heritage for those who participate. Management of game includes inventory of game populations and regulation of harvest to provide sustained recreational opportunities. Management also includes assessing habitat conditions, evaluating formerly occupied habitat for potential re-introduction of species, enforcing regulations, and providing input on land management actions that potentially impact game habitats. The program also emphasizes the need to recruit and retain hunters so that the Department has managed hunts available as a management tool.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	7,278.5	2,566.1	3,191.1
Other Non Appropriated Funds	16,290.7	19,002.6	19,002.5
Total Funding	23,569.3	21,568.6	22,193.6
FTE Positions	96.7	96.7	96.7

◆ **Goal 1** To maintain healthy game populations for the benefit of Arizonans.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
On an annual basis, provide the hunting public with at least 550,000 big game hunting days.	609,900	550,000	557,000	550,000	550,000
On an annual basis, provide the hunting public with at least 375,000 small game hunting days.	521,800	375,000	385,000	375,000	375,000

Explanation: Number of small game hunting days is variable from year to year. Small game population numbers are sensitive to timing and amount of precipitation.

The number of all hunting and combination licenses sold.	0	0	285,927	285,927	285,927
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Subprogram Summary

NONGAME PROGRAM

Mike Rabe, Nongame Branch Chief
 Phone: (623) 236-7507
 A.R.S. §§ 17-101 et seq;

Mission:

To conserve nongame and endangered wildlife as part of the natural diversity of Arizona.

Description:

Most of the wildlife species in Arizona are nongame. Nongame wildlife includes all reptiles, amphibians, mollusks and crustaceans, some of which can be legally harvested. Additionally, nongame includes those fish, birds and mammals which cannot be legally harvested. Management of nongame includes inventory of nongame populations, recovery efforts to restore populations of extirpated species, and coordination of efforts to develop endangered species recovery plans. Nongame management also includes assessing habitat conditions, distributing information about nongame and watchable wildlife species, and providing input on land management actions that potentially impact wildlife habitats, has an outdoor recreation impact, or has potential for economic impact.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	320.8	493.1	819.4
Other Non Appropriated Funds	14,676.7	10,345.6	10,345.6
Total Funding	14,997.4	10,838.7	11,165.0
FTE Positions	77.3	77.3	77.3

◆ **Goal 1** To maintain healthy nongame populations for the benefit of Arizonans

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Implement key actions to improve the population status of sensitive species.	0	0	47	30	30
Survey sensitive species and their habitat to inform management needs.	0	0	70	45	45

Subprogram Summary

SPORTFISH PROGRAM

Chris Cantrell, Fisheries Branch Chief
 Phone: (623) 236-7259
 A.R.S. §§ 17-101 et seq;

Mission:

To maintain, manage, and enhance the quality, availability, and diversity of sportfishing opportunities; and disseminate information about Arizona's sportfish and sportfishing opportunities.

Description:

The sportfish subprogram is contained within the Fisheries Branch. This subprogram is responsible for sportfish management, production at hatcheries, community fishing opportunities, monitors water quality, and maintaining compliance with federal regulations.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	729.4	1,527.2	2,647.7
Other Non Appropriated Funds	10,032.7	10,862.8	10,862.8
Total Funding	10,762.1	12,390.0	13,510.5
FTE Positions	80.0	80.0	80.0

◆ **Goal 1** To maintain healthy sportfish populations for the benefit of Arizonans.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Stock 610,000 pounds of sportfish annually.	632,000	610,000	783,000	610,000	610,000
Number of all fishing and combination licenses sold.	0	0	396,492	396,492	396,492

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,903.4	5,916.8	9,168.2
Other Non Appropriated Funds	15,344.1	14,913.5	14,913.5
Total Funding	19,247.5	20,830.3	24,081.7
FTE Positions	124.5	124.5	124.5

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	350.0
Other Non Appropriated Funds	110.5	72.9	72.9
Total Funding	110.5	72.9	422.9
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To ensure Arizonans have access to their wildlife.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Maintain the percentage of Arizona lands available for recreational access.	43.5	43.5	43.4	43.5	43.5

Explanation: 43.5% of Arizona equals 31,736,053 Acres.

Subprogram Summary

WILDLIFE RECREATION

Scott Lavin, Wildlife Recreation Branch Chief

Phone: (623) 236-7188

A.R.S. §§ 17-101 et seq;

Mission:

To provide a wide range of wildlife-related recreational opportunities to accommodate the diverse wildlife interests of Arizonans.

Description:

The Wildlife Recreation subprogram seeks to create wildlife-related recreation opportunities and develop wildlife recreationists. The Wildlife Recreation subprogram accomplishes this by guiding agency operations and developing partnerships with external organizations. It also provides progressive, incremental, effective programs to recruit, develop, and retain hunters, recreational shooters, anglers, and wildlife viewers in Arizona.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,067.6	1,273.2	1,273.2
Other Non Appropriated Funds	5,940.6	6,098.0	6,098.0
Total Funding	7,008.2	7,371.2	7,371.2
FTE Positions	36.5	36.5	36.5

◆ **Goal 1** To increase participation in hunting, fishing, and other wildlife recreation.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Increase all hunting and fishing license sales 5% annually.	466,000	466,000	451,009	451,009	451,009

Subprogram Summary					
SHOOTING SPORTS					
Marty Fabritz, Shooting Sports Branch Chief					
Phone: (623) 236-7229					
A.R.S. §§ 17-241 et seq;					

Mission:

To support the development and operations of safe shooting facilities and programs that will provide a quality experience for a variety of shooting sports activities and events.

Description:

The Shooting Sports subprogram manages the statewide shooting ranges program and commission-owned ranges. The statewide shooting ranges program works with organizations, governments, and unaffiliated shooting ranges to improve shooting experiences, foster public safety, and increase accessibility of shooting opportunities for Arizonans. Commission-owned ranges including the Ben Avery Shooting Facility, the Ben Avery Clay Target Center, and several others are managed, operated, or supported by Department personnel, partners, and volunteers.

Funding:	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	328.5	376.5	376.5
Other Non Appropriated Funds	5,297.7	4,167.1	4,167.1
Total Funding	5,626.2	4,543.6	4,543.6
FTE Positions	44.5	44.5	44.5

◆ **Goal 1** To increase participation in shooting sports.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Increase number of shooter days per year at Commission-owned ranges by 5%.	366,877	385,000	354,375	371,243	388,914

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,507.4	4,267.1	7,168.5
Other Non Appropriated Funds	2,152.4	2,299.2	2,299.2
Total Funding	4,659.8	6,566.3	9,467.7
FTE Positions	34.5	34.5	34.5

◆ **Goal 1** To increase participation in safe boating recreation.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Maintain at least 75% compliance rate for watercraft contacts.	82.1	75	82.0	75	75
Number of boat registrations in Arizona.	129,182	129,182	129,480	129,000	129,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,842.8	2,276.2	2,276.2
Total Funding	1,842.8	2,276.2	2,276.2
FTE Positions	9.0	9.0	9.0

◆ **Goal 1** To ensure the safety of the off-highway recreating public.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Maintain at least 75% compliance rate for OHV contacts.	87	75	77.5	75	75

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.	93.5	85	93	85	85
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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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ENFORCEMENT	9,748.0	12,702.9	12,703.8
➤ CERTIFICATION	1,726.4	2,089.9	2,089.9
➤ DIVISION OF RACING	0.0	2,914.8	2,914.8
➤ COUNTY FAIR RACING	0.0	1,779.5	1,779.5
➤ BOXING	0.0	29.4	29.4
Agency Total:	11,474.4	19,516.5	19,517.4
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	1,779.5	1,779.5
Other Appropriated Funds	11,474.4	16,367.0	16,367.9
Other Non Appropriated Funds	0.0	1,370.0	1,370.0
Total Funding	11,474.4	19,516.5	19,517.4
FTE Positions	115.3	149.6	149.6

Issue 1 Department Objective 1: Enforcing the Arizona Tribal-State Gaming Compact

Description Part of the Department's stated mission is to protect the public welfare and safety by ensuring the integrity of the Indian gaming industry and seeking to prevent corrupt influences from infiltrating Indian gaming. To that end, the Department monitors and enforces compliance by the Tribal gaming operations of all Compact requirements, including those governing the nature, extent, and conduct of gaming activities; public health, safety, and welfare; and other operational requirements.

Solutions:

Steps to achieve the Department's First Objective:

1. Inspection of Slot Machines:

The Department inspects and certifies more than 1,000 slot machines and gaming devices each month during on-site visits to casinos. The Department inspects the machines, software, and electronic slot monitoring systems, and reviews casino records to make sure that the machines pay their required payout percentages and are operating properly. In connection with that responsibility, the Department conducts random spot checks at approximately 10 to 12 casinos each month. Technicians arrive unannounced at a casino and may test up to 50 randomly selected machines.

2. Certification of Gaming Employees:

As part of the certification process, the Department is authorized to conduct background investigations in order to ensure that unsuitable individuals or companies are not involved in Arizona's Indian gaming industry. With respect to Tribal members seeking employment in Indian casinos, the Department also makes recommendations to the Tribes based on background checks.

3. Certification of Gaming Vendors:

The Department is responsible for issuing State certification for companies seeking to provide gaming services to Indian casinos in an amount greater than \$10,000 in any given month. The Department conducts detailed background investigations. Companies must complete a detailed recertification process every two years.

4. Tribal Investigations & Inspections:

The Department:

- Performs on-site inspections of casinos and monitors gaming operations.
- Assures public safety through continual oversight of gaming facilities to ensure use of appropriate security and surveillance procedures.
- Investigates suspected Compact violations and criminal or suspicious activities.

5. Audits:

The Department conducts annual on-site audits of each casino to review compliance with the Compact and its appendices. A Compact Compliance Review team typically includes 10 to 12 Department employees. A review lasts from one to two weeks. During a Compliance review, the Department audits casino books and records, and electronic slot accounting and monitoring systems. The Department also evaluates casino minimum internal control standards and procedures and checks hundreds of items ranging from cash handling procedures to video surveillance to casino giveaways of free meals.

Issue 2 Department Objective 2: Enforcing Arizona Gaming Laws Off The Reservation

Description The Department protects the public safety and welfare by enforcing Arizona’s gambling laws. The Department is explicitly authorized to investigate violations of A.R.S. § 13-3306 that occur on non-Indian lands in the state and to cooperate with appropriate law enforcement authorities and prosecutorial agencies in the investigation and prosecution of such violations. A.R.S. § 5-602(J). Section 13-3306 prohibits the possession of a gambling device when the person in possession knowingly intends to use for illegal gambling purposes.

Solutions:

Steps to achieve the Department's Second Objective:

1. The Department is authorized to and employs certified peace officers. Every peace officer is statutorily authorized to exercise his/her authority to investigate and make arrests for misdemeanor or felony violations of A.R.S., Title 13 in any jurisdiction where he/she has been authorized by the person having primary responsibility for law enforcement within the relevant jurisdiction or territory. A.R.S. §§ 13-3871 and 13-3883. That authority encompasses all of the criminal gambling statutes set forth in A.R.S., Title 13, Chapter 33 (A.R.S. §§ 13-3301 through 13-3312).
- 2, The Department works throughout the state with law enforcement and prosecutorial authorities, including the Office of the Arizona Attorney General to investigate and enforce Arizona’s laws that prohibit illegal gambling.
3. The Department is working to increase it's relationship with law enforcement and prosecutorial agencies not only in Arizona but throughout the world and to continue to foster local law enforcement agencies.

Issue 3 Department Objective 3: Mitigating the effects of problem gambling in Arizona

Description The Department accomplishes its mission to protect the public safety and welfare in part through its Office of Problem Gambling (“OPG”). The OPG is charged with funding and supporting problem gambling prevention, education and treatment programs throughout Arizona. It works with other state agencies and private organizations to promote the message that help and hope are available for people with or affected by problem gambling.

Solutions:

Steps to achieve the Department's Third Objective:

1. Providing and supporting problem gambling programs that include prevention, treatment, and education.
2. Overseeing a 24/7 crisis and referral helpline: 1.800 NEXT STEP.
3. Contracting with behavioral health treatment professionals to provide programs for treating and educating individuals with gambling problems, and preventing further gambling problems.
4. Contracting with behavioral health treatment professionals skilled in problem gambling program training to provide training and education to other behavioral health treatment professionals to enable them to provide quality counseling and training to those needing help with gambling problems.
5. Monitoring all behavioral health treatment providers and trainers to ensure that they meet the requirements outlined in their respective contracts. (With respect to monitoring, OPG regularly conducts audits of the treatment providers.).
6. Representing the state in conferences and symposia in order to educate the public that help and hope are available to problem gamblers and those affected by problem gambling.
7. Supporting the efforts of casinos, race tracks, and the Lottery to implement and carry out responsible gaming policies and programs.
8. Working with state and private agencies to build awareness of problem gambling and to promote prevention programs.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	115.3	115.3	115.3
General Fund	0.0	0.0	0.0
Other Appropriated Funds	18,147.4	18,147.4	18,147.4
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0

Program Summary

ENFORCEMENT

John Briney, Assistant Director, Administration
 Phone: (602) 771-4263
 A.R.S. § 5-601

Mission:

To enforce Arizona's gambling laws, assure compliance with the provisions of the tribal-state gaming compacts, support and provide programs for the prevention and treatment of and education concerning problem gambling.

Description:

The Department of Gaming enforces the State's gambling laws including ensuring Tribal compliance with the compact provisions, including those governing the nature, extent and conduct of gaming activities. This is accomplished through coordination with State and local law enforcement agencies and through inspections of the gaming facilities and records, surveillance, monitoring of card games, testing of gaming devices during both scheduled and random inspections, and testing internal controls. The Department of Gaming's enforcement functions are funded by tribal contributions established in Proposition 202, codified in A.R.S. § 5-601.02, and the Tribal-State Compacts. The Department's Office of Problem Gambling contracts with a helpline provider and with treatment providers to provide services concerning problem gambling.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	9,748.0	11,382.9	11,383.8
Other Non Appropriated Funds	0.0	1,320.0	1,320.0
Total Funding	9,748.0	12,702.9	12,703.8
FTE Positions	92.3	83.1	83.1

◆ **Goal 1** To enforce Arizona's gambling laws and assure compliance with compact provisions and internal control requirements

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average visits per casino each month	8.6	12	7.5	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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of machines inspected and certified	13338	14,000	10396	14000	14000
Percent of all gaming devices certified	87	90	68	90	90

◆ **Goal 4** To provide problem gambling treatment and education.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of individuals receiving treatment services	892	884	875	900	900
Number of awareness materials distributed	21,599	26,280	41752	40000	40000

Program Summary

CERTIFICATION

John Briney, Assistant Director, Administration
 Phone: (602) 771-4263
 A.R.S. § 5-601

Mission:

To investigate and evaluate the suitability of applicants for state certification within time frames set by Tribal-State Compacts.

Description:

The Department of Gaming receives applications of persons seeking state certification or a tribal gaming license. Within 20 days of receiving a completed application for state certification of a non-tribal member, the Department issues temporary certification, unless there is evidence of criminal history sufficient to disqualify the applicant. Following the completion of a background investigation, if the applicant is found suitable, state certification is granted. At the conclusion of the background investigation of a tribal member, a recommendation is made to the Tribe as to whether the person should receive a tribal license. The Department also conducts background investigations and audits to certify corporations or other entities that provide gaming services to tribal gaming facilities in an amount that exceeds \$10,000 per month. This program is funded through certification fees and investigative costs established in Section 5(l) of the Tribal-State compacts.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,726.4	2,089.9	2,089.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,726.4	2,089.9	2,089.9
FTE Positions	23.0	26.0	26.0

◆ **Goal 1** To Ensure the Suitability of Individuals Employed by the Tribal Casinos

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of individual applications received	9,009	10,000	9,058	10,000	10,000
Total number of days elapsed from receipt of completed application to the issuance of temporary certification	3	5	2.4	5	5
Percentage of applicants granted certification or renewal	99	99	97	99	99
Percentage of applicants who had their certification, denied, revoked or suspended	1	1	1	1	1

◆ **Goal 2** To Ensure the Suitability of Businesses that Provide Goods and Services to the Tribal Casinos

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of new or initial applications received	79	100	75	85	75
Total number of certifications issued	77	90	74	80	70
Total number of renewals issued	253	230	261	275	250
Total number of denials, revocations, and suspensions	1	2	0	2	0
Percent of temporary certifications issued within 20 days	97	95	96	95	95
Level of satisfaction by applicants regarding process (percent)	99	99	96	99	99

Program Summary

DIVISION OF RACING

John Briney, Assistant 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:	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	2,894.2	2,894.2
Other Non Appropriated Funds	0.0	20.6	20.6
Total Funding	0.0	2,914.8	2,914.8
FTE Positions	0.0	40.5	40.5

Subprogram Summary

HORSE RACING

John Briney, Assistant 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.

- ◆ **Goal 1** To ensure that all participants and permittees involved in commercial horse racing operate and perform in compliance with applicable Arizona racing-related statutes, rules and regulations.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Stewards' rulings issued	211	230	205	230	230
Percent of original Stewards' actions upheld on appeal	100.0	90.0	90	90.0	90
Percent of positive equine drug tests	1.5	2.0	2.0	2.0	2.0
Number of horse racing investigations conducted regarding compliance with rules	170	240	217	240	240
Number of equine drug tests conducted	1,910	2,100	2071	2,100	2100

- ◆ **Goal 2** To process license applications and conduct background investigations in a timely manner to ensure that only those eligible pursuant to Arizona racing-related statutes, rules, and regulations receive licenses.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of licenses issued	1,501	3,000	3034	2000	2000
Number of licenses denied	4	5	2	5	5
Number of background investigations conducted regarding licensing	1,501	3,000	2027	1,500	1500
Percent of license denials upheld on appeal	100.0	95.0	95.0	95.0	95.0
Percent of total horse racing licensees with disciplinary action	9.5	9.2	9.3	9.2	9.2
Average number of calendar days to complete fingerprint reviews from time taken to receipt of criminal history report	23	23	25	23	23

- ◆ **Goal 3** To encourage and promote horse breeding in Arizona through administration of and timely distribution to recipients of funds available through Breeders and Stallion Awards Programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of active horse breeders	169	169	171	169	169
Percent of active breeders winning awards	28.1	30.0	34.0	30.0	30.0
Average number of days that awards were processed before the deadline	16.0	16.0	12	16.0	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Employee turnover rate	11.0	15.0	8	15.0	15
Number of employees who completed formal work-related training	22	15	10	15	15

- ◆ **Goal 5** To educate all licensees and racing participants in Arizona regarding violations involving the use of illegal substances.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of human drug tests conducted	5	10	4	10	10
Number of positive human drug test results	1	2	1	2	2
Number of refusals to test	1	2	2	2	2
Number of investigations regarding positive drug tests and refusals to test	2	4	3	4	4

Subprogram Summary

GREYHOUND RACING

John Briney, Assistant 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.

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Stewards' rulings Issued	27	45	40	45	45
Percent of positive canine drug tests	0.08	0.10	.08	0.10	0.10
Number of greyhound racing investigations conducted regarding compliance with rules	27	45	178	45	45
Percent of greyhound racing licensees with disciplinary action	0.4	0.5	0.2	0.5	0.5
Number of canine drug tests conducted	2,624	2,700	2,419	2,700	2,700

- ◆ **Goal 2** To process and investigate license applications in a timely way while ensuring that only those eligible pursuant to Arizona racing-related statutes, rules, and regulations receive licenses.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of licenses issued	701	300	264	400	400
Number of licenses denied	0	1	0	1	1
Number of background investigations conducted	701	300	183	400	400
Percent of background investigations resulting in disciplinary or enforcement action	0	0.01	0.01	0.01	0.01
Percent of license denials upheld on appeal	N/A	90.0	90.0	90.0	90.0
Number of background investigations resulting in disciplinary action	0	6	6	6	6

- ◆ **Goal 3** To inspect greyhound puppies, the facilities where they are maintained and the vehicles used to haul the greyhounds within the state to enforce compliance to insure the health, safety, and welfare of greyhounds with Arizona laws and regulations, and protect the integrity of the greyhound industry.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of facilities licensed	9	9	9	9	9
Number of inspections conducted at facilities	24	24	170	24	24
Number of inspections resulting in violations and disciplinary action	0	1	0	1	1
Number of greyhound hauling vehicle inspections conducted	11	5	2	5	5
Number of greyhound hauling vehicle inspections resulting in violations	0	0	0	0	0
Number of inspections of greyhound puppy litters	0	2	0	2	2

- ◆ **Goal 4** To encourage and promote greyhound breeding in Arizona through administration of and timely distribution to recipients of funds available through Breeders Awards Programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of greyhound breeders winning awards	60	60	60	60	60
Average number of days that awards were processed before the deadline	16	16	16	16	16
Number of active greyhound breeders	3	3	3	3	3

- ◆ **Goal 5** To encourage employment and retention of professional staff of the highest quality in order to best serve the needs and interests of the State and the greyhound racing industry.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Employee turnover rate	5.0	5.0	0	5.0	5.0
Number of employees who completed formal work-related training	0	2	2	2	2

Program Summary

COUNTY FAIR RACING

John Briney, Assistant 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	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	0.0	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of races supervised	243	250	232	250	250
Number of Stewards' rulings issued	14	25	1	25	25
Percent of original actions upheld on appeal	N/A	95	100	95	95
Number of investigations conducted	14	25	1	25	25
Number of county fair racing investigations resulting in disciplinary action	14	25	1	25	25
Number of county fair race days regulated	30	30	30	30	30
Number of county fair races supervised - including simulcasting	5,197	5,100	5,022	5,100	5,100
Number of equine drug tests conducted	150	150	290	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of licenses issued	176	250	10	250	250
Number of licenses denied	0	5	1	5	5
Number of background investigations conducted	176	250	8	250	250
Percent of license denials upheld on appeal	N/A	90	100	90	90
Number of license application denials upheld on appeal	N/A	1	1	1	1

- ◆ **Goal 3** To encourage and promote county fair racing in Arizona through the distribution of subsidies for purses and Betterment Fund monies to Fair facilities.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Amount of betterment monies distributed (thousands)	N/A	N/A	N/A	N/A	N/A

- ◆ **Goal 4** To encourage employment and retention of professional staff of the highest quality in order to best serve the needs and interest of the State and the horse racing industry.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Employee turnover rate	0	0	0	0	0
Number of employees who completed formal work-related training	1	0	0	0	0

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:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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	29.4	29.4
Total Funding	0.0	29.4	29.4
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of boxing & MMA licenses issued	995	750	1,294	750	1,200
Number of bouts	290	300	328	300	300
Percent of bouts without serious injury to contestants	< 1.0	< 1.0	< 1.0	< 1.0	< 1.0
Number of boxing and MMA investigations versus the number of bouts	1/290	1/300	0/300	1/300	1/300
Number of events sanctioned	29	30	37	30	35
Number of license applications received	1,015	765	1320	765	1200
Percent of licenses issued for all applications received	98	98	98	98	98

◆ **Goal 2** To investigate all allegations of rules violations that may harm the athlete or the public.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of boxing & MMA investigations resulting in disciplinary action	2.0	1.0	0	1.0	0
Number of boxing investigations versus number of bouts	1/290	1/300	0/300	1/300	1/300
Number of boxing & MMA investigations	1	1	0	1	0

◆ **Goal 3** To ensure that all participants comply with all health requirements for their safety and the public safety.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Boxing & MMA -related medical exams submitted	2,100	2,100	1900	2,100	2,100
Percent of Boxing & MMA -related medical exams accepted	98	98	98	98	98
Percent of Boxing & MMA -related medical exams received the day of the event	1-10	0	1	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of boxing employees who completed formal work-related training	3	2	3	2	2
Employee turnover rate	0	0	1	0	0

Agency Summary

GEOLOGICAL SURVEY

M. Lee Allison, Ph.D., Director and State Geologist
Phone: (520) 209-4121
A.R.S. § 27-103

Mission:

To inform and advise the public about the geologic character of Arizona to help meet societal needs for water, energy, and mineral resources and assist in prudently managing the state's land and natural resources.

Description:

The Arizona Geological Survey maps and describes the bedrock and related geologic materials and processes in Arizona; provides objective, scientific information about the geologic character of the state; operates and maintains a central repository for reports, books, maps and other publications regarding the geology, mining and mineral resources and associated technologies; operates and maintains a central repository for rock cores, well cuttings and samples; and provides administrative support for the Arizona Oil and Gas Conservation Commission.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	941.7	941.0	2,367.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,560.1	4,162.1	362.7
Total Funding	5,501.8	5,103.1	2,730.2
FTE Positions	32.4	28.9	26.0

Issue 1 Adequate resources to carry out AZGS mission and goals

Description Since 2008, State appropriations to the agency decreased by a net 45%. However, even with this significant reduction in funding, the Survey has taken on additional duties for the State while maintaining its services and functions. We have done this by aggressively seeking external grants (mostly federal) from a growing array of funding sources, covering a wide range of subjects related to the Survey's mission. These grants have helped support AZGS missions and the administrative overhead (indirect costs) obtained through the grants helps underwrite the Survey's basic operations. In contrast with federal funds received by many other state agencies, the grants awarded to AZGS are usually highly competitive and have success rates often running 3–25%. The grants typically run 1-3 years and new ones are sought to replace expiring ones; it is rare to find grants that can be renewed. In recent years, 80-90% of the Survey's total budget is grant funded. For FY12-14, state appropriations accounted for less than 9% of the agency's total budgets. It may also take 6-12 months before the results of grant applications are known, so the uncertainty is high about continuity of staff members funding for their positions.

In the past twenty years, AZGS has merged with two other state agencies: the Oil & Gas Conservation Commission (OGCC) in 1991 and the Arizona Department of Mines and Mineral Resources (ADMMR) in 2011. For the latter, AZGS provided the primary financial support from internal funds to maintain staff and services of the agencies. With the loss of ADMMR, this makes AZGS the primary agency dealing with mineral resources in Arizona, which is the #1- or #2-ranked mining state (non-fuel minerals) in the U.S. A mandate following the merger of the agencies was to digitize the vast number of paper records, maps, and reports of the ADMMR files; this is addressed further in Issue 6. The Oil and Gas Commission continues as an independent body appointed by and reporting to the Governor; however, AZGS provides all administrative, financial, and technical support to the Commissioners, including paying Arizona's annual dues to the Interstate Oil & Gas Compact Commission, to which the Governor is Arizona's representative.

Challenge: Continually seeking the funding needed to maintain the current level of subsidy for state services, including highly competitive external grants.

Solutions:

Strategy 1: Maintain our ability to carry out state mandates independent of state's ability to fund them

- Continue to effectively leverage State appropriated funding to carry out the Survey's mission
- Diversify funding sources among federal agencies
- Seek opportunities with state, local, and tribal agencies
- Pursue Foundation and other private sector support
- Increase retail and wholesale revenues from publications and products

Issue 2 Mitigation and response to natural hazards.

Description AZGS geologic mapping provides the basis for many natural hazards identification and mitigation strategies, including debris flow, landslides, floods, rock falls, subsidence, and natural contamination of ground waters. In addition, AZGS set up and manages the Arizona Broadband Seismic Network (ABSN), which for the first time in history can detect any magnitude 3.0 earthquake or larger anywhere in the state. AZGS receives no federal, state, or industry funding to support the network monitoring and evaluation of earthquakes. The Nuclear Regulatory Commission considers this monitoring a critical function to evaluating the seismic risk to Palo Verde Nuclear Generating Station. AZGS has also staffed the Burn Area Emergency Response (BAER) teams for emergency response and mitigation for the past several fire seasons. AZGS currently participates in the USGS StateMap program, competing for federal matching funds to produce 4-6 geologic maps per year at the 1:24,000 scale for quadrangles across the state. Arizona has a total of over 1,900 quadrangles, of which about one-quarter have now been mapped. Priority areas and criteria for mapping are determined by an external Geologic Mapping Advisory Committee of industry, community, and agency map users, on an annual basis. The Survey completed the first statewide mapping and characterization of earth fissures in late 2014. These maps are in high demand by real estate developers and agents, home buyers, and local planning agencies. AZGS continues to update maps as new fissures form or existing ones grow. Some resources are being reallocated to starting a statewide inventory of landslide hazards as they constitute the highest risk to life and property that is not being systematically addressed. We competed successfully for one-time FEMA funds with the cooperation of AZDEMA, leverage AZGS funds.

Challenge: Finding resources to adequately identify, respond to, and mitigate natural hazard impacts on Arizonans, which are increasing especially as a growing population moves into areas previously avoided.

Solutions:

Strategy 1: Define and characterize potential geologic hazards and limitations

- Create a more coordinated and strategic approach to natural hazards, including:
 - Ensuring continued operation of the state earthquake monitoring network – the Arizona Broadband Seismic Network (ABSN)
 - Pursue a statewide hazards assessment
 - Initiate a statewide landslide hazards assessment and seek creation of a national federal-state cooperative program to support continued efforts
 - Respond effectively to disasters
- Complete mapping of all known Earth fissures and investigate techniques to predict the locations and growth of fissures, and methods to mitigate them
- Seek resources to map each of the geologic hazards statewide at an initial scale of 1:500,000, starting with landslide hazards.

Strategy 2: Deploy a full-service Phoenix Branch Office

- AZGS relocated Phoenix staff into space sublet from the AZ Dept. of Water Resources in July 2014, to house the former ADMMR (now AZGS) and existing home-based AZGS staff in Phoenix that is publicly accessible
- Add a geologist staff position in industrial minerals in Phoenix

Strategy 3: Everything Digital, Online, and Interoperable

- Complete digitization of AZGS data and integrate them using the globally accepted U.S. Geoscience Information Network (USGIN) – a collaboration between the AZGS, Association of American State Geologists, and the U.S. Geological Survey) – standards and protocols
- Expand the adoption and use of USGIN and the National Geothermal Data System as a sustainable stand-alone entity(ies), or a combined system.

Issue 3 Characterization of mineral resources of the state.

Description As stated in Issue 1, Arizona is routinely the #1 or #2 mining state of non-fuel minerals in the nation (Nevada generally our main competitor). 1:24,000 scale maps help in identifying natural resource plays throughout the state. In 2008 AZGS published "Potash and Related Resources of the Holbrook Basin, Arizona" identifying the largest accessible potash play in the United States. Since 2008 AZGS has permitted private industry exploration drill holes for AZOGCC, preparing the way for two or more multi-billion dollar potash mine(s) in northeast Arizona. This type of characterization is only possible from well-trained geologic staff and accessible data and mapping.

AZGS participates as a cooperating agency on federal Environmental Impact Statements and other land management activities to provide unbiased objective scientific information and advice regarding geologic and mineral resource issues.

Since the merger with ADMMR in 2011, AZGS is the primary source of mineral resource information to companies interested in exploring in Arizona. AZGS is digitizing the extensive records held by ADMMR and putting them online for free viewing and downloading. We estimate 400,000 pages of reports, 10,000 maps, and 7,000 historical photographs are in the collections. All of the primary ADMMR paper records have been scanned, digitized, georeferenced and placed online for free downloading. The mining industry considers this a valuable resource for discovering potential new deposits that would add to the state's economy. We are now digitizing the nearly two dozen collections of files and records donated to ADMMR and now to AZGS.

AZGS maintains a geologic sample repository of cores and cuttings that are available for examination and testing. The primary users are mineral exploration companies, followed by researchers attempting to evaluate the nature and origin of Arizona mineral and energy resources.

Challenge: Arizona receives no state funding for the legislatively mandated duties acquired with the ADMMR merger limiting our ability to characterize mineral deposits that could lead to new economic development; Arizona invests the least by far of all states surveyed in geological surveys of mineral resources.

Solutions:

Strategy 1: Further the emphasis on mineral resources

- Create a more coordinated and strategic approach to mineral resources, including:
 - Assessing mineral potential on lands subject to withdrawal (publish reports/studies, respond effectively to federal proposals to limit access)
 - Represent resource potential to agencies and industry (response to inquiries)
 - Provide critical information on exploration, land management, environmental impacts, and economic development (mapping, published reports/studies, online digital repository)
 - Assist in fraud investigations
- Assist counties in planning for aggregate resource development; a new prototype map of the Phoenix metropolitan area that planners can use, is expected to be released in October 2014
- Support industrial minerals assessment for resource assessment and to assist local government planning agencies to meet state requirements
- Expand the AZGS Sample Repository by seeking federal and industry support in order to accept and curate the most critical geological samples
- Assess the potential for undiscovered mineral deposits and identify geologic indicators for the discovery of new mineral resources

Strategy 2: Deploy a full-service Phoenix Branch Office

- AZGS relocated Phoenix staff into space sublet from the AZ Dept. of Water Resources in July 2014, to house the former ADMMR (now AZGS) and existing home-based AZGS staff in Phoenix that is publicly accessible
- Add a geologist staff position in industrial minerals in Phoenix

Strategy 3: Everything Digital, Online, and Interoperable

- Complete digitization of AZGS data and integrate them using the globally accepted U.S. Geoscience Information Network (USGIN) – a collaboration between the AZGS, Association of American State Geologists, and the U.S. Geological Survey) – standards and protocols

-
- Develop USGIN and the National Geothermal Data System as a sustainable stand-alone entity(ies), or a combined system.

Issue 4 Information resources to adequately inform federal, state, and local agencies, the general public, and industry of mineral and energy resource potential and impacts of the state

Description As part of the digitization efforts discussed in Issue 6, we are scanning and digitizing all of our reports, studies, and maps and making them accessible over the internet. There are currently over 1,100 of such items available in our searchable online digital document repository. In addition, AZGS consistently publishes reports and studies throughout the year to help inform stakeholders. Hardcopies are sold for the cost of reproduction but digital copies are generally freely available online. AZGS has moved to a print on demand approach to minimize costs.

Challenge: The funding for these efforts comes largely from federal contracts and grants, which are at risk due to federal budget cuts and increasing competition.

Solutions:

Strategy 1: Maintain our ability to carry out state mandates independent of state's ability to fund them

- Continue to effectively leverage State appropriated funding to carry out the Survey's mission
- Diversify funding sources among federal agencies
- Seek opportunities with state, local, and tribal agencies
- Pursue Foundation and other private sector support
- Increase retail and wholesale revenues from publications and products

Strategy 2: Define and characterize potential geologic hazards and limitations

- Create a more coordinated and strategic approach to natural hazards, including:
 - Ensuring continued operation of the state earthquake monitoring network – the Arizona Broadband Seismic Network (ABSN)
 - Pursue a statewide hazards assessment
 - Initiate a statewide landslide hazards assessment and seek creation of a national federal-state cooperative program to support continued efforts
 - Respond effectively to disasters
- Complete mapping of all known Earth fissures and investigate techniques to predict the locations and growth of fissures, and methods to mitigate them
- Seek resources to map each of the geologic hazards statewide at an initial scale of 1:500,000, starting with landslide hazards.

Strategy 3: Further the emphasis on mineral resources

- Create a more coordinated and strategic approach to mineral resources, including:
 - Assessing mineral potential on lands subject to withdrawal (publish reports/studies, respond effectively to federal proposals to limit access)
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 - Assist in fraud investigations
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- Support industrial minerals assessment for resource assessment and to assist local government planning agencies to meet state requirements
- Expand the AZGS Sample Repository by seeking federal and industry support in order to accept and curate the most critical geological samples
- Assess the potential for undiscovered mineral deposits and identify geologic indicators for the discovery of new mineral resources

Strategy 4: Deploy a full-service Phoenix Branch Office

- AZGS relocated Phoenix staff into space sublet from the AZ Dept. of Water Resources in July 2014, to house the former ADMMR (now AZGS) and existing home-based AZGS staff in Phoenix that is publicly accessible
- Add a geologist staff position in industrial minerals in Phoenix

Strategy 5: Everything Digital, Online, and Interoperable

- Complete digitization of AZGS data and integrate them using the globally accepted U.S. Geoscience Information Network (USGIN) – a collaboration between the AZGS, Association of American State Geologists, and the U.S. Geological Survey) – standards and protocols
- Expand the adoption and use of USGIN and the National Geothermal Data System as a sustainable stand-alone entity(ies), or a combined system..

Strategy 6: Deploy AZGS national expertise in data integration to other state agencies

- Seek opportunities where AZGS data integration capabilities can be utilized by other state agencies.

Strategy 7: Take advantage of new technologies for enhanced cost-effective deployment of communication with stakeholders

- Continue digitization efforts for all major AZGS and ADMMR records and files
- Establish the Arizona Experience store as a high visibility one-stop shop for government resources and Arizona products and make it a profit center(Goal 4)

Issue 5 Fraudulent description or misrepresentation of mineral properties, harming residents and commerce in the state

Description Since taking over ADMMR, AZGS has assisted state (Arizona and other states) and federal authorities regularly in cases of fraudulent sales of purported Arizona mineral properties and claims and financial securities. Such acts not only harm our states residents, but may also harm the mineral industry as investors will be wary of working in Arizona for fear of being defrauded. Unfortunately, this will be an ongoing issue.

Challenge: AZGS receives no state or federal funding for these activities; we support it entirely with external funds that must be raised to subsidize state mandates and services; there are serious concerns about the sustainability of this approach.

Solutions:

Strategy 1: Further the emphasis on mineral resources

- Create a more coordinated and strategic approach to mineral resources, including:
 - o Assessing mineral potential on lands subject to withdrawal (publish reports/studies, respond effectively to federal proposals to limit access)
 - o Represent resource potential to agencies and industry (response to inquiries)
 - o Provide critical information on exploration, land management, environmental impacts, and economic development (mapping, published reports/studies, online digital repository)
 - o Assist in fraud investigations
- Assist counties in planning for aggregate resource development; a new prototype map of the Phoenix metropolitan area that planners can use was released July 2015
- Support industrial minerals assessment for resource assessment and to assist local government planning agencies to meet state requirements
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- Assess the potential for undiscovered mineral deposits and identify geologic indicators for the discovery of new mineral resources

Strategy 2: Deploy a full-service Phoenix Branch Office

- AZGS relocated Phoenix staff into space sublet from the AZ Dept. of Water Resources in July 2014, to house the former ADMMR (now AZGS) and existing home-based AZGS staff in Phoenix that is publicly accessible
- Add a geologist staff position in industrial minerals in Phoenix

Issue 6 AZGS policy of “everything digital, online, and interoperable”

Description AZGS has become a global leader in cyberinfrastructure or digital data integration (often referred to as “Big Data”) which is transforming the business and scientific world. Grants in this field have led to a dramatic increase of the agency staff even while state appropriations have effectively decreased by 45%. We are using these skills to inventory and digitize the ADMMR collections and assist other state agencies in data integration programs (state funding on these efforts is leveraged with grant funding). Also, AZGS took over the design and creation of the virtual Arizona Experience website (www.arizonaexperience.org) as part of the Centennial, creating an award-winning, interactive, multi-media online site that is unique in the nation and is pushing the boundaries of what can be done with today’s technology. AZGS is applying this expertise to support Arizona’s Natural Resources Review Council (NRRC) with its requirement to establish a coordinated GIS and document clearinghouse to facilitate state review of federal natural resource and land management actions.

Challenge: These activities are funded by one-time external grants. Continuity of them is threatened by federal budget cuts and increasing competition for grants.

Solutions:

Strategy 1: Everything Digital, Online, and Interoperable

- Complete digitization of AZGS data and integrate them using the globally accepted U.S. Geoscience Information Network (USGIN) – a collaboration between the AZGS, Association of American State Geologists, and the U.S. Geological Survey) – standards and protocols
- Expand the adoption and use of USGIN and the National Geothermal Data System as a sustainable stand-alone entity(ies), or a combined system.

Strategy 2: Deploy AZGS national expertise in data integration to other state agencies

- Seek opportunities where AZGS data integration capabilities can be utilized by other state agencies.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	12.3	12.3	12.3
General Fund	1,341.0	1,341.0	1,341.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	55.0	55.0	55.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To serve as the primary source of information about Arizona geology.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New maps/reports released by AZGS staff	19	20	23	15	15
Number of geologic and related maps of Arizona	8	8	16	10	10
Number of reports that describe geologic hazards and resources in Arizona	10	8	7	8	8
Number of reports released to inform citizens not trained in geology (Down-to-Earth Series)	3	3	4	3	3
Number of reports published by other groups	9	5	4	5	5
Number of talks given or fieldtrips led	70	50	120	50	50
Number of state agencies and bodies for whom AZGS serves as a science support provider	17	15	15	15	15

◆ **Goal 2** To inform the public about geologic processes, natural hazards, and natural resources in Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of reports released to inform citizens not trained in geology (Down-to-Earth Series)	3	3	4	3	3
Number of seminars and workshops presented to non-technical audiences	15	15	20	15	15
Number of interviews and presentations through the news media	35	40	55	40	40

◆ **Goal 3** To distribute geologic maps, reports, and data efficiently with high customer satisfaction.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent increase (decrease) in number of publications sold	(15)	15	(16)	15	15
Explanation: More info is available via the internet and, less of the technical and topographic maps are needed in hard copy. We will adjust to this change in the market.					
Total number of geologic maps and reports and topographic maps sold	2511	2500	1960	2500	2500
Explanation: Hard copy maps are less popular because people use internet downloads.					
Technical maps and reports sold	980	1200	546	1200	1200
Explanation: More information is available online now.					
Percent increase (decrease) in sales of technical maps and reports	(15)	5	(24)	5	5
Explanation: The market is changing as more things are available to be downloaded.					
Number of non-technical reports sold	2,089	3,000	2,574	3,000	3,000
Explanation: We carry more general interests books on Arizona now.					
Percent increase (decrease) in sales of non-technical reports	(43)	5	23	5	5
Explanation: Less technical things are selling, more interest in general use/recreation.					
Quality of products sold, 1-5 (highest) scale	4.9	4.8	5.0	4.8	4.8
Number of products released or Number of digital maps/reports downloaded	152,000	145,000	32,545	35,000	35,000
Explanation: 4mb = 400 updates to databases. 5,000 = # of files downloaded					
Percent of orders filled the same day received	95	100	90	100	100
Satisfaction with mail order service provided, 1-5 (highest) scale	4.9	4.9	4.9	4.9	4.9

◆ **Goal 4** To effectively assist the Arizona Oil and Gas Conservation Commission.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average days to issue a permit	5	5	5	5	5
Number of Permits issued to drill a well	44	25	6	10	10
Compliance and safety inspections made	28	28	14	14	14
Number of gas-storage wells	14	14	14	14	14
Number of deficiencies found during inspections	0	2	0	0	0

Agency Summary

OFFICE OF THE GOVERNOR

Janice K. Brewer, Governor
Phone: (602) 542-1371
Constitution Art. 5, Part 1, Section 1

Mission:

To provide leadership for the State of Arizona and to manage the Executive branch of state government to ensure that it efficiently and effectively serves Arizona's citizens.

Description:

The Governor serves as the Chief Executive Office of the Arizona state government. The Constitution provides that the Governor shall be the Commander-in-Chief of Arizona's military forces and authorizes the Governor to grant reprieves, commutations, and pardons, pursuant to law. The Governor is also responsible for making appointments to positions in state government pursuant to law, representing Arizona in official dealings with other governmental entities, taking action on bills approved by the Legislature, and informing the public on issues affecting the state.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,954.8	6,889.0	6,889.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	25,386.7	24,587.8	24,587.8
Total Funding	30,341.5	31,476.8	31,476.8
FTE Positions	97.0	103.2	103.2

Agency Summary

GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

John Arnold, Executive Director
Phone: (602) 542-5383
35-113, et. al.

Mission:

To facilitate the effective and efficient allocation of resources in accordance with fiscally sound principles that will enable the Governor and state government to provide quality services to the citizens of Arizona.

Description:

This office provides a central Executive branch resource for the compilation, analysis, and investigation of state fiscal matters. It advises the Governor in preparation of the Executive budget and advocates for that budget through the legislative process. The office assists and advises all entities of state government in budget development and execution. It also coordinates the process of defining state government programs, developing strategic plans, and measuring program performance to achieve desired results.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,994.0	1,994.0	1,994.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,994.0	1,994.0	1,994.0
FTE Positions	22.0	22.0	22.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	69,766.4	74,884.9	54,873.5
➤ BEHAVIORAL HEALTH SERVICES	2,173,211.4	2,111,121.4	0.0
➤ ARIZONA STATE HOSPITAL	1,261.5	1,006.9	1,006.9
➤ PUBLIC HEALTH SERVICES	225.0	300.0	300.0
Agency Total:	2,244,464.3	2,187,313.2	56,180.4
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	430,304.7	413,355.3	19,459.7
Other Appropriated Funds	62,326.2	64,924.3	30,157.3
Other Non Appropriated Funds	1,751,833.3	1,709,033.6	6,563.4
Total Funding	2,244,464.3	2,187,313.2	56,180.4
FTE Positions	550.4	598.3	490.4

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 for the Future 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

Issue 2 Maximize Agency Effectiveness

Description ADHS promotes a business model that focuses on continuous quality improvement and performance management. Areas of emphasis in the short-term will include the Arizona State Hospital and transition of Behavioral Health Services. 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
- Ensure the Smooth Transition of Behavioral Health Services
- Leverage Technology to Achieve Results
- Optimize Agency Systems and Infrastructure
- Implement Performance Measures

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 Public Health Accreditation

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

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	1,541.7	1,541.7	1,541.7
General Fund	101,305.4	105,947.7	110,813.3
Other Appropriated Funds	48,265.6	49,665.3	51,105.5
Non-Appropriated Funds	108,632.6	111,807.3	115,075.3
Federal Funds	215,659.7	221,913.8	228,349.3

Program Summary

ADMINISTRATION

Janet Mullen, PhD, MBA, Deputy Director
 Phone: (602) 542-1030
 A.R.S. § 36-132

Mission:

To provide the leadership, direction and resources to ensure the Agency's mandated responsibilities, mission, and goals are met

Description:

The program ensures fiscal integrity and adequate resources to conduct business; coordinates all internal and external activities through comprehensive strategic planning; and promotes service excellence through staff training and process improvement. In addition, the program provides overall management and direction to the Department; develops and administers policy; responds to, investigates and resolves consumer complaints; coordinates and promotes various health-related activities for information and educational consumer needs; and maintains and supports relationships with the legislature, community, and other health agencies.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	23,627.5	23,920.5	19,459.7
Other Appropriated Funds	27,334.2	29,857.3	29,857.3
Other Non Appropriated Funds	18,804.7	21,107.1	5,556.5
Total Funding	69,766.4	74,884.9	54,873.5
FTE Positions	532.8	580.7	490.4

◆ **Goal 1** To maximize ADHS effectiveness

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Arizona Department of Health Services Administration as a percent of total Agency costs.	1	1	1	1	1
Percent of all prerequisites completed for public health national accreditation.	67	100	85	100	NA

Explanation: This measure will be no longer applicable after FY 16.

Percent of agency staff turnover	15.33	15	24.74	25	25
Percent of new e-government applications implemented on schedule	100	100	100	100	100

◆ **Goal 2** To promote and protect public health and safety

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of child care license renewals granted within licensing timeframes	100	100	100	100	100
Percent of child care complaint investigations initiated within investigative guidelines	100	100	100	100	100
Percent of health care licensure renewals granted within licensing timeframes	100	100	100	100	100
Percent of health care complaint investigations initiated within investigative guidelines	53	60	47	60	60

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 four Regional Behavioral Health Authorities (RBHAs) to ensure the availability of and accessibility to an adequate provider network to meet the needs of people with behavioral health problems. Additionally, the program monitors financial viability of RBHAs and ensures compliance with contract standards through review of financial statements and the annual independent certified audit, and review of medical records to identify areas where quality of service could be improved.

This Program Contains the following Subprograms:

- ▶ Administration
- ▶ Services for Persons with Serious Mental Illness
- ▶ Child and Adolescent Services

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	406,677.3	389,434.8	0.0
Other Appropriated Funds	34,767.0	34,767.0	0.0
Other Non Appropriated Funds	1,731,767.1	1,686,919.6	0.0
Total Funding	2,173,211.4	2,111,121.4	0.0
FTE Positions	17.6	17.6	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	23,732.0	24,954.7	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	40,127.7	39,614.4	0.0
Total Funding	63,859.7	64,569.1	0.0
FTE Positions	39.9	39.9	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of eligible Title XIX population enrolled in behavioral health treatment programs	13	13	16	16	0

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 four Regional Behavioral Health Authorities (RBHAS) to ensure the availability of and accessibility to an adequate provider network to meet the needs of people with behavioral health problems. Additionally, the program monitors financial viability of RBHAs and ensures compliance with contract standards through review of financial statements and the annual independent certified audit, and review of medical recrods 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	93,494.3	98,312.8	0.0
Other Appropriated Funds	2,250.0	2,250.2	0.0
Other Non Appropriated Funds	39,611.3	41,459.3	0.0
Total Funding	135,355.6	142,022.3	0.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To integrate physical and behavioral health services

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Behavioral Health seriously mentally ill clients on anti-psychotics receiving new generation psychotropic medications.	53	60	86	86	0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,744.2	720.0	0.0
Total Funding	1,744.2	720.0	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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.	82	82	86	86	0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,261.5	1,006.9	1,006.9
Total Funding	1,261.5	1,006.9	1,006.9
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	50,872.0	52,973.4	63,774.0
Other Appropriated Funds	5,646.2	6,316.4	1,740.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	56,518.2	59,289.8	65,514.7
FTE Positions	536.6	587.5	616.5

- ◆ **Goal 1** To maintain a stable and competent workforce

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of staff turnover during the first 12 months of employment	33.5	30	29.5	30	30

◆ **Goal 2** To implement strategies to promote non-violent behavior

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of direct care staff trained in non-violent crisis intervention	100	100	100	100	100

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	500.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	308,825.1	303,009.2	303,009.2
Total Funding	308,825.1	303,009.2	303,509.2
FTE Positions	296.3	296.3	296.3

◆ **Goal 1** To strengthen state-wide public health system

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of Native Health partners technical assistance requests that are completed.	100	100	100	100	100

Subprogram Summary

PUBLIC HEALTH STATISTICS

Don Herrington, Assistant Director

Phone: (602) 364-3855

A.R.S. §§ 36-132, 36-136, 36-301 to 36-347

Mission:

To collect, analyze and report public health statistics and information that guide actions and policies to improve the health of Arizonans

Description:

This subprogram provides epidemiological and statistical public health data to support the Department and public. In addition, the subprogram provides health registries, vital statistics reporting, tobacco primary care evaluation, hospital cost reporting, statistical evaluation and epidemiological technical assistance.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,375.0	125.0	125.0
Other Appropriated Funds	1,000.0	1,000.0	1,000.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,375.0	1,125.0	1,125.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To maximize ADHS effectiveness

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent accuracy in the collection and maintenance of cancer incidence data.	96	95	95	95	95
Average turnaround time in days for mail in requests to vital records.	5	3	3	3	3

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	656.8	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	656.8	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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.	111,625	115,000	100,849	100,000	100,000
Number of follow-up calls made by University of Arizona and Banner Poison Control centers to track medical outcomes of human exposures.	163,630	160,000	162,021	160,000	160,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,371.3	6,306.4	6,706.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,371.3	6,306.4	6,706.4
FTE Positions	0.0	24.1	24.1

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of microbiology performance testing samples that are correct.	100	98	98.7	98	98
Number of environmental labs licensed	142	148	141	142	142

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,479.5	1,590.7	1,590.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,479.5	1,590.7	1,590.7
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Immunization rate among 2-year old children	79	79	79	80	80
Percent of infectious disease trainings provided to county health departments conducted on schedule.	100	100	100	100	100
Percent of diagnosed urgent infectious diseases reported to ADHS within legally mandated timeframes	64	70	71	75	80
Percent of communicable and infectious disease lab reports submitted electronically.	62	70	58	65	70

Explanation: FY 2014 is reported for the calendar year.

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	89.2	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	89.2	198.0	198.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To strengthen state-wide public health system

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of areas redesignated as an HPSA within the federally mandated timeline.	100	100	100	100	100

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,562.6	3,568.0	3,568.0
Other Appropriated Funds	193.1	450.0	450.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,755.6	4,018.0	4,018.0
FTE Positions	0.1	1.0	1.0

◆ **Goal 1** To impact Arizona's winnable battles

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of high school youth who smoked in the last month	14.1	13	14.1	13	13

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.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	151.4	156.0	156.0
Total Funding	151.4	156.0	156.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To strengthen state-wide public health system

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	65	NA	NA	NA

Explanation: This survey has traditionally been done every 5 years. The survey is being revamped and not scheduled to go out to the field until 2016 and first data release due 2017.

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	396.3	400.0	400.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	396.3	400.0	400.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To impact Arizona's winnable battles

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Arizona adults reporting they eat the recommended amount of fruits and vegetables each day.	11	11.5	11.3	11.5	11.7
Percent of Arizona adults reporting that they get the recommended amount of physical activity.	24	24.5	22	22.5	23

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,297.2	5,478.5	5,478.5
Total Funding	3,297.2	5,478.5	5,478.5
FTE Positions	0.9	0.9	0.9

◆ **Goal 1** To promote and protect public health and safety

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Arizona Biomedical Research Commission grant contractors submitting grant deliverables submitted on time.	90.75	90	72	75	75

Subprogram Summary

EMERGENCY MEDICAL SERVICES

Don Herrington, Assistant Director
 Phone: (602) 364-3855
 A.R.S. §§ 36-2201 to 36-2246

Mission:

To protect the health and safety of people requiring emergency medical and trauma services (EMS), and promote improvements in Arizona's EMS and trauma system through research and education of the public and EMS providers

Description:

The subprogram provides direction for all statutorily-mandated components of Arizona's EMS and trauma system including certification of Emergency Medical Technicians (EMT), certification and auditing of EMT training programs; testing of EMT applicants; certification and auditing of advanced life support base hospitals; inspection and registration of air and ground ambulances operating in Arizona; issuance of Ambulance Certificates of Necessity and determination of rates for certified ambulance services; licensing of air ambulance services; and investigation of complaints against individuals and entities regulated by the Bureau of EMS. The subprogram has developed a state-wide EMS/trauma system including a trauma registry and trauma center designation and continues to build a system of data linkages between hospitals and the trauma registry.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	45.1	542.0	542.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	45.1	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of public health and emergency response professionals on Health Alert Network	14,670	14,963	15,012	15,256	15,549
Percent of trauma centers granted designation within Arizona Administrative Rule established time frames.	100	100	100	100	100

Agency Summary

GOVERNOR'S OFFICE OF HIGHWAY SAFETY

Alberto C. Gutier, Director
Phone: (602) 255-3216
A.R.S. § 28-602

Mission:

To be the focal point for highway safety issues in Arizona, to provide leadership by developing, promoting, and coordinating programs relating to highway safety, to influence public and private policy regarding highway safety, and to increase public awareness of highway safety.

Description:

The Governor's Office of Highway Safety develops the Arizona Highway Safety Plan (HSP) through annual problem identification and analysis of traffic records, citations, convictions, judicial outcome, incarcerations, assessments, screening, treatment, prevention, and surveys. The Office serves as a means for the reduction of traffic crashes, deaths, injuries, and property damage resulting from accidents on public roads by developing, promoting, and implementing effective education and enforcement programs geared towards ending preventable crashes and reducing economic costs associated with vehicle use and highway travel.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	14,037.8	12,131.2	12,131.2
Total Funding	14,037.8	12,131.2	12,131.2
FTE Positions	12.0	12.0	12.0

5 Year Plan

Issue 1 Decrease the fatality rate per 100 million vehicle miles traveled (VMT).

Description The fatality rate per 100 million VMT:

In 2015 GOHS set a fatality goal of 828. Due to a decrease in fatalities in 2014, GOHS has revised the 2015 goal to be 774 fatalities with a goal for 2015 of 767 fatalities.

Solutions:

GOHS will analyze statewide/local traffic data and develop a Highway Safety Plan (HSP), which serves as a means for the reduction of traffic crashes, deaths, injuries, and property damage resulting from the accidents on public roads.

GOHS develops, promotes, and implements effective education and enforcement programs geared towards ending preventable crashes and reducing economic costs associated with vehicle use and highway travel. This includes requesting grant proposals from jurisdictions for highway safety projects. These proposals will be reviewed by GOHS staff to determine performance during enforcement periods, past grant award expenditures and crash data provided from the jurisdiction that indicates a serious problem.

The HSP also promotes safety belt and child safety seat use through strong, cohesive statewide enforcement and education campaigns under the banner of "Buckle Up Arizona...It's the Law!" Arizona is a secondary safety belt violation state, but the law enforcement agencies implement a zero-tolerance policy when they encounter safety belts not being used when they stop for another traffic infraction.

Issue 2 Reduce the alcohol involvement in crashes.

Description To combat the prevalence of impaired driving, GOHS devotes significant resources to overtime enforcement, equipment, and training for law enforcement officers statewide.

Arizona's impaired driving program utilizes enforcement, education, training, and public awareness to reduce the number of fatalities and injuries resulting from alcohol- and drug-impaired collisions.

Solutions:

To combat the prevalence of impaired driving, GOHS devotes significant resources to overtime enforcement, equipment, and training for law enforcement officers statewide. GOHS will pursue the following strategies to reduce impaired driving on our roadways:

1. DUI enforcement program (overtime);
2. Funding for equipment and supplies (Portable Breath Testing Devices (PBT), phlebotomy supplies, PBT and Intoxilyzer mouthpieces, drug testing kits, urine and blood kits, and gas cylinders used to calibrate PBTs, Intoxilyzers, and Livescan Instruments);
3. Training (Standardized Field Sobriety Test (SFST) Drug Recognition Expert (DRE) Horizontal Gaze Nystagmus (HGN) DUI report writing and testimony, law enforcement phlebotomy, Advanced Roadside Impaired Driving Enforcement (ARIDE), and Drug Impairment Training for Educational Professionals (DITEP);
4. Traffic Safety Resource Prosecutor; and
5. Public awareness activities.

GOHS will continue to fund these proven effective strategies to reduce the number of alcohol and drug driving-related fatalities by increasing the number of DUI arrests, training law enforcement on effective tools and techniques, and regularly informing the public about the danger associated impaired driving and the threat of arrest for those who break the laws.

Issue 3 Decrease serious traffic injuries.

Description The economic recovery that began in 2010 resulted in higher employment, rising home values, and increasing business activity and created new demand for automobiles and motorcycles and increased VMT along with a corresponding number of injuries.

Speeding is the number one contributing factor in the State's fatal crashes. Countless tragedies are caused by excessive speed crashes, which injure and kill innocent people. Arizona's wide thoroughfares are conducive to driving far in excess of the posted speed limit, changing lanes, tailgating, and passing dangerously on the daily commute. Some drivers ignore the most important rules of safe driving, which are common sense and courtesy.

Solutions:

GOHS supports several strategies to reduce speeding, aggressive driving, and red light running. They include:

1. Law enforcement (overtime for sustained traffic enforcement campaigns conducted throughout the year);
2. Equipment purchases (speed trailers, Laser and Radar guns);
3. Materials and support for public information and media campaigns;
4. Training for project and program managers (Lifesavers Conference);
5. An annual public opinion survey

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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	1,497.5	1,497.5	1,497.5
Federal Funds	11,814.3	11,814.3	11,814.3

◆ **Goal 1** To decrease the fatality rate per 100 million vehicle miles traveled (VMT) to 1.34 by December 31, 2016.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Grant Proposals received from jurisdictions.	400	300	300	300	300
Contracts negotiated, written, and executed.	400	300	298	277	300
Miles traveled fatality rate (prior calendar year).	1.36	1.35	1.35	1.34	1.34

Explanation: Crash data compiled on calendar year

Total statewide fatalities (prior calendar year).	844	836	774	767	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 fatalities from year 2015 of 774 to 767 in 2016.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Contracts for any type of alcohol-detection devices.	40	30	28	15	15
Agencies funded for DUI enforcement.	84	59	63	76	76
Explanation: Includes contracts for new federal funds, Section 164.					
Officers receiving standardized field sobriety/horizontal gaze nystagmus/drug recognition expert/phlebotomy training. (Based on a calendar year)	870	900	820	900	900
Alcohol-related fatalities (prior calendar year).	262	245	218	210	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.	216	200	280	280	280

◆ **Goal 3** To decrease serious traffic injuries by December 31, 2015 to 50,000 and a 2016 goal of 50,000.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Agencies participating in public information & education/enforcement projects.	18	15	15	15	15
Public information & education campaigns developed each calendar quarter.	4	4	4	4	4
Enforcement/training/public information & education events.	18	15	15	15	15
Percent of seat belt use (prior calendar year).	84.7	85.0	88.0	88.8	89.0
Explanation: Actual data represents prior calendar year actual. Performance measures will now be calculated using a calendar year base average.					
Percent of child safety belt use.	84.8	85.0	87.2	87.2	87.2
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 50,000	50,284	50,000	50,890	50,000	50,000

Agency Summary

ARIZONA HISTORICAL SOCIETY

Anne I. Woosely, Ph. D., Executive Director
Phone: (520) 628-5774
A.R.S. § 41-821(A)

Mission:

To collect, preserve, interpret, and disseminate the history of Arizona, the West, and northern Mexico, as it pertains to Arizona.

Description:

The Arizona Historical Society (AHS) is a membership and government supported, nonprofit, state agency. It is governed by a membership-elected board, representing each county in the state. Museums are located in Flagstaff, Tempe, Tucson, and Yuma. The Society museums maintain 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,156.0	3,157.2	3,697.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,198.2	1,282.0	1,231.7
Total Funding	4,354.2	4,439.2	4,929.2
FTE Positions	40.9	59.8	63.3

Issue 1 Administrative Planning

Description AHS strives to develop and strengthen its human resources and organizational management knowing that the most important part of keeping the Society operational is the people and their collective energy, knowledge and enthusiasm.

Solutions:

Strategic Goal 1.1: Create a healthy climate and culture, efficient operations, and performance targets to increase the effectiveness of our mandate delivery.

Objective1.1.1: Establish and use effective communication among staff and administration.

Objective1.1.2: Involve staff in identifying and implementing strategies to create and maintain a climate and culture that will make working at AHS satisfying, meaningful, and effective in providing public value.

Objective 1.1.3: Develop a culture and incentive system that promotes effective internal and external customer service and teamwork.

Strategic Goal 1.2: Provide for continuous improvement and efficient allocation of resources.

Objective 1.2.1: Assess human resource skill/ allocation needs based upon external environmental factors and develop human resource recruitment and succession plan to optimize agency long-term performance.

Objective 1.2.2: Assess and recruit for specific skills sets for staff, and boards.

Objective 1.2.3: Organize the Divisions as needed to take advantage of skills and opportunities and effectively provide mandated functions.

Objective1.2.4: Identify needed training and development and ensure staff is adequately trained for present and future needs.

Objective 1.2.5: Ensure that policies and procedures meet current and future needs.

Objective 1.2.6: Recruit and develop a diverse workforce so that we can better serve a diverse public.

Strategic Goal 1.3: Help staff reach full potential and meet stakeholder expectations.

Objective 1.3.1: Create and implement new hire orientations.

Objective 1.3.2: Implement professional development for AHS Board, agency leadership and department staff.

Objective 1.3.3: Provide strategic training opportunities for individuals based on annual plan, agency need, individual goals and work group resources.

Objective 1.3.4: Ensure that staff have the skills, competencies, training, and tools they need to support their customers in a changing environment.

Issue 2 Financial Planning

Description Define and develop financially responsible fiscal management

Solutions:

Strategic Goal 2.1: Identify and Secure Additional Funding Sources.

Objective 2.1.1: Develop and strengthen every avenue of public support to secure future public funding.

Objective 2.1.2: Plan and mount major capital and endowment campaigns.

Objective 2.1.3: Increase earned income from fees and services in accordance with revenue enhancement tactics.

Objective 2.1.4: Develop private sector partnerships to leverage rental potential of agency sites and commercial use of collections.

Issue 3 Capital Planning

Description Maintain and Improve the care of the interior and exterior of its museums. The integrity of museum buildings directly impacts the visitor experience and public safety, as well as the collections housed within their walls.

Solutions:

Strategic Goal 3.1: Create a plan for realizing the usage potential of AHS real estate holdings that anticipates needs and opportunities in using space to achieve organizational goals.

Objective 3.1.1: Evaluate properties and plan for optimal financial productivity and strategic applications.

Strategic Goal 3.2: Address deferred maintenance needs and create a schedule of necessary maintenance.

Objective 3.2.1: Develop plan to prioritize and subsequently mitigate deferred maintenance issues in museum buildings.

Objective 3.2.2: Engage in open dialog with State pertaining to fund allocations and maintenance of state owned facilities.

Strategic Goal 3.3: Develop, fund, and implement a capital improvement plan that takes into account AHS's needs up to the next 25 years.

Issue 4 I.T. Infrastructure

Description AHS is a 21st century information agency. AHS will be instrumental in shaping Arizona's identity for the next 100 years. How the world will understand Arizona, will largely be determined by historical documents and objects we keep. That, in turn, will be determined by technology and technology informs all aspects of what we do. We now seek, identify, capture, store, transmit and deliver information in all formats. We will support an information technology infrastructure that is flexible, robust, secure and scaleable, and that serves AHS' customers, both internal and external. Having the ability to manage, use, find, share and appropriately dispose of electronic records is vital for the effective functioning of AHS and it is central to an agency that strives to be transparent, participatory and collaborative.

Solutions:

Strategic Goal 4.1: Maintain a high-quality technological infrastructure that is capable of supporting all of our internal operations and the website.

Objective 4.1.1: Conduct internal assessment of current and future IT needs for the agency.

Objective 4.1.2: Conduct external assessment of current agency infrastructure.

Objective 4.1.3: Pursue the recruitment of a Digital Manager to oversee implementation of strategic IT Infrastructure goals.

Objective 4.1.4: Write grants for acquiring hardware & software.

Strategic Goal 4.2: Using a coordinated, division-wide approach, meet the educational, technical, and cultural needs of diverse customers through enhanced delivery of information.

Objective 4.2.1: Provide needed data effectively and efficiently.

Objective 4.2.2: Facilitate the dissemination of information effectively and efficiently.

Strategic Goal 4.3: Optimize online publications for effective use by customers.

Issue 5 Online Presence

Description Develop and Implement a plan for strategic web development that makes arizonahistoricalsociety.org the primary online resource for people to connect with Arizona's history.

Solutions:

Strategic Goal 5.1: Develop and implement a plan for strategic web development that makes arizonahistoricalsociety.org the primary online resource for people to connect with Arizona's history.

Objective 5.1.1: Develop a team-based approach to improving our technological infrastructure to include our web properties.

Objective 5.1.2: Develop an educator's portal on AHS's website that utilizes new media to create accurate, engaging, and standards-based materials to disseminate AHS's resources.

Objective 5.1.3: Develop and implement a social network plan that makes it easy for individuals and organizations to more easily access AHS resources.

Strategic Goal 5.2: Facilitate online purchase of retail items and payment for AHS services and programs.

Issue 6 Collection Stewardship

Description The asset that distinguishes AHS from its peers is its rich and irreplaceable collection of historical artifacts, natural history specimens, manuscripts and printed material.

Solutions:

Strategic Goal 6.1: Develop strategies for storage, preservation, and collections security.

Objective 6.1.1: Prioritize and address the preservation needs of all AHS collections, regardless of format.

Objective 6.1.2: Proactively adapt our security measures for our staff, collections and infrastructure to meet changing threats and vulnerabilities.

Objective 6.1.3: Develop and implement a comprehensive Collections Management Manual including Collections Development plans for each collecting Division and development of a comprehensive collections management plan.

Objective 6.1.4: Adopt and implement a collections disaster plan.

Objective 6.1.5: Establish effective physical control over all collections: launch inventory process and develop target for data entry.

Objective 6.1.6: Create a plan for cataloging and processing backlog and incorporate the plan into division level manuals.

Strategic Goal 6.2: Manage the Collections using appropriate technological tools for more complete understanding, greater public access, and enhanced public programming

Objective 6.2.1: Develop integrated plan for gathering collections info, identify data to share with public, create front-end searchable database.

Objective 6.2.2: Develop plan for exponential database growth and access.

Strategic Goal 6.3: Assist customers in surveying, preserving, developing, interpreting, and utilizing heritage resources to facilitate economic development, community improvement, heritage tourism, and quality of life.

Objective 6.3.1: Provide individuals and groups with ease of access through a variety of channels – including online catalogs and finding aids, on-site databases, school tours, educational programs, exhibitions, and off-site programs, exhibitions, and partnerships.

Strategic Goal 6.4: Maximize AHS's existing collections storage capacity to meet its current needs and expected growth.

Objective 6.4.1: Evaluate all of AHS's existing properties for space use and environmental appropriateness for collections storage purposes.

Objective 6.4.2: Identify criteria of appropriate collections storage spaces.

Objective 6.4.3: Develop plans for reclaiming or re-purposing spaces for additional collections storage.

Objective 6.4.4: Deaccession materials inappropriate to the mission and remove those items from AHS collections storage spaces.

Objective 6.4.5: Strategic Goal: Improve curatorial workspace for accessioning and preservation.

Issue 7 Collections Access

Description In decades to come, the expectation of easy online access to AHS holdings will grow. The breadth of information available on the internet has increased public demand for faster access to more information.

Solutions:

Strategic Goal 7.1: Provide convenient access to collections for customers and public.

Objective 7.1.1: Develop a comprehensive integrated and automated collections records system.

Strategic Goal 7.2: Equip these facilities and staff with the tools to help researchers locate records at any AHS facility.

Strategic Goal 7.3: Provide statewide leadership through leveraging partnerships to preserve and provide access to the evidence of Arizona's past.

Strategic Goal 7.4: Address the challenges of electronic records to ensure success in fulfilling AHS's mission in the digital era.

Objective 7.4.1: Identify permanently valuable electronic records wherever they are, capture them, and make them available in usable form as quickly as practical.

Objective 7.4.2: Partner with agencies, research institutions, and private industry to develop, implement, manage, and promote our electronic records program both within AHS and for the public at large.

Issue 8 Education and Public Programming

Description Improve the quality of interpretive services statewide.

Solutions:

Objective 8.1.1: Assess all interpreters (Amazing Arizonans, guides, docents, suitcase presenters, speakers bureau, etc.).

Objective 8.1.2: Evaluate, reorganize, eliminate, and/or rename current programs.

Objective 8.1.3: Design and implement school tours with thematic approach.

Objective 8.1.4: Recruit and train guides for AHS museums and programs.

Objective 8.1.5: Implement Arizona History Forum guide training program.

Objective 8.1.6: Continue development of interpretive products to be used in all AHS museums.

Objective 8.1.7: Work with regional Division Directors in planning of programs, exhibits, and fundraisers.

Objective 8.1.8: Extend reach into local schools with targeted outreach and improved onsite and in school programming.

Objective 8.1.9: Develop onsite programming that is focused on enhancing the museum visitor experience.

Objective 8.1.10: Plan for the next generation of exhibits and programming.

Strategic Goal 8.2: Engage and educate the public in Arizona history by creating high-quality programs that demonstrate the relevance of the past, reach across the state, and rely on strong partnerships.

Objective 8.2.1: Foster skills in historical inquiry, analysis, critical thinking and information literacy to explore ideas, respect the diversity of human experience and make informed judgments about issues that affect our lives.

Objective 8.2.2: Create statewide teaching programs using current national models in the ways they use historic resources and the ways they form partnerships with other groups.

Objective 8.2.3: Develop and implement an overall strategy for reaching key educational target markets that includes leveraging partnerships.

Objective 8.2.4: Create relevant, vibrant exhibits and public programs that educate, entertain and engage the public in meaningful conversations about Arizona's past and how it shaped the present, and serves as inspiration for the future.

Objective 8.2.5: Expand market awareness of exhibits, programs, and educational opportunities through partnerships and co-marketing.

Objective 8.2.6: Investigate and establish a strategy that employs web-based platforms to share collections, educate students and the public, increase visibility, augment publications and exhibits, and grow meaningful collaborations.

Objective 8.2.7: Establish working relationships with area historical societies and heritage organizations, educational institutions, cultural organizations, and groups representing ethnic communities.

Objective 8.2.8: Improve upon the quality of current location-based education programs by conveying unique messages and stories about Arizona History not currently told in other museums.

Strategic Goal 8.3: Expand science education programming statewide.

Objective 8.3.1: Design and implement science education programs.

Objective 8.3.2: Use current and future exhibits to connect science education programs to exhibition themes and content.

Strategic Goal 8.4: Expand National History Day in Arizona program.

Objective 8.4.1: Increase awareness and participation in National History Day by increasing teachers, students, and regional museums participation.

Objective 8.4.2: Increase fundraising efforts around the state.

Objective 8.4.3: Work with regional coordinators in planning of programs, competitions, materials, and fundraisers.

Strategic Goal 8.5: Coordinate to provide meaningful, effective opportunities for lifelong learning.

Objective 8.5.1: Use resources effectively by establishing a institution-wide philosophy/policy on our role in lifelong learning.

Objective 8.5.2: Identify training needs of our mandated customers and create a plan to more effectively provide this training.

Objective 8.5.3: Work toward putting staff presentations and trainings online.

Objective 8.5.4: Utilize a variety of delivery mechanisms: Individuals learn in different ways.

Objective 8.5.5: Organize an experience-based approach, overseeing planning and assuring excellent quality, facilities, and customer service.

Objective 8.5.6: Create a better understanding of target market needs and interests as a foundation for better relationships and realignment of activities that will foster greater participation in AHS programs.

Objective 8.5.7: Develop and implement an interpretive plan for the entire organization that focuses on programs and exhibits that incorporate empowering intergenerational audiences with personally and culturally relevant history experiences.

Strategic Goal 8.6: Strengthen web and other media delivery of content for an education audience. (See Strategic Priority 4)

Issue 9 Audience Reach

Description AHS's future success depends on our ability to identify, please, serve, cultivate, and build our audiences. These include our members and donors, volunteers, school groups and teachers, researchers and learners of all ages (scholars, professionals, collectors, media writers and staff), family historians and genealogists, history buffs, heritage visitors, and the interested public.

Solutions:

Strategic Goal 9.1: Expand the audience for AHS publications through electronic publication and distribution

Objective 9.1.1: Digital publication of books and The Journal of Arizona History.

Objective 9.1.2: Increase accessibility of existing publications through digital conversion.

Strategic Goal 9.2: Assist customers in surveying, preserving, developing, interpreting, and utilizing heritage resources to facilitate economic development, community improvement, energy and other projects, heritage tourism, and quality of life.

Objective 9.2.1: Through services and relationships with partners and customers, strengthen all parties, create synergy, multiply outcomes, and further economic development.

Objective 9.2.2: Enable communities to develop and use their heritage resources to strengthen their economies.

Strategic Goal 9.3: Strengthen partnerships to more efficiently provide outreach to the general public.

Objective 9.3.1: Work with partners to identify ways to provide outreach and learning opportunities through partnerships and cooperation.

Objective 9.3.2: Strengthen and form partnerships to make events more effective, using fewer staff resources.

Objective 9.3.3: Expand our partnerships with the professional communities and state agencies that share our goals and mission.

Objective 9.3.4: Foster strategic alliances to increase access to collections, expand digital assets and research tools, and generate new revenues.

Objective 9.3.5: Develop strong brand identity and messaging for changing exhibits and their accompanying programs for Arizona Historical Society.

Strategic Goal 9.4: Create an organization that innovates naturally and frequently, adapts to the need for change, and is responsive to the community it serves.

Objective 9.4.1: Reorganize membership classifications to reflect new perceptions of membership. Include youth membership and teacher membership, for example.

Strategic Goal 9.5: Increase public awareness and support for historical records preservation and access.

Objective 9.5.1: Personalize the history experience and connect in new ways to the communities it serves.

Objective 9.5.2: Engage state and local legislative stakeholders, learning more about their goals and increasing public awareness of, and investment in, the Society's operations.

Strategic Goal 9.6: Promote AHS as a leader in the community for historical events of significant, statewide importance, teaching the lessons and legacies from these events.

Strategic Goal 9.7: Communicate effectively with our audiences both in person and virtually to provide educational, relevant, and engaging experiences in a variety of formats (lectures, family programs, special events, virtual and long- and short-term exhibitions, shopping opportunities, off-site statewide outreach, and dedicated staff and volunteers assisting researchers).

Objective 9.7.1: Target those experiences to specific audiences, focusing our resources on maximizing the value we provide to

win support for our future.

Objective 9.7.2: Use targeted statewide marketing to reach our audiences, cultivate those supportive of our mission, and invite them to invest in AHS' future.

Objective 9.7.3: Optimize public awareness and participation in agency services through enhanced brand identity, web-site, marketing and outreach.

Strategic Goal 9.8: Raise AHS profile in the community.

Objective 9.8.1: Develop products/programs to be used in all AHS museums.

Objective 9.8.2: Continue regular updates of AHS Webpage with new design/structure.

Objective 9.8.3: Administer AHS Social Media networks.

Objective 9.8.4: Provide support and collaborations in the community.

Objective 9.8.5: Continue production of educational publications.

Objective 9.8.6: Create teacher curricular resources.

Objective 9.8.7: Provide workshop supplements.

Objective 9.8.8: Create textbooks and children's books.

Objective 9.8.9: Continually monitor and evaluate programs and change accordingly.

Objective 9.8.10: Develop new programs.

Objective 9.8.11: Continue professional presentations at conferences.

Objective 9.8.12: Encourage staff to attend professional development opportunities.

Objective 9.8.13: Continue presence in university classes at ASU, UA, and NAU.

Objective 9.8.14: Develop partnerships and collaborations with professional organizations and businesses.

Objective 9.8.15: Participate in professional organizations such as the American Association for State and Local History, Museum Association of Arizona, Central Arizona Museum Association, Tucson Association of Museums, Arizona Council for the Social Studies, Western Museum Association, etc.

Objective 9.8.16: Increase grant applications through professional partnerships.

Objective 9.8.17: Recruit and mentor college interns.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	59.8	59.8	59.8
General Fund	3,157,200.0	3,157,200.0	3,157,200.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	1,464,000.0	1,678,900.0	1,873,200.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To collect and preserve the physical materials pertaining to the history of Arizona from A.D. 1540 to the present.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of linear feet of archives processed sufficiently to provide public access in the fiscal year	30,000	31,000	32500	33000	33500
Percent of three dimensional collections available to the public	90	90	90	90	90

◆ **Goal 2** To interpret and disseminate the history of Arizona for a broad general audience.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of public programs	986	1,000	945	1000	1000
Public program attendance	96,000	100,000	101,000	100,000	100,000
Number of public inquiries	14,478,065	15,000,000	14,568,000	15,000,000	15,000,000
On-site public attendance at local certified historical societies and museums.	567,000	550,000	398,000	400,000	415,000
Number of museum visitors and researchers	41,100	45,000	52,910	55,000	57,500
Number of volunteer hours	33,600	35,000	35,500	35,000	36,000
Administration as a percent of total cost	10	10	7.7	7.7	7.7

Agency Summary

PRESCOTT HISTORICAL SOCIETY

Fred Veil, Executive Director
Phone: (928) 445-3122
A.R.S. § 41- 831

Mission:

To: serve as an educational and cultural center, which fosters public and community understanding and appreciation of historical, social, cultural and natural aspects of Arizona, with emphasis on the Central Highlands, and which promotes involvement in and support for research, collections, conservation, exhibits, and related programs.

Description:

The Prescott Historical Society operates the Sharlot Hall Museum, which was founded in 1928 and is located on the grounds of the first territorial governor's residence and offices. The nearly four acre landscaped campus features ten exhibit buildings, including four restored historic structures-- the territorial Governor's Mansion (1864), Fort Misery (1864), the Fremont House (1875), and the Victorian-era Bashford House (1877). The Lawler Exhibit Center (1977) hosts both permanent and changing exhibits, an historic theater, and storage of extensive historic and prehistoric objects. A large Archive Library (1993), houses 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, peridocial musical and theaterical historical productions, living history interpretations in both indoor and outdoor settings, heritage gardens, lecture series, education tours, and outreach opportunities for children and adults.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	735.7	825.8	875.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	569.8	726.2	726.2
Total Funding	1,305.5	1,552.0	1,601.7
FTE Positions	11.0	11.0	11.0

5 Year Plan

Issue 1 Excellence in Education

Description Sharlot Hall Museum is dedicated to excellence in exhibitions, programs, and preservation of its collections for public benefit. As the top priority of the institution, comprehensive plans for both internal and traveling exhibits and programs, and wide use of websites and other means will offer patrons opportunities that excite, enrich, and educate a broad range of ages and a diverse public. As an overarching goal, efforts in this area will be based on appropriate Arizona curriculum standards where possible.

Solutions:

☑ Fund and continue implementation of the Museum's long-range exhibit plan

- Continue to implement and improve the Museum's education plan, with increased emphasis on school tours and youth oriented activities.

- Explore opportunities to expand the Museum's collections, including its archival materials

- Develop a plan designed to increase public awareness of the research opportunities offered by the Museum's Library & Archives.

- 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

- 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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	12.0	12.0	12.0
General Fund	875.0	875.0	875.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	725.0	725.0	725.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To increase museum visitation annually.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of people served (includes museum, festival, and theatre attendees; and researchers)	30,000	32,000	30,000	32,000	34,000
Percent of museum clients pleased with service	90	95	95	95	95
Number of volunteer hours	20,000	21,000	23,000	23,000	24,000
Number of museum researchers	2,000	2,100	2,050	2,100	2,200

Explanation: In FY2008 Library closed for one month to relocate to new facility

Number of web site unique visitors	40,000	41,000	1,000,000	1,100,000	1,200,000
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◆ **Goal 2** To continue phased facility expansion and modification, bringing needed square footage for exhibits and other uses to support goal 1 above.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Capital campaign dollars raised to build new square footage (in thousands)	86	225	207	50	200
Increase in number of dues-paying members	1,250	1,300	1,400	1,450	1,500

◆ **Goal 3** To increase the private, non-state funding support for expansion and operations

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Dollars of supplemental non-state funds per annum in thousands	678	850	715	700	700

Agency Summary

DEPARTMENT OF HOMELAND SECURITY

Gilbert M Orrantia, Director
Phone: (602) 542-7013
A.R.S. § 41-4252

Mission:

To enhance Arizona's preparedness and provide strategic direction for securing Arizona.

Description:

The Department administers federal grants to State and local agencies to prevent or reduce Arizona's vulnerability from terrorist attacks.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	1,536.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	24,480.4	25,423.3	19,744.5
Total Funding	24,480.4	25,423.3	21,281.3
FTE Positions	16.0	17.0	17.0

Issue 1 MAINTAINING THE SAFETY AND SECURITY OF ARIZONA'S CITIZENS WITH SIGNIFICANTLY REDUCED FUNDING**Description** POTENTIAL IMPACT TO ARIZONA'S ENHANCEMENT OF BORDER SECURITY AND THE CAPABILITY AND CAPACITY TO PREVENT, PROTECT, MITIGATE, RESPOND TO AND RECOVER FROM TERRORIST ATTACKS AND ALL HAZARDS.

In 2001, as a result of the terrorist attacks of 9/11, the former Governor's Office of Homeland Security and the current AZDOHS have led the homeland security initiatives to ensure the safety and security of Arizona's citizens. There is a considerable challenge to maintain and sustain the capabilities and capacity levels achieved over the past several years with continued reductions in Federal funding. One of the major elements that is key to the capability and capacity to prevent, protect, mitigate, respond to and recover from terrorist attacks and all hazards is the collaborative partnerships that have been developed and fostered through the homeland security program. Based upon the information regarding the future of homeland security grant funds disseminated from the FEMA Administrator at a recent National Homeland Security Symposium, it is anticipated that the U. S. Department of Homeland Security (USDHS) grant funds will continue to diminish. The FFY 2015 grant funds are 62.5% lower than the FFY 2007 funding level. Yet, there will be an ongoing requirement and expectation that Arizona will continue to assure border security operations are enhanced and sustained; and that the capabilities and capacity (built with Homeland Security funds) to address the ever-present and ongoing threats of terrorism, illegal border crossings, human and drug trafficking along the Arizona/Mexico border, and information-sharing among law enforcement entities (local, State, Tribal, Federal) to prevent adversarial attacks are sustained.

To provide safety and security to Arizona's citizens; the capability and capacity to conduct border security operations, maintain emergency response plans, operable and interoperable communications, and equipment to respond to acts of terrorism or other critical hazards is a priority for the well-being of all residents. It is also imperative that training and exercise continue to maintain and sustain a capable response force.

To be a recipient of USDHS grants, there are numerous requirements and reports that must be maintained and submitted on a quarterly and annual basis. The State Homeland Security Strategy is just one of those requirements. Additionally, the Director of the AZDOHS serves as the Homeland Security Advisor to the Governor.

AZDOHS is responsible for the development and implementation of the State Homeland Security Strategy. This guiding document is developed in coordination with stakeholders for various disciplines such as emergency management, law enforcement and fire as well as the private sector, nonprofit, civic, faith-based and volunteer organizations.

In addition, content in the document is derived from the THIRA and the SPR. These are comprehensive analysis and assessments of State, local and Tribal capabilities.

Reduced or dissipated funding has a calamitous impact on Arizona's border security operations by reducing State, local and Tribal high-visibility uniformed patrols along the Arizona/Mexico border and also affects the ability to prevent and protect Arizona's citizens from terrorism and other critical hazards. It is essential to maintain the strategic direction, capabilities and capacity to prevent, protect, mitigate, respond to and recover from an incident for the safety, well-being and economic security of Arizona.

Solutions:

MAINTAINING THE SAFETY AND SECURITY OF ARIZONA'S CITIZENS WITH SIGNIFICANTLY REDUCED FUNDING - POTENTIAL IMPACT TO ARIZONA'S ENHANCEMENT OF BORDER SECURITY AND THE CAPABILITY AND CAPACITY TO PREVENT, PROTECT, MITIGATE, RESPOND TO AND RECOVER FROM TERRORIST ATTACKS AND ALL HAZARDS.

AZDOHS will continue to focus on border security, maintaining and sustaining the capabilities and capacities to prevent, protect, mitigate, respond to and recover from threats or acts of terrorism and all critical hazards with the grant funds awarded to Arizona through the FFY 2015 funding cycle.

To address this issue, AZDOHS will focus on the furtherance of enhancing regional partnerships and collaborative information-sharing activities. These efforts will aid in minimizing any potential impact should leadership efforts be transitioned to another agency or assumed by the participating entities.

A general fund budget request will be submitted for FFY 2016 and subsequent fiscal years to support the ongoing efforts to maintain and sustain the efforts previously described.

It is the goal of AZDOHS to manage and administer the available funds while maintaining compliance with the USDHS National Preparedness Goal and the National Preparedness System to sustain capabilities that can be regional and federally deployed.

Although deployment is coordinated through the mutual aid compacts at the local, State and regional level, the State Administrative Agency is the designated entity eligible to apply for and receive homeland security grant funds.

As Federal funds diminish, State agencies and local jurisdictions will be encouraged to seek maintenance and sustainment support through their local governing body.

Annual reviews and assessments will be conducted to determine viability of staff levels to maintain ongoing department responsibility requirements with subsequent recommendations provided to the Director.

As Federal grant funds diminish and limited resources are available to the Department, the Department will develop a strategic initiative to consider options to transfer or consolidate Department responsibilities to another State agency or office as well as determine the appropriate legislative action to address the statutes.

Issue 2 SUSTAINING THE VIABILITY OF AZDOHS SECURITY WITH DRASTICALLY REDUCED FUNDING

Description IMPACT TO AZDOHS TO EFFECTIVELY PROVIDE HOMELAND SECURITY STRATEGIC DIRECTION, ENHANCE COLLABORATIVE EFFORTS AND ADMINISTER AND MANAGE GRANT FUNDS AWARDED TO THE STATE OF ARIZONA. AZDOHS is the State Administrative Agency (SAA) responsible for the management and administration of the suite of grant programs available from the USDHS.

As the SAA, there is a myriad of roles, responsibilities and reporting requirements to maintain eligibility to receive and maintain compliance with all of the grant guidance and award conditions.

Since 2007, Arizona has experienced over a 62.5% decrease in Homeland Security grant funds awarded to the State. As mentioned in Issue 1, it is anticipated that the USDHS grant funds will continue to diminish at a significant rate.

Regardless of any reductions or the potential elimination of the grant programs, the SAA must still maintain compliance and meet all reporting requirements well after the end of a grant performance period. To further exacerbate the issue, the 2012 grant performance period has been reduced from 36 to 24 months. Starting with the 2015 grant cycle, the period of performance has been increased back to 36 months.

While AZDOHS has made every effort to be exemplary stewards of the funds awarded to the State, the department will be severely impacted by a reduction of funds.

A reduction in funds will directly result in a reduction of current AZDOHS staffing levels. A reduction in current staffing levels obviously will affect the Department's ability to sustain the collaborative efforts that have brought together and built working relationships across the various disciplines. The collaborative relationships built have served as a cornerstone involving collective efforts to share information, leverage resources, and increase the level of prevention and response capabilities.

Reduced staffing would impede the ability to efficiently and effectively manage and administer the grant programs as well as meet all of the reporting requirements for the State and the USDHS. Failure to maintain compliance with the reporting requirements could result in Arizona being ineligible to receive homeland security grant funds or a reimbursement being held until such time compliance is achieved.

Reimbursement requests to stakeholders would be significantly delayed thus imposing unintended budgetary consequences on local jurisdictions to be able to accept and utilize any potential grant funds that may have been awarded. Accordingly, stakeholder relationships and collaborative efforts will be affected.

Should Federal homeland security grant funding cuts continue at the present rate, the overarching impact to the State of Arizona will be one which will negatively affect border security and counter-terrorism efforts. In addition, emergency management, preparedness and response efforts will also be negatively impacted as grant funding diminishes. If this trend of diminished Federal homeland security grant funding were to continue, the sustainment of Arizona's current levels of security, preparedness and emergency response will prove difficult.

Solutions:

SUSTAINING THE VIABILITY OF AZDOHS WITH DRASTICALLY REDUCED FUNDING - IMPACT TO AZDOHS TO EFFECTIVELY PROVIDE HOMELAND SECURITY STRATEGIC DIRECTION, ENHANCE COLLABORATIVE EFFORTS AND ADMINISTER AND MANAGE GRANT FUNDS AWARDED TO THE STATE OF ARIZONA.

To address reduction of funding to maintain and sustain AZDOHS, the Department has and will continue to analyze and assess the internal budget.

A general fund budget request will be submitted for FFY 2016 and subsequent fiscal years to support the ongoing efforts to maintain and sustain the current level of staffing.

Annual reviews and assessments will be conducted to determine viability of staff levels to maintain ongoing department responsibility requirements. As reduction in funds is experienced, reduction in force recommendations will be made to the Director accordingly.

With limited resource options, it will be extremely difficult to sustain the standards of excellence this Department has attained to be good stewards of the homeland security funds awarded to Arizona.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	17.0	17.0	17.0
General Fund	1,500.0	1,500.0	1,500.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	19,500.0	19,500.0	19,500.0

- ◆ **Goal 1** To improve regional collaboration on homeland security issues within Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
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Conduct at least four Regional Advisory Council meetings within each region each fiscal year	20	20	20	20	20
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Explanation: 4 Regional Advisory Council Meetings in each of 5 Regions

- ◆ **Goal 2** To provide strategic direction for enhancing regional preparedness.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
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Obligate funds from federal grants within 45 days of receipt of grant award	100	100	100	100	100
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Explanation: Result expressed as percentage.

Review and update the State Homeland Security Strategy annually	Y	Y	Y	Y	Y
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Explanation: Result expressed as yes (Y) or no (N).

- ◆ **Goal 3** To effectively manage Federal homeland security funds.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
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Comply with all federal mandates for the efficient allocation of federal dollars in advance of suspense dates	100	100	100	100	100
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Explanation: Results expressed as a percentage.

Conduct 28 sub-grantee site visits per year	28	28	28	28	28
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Explanation: Sub-grantee site visits review equipment, reimbursements, & compliance

Total amount of unexpended grant funds reverted to the Federal Government	185,000	0	459,890	315,000	300,000
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Agency Summary

BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS

Christine Springer, Executive Director
Phone: (602) 542-8154
A.R.S. 32-2901

Mission:

To protect the public health, safety, and welfare by regulating Allopathic and Osteopathic physicians who apply for a homeopathic medical license and registering homeopathic medical assistants that work under the supervision of licensed homeopathic physicians that practice within the State of Arizona. 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.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	92.6	102.8	108.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	92.6	102.8	108.8
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:

Seek an exemption to proceed with rulemaking so the board may begin to accept applications for the Doctor of Homeopathy license.

Complete rulemaking process with particular emphasis on procedures relative to foreign trained applicants.

Issue 2 Insufficient funds to complete board member training

Description Availability of training, board resources, and funding to implement board member training as mandated by law. Ultimately the training should be made available as an on-line class so that each board member can attend based on their individual schedules.

Solutions:

Board's actual cash fund will not support training costs. Currently board is writing rules, preparing an examination and maintaining limited staffing at 20 hours per week.

Executive Director will attempt to prepare training materials for board members to meet training mandate.

Issue 3 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

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	1.0	1.0	1.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	102.8	102.8	102.8
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Applications received (includes physicians, assistants, and dispensing permits filed with an initial application)	12	20	7	10	0
Explanation: FY 2015 : 4 medical assistants, 0 dispensing permit, 3 physicians					
New licenses issued (physicians and medical assistants and dispensing permits)	11	15	8	12	12
Explanation: FY 2015: 4 medical assistants, 3 physicians, 1 dispensing permits,					
Licenses eligible for renewal (physicians, dispensing permits, and medical assistants)	141	141	117	129	129
Explanation: Eligible FY15 Renewal: Dispensing=28; Physicians=75; Assistants=14					
Number of licenses renewed	124	128	117	119	119
Explanation: FY 2015: Total includes 77 physicians, 30 dispensing permits, 10 assistants.					
Average number of days from receipt of completed application to issuance or denial of certification	69.25	45	73	65	65
Explanation: This figure is an average of 7 applications divided into a total of 511 calendar days					

◆ **Goal 2** To receive, investigate, and adjudicate complaints consistent with the performance objectives of the board.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of complaints resolved within 180 days.	60	70	75	72	70
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	5	5	6	5
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)	1	3	0	2	1
Suspension/Revocation	1	2	0	1	1
Average number of days per investigation from start to final adjudication	136	130	175	150	150
Explanation: Based on the total number of calendar days (526) accrued in adjudicating the closed complaints divided by total number of closed complaints (3)					
Percent of licensees with disciplinary action	2 Percent	1 Percent	1 Percent	2 Percent	2 Percent
Explanation: 77 licenses and of that total 1 on probation, reflects current fiscal year actions					
Total number of investigations conducted	7	13	3	5	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of information inquiries responded to within 24 hours	88	94	94	95	95

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.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ HOUSING DEVELOPMENT AGENCY	87,918.4	91,287.1	94,833.9
➤ HOUSING FINANCE AUTHORITY	2,668.3	2,457.8	2,470.3
Agency Total:	90,586.7	93,744.9	97,304.2
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	314.6	318.5	318.5
Other Non Appropriated Funds	90,272.1	93,426.4	96,985.7
Total Funding	90,586.7	93,744.9	97,304.2
FTE Positions	64.0	65.0	65.0

Issue 1 Creating better living environments for Arizona's citizens and communities

Description After experiencing both state and federal budget cuts to its core programs, the Department is streamlining and targeting its resources in order to continue to meet its goals of increasing the availability and sustainability of safe, decent, affordable housing in Arizona under increasingly difficult circumstances. While the Department has always taken a conservative approach to the utilization of its resources, it has had to increase its efforts to target its resources in order to demonstrate the greatest impact in Arizona with fewer resources. With an end goal of aiding in the creation of conditions that create and promote more productive living amongst all Arizonans, the Department is narrowing its focus and targeting like never before, projects that can provide a stronger foundation to assist households and neighborhoods to improve their productivity as citizens through improved living conditions.

Activities that are financed through Department resources that create better living environments include: the development of affordable rental housing units through new construction or acquisition and rehabilitation; rehabilitation of dilapidated owner-occupied housing stock with a priority for seniors; monthly rental subsidy assistance for Arizona's lowest income households who otherwise would be homeless; development and support of transitional housing opportunities for Arizona's most vulnerable special needs populations, including those transitioning out of homelessness, victims of domestic violence, recovering substance abusers, and others; improved infrastructure and community facilities in Arizona's 13 rural counties; and other community development and revitalization activities.

Solutions:

The Department's strategies to create better living environments includes: (1) targeting resources that promote development of affordable housing opportunities along the light rail and other public transportation hubs to increase transportation to jobs, education, 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; and (5) collaborating with community partners to end homelessness by providing permanent supportive housing.

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 six 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, a lagging job market, and stagnant wages continue to be impediments to a full housing market recovery.

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 and home prices remaining below peak levels, 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.

The primary source of mortgage foreclosure assistance that the Department has received to date comes from a grant of \$267 million made available through the U.S. Department of the Treasury. While the day-to-day operation of the program has been entrusted to ADOH, under federal regulations, the funding is required to funnel through a non-public entity. Thus the Department and the AzHFA, partnered through an Intergovernmental Agency Agreement to establish the Arizona Home Foreclosure Prevention Funding Corporation (AHPFPC), which is a non-profit corporation that was established for the sole purpose of receiving these federal grant monies.

The AHPFPC established a program which it contracted with the Department to administer under which it distributes these resources, called the Save Our Home AZ Program. The program is authorized to make commitments of resources through December 31, 2017, and to continue to expend committed funds beyond that date. It is important to note that even though program funds are not a part of the state's budget, we include this issue here because it is one of the most significant undertakings of the Department, as nearly one-third of agency employees' work directly on this program.

Solutions:

The Department 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 the 18 percent of 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 Arizona Housing Finance Authority's (AzHFA) HOME Plus program, this obstacle has been removed. Through this program, homebuyers will have access to: (1) an affordable 30-year fixed-rate mortgage, and (2) down payment assistance grant equal to 4 percent of the mortgage amount. 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 Home Plus loan program is available to purchasers statewide (excluding Pima County) with an annual household income of \$88,000 (or less based on the size of the household), purchasing homes under \$353,000. First-time and boomerang homebuyers should find the program especially helpful. Qualified homebuyers must work through an AzHFA-approved and participating lenders to obtain a Fannie Mae HFA Preferred, 30-year fixed mortgage.

The Department is also looking at expanding the level of homeownership assistance available to areas of the state that were the hardest hit by the foreclosure crisis, expanding its focus on areas that have been lagging behind in the recovery.

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. 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 safe and secure 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. Working with our housing partners, we will continue to look for permanent supportive housing solutions. Additionally, over the next year the Department will be taking the lead, working to consolidate all state and federal resources dedicated to fighting homelessness within the State to be administered by the Department.

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	65.0	65.0	65.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	318.5	318.5	318.5
Non-Appropriated Funds	15,148.5	14,842.6	15,278.8
Federal Funds	78,120.8	79,986.5	82,386.1

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	314.6	318.5	318.5
Other Non Appropriated Funds	87,603.8	90,968.6	94,515.4
Total Funding	87,918.4	91,287.1	94,833.9
FTE Positions	62.5	63.5	63.5

◆ **Goal 1** To provide homeownership opportunities and a mix of rental options for Arizonans.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of households assisted with eviction or foreclosure in order to prevent homelessness	3,137	3,074	2,230	1,561	1,483
Explanation: Number of households assisted with eviction or foreclosure assistance.					
Total funds committed to homeownership programs	2,977.9	6,891.1	5,374.4	3,159.2	3,222
Explanation: Includes construction and acquisitions, rehabilitation of new and existing units, and first-time buyers.					
Total number of households assisted with homeownership assistance	115	266	160	91	90
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.	309,216.8	195,247.7	241,215.7	200,042.7	214,517.9
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	10,953	10,001	10,839	10,120	10,019
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	128,772	132,635	144,445	148,778	153,242
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	2,851	2,936	2,923	2,510	2,961
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of agency turnover	11	13	6.67	7	9
Employee Engagement Rate	0	0	7.2:1	7.4:1	7.6:1

◆ **Goal 3** To maintain and further improve quality working relationships with our partners.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Results of customer satisfaction survey (7=excellent; 4=satisfactory; 1=poor)	5.74	5.79	5.87	5.95	6.03

Explanation: FY2015's "Overall Satisfaction" ranking for the agency was the highest it has received in the last 10 years.

Program Summary

HOUSING FINANCE AUTHORITY

Carol L. Ditmore, Assistant Deputy Director of Operations

Phone: (602) 771-1062

A.R.S. §§ 41-3901 through 41-3912

Mission:

To serve as a tool to augment the affordable housing goals of the Arizona Department of Housing for rural Arizona.

Description:

The Arizona Finance Authority serves as a tool to augment the affordable housing goals of the Arizona Department of Housing, 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,668.3	2,457.8	2,470.3
Total Funding	2,668.3	2,457.8	2,470.3
FTE Positions	1.5	1.5	1.5

- ◆ **Goal 1** To augment the programs of the Arizona Department of Housing by further providing homeownership opportunities and a mix of rental options for Arizonans in rural parts of the state.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total funds utilized for homeownership program through AzHFA mortgage products.	37,590.2	40,000.0	168,690.0	177,124.9	182,438.2

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	291	310	1,050	1,103	1,113
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Explanation: Total number of first-time homebuyers assisted through AzHFA programs.

Total number of rental projects approved	0	1	1	1	1
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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	0	60	60	60	60
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Agency Summary

INDEPENDENT REDISTRICTING COMMISSION

Raymond Bladine, Executive Director
Phone: (602) 542-5221
Constitution Art. 4, Part 2, Section 1

Mission:

To administer the fair and balanced redistricting of congressional and legislative districts for the State of Arizona.

Description:

The Independent Redistricting Commission was established with the approval of Proposition 106 by voters in November 2000. The Commission has five members, four of whom are selected by the House and Senate majority and minority leadership. The final number is selected by the other four members and cannot be registered with a political party already represented on the Commission. The five-member Commission is responsible for redrawing Arizona's congressional and legislative district boundaries based on the decennial census.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	913.8	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	913.8	1,115.3	1,115.3
FTE Positions	3.3	3.3	3.3

Agency Summary

COMMISSION OF INDIAN AFFAIRS

Kristine M. FireThunder, Executive Director
Phone: (602) 542-4421
A.R.S. §§ 41-541 to 41-545

Mission:

To enhance communication and build sustainable relationships between tribal entities and the State of Arizona.

Description:

The Arizona Commission of Indian Affairs (ACIA) has a legislative mandate to assist and support state and federal agencies in assisting Indians and Tribal councils to develop mutual goals; design projects for achieving goals; implementing their plans; encourage cooperation to guide the continuing government-to-government relationship between the State of Arizona and Tribal Nations; ensure meaningful and timely consultation with Tribal Leaders to facilitate better understanding, informed decision making, and intergovernmental cooperation; encourage cooperation and collaboration among state agency Tribal liaisons in order to share ideas, address needs and effectively implement the mandates outlined in EO 2006-14 and; ensure that state services and resources are available to all eligible citizens residing in Tribal Nations within the boundaries of Arizona.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	54.3	57.4	57.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	19.4	14.8	14.8
Total Funding	73.7	72.2	72.2
FTE Positions	3.0	3.0	3.0

5 Year Plan

Issue 1 The Commission attempts to host one public meeting on tribal land

Description The Commission seeks to gain insight from tribal community members in rural areas.

Solutions:

Offer 1 of 4 meetings in Flagstaff or Tucson to create an opportunity for rural tribal community members to attend commission meetings.

Issue 2 Limited resources impact the Commission's ability to offer a AZ Indian Town Hall

Description Historically, the Commission has hosted a multi-day plenary sessions to address issues of mutual concern the distribute a recorded document detailing the event proceedings and recommendations for tribes to consider. The Commission no longer has the capacity to plan and implement a large scale event.

Solutions:

Consolidate the event into a one-day format with an invite-only to key players within public safety to participate. Once the recommendations are documented, request a community to volunteer to implement specific plan with the assistance of the Commission to track the results and the impact on quality of life for community members.

Issue 3 The Commission is required by statute to produce a state-tribal resource directory

Description The directory is produced in cooperation with each of the 22 tribal nations and includes contact information for each tribe. Considering the changes in tribal administration based on each tribal constitution, the document is obsolete by the time it goes to print. The charge for the directory is based on the cost to produce each unit.

Solutions:

Limit the print job to 50 copies. Based on the information received form tribes, reduce the detail provided in the directory and alternate the format by updating information for tribal leaders on even numbered years. A generic listing of tribal leadership will be updated montly and posted on the Commission website at no charge.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	57,400.0	57,400.0	57,400.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	10,000.0	10,000.0	10,000.0
Federal Funds	15,000.0	15,000.0	15,000.0

◆ **Goal 1** To Facilitate communication between tribal entities (both public and private), elected state officials, and other state agencies

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	12
Issue an annual report describing Commission activities to state policymakers	1	1	1	1	1
Explanation: Required by A.R.S. 41-542 C					
Conduct 4 meetings with the Tribal Liaisons and subcommittees per fiscal year	4	4	4	4	4

◆ **Goal 2** To establish and maintain relationships between the State of Arizona and the 22 Tribal Nations and communities.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of structured visits with each tribe on their respective tribal communities to obtain tribal input about state activities. Explanation: Based on invitations received from tribal communities	0	1	0	1	1
Plan and implement Indian Nations and Tribes Legislative Day Explanation: Required by A.R.S. 41-544	1	1	1	1	1
Plan and implement AZ Indian Town Hall Explanation: Authorized by A.R.S. 41-541 G, and A.R.S. 41-545	0	1	0	1	1
Electronic annual reports distributed to tribal Explanation: Distributed per Executive Order 2006-14	1	1	1	1	1

◆ **Goal 3** To act as an informational clearinghouse and reference desk

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of website updates. Update the website at least once a month to ensure relevant data is consistently available. Explanation: The website enables ACIA to obtain, retain, and share information about: state and federal policies that impact tribes; grants (and other monies available for tribal use) and national Indian issues	97	50	95	50	50
Distribute a Newsletter 2 times a month which highlight tribal-state initiatives	13	24	40	24	24
Produce and Publish a State-Tribal Resource Directory	1	2	0	1	1
Phone, walk-in, email and standard mail inquiries processed	500	500	614	500	500

◆ **Goal 4** To enhance growth and development among low income and minority populations

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of community organizations and individuals contacted to join the state government workforce by contacting community organizations and individuals to help facilitate the dissemination of information regarding employment opportunities and vacancies on state boards/commissions	1211	800	800	800	800
Number of minority/women-owned businesses contacted to provide information regarding state contracting opportunities, referrals to the state procurement office, and ADOT DBE program	300	300	300	300	300
In partnership with the Department of Education and Inter Tribal Council of Arizona, attend one workshop to assist in evaluating, consolidating and coordinating all activities relating to the education of native American Pupils	1	1	1	1	1

Explanation: Required by A.R.S. 15-244

Agency Summary

INDUSTRIAL COMMISSION OF ARIZONA

Laura McGrory, Director
 Phone: (602) 542-4411
 A.R.S. § 23-108.01

Mission:

To efficiently and effectively administer and enforce all applicable laws, rules, and regulations not specifically delegated to others relative to the protection of life, health, safety, and welfare of Arizona employees.

Description:

The Industrial Commission of Arizona (ICA) is a regulatory agency that was created in 1925 to oversee the state workers' compensation system. While the ICA is still responsible for its original charge, its role over the years has been expanded to include the authority to regulate other labor-related issues, including minimum wage laws, occupational safety and health, youth employment laws, resolution of wage related disputes, licensing of employment counseling and talent agencies, vocational rehabilitation of injured workers, and providing workers' compensation benefits to claimants of uninsured employers, insolvent carriers, and bankrupt self-insured employers.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATIVE SERVICES	4,097.7	3,911.5	3,911.5
➤ WORKERS COMPENSATION CLAIMS ASSURANCE	3,113.7	3,482.2	3,482.2
➤ ADJUDICATION OF DISPUTES	5,212.1	5,401.1	5,401.1
➤ LABOR LAW ADMINISTRATION	819.9	786.9	786.9
➤ OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION	8,543.4	7,321.4	7,989.8
➤ SPECIAL FUND CLAIMS PROCESSING	587.4	778.6	778.6
➤ LEGAL COUNSEL	1,454.9	1,671.1	1,671.1
Agency Total:	23,829.1	23,352.8	24,021.2
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	18,895.5	19,940.3	20,608.7
Other Non Appropriated Funds	4,933.6	3,412.5	3,412.5
Total Funding	23,829.1	23,352.8	24,021.2
FTE Positions	270.0	270.0	276.0

Issue 1 STRATEGIC ISSUE 1: ADOSH OPERATIONS – ESTABLISHMENT OF BOILER INSPECTOR POSITION

Description Except for boilers and lined hot water storage heaters (LHWS) that are inspected by special inspectors authorized under A.R.S. § 23-485 (who are individuals usually in the employ of mines, utility companies and insurance companies), ADOSH inspects boilers and LHWS under A.R.S. Title 23, Chapter 2, Article 11. ADOSH is also required to enforce all standards and regulations adopted by the ICA under Article 11.

An owner or operator of a boiler or lined hot water heater (boiler) is required to ensure the boiler is inspected at the time of installation and thereafter when repairs or alterations are made to the boiler or as otherwise required by law. Depending on the boiler type, operating pressure, code of construction and boiler use, this may require inspections at 12 to 36 month intervals. Unlike the Arizona Occupational Safety and Health Act, the Boiler program is equipment oriented and is designed to protect the general public and employees within business establishments from injury or death resulting from unsafe boilers. As a result, cease and desist orders are utilized without monetary penalties. Once violations are corrected, certificates of operation are issued allowing the employer to utilize the boiler.

There are approximately 11,000 boilers or LHWS (objects) under the jurisdiction of this program. Over 1,600 of those objects required one or more mandatory inspections in FY15. Overseen by the State Boiler Inspector Chief, there are two state boiler inspectors conducting inspections in Arizona. In FY15, state boiler inspectors performed 1,611 inspections (including non-mandatory inspections) and private inspectors conducted 1,552 inspections. By the end of FY15, 47 objects were overdue for inspection by state inspectors, with only 5 objects more than 6 months overdue.

To stay current with ongoing technological changes, and to ensure that the general public and employees continue to be protected from unsafe boilers and LHWS, the ADOSH Boiler Advisory Board (established under A.R.S. §§ 23-474 and 23-476) is recommending that the current boiler rules be updated to incorporate by reference nationally recognized standards for the installation, operation and maintenance of boilers and LHWS. The ADOSH Boiler Advisory Board is also recommending that the inspection schedule for certain boilers and LHWS be changed from an initial one-time inspection that is conducted at the time of installation, to an inspection every four years. There are approximately 9,000 objects that would fall into this cycle. This would result in an additional 900 to 1,000 inspections that would need to be conducted by a state inspector.

Solutions:

STRATEGIC ISSUE 1: STRATEGY

The ICA requests funding for the establishment of one state boiler inspector position. This position would be paid from the ICA's Administrative Fund. No General Fund monies are required.

Issue 2 STRATEGIC ISSUE 2: ADOSH OPERATIONS – ESTABLISHMENT OF ELEVATOR INSPECTOR POSITIONS

Description Similar to the boiler inspection program, the elevator inspection program is also intended to protect the general public from injury or death resulting from unsafe elevators. To this end, A.R.S. § 23-491.07 prohibits the operation of an elevator or conveyance (“elevator”) without an annual certificate of inspection issued by ADOSH. It is the elevator owner/operator’s duty to ensure that the necessary inspections are performed. A.R.S. § 23-491.02. ADOSH may perform these inspections. A.R.S. § 23-491.05. The law also permits annual inspections to be conducted by a private elevator inspector under A.R.S. § 23-491.16. In FY15, there were two elevator inspectors registered with the ICA. These private inspectors conducted only 46 inspections in FY15. Only 53 inspections were conducted in FY14 by private inspectors. The result is that most of the required annual inspections have been, and will likely continue to be performed, by ADOSH elevator inspectors. Overseen by (and including) a Chief Elevator Inspector, there are eleven state elevator inspectors conducting inspections in Arizona.

Currently, there are over 10,500 units that require an annual inspection. As the following numbers demonstrate, the number of elevators requiring an inspection has steadily increased over the years:

- 1984: 2,500 elevators (4 inspectors, requiring 625 inspections per inspector on average to meet the statutory requirement).
- 1994: 3,766 elevators (7 inspectors, requiring 539 inspections per inspector on average to meet the statutory requirement).
- 2004: 6,335 elevators (8 inspectors, requiring 791 inspections per inspector on average to meet the statutory requirement).
- 2014: 10,298 elevators (11 inspectors, requiring 936 inspections per inspector on average to meet the statutory requirement).
- 2015: 10,598 elevators (11 inspectors, requiring 936 inspections per inspector on average to meet the statutory requirement).

During FY15, 7,283 elevator inspections were conducted. ADOSH performed 7,237 of these elevator inspections (an average of 658 inspections per state inspector), which included annual inspections and other inspections required to be performed. To conduct just an annual inspection of all required elevators, each inspector would need to perform 936 inspections. With its existing resources ADOSH continues to face challenges in timely performing annual inspections and meeting the growing demands of the elevator industry. This, in turn, creates a potential public safety and health risk resulting from uninspected elevators that may be unsafe. While ADOSH has seen improvement in this area through internal process changes, annual inspections are approximately six months behind (meaning six months past the required twelve month period). In addition to the increasing numbers of elevators that require an annual inspection, renewed construction and growth in multi-rise buildings has also increased the demands placed on ADOSH to provide consultation and new construction acceptance inspections as required under the applicable statutes.

In FY15, ADOSH conducted 965 new elevator acceptance and consultation inspections. Additionally, a majority of new elevators coming online are of a new “traction-type” design, the inspection of which significantly increases the complexity and time of the required inspections. Instead of a mechanical room that is easily accessed with conventional hydraulic elevators, each traction elevator carries its own mechanicals and requires an individual inspection. As an example, the acceptance inspection of a traditional hydraulic elevator takes 6 to 12 hours to complete in contrast to a traction elevator that requires 18 hours on average. Lastly, the elevator division has also experienced significant increases in elevators in many smaller towns outside of Maricopa County, such as in northern and western Arizona. This has placed increased demands upon division staff.

Solutions:**STRATEGIC ISSUE 2: STRATEGY**

To timely conduct the required inspections of the over 10,500 elevators in the state (a number which continues to rise), the ICA requests funding for the establishment of five state elevator inspector positions. No general fund monies are required.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	241.6	241.6	241.6
General Fund	0.0	0.0	0.0
Other Appropriated Funds	20,608,700.0	20,608,700.0	20,608,700.0
Non-Appropriated Funds	19,230,800.0	19,230,800.0	19,230,800.0
Federal Funds	5,638,900.0	5,638,900.0	5,638,900.0

Program Summary

ADMINISTRATIVE SERVICES

Sylvia Simpson, Chief Financial Officer
 Phone: (602) 542-4541
 A.R.S. § 23-101, et seq.

Mission:

To provide support services necessary to ensure the efficient and effective operation of the Industrial Commission.

Description:

Administrative Services comprises the following five departments or divisions: Director's Office, which provides executive management and Commission support services; Accounting which provides financial accounting, investment management, tax assessment and collection, budgeting, strategic planning, insolvent carrier and workers' compensation self-insurance program services; Management Information Services; Human Resources; and Special Services, which provides facilities management, procurement, and printing/mail services.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,087.5	3,901.4	3,901.4
Other Non Appropriated Funds	10.2	10.1	10.1
Total Funding	4,097.7	3,911.5	3,911.5
FTE Positions	38.0	38.0	38.0

◆ **Goal 1** To process all personnel actions in an effective manner on a timely basis.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Actions processed	18,783	18,000	13,377	13,377	13,377
Percent of Agency staff turnover	12.0	14.0	15.0	20.0	20.0
Administration as a percent of total cost	10.0	10.0	10.0	10.0	10.0

◆ **Goal 2** To process all accounting transactions correctly on a timely basis.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Invoices processed	51,650	59,398	42,086	42,000	42,000
Warrants, checks and ACH payments completed	14,480	14,500	14,091	14,000	14,000
Purchase orders processed	369	380	430	400	400

◆ **Goal 3** To process all self-insurance new applications and renewal applications efficiently and in a timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Self-Insurance licenses issued	84	90	84	87	87

Program Summary

WORKERS COMPENSATION CLAIMS ASSURANCE

Kathleen McLeod, Manager
 Phone: (602) 542-6689
 A.R.S. § 23-901, et seq.

Mission:

To ensure that all workers' compensation claims are processed in accordance with the rules and laws of Arizona.

Description:

This program regulates activities of insurance carriers, self-insured employers and third party processors to ensure the proper processing and payment of workers' compensation claims, which includes assessing penalties for bad faith or unfair claims processes and ensuring that claims are accepted or denied within 21 days of receipt of notices of claim. The Claims Division also issues awards for facial scarring and loss of teeth, approvals or denials of requests to leave the State, approvals or denials of requests to change physicians, average monthly wage awards and loss of earning capacity awards. This Division also includes the Ombudsman's office, which provides informational assistance to injured workers'.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,979.7	3,286.2	3,286.2
Other Non Appropriated Funds	134.0	196.0	196.0
Total Funding	3,113.7	3,482.2	3,482.2
FTE Positions	64.0	64.0	64.0

◆ **Goal 1** To ensure that permanent disability awards (loss of earning capacity awards) are issued in timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Awards issued	2,226	2,500	2,053	2,500	2,550
Percent of awards issued within 75 days	87.0	85.0	82.0	85.0	85.0

◆ **Goal 2** To complete injured worker average monthly wage determinations in most effective, efficient manner possible.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of wage determinations issued	13,234	13,500	13,384	14,175	15,000
Percent determined within 75 days	97.0	95.0	95.0	95.0	95.0

◆ **Goal 3** To process lump sum commutation requests in the most efficient manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Lump sum requests processed	12	15	11	15	16
Percent of lump sum decisions issued within 15 business days	100.0	100.0	100.0	100.0	100.0

◆ **Goal 4** To process initial filing of Workers Compensation Claims on timely basis.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of claims for workers' compensation processed	94,798	100,000	91,810	94,000	94,500
Percent of claims established within five days	91.0	99.0	92.0	95.0	98.0

◆ **Goal 5** To ensure that workers' compensation claims are processed in a timely and efficient manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction rating for workers' compensation program (Scale A=Excellent, B=Above Average, C= Average, D=Below Average, F=Fail)	A	A	A	A	A

◆ **Goal 6** To provide information and assistance to injured workers in an efficient manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of claimants contacted	3,115	3,200	3,302	3,360	3,400

Program Summary

ADJUDICATION OF DISPUTES

Melinda Poppe, Chief Judge
Phone: (602) 542-5247
A.R.S. § 23-941

Mission:
To adjudicate legal disputes in the areas of workers' compensation, occupational safety and health (OSHA), youth employment and minimum wage.

Description:
The Division resolves disputes in workers' compensation cases arising out of decisions made by insurance carriers, self-insured employers or the Industrial Commission. The Division also hears other matters arising under A.R.S. Title 23, including OSHA, youth employment labor, and minimum wage cases.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,212.1	5,401.1	5,401.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,212.1	5,401.1	5,401.1
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of petitions for hearing received: workers compensation	7,134	7,300	6,813	7,000	7,300
Petitions for hearing received: OSHA	69	75	69	75	75
Awards issued: Workers' Compensation	6,611	6,800	6,388	6,500	6,800
Average number of days to resolve a case by the administrative law judge division	108	110	108	110	110

◆ **Goal 2** To process requests for hearing in the most efficient, cost effective manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Awards issued without hearing	2,769	3,000	2,607	2,660	2,775
Number of hearings conducted by the administrative law judge division	5,577	5,500	5,548	5,600	5,840

Program Summary

LABOR LAW ADMINISTRATION

Karen Axsom, Director
Phone: (602) 542-4515

A.R.S. §§ 23-230 et seq., 23-350 et seq., 23-363 et seq., 23-521 et seq.

Mission:

To enforce and provide administration of labor laws regarding the protection of wage claimants, youth employees and users of employment agencies.

Description:

The program shall enforce all statutes and rules concerning the resolution of wage complaint disputes, the licensing and regulation of private employment agencies, the enforcement of youth employment laws which involve the issuing of penalties for violations, and the enforcement of minimum wage laws.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	819.9	786.9	786.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	819.9	786.9	786.9
FTE Positions	13.0	13.0	13.0

◆ **Goal 1** To efficiently enforce the Child Labor Laws in a timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of injury reports reviewed	457	400	488	450	450
Child labor law violations investigated	47	20	35	30	30
Violations confirmed	2	5	0	2	2
Turnover time (time violations known to Labor to time violation confirmed in days)	35	40	40	40	40

◆ **Goal 2** To efficiently process and investigate wage claims in a timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of claims filed	2,896	2,800	2,882	2,850	2,850
Average months to complete investigation	3.0	3.0	3.0	3.0	3.0

◆ **Goal 3** To efficiently process and monitor the licensing of private employment agencies.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average months to complete investigation	1.0	1.5	1.0	1.0	1.0
Percent of licenses processed within 90 days	100.0	100.0	100.0	100.0	100.0
License applications processed	3	5	4	5	5
Complaints investigated	1	5	2	2	2

◆ **Goal 4** To efficiently process, investigate minimum wage claim complaints and enforce minimum wage laws.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints filed	33	30	31	32	32
Average months to complete investigation	2.0	2.0	2.0	2.0	2.0
Inquires	286	400	263	300	300
Complaints resolved through administrative determinations	1	5	0	3	3
Complaints mediated and resolved	13	20	17	20	20
Audit of Payroll Records & Compliance investigations completed	5	5	1	3	3

Program Summary

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

William Warren, Director
 Phone: (602) 542-5795
 A.R.S. § 23-405

Mission:

To ensure the safety of employees in the State of Arizona covered by the Arizona Occupational Safety and Health Act.

Description:

The Division administers the Arizona Occupational Safety and Health Act. The Division is responsible for enforcing the occupational safety and health standards in all industries in Arizona except mining, establishments located on Indian reservations, and federal agencies. The division is also responsible for elevator and boiler safety. ADOSH focuses its efforts on both compliance and consultation/training.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,782.8	4,182.7	4,851.1
Other Non Appropriated Funds	4,760.6	3,138.7	3,138.7
Total Funding	8,543.4	7,321.4	7,989.8
FTE Positions	75.0	75.0	81.0

◆ **Goal 1** To effectively enforce all OSHA standard in safety compliance and industrial hygiene.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of health compliance inspections	230	300	233	305	308
Health violations	560	650	486	550	550
Number of safety compliance inspections	804	900	818	800	800
Safety violations found	1,389	2,000	1,059	1,100	1,100

◆ **Goal 2** To provide effective and timely voluntary consultation services to aid employers in recognizing and abating work place hazards.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Safety consultation surveys	119	250	159	250	250
Hazards	305	700	601	550	550
Health consultation surveys	140	155	163	170	170
Hazards	422	650	509	550	550

- ◆ **Goal 3** To provide statewide training programs to employees concerning specific safety related functions that are timely and effective.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Programs	310	310	586	500	500
Employers trained	2,700	2,700	1,602	1,600	1,600
Employees trained	4,000	4,000	3,098	3,200	3,200

- ◆ **Goal 4** To ensure that there is no danger to employees or the general public from Arizona boilers or elevators.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Boilers inspected	3,434	4,000	3,163	3,500	3,500
Deficiencies identified	1,625	2,000	1,182	1,450	1,450
Elevators inspected	6,620	6,500	7,283	6,900	7,250
Deficiencies identified	3,475	3,250	4,564	3,588	3,770

- ◆ **Goal 5** To effectively investigate OSHA Discrimination Cases.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Discrimination Complaints Received	73	80	123	130	140
Number of complaints where initial decision was reached within 90 days (includes cases administratively dismissed without investigation)	46	45	71	75	80

Program Summary

SPECIAL FUND CLAIMS PROCESSING

David Sosa, Special Fund Manager
 Phone: (602) 542-3294
 A.R.S. §§ 23-907, 23-966, 23-1065

Mission:

To provide benefits to all injured employees not covered by regular workers' compensation insurance coverage or by self-insurance coverage in Arizona.

Description:

The program processes all claims for injured workers where the employer failed to provide workers compensation insurance; provides continual workers' compensation benefits for claimants of insolvent carriers and bankrupt self-insured employers; provides partial coverage of workers' compensation benefits for second injury claims; provides vocational rehabilitation benefits; and provides continuing medical benefits for pre-1973 workers' compensation claimants.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	630.8	778.6	778.6
Other Non Appropriated Funds	-43.4	0.0	0.0
Total Funding	587.4	778.6	778.6
FTE Positions	16.0	16.0	16.0

◆ **Goal 1** To process claims of injured Special Fund claimants in timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average days between receipt of claims notice and issuance of award	20.0	21.0	20.0	21.0	21.0
Pre-1973 Supportive care awards issued	13	12	26	11	11
Open Pre-1973 supportive care claims	246	234	231	219	208
Open No Insurance claims	657	690	783	822	863
No insurance determinations issued	1,303	1,380	1,599	1,644	1,726
Rehabilitation awards issued for scheduled and unscheduled injury types	170	196	125	144	166
Reimbursement request processed on second injury claims	601	631	632	663	696
A.R.S.§ 23-966 Determinations made	264	204	175	10	7
Open A.R.S. 23-966 claims	937	984	923	27	24

Program Summary

LEGAL COUNSEL

Andrew Wade, Chief Counsel
 Phone: (602) 542-5781
 A.R.S. § 41-192 (G)

Mission:

To represent the Industrial Commission of Arizona in all legal matters affecting the Agency.

Description:

The program represents the Special Fund Division, the OSHA Division, and the Labor Department in all legal matters affecting or involving these Divisions. The program promulgates rules for the Agency, provides legal advice as requested by Commission and agency staff, represents the Agency in personnel matters, initiates collection of no-insurance accounts receivables and third party liens, and operates a program for processing and collecting of other delinquent accounts. The program also operates a compliance program that targets by Arizona employers who are operating without workers' compensation insurance.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,382.7	1,603.4	1,603.4
Other Non Appropriated Funds	72.2	67.7	67.7
Total Funding	1,454.9	1,671.1	1,671.1
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
No Insurance cases referred for hearing	157	165	146	150	150
OSHA cases referred for hearing	72	75	69	75	75
Apportionment/Supportive Care Matters	98	100	73	90	90
Number of wage claim appeals	2	5	4	5	5
Litigation investigations completed	51	50	65	50	55
Civil Penalty Cases referred to hearing	39	40	27	40	40
Matters related to assignment of claims under A.R.S. § 23-966	48	100	27	0	0
Legal opinions & other miscellaneous	170	150	133	150	150
Rulemaking/Regulatory/Compliance/Legislation	26	25	23	25	25
Writs	71	75	63	75	75
Mandates	83	75	62	75	75

◆ **Goal 2** To effectively collect debts owed to the state and the Industrial Commission.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Collection investigations initiated	76	85	188	150	150
Collection files opened	324	350	481	450	450
Subrogation files opened	9	10	6	10	10

◆ **Goal 3** To effectively enforce compliance by Arizona employers with Arizona Workers' Compensation Insurance requirements.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of compliance referrals	2,819	2,800	3,017	3,500	3,500
Employers identified as uninsured	884	1,000	954	1,400	1,400
Compliance investigations completed	896	900	947	750	750
Civil penalties issued	241	250	203	200	200
Employers insured through our efforts	426	400	332	300	300
Injunctive proceeding initiated	95	80	70	60	60

Agency Summary

DEPARTMENT OF INSURANCE

Darren T. Ellingson, Acting Director
 Phone: (602) 364-3471
 A.R.S. Title 20; AZ Const. Art. 15, § 5

Mission:

To promote a strong insurance marketplace through consumer protection, sound financial regulation, and economic development.

Description:

The Arizona Department of Insurance ("ADOI") is Arizona's state government agency dedicated to overseeing the financial solvency of insurance companies and protecting insurance consumers through administering insurance laws, responding to the needs of insurance purchasers, and stimulating the insurance market by encouraging competition. ADOI was established as an independent agency in 1954. Continued positive economic development of the insurance market through insurers and licensed insurance professionals depends upon Arizona insurance consumers having confidence in the industry's strength. The ADOI licenses insurance companies ("insurers"), insurance professionals (such as insurance producers, adjusters, surplus lines brokers), and a variety of other insurance-related entities, ensuring that only individuals and business entities that meet qualifications established in Arizona law are allowed to engage in insurance business in Arizona; monitors and promotes the financial soundness of insurers operating in Arizona and makes sure that insurers deliver on the promises they make in their insurance contracts with consumers; protects insurance consumers against unfair and illegal marketing, underwriting, and claims handling; assists consumers with insurance-related questions and problems; investigates insurance fraud (which inflates the cost of insurance); oversees the development of the captive insurance industry; and, annually collects over \$440 million in insurance premium taxes, license fees, and other revenues that benefit the General Fund.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ POLICY AND ADMINISTRATION	1,477.0	1,484.2	1,484.2
➤ SOLVENCY REGULATION	7,430.5	30,875.4	30,870.8
➤ CONSUMER SUPPORT	4,213.6	5,695.1	4,606.4
➤ FRAUD INVESTIGATION AND DETERRENCE	648.4	1,179.1	1,167.7
➤ LICENSING	902.1	736.3	736.3
➤ PREMIUM TAX COLLECTIONS AND ANALYSIS	259.6	254.3	254.3
➤ CAPTIVE INSURER PROGRAM	207.0	247.7	247.7
Agency Total:	15,138.2	40,472.1	39,367.4
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,312.9	5,867.4	5,856.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,825.3	34,604.7	33,511.4
Total Funding	15,138.2	40,472.1	39,367.4
FTE Positions	101.5	129.7	103.5

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	103.5	103.5	103.5
General Fund	5,856.0	5,856.0	5,856.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	33,511.4	33,511.4	33,511.4
Federal Funds	0.0	0.0	0.0

Program Summary

POLICY AND ADMINISTRATION

Germaine L. Marks, Director

Phone: (602) 364-3471

A.R.S. Title 20; A.R.S. Title 20; AZ Const. Art. 15, § 5

Mission:

To provide leadership, direction, coordination and support, enabling ADOL to achieve its overall mission.

Description:

This program develops and implements administrative and regulatory policies and procedures; advises and supports the Governor's Office; provides technical support and advice to state legislators and the U.S. Congressional delegation; develops, recommends and implements insurance-related legislation; develops and promulgates appropriate rules and substantive policy statements; renders ultimate decisions in administrative proceedings necessary to enforce and administer the Insurance Code; coordinates legal representation provided by the Attorney General's Office; coordinates interaction with other state and federal agencies; coordinates with fellow state insurance regulators through participation in the National Association of Insurance Commissioners; interfaces with and coordinates outreach to major constituencies including the industry, licensees, consumers and the media; coordinates and participates in numerous task forces and advisory groups related to insurance regulation; develops the Agency's Operational Plan, Budget Request, Information Technology Plan, Business Continuity Plan, Efficiency Review and Disaster Preparedness Plan; develops the Agency's operational policies; coordinates and directs the activities of the Agency and its divisions, including continually improving the quality of customer service delivery; oversees the administration of boards and other public bodies within the Agency; oversees the preparation and distribution of regulatory information to the public, including consumer oriented literature, statutorily required reports, the agency newsletter and the agency website; coordinates responses to public records requests and subpoenas; oversees the development of the Agency's workforce; and provides agency accounting, budgeting, payroll, personnel, facilities management, risk management, telecommunication, information technology, mail processing and courier services.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,385.6	1,397.3	1,397.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	91.4	86.9	86.9
Total Funding	1,477.0	1,484.2	1,484.2
FTE Positions	14.0	15.4	14.0

- ◆ **Goal 1** To efficiently and effectively coordinate, facilitate and support accomplishment of department-wide and divisional goals and objectives.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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.	57.9	75.0	71.7	75.0	75.0

◆ **Goal 2** To provide a satisfying work environment for agency employees.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of employee separations to average filled FTE positions	13.2	12.5	21.5	15.0	15.0

Explanation: As of June 30, 2015, 8 of 84 employees were eligible for retirement. An additional 5 employees will be retirement-eligible by June 30, 2016 and an additional 6 employees will be retirement-eligible by June 30, 2017.

Percentage of Insurance Department employees surveyed who responded they were "satisfied" with their jobs	75.4	80.0	80.4	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of Insurance Department employees surveyed who responded they were "satisfied" or better with the Business Services Section	84.2	85.0	80.4	85.0	85.0

◆ **Goal 4** To provide quality information technology support to internal customers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of Insurance Department employees surveyed who responded they were "satisfied" or better with the Information Services Division	64.9	80.0	76.1	80.0	80.0

◆ **Goal 5** To promptly fulfill appropriate public records requests and subpoenas.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average days to fulfill a public records request or respond to a subpoena from date received	4.3	5.0	9.4	5.0	5.0

Program Summary

SOLVENCY REGULATION

Germaine L. Marks, Director

Phone: (602) 364-3471

A.R.S. Title 20; AZ Const. Art. 15, § 5 and Art. 14, § 16

Mission:

To oversee and promote the ability of authorized insurers to perform their financial obligations under insurance policies.

Description:

The program monitors the solvency of insurers doing business in Arizona through field examination and analysis of financial and transactional filings, administers the estates of Arizona insurer receiverships, and pays certain claims owed by insolvent insurers to Arizona residents.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	240.5	181.3	181.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,190.0	30,694.1	30,689.5
Total Funding	7,430.5	30,875.4	30,870.8
FTE Positions	26.1	26.3	26.1

◆ **Goal 1** To efficiently and effectively analyze financial filings of insurers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of priority domestic insurer annual financial reports analyzed by April 30	33.3	100.0	100.0	100.0	100.0
Explanation: Applies to domestic traditional insurers required to meet NAIC Accreditation standards. L&D reinsurers and unaffiliated credit L&D reinsurers are excluded.					
Percentage of priority domestic insurer supplemental filings analyzed within 45 days after receipt	86.7	95.0	89.0	95.0	95.0
Explanation: Applies to domestic traditional insurers required to meet NAIC Accreditation standards. L&D reinsurers and unaffiliated credit L&D reinsurers are excluded.					
Percentage of non-priority domestic insurer annual financial reports analyzed by June 30	94.4	95.0	94.0	95.0	95.0
Explanation: Applies to domestic traditional insurers required to meet NAIC Accreditation standards. L&D reinsurers and unaffiliated credit L&D reinsurers are excluded.					
Percentage of non-priority domestic insurer supplemental filings analyzed within 90 days after receipt	90.9	95.0	85.0	95.0	95.0
Explanation: Applies to domestic traditional insurers required to meet NAIC Accreditation standards. L&D reinsurers and unaffiliated credit L&D reinsurers are excluded.					

◆ **Goal 2** To timely, efficiently and effectively examine domestic insurers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of domestic insurers examined within statutory timeframes	100.0	100.0	100.0	100.0	100.0
Number of new domestic receiverships	0	0	0	N/A	N/A

Explanation: No one can predict the number or timing of insurance company receiverships.

◆ **Goal 3** To efficiently and effectively administer the Guaranty Funds.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage by which investment earnings of the Guaranty Funds exceeded the 90-day T-bill rate	0.11	0.10	0.16	0.20	0.20
Claims handling audit score for claims handled by the Guaranty Funds office (perfect score = 100)	N/A	N/A	N/A	N/A	N/A

Explanation: Because of the low volume of claims, the small total of loss payments and the small total of loss adjustment expenses, the ADOJ determined it inefficient to have a claims audit performed.

Program Summary	
CONSUMER SUPPORT	
Germaine L. Marks, Director	
Phone: (602) 364-3471	
A.R.S. Title 20	

Mission:

To assist, inform, and protect Arizona insurance consumers.

Description:

This program provides information and assistance to the public on a broad range of insurance-related issues; administers health care appeals; and performs investigations, examinations, and market surveillance in furtherance of consumer interests.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,082.8	2,323.5	2,323.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,130.8	3,371.6	2,282.9
Total Funding	4,213.6	5,695.1	4,606.4
FTE Positions	39.9	56.2	36.9

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of major medical health insurers that submitted timely pay and grievance reports that complied with the requirements of ARS § 20-3102(F).	81.0	95.0	100.0	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of prepaid dental plan organization quarterly reports reviewed for compliance with laws and regulations	100.0	90.0	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of market conduct examination reports filed within one year after exit from company for reports filed during the year	100.0	85.0	83.0	85.0	90.0
Amount of restitution recovered through market conduct examinations (in thousands of dollars)	60.8	100.0	154.3	50.0	50.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	68.5	135.0	132.0	135.0	135.0

- ◆ **Goal 5** To efficiently and effectively review Property and Casualty rate filings to determine compliance with Arizona law.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of targeted open-competition rate filings (Article 4.1) reviewed within 90 days from date filing received	100.0	95.0	100.0	100.0	100.0
Percentage of file-and-use rate filings (Article 4) reviewed by the effective date of the rates	100.0	95.0	100.0	100.0	100.0
Average days to complete substantive review of file-and-use rate filings	9.0	15.0	6.0	10.0	10.0
Percentage of Property and Casualty rate filings submitted electronically	98.4	95.0	99.0	100.0	100.0

- ◆ **Goal 6** To efficiently and effectively review policies, contracts and related form filings to verify they contain all provisions and coverages required by law and are not misleading or unfairly discriminatory.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of Property and Casualty form filings for which review was completed within the prescribed substantive review period	100.0	95.0	100.0	100.0	100.0
Average calendar days to complete substantive review of Property and Casualty form filings	3.6	5.0	2.0	10.0	10.0
Percentage of Life and Health form filings for which review was completed within the prescribed substantive review period	93.6	90.0	97.2	95.0	95.0

Explanation: FY 2015 and FY 2016 figures assume ADOI receives funding from federal grants for review of form filings with associated rate filings from health care insurers seeking to offer qualified health plans through the Health Insurance Marketplace.

Average days to complete substantive review of Life and Health form filings	20.4	25.0	25.0	25.0	25.0
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Explanation: FY 2015 and FY 2016 figures assume ADOI receives funding from federal grants for review of form filings with associated rate filings from health care insurers seeking to offer qualified health plans through the Health Insurance Marketplace.

Percentage of form filings submitted electronically	99.2	99.0	99.0	100.0	100.0
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Explanation: Includes life, health, and property and casualty form filings.

- ◆ **Goal 7** To efficiently and effectively investigate apparent violations of the insurance code by insurers, professional service licensees and unauthorized parties, and to refer apparent violations for prosecution or administrative action.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average calendar days to complete an investigation after receipt of complaint warranting an investigation	100.7	100.0	189.2	150.0	125.0

Explanation: The measurement only includes complaints that were investigated and closed and excludes complaints that warrant investigation but cannot be investigated due to resource limitations.

- ◆ **Goal 8** To efficiently and effectively administer health insurance external appeals process.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of health care appeals administered within statute-prescribed timeframes for health care appeal cases completed during the fiscal year	100.0	100.0	100.0	100.0	100.0

◆ **Goal 9** To efficiently and effectively render assistance to consumers and other constituents on insurance-related matters.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of success in locating liability coverage for difficult-to-place risks	100.0	90.0	100.0	100.0	100.0
Percent of survey respondents indicating satisfied or better with assistance rendered	72.3	75.0	64.9	66.0	67.5
Average days to resolve request for assistance	317.4	250.0	116.4	115.0	110.0

Explanation: FY 2016 estimate assumes the agency receives funding from the US Department of Health and Human Services for "US9401 Grants to States for Health Insurance Rate Review and Increase Transparency in Health Care Pricing: Cycle 3 - FY 2014/2015," which will provide for an additional consumer services specialist FTE position to assist in resolving complaints and requests for assistance arising from the Health Insurance Marketplace.

◆ **Goal 10** To efficiently and effectively make insurance-related information available to the public.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of insurance-related public education events conducted during the fiscal year that had 10 or more attendees	3	5	1	0	0
Number of subscribers to Department of Insurance electronic mailing lists as of June 30.	0	0	1,094	1,500	2,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	648.4	1,179.1	1,167.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	648.4	1,179.1	1,167.7
FTE Positions	6.0	14.0	11.0

◆ **Goal 1** To efficiently and effectively investigate fraud referrals.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of investigations completed from referrals	142	125	71	100	120
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	2,211	2,200	2,474	2,500	2,500
Explanation: Excludes major cases.					
Number of insurer-referred cases submitted for prosecution (including citations in lieu of detention)	94	25	30	37	40
Explanation: Excludes major cases.					
Number of convictions from insurer-referred cases	52	25	74	30	37
Explanation: Excludes major cases.					
Average days to complete investigation of insurer-referred cases for cases completed during the year	143.4	200.0	366.0	350.0	325.0
Explanation: Excludes major cases.					
Number of citation-in-lieu-of-detention cases submitted for prosecution	0	0	0	N/A	N/A
Number of citations in lieu of detention resulting in conviction or consent decree	0	0	0	N/A	N/A
Total restitution ordered from investigations of insurer-referred cases (in thousands of dollars)	924.0	900.0	197.0	250.0	450.0

◆ **Goal 2** To efficiently and effectively target and investigate major fraud cases.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of major case investigations completed	2	2	2	2	3
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	2	2	3
Number of major cases that resulted in convictions	2	2	4	2	2
Total restitution ordered from major case investigations (in thousands of dollars)	621.0	500.0	464.0	350.0	450.0

Program Summary

LICENSING

Scott B. Greenberg, Chief Operating Officer
 Phone: (602) 364-3764
 A.R.S. Title 20; AZ Const. Art. 15, § 5

Mission:
To provide efficient, effective and quality insurance licensing services and to restrict license issuance and renewal to qualified candidates.

Description:
 This program analyzes applications for licensure by entities regulated under A.R.S. § 20 and grants licenses to those satisfying statutory prerequisites to provide insurance products and services in Arizona. The program also oversees the administration of related activities, such as producer continuing education and pre-license examinations.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	696.0	531.9	531.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	206.1	204.4	204.4
Total Funding	902.1	736.3	736.3
FTE Positions	9.1	10.5	9.1

◆ **Goal 1** To efficiently and effectively process insurer license applications.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Average Licensing Time Frames Days from the date an application for initial license is received to the date that the license decision is rendered, for insurers, reinsurers, service corporations, health care services organizations and prepaid dental plan organizations	19.5	25.0	28.3	25.0	25.0

Explanation: Licensing Time Frames days are the Overall Time Frame days, as defined in A.R.S. § 41-1072(2), minus the days that the Overall Time Frame is suspended in accordance with A.R.S. § 41-1074(B).

◆ **Goal 2** To provide quality service to professional service license customers.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percentage of insurance professionals surveyed who reported they were "satisfied" or better with licensing services	97.7	98.0	35.7	98.0	98.0

Explanation: Online applicants were not surveyed during FY 2015; results reflect 28 responses of 62,497 license/renewal applications received.

◆ **Goal 3** To efficiently and effectively process professional service license applications.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average licensing time frames days required to render a decision on an insurance professional license application or renewal application from the date it was received	3.0	3.0	2.7	2.6	2.5
Explanation: Licensing Time Frame Days are the overall time frame days, as defined in A.R.S. § 41-1072(2), minus the days that the overall time frame is suspended in accordance with A.R.S. § 41-1074(B).					
Producer license and renewal applications received	61,528	54,236	62,497	61,018	67,638
Total producers licensed at June 30	196,072	199,836	208,036	218,438	229,360
Percentage of new license applications and fee payments received electronically	82.3	80.5	83.5	85.0	87.0
Percentage of license renewal applications and fee payments received electronically	90.7	91.0	88.4	90.0	92.0
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).	0	0	4.7	3.7	3.5

Program Summary

PREMIUM TAX COLLECTIONS AND ANALYSIS

Scott B. Greenberg, Chief Operating Officer
 Phone: (602) 364-3764
 A.R.S. §§ 20-224 et. seq.

Mission:

To collect, efficiently deposit and accurately forecast insurance premium tax revenues.

Description:

This program develops and provides tax report forms and information to taxpayers, collects and deposits premium tax revenues, audits premium tax reports and communicates with taxpayers concerning discrepancies, assesses late payment penalties and interest, and forecasts premium tax revenues.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	259.6	254.3	254.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	259.6	254.3	254.3
FTE Positions	3.4	4.3	3.4

◆ **Goal 1** To fully collect the premium tax required by law.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Amount of tax, interest and penalties recovered through audits (in millions of dollars)	2.0	1.0	1.0	1.0	1.0

◆ **Goal 2** To efficiently deposit premium tax revenues.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of premium tax (installment and annual) reports and payments received electronically	18.6	25.0	22.3	25.0	30.0

◆ **Goal 3** To accurately forecast premium tax revenues.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Difference (absolute value) between tax revenue forecast and actual fiscal-year tax revenues collected	3.1	3.0	0	3.0	0

◆ **Goal 4** To provide quality service to premium taxpayers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of insurance premium taxpayers surveyed who reported they were "satisfied" or better with the Premium Tax Unit.	18.8	50.0	50.0	65.0	75.0

Explanation: The Department only received 2 responses to its premium tax survey during FY 2015.

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	207.0	247.7	247.7
Total Funding	207.0	247.7	247.7
FTE Positions	3.0	3.0	3.0

◆ **Goal 1** To enable growth of the domestic captive insurance industry.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of new captive insurers licensed	10	7	12	6	6

◆ **Goal 2** To efficiently and effectively process captive insurer license applications.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of captive insurer license applications reviewed within 30 days of receiving an administratively complete application	100.0	100.0	100.0	100.0	100.0

◆ **Goal 3** To efficiently and effectively oversee the soundness of domestic captive insurers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of captive insurer annual reports analyzed within 120 calendar days of receipt	33.3	75.0	59.8	75.0	100.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADJUDICATION	4,404.6	4,251.3	4,259.7
➤ ADMINISTRATIVE SUPERVISION (COURTS AND AOC SUPPORT)	5,402.3	11,713.8	11,713.8
➤ REGULATORY ACTIVITIES	2,702.2	3,283.4	3,283.4
➤ COURT ASSISTANCE	36,468.5	48,423.8	49,372.5
➤ FAMILY SERVICES	6,930.0	7,227.0	12,370.2
➤ JUDICIAL NOMINATIONS AND PERFORMANCE REVIEW	426.8	413.5	413.5
➤ COMMISSION ON JUDICIAL CONDUCT	520.3	505.0	505.0
➤ JUDICIAL COMPENSATION	8,403.6	8,391.0	8,459.5
➤ ADULT PROBATION SERVICES	35,728.2	31,803.0	34,401.1
➤ JUVENILE PROBATION SERVICES	47,651.0	47,073.7	47,399.9
➤ COURT OF APPEALS DIVISION I	9,988.9	9,988.8	10,974.3
➤ COURT OF APPEALS DIVISION II	4,340.3	4,326.7	4,337.3
➤ ADULT AND JUVENILE DRUG COURT	1,238.4	1,204.7	1,204.7
Agency Total:	164,205.1	178,605.7	188,694.9

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	500.0	6,887.5	6,887.5
Other Appropriated Funds	0.0	896.2	896.2
Other Non Appropriated Funds	0.0	44.3	44.3
Total Funding	500.0	7,828.0	7,828.0
FTE Positions	0.0	73.2	73.2

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	735.1	735.1	735.1
General Fund	116,267.2	111,467.2	111,467.2
Other Appropriated Funds	41,018.8	41,018.8	41,018.8
Non-Appropriated Funds	31,408.9	31,408.9	31,408.9
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,404.6	4,245.7	4,254.1
Other Appropriated Funds	0.0	5.6	5.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,404.6	4,251.3	4,259.7
FTE Positions	40.0	40.0	40.0

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
All cases on file	1,374	1,374	1,374	1,374	1,374
All cases terminated	976	976	978	976	976
Cases pending	398	398	396	398	398
Explanation: Cases pending are as of 6/30					
New case filings	1,037	1,037	1,037	1,037	1,037
State Bar matters on file	62	62	62	62	62
State Bar matters terminated	55	55	55	55	55
State Bar activity reports	2,323	2,323	2,608	2,223	2,223
All other cases on file	12	12	12	12	12
All other cases terminated	9	9	9	9	9

Program Summary

ADMINISTRATIVE SUPERVISION (COURTS AND AOC SUPPORT)

Dave Byers, Administrative Director

Phone: (602) 452-3307

AZ Constitution, Article VI, Sections 3, 7

Mission:

To assist the Chief Justice in carrying out the constitutionally prescribed responsibility for providing administrative supervision over the integrated Arizona court system and to support the Chief Justice and the Supreme Court in providing quality administrative leadership and assistance to Arizona's courts.

Description:

Court Administration is responsible, through nine operating divisions and the Office of the Administrative Director, for providing administrative support to the Chief Justice and Supreme Court; for liaison activities with executive and legislative branch agencies and other judicial departments; for coordinating strategic projects that have potential to change the way courts do business; and, for providing internal and external administrative support for the judicial department. The divisions are Administrative Services; Adult Services; Certification and Licensing; Court Services; Dependent Children's Services; Education Services; Human Resources; Information Technology; and Juvenile Justice Services. Court Administration is also responsible for facilities management and security for the Arizona Courts Building.

*Funding in FY 16 and FY 17 include funding from the Appropriation SLI for Probation Operations and Probation Centralized Services.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,402.3	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	5,402.3	11,713.8	11,713.8
FTE Positions	42.9	107.2	107.2

◆ **Goal 1** To identify operational and administrative problems and recommend solutions and to uphold the integrity and independence of the judiciary.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Operational reviews completed	23	24	20	22	22
Average days to complete an operational review report	285.09	204	252.1	204	204
Average reviews per specialist	4.6	6	4.8	5	5

◆ **Goal 2** To ensure that automation services are provided that support statewide programs and systems.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Internal and external users connected to the Arizona Judicial Information Network	4,685	8,000	9,212	9,250	9,250
Infrastructure cost per user (dollars)	739	863	853	800	800
Uptime of network availability during normal operating hours (percentage)	99.9	99	99.9	99.9	99.9
Uptime of systems availability during normal operating hours (percentage)	99.98	99	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total Number of Questions/Issues Received	49,814	55,000	53,733	55,000	55,000
Number of Questions/Issues Received - Urgent Priority	99	100	94	100	100
Percent of Questions/Issues Resolved Within 1 Business Day - Urgent Priority	94	90	96	90	90
Number of Questions/Issues Received - High Priority	690	800	372	400	400
Percent of Questions/Issues Resolved Within 2 Business Days - High Priority	83	85	76	85	85
Number of Questions/Issues Received - Medium Priority	22,355	30,000	20,202	25,000	25,000
Percent of Questions/Issues Resolved Within 3 Business Days - Medium Priority	89	95	91	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	809.7	1,193.4	1,193.4
Other Non Appropriated Funds	1,892.5	2,090.0	2,090.0
Total Funding	2,702.2	3,283.4	3,283.4
FTE Positions	35.0	34.5	34.5

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,892.5	2,090.0	2,090.0
Total Funding	1,892.5	2,090.0	2,090.0
FTE Positions	21.0	20.6	20.6

◆ **Goal 1** To promptly process and review certification applications and reports for issuance, renewal or denial of certification

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Applications received (new and renewal)	442	20	12	440	12
Certifications granted	170	270	10	440	10
Certifications denied	0	0	1	1	1
Average number of days from receipt of application to decision regarding certification	60	60	60	60	60
Number of certified reporters (end of year)	432	440	440	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints received	4	7	3	5	5
Complaints closed	5	13	8	7	8
Disciplinary action	2	2	0	2	2
Average number of days from receipt of complaint to resolution by dismissal or disciplinary action	321	275	548	300	300
Complaint closure rate (percent)	125	186	160	150	150
Percent of cases closed within 22 month standard	100	95	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	88.5	170.0	170.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	88.5	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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of applicants for certification	8	20	4	10	10
Average number of days from receipt of complete application requirements to decision regarding certification	75	90	90	90	90
Number of individuals granted certification	7	20	4	8	8
Explanation: No applications received					
Number of individuals denied certification	1	0	3	0	0
CIs certified (end of year)	52	55	33	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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of applications received	NA	50	33	NA	35
Number of individuals granted recertification	NA	50	33	NA	35
Number of individuals denied recertification	NA	0	0	NA	0
Number of days from submission of complete renewal application to decision regarding renewal	NA	90	90	NA	90

◆ **Goal 3** To provide initial training to individuals eligible for certification and renewal training for certified CIs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of individuals receiving initial training	15	30	5	10	10

◆ **Goal 4** To assist CIs to provide high quality service.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cases closed	1	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints received	1	0	0	1	1
Complaints closed	1	0	0	1	1
Disciplinary action	1	0	0	0	0

Subprogram Summary

PRIVATE FIDUCIARY

Mark Wilson, Division Director
 Phone: (602) 452-3362
 A.R.S. § 14-5651

Mission:

To certify, audit and discipline licensed fiduciaries and fiduciary businesses who are court appointed to serve as guardians for incapacitated persons, conservators for persons in need of protection and personal representatives for decedent estates.

Description:

A.R.S. § 14-5651 requires persons, who serve for a fee and are unrelated to a person or not nominated by will, and are appointed by the Superior Court, to be licensed by the Arizona Supreme Court. The program licenses individuals who meet the statutory requirements and serve by court appointment as guardians, conservators, and personal representatives. The program develops and enforces the rules and policies necessary to implement A.R.S. § 14-5651. The program provides initial and renewal licensure for public and private fiduciaries. The program investigates alleged misconduct by fiduciaries and takes appropriate disciplinary action as necessary. The program conducts random compliance audits of licensed fiduciaries.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	169.0	318.4	318.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	169.0	318.4	318.4
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of applications received	30	30	34	30	30
Number of individuals licensed	21	25	25	25	25
Number of applications denied	2	5	0	1	1
Number of days from receipt of complete application requirements to decision regarding licensure	90	60	60	60	60
Number of fiduciaries licensed at end of year	290	275	262	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of applications received	290	NA	NA	290	NA
Number of individuals granted recertification	0	290	NA	270	NA
Number of applications denied recertification	0	0	NA	0	NA
Number of days from submission of complete renewal application to decision regarding renewal	NA	NA	NA	60	NA

- ◆ **Goal 3** To receive complaints, conduct impartial investigations and take appropriate action, ranging from dismissal of complaint to license revocation, in accordance with Arizona Revised Statutes and the code of conduct, administrative rules and orders adopted by the Arizona Supreme Court.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of complaints received	8	15	25	20	20
Number of complaints closed	22	22	8	15	15
Number of disciplinary actions	14	5	2	5	5
Number of days from receipt of complaint to resolution by dismissal or disciplinary action	516	275	329	275	275
Complaint case closure rate (percent)	275	147	32	100	100
Percent of complaints resolved within 22 month standard	73	90	100	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of notice of engagement letters	4	10	0	10	10
Fieldwork completed	4	10	NA	10	10
Explanation: No audits conducted in FY15					
Corrective Action Plans in Place	0	2	NA	2	2
Explanation: No audits conducted in FY15					
Number of final reports completed	1	10	NA	10	10
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	552.2	705.0	705.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	552.2	705.0	705.0
FTE Positions	7.9	7.8	7.8

◆ **Goal 1** To ensure defensive driving schools and instructors meet established standards for administrative and educational quality.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Operational reviews of schools completed	0	5	0	5	5
Percent of instructors rated that are in compliance with Arizona Code of Judicial Administration (ACJA 7-205) and Statutes.	91	98	97	95	95
Instructors monitored	76	50	66	75	75

◆ **Goal 2** To ensure the statewide database provides accurate and timely information for eligibility and fee payment verification.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average days to complete error change requests from schools	1	1	1	1	1
Percent of student completions reported by schools on time	99	98	99	99	99
Court information change requests processed	382	400	422	400	400

◆ **Goal 3** To provide continuing training opportunities for instructors to improve the quality of the defensive driving classes.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Current instructors receiving ongoing training	117	120	120	120	120
Percent of instructors indicating training programs are responsive to their needs	98	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of bi-monthly school reports/fee payments reconciled monthly	99	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints received	13	10	13	10	10
Complaints closed	13	10	13	10	10
Complaint case clearance rate (percent)	260	200	260	200	200
Disciplinary actions	4	5	15	5	5
Average number of days from receipt of complaint to closure	209	180	272	180	180
Percentage of complaint cases closed within 22 month standard	90	75	100	100	100

◆ **Goal 6** To promptly process and review applications for certification.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Applications received	22	28	17	25	25
Certifications granted	18	25	15	20	20
Certifications denied	3	3	0	3	3
Average number of days from receipt of complete application to decision regarding certification (Instructors)	90	60	60	60	60
Number of certified schools (end of year)	86	85	106	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,449.6	4,310.7	5,259.4
Other Appropriated Funds	19,052.5	23,927.1	23,927.1
Other Non Appropriated Funds	15,966.4	20,186.0	20,186.0
Total Funding	36,468.5	48,423.8	49,372.5
FTE Positions	200.5	222.7	222.7

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	112.1	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	112.1	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of sessions offered to judges (limited, general and appellate jurisdictions)	408	250	306	255	255
Number of sessions offered to probation, detention and surveillance officers	891	600	803	655	675
Number of sessions offered to judicial staff	354	300	279	300	300
Number of judges participating in Education Services Division sponsored programs	1,010	1,000	1,055	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	1,361	1,000	1,458	1,000	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 programs	1,534	1,800	999	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of educational hours offered to judges (limited general and appellate jurisdictions)	624	400	425	500	500
Number of educational hours offered to probation, detention and surveillance officers	2,333	1,500	1,994	1,500	1,600
Number of educational hours offered to judicial staff	686	500	440	500	500
Percent of judges in compliance with annual continuing education mandate	99	100	100	100	100
Percent of probation, detention and surveillance officers in compliance with annual continuing education mandate	99	100	99	100	100
Percent of judicial staff in compliance with annual continuing education mandate	99	100	99	100	100

◆ **Goal 3** To assure appropriate use of available resources to support a comprehensive system of judicial education

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of faculty used to train judges	385	300	315	300	300
Number of faculty used to train probation, detention and surveillance officers	601	400	524	500	500
Number of faculty used to train judicial staff	309	200	283	250	250
Percent of total faculty used paid for services to train judges	4	10	8	10	10
Percent of total faculty used paid for services to train probation, detention and surveillance officers	3	10	5	10	10
Percent of total faculty used paid for services to train judicial staff	6	10	9	10	10
Cost per participant hours from total budget to train judges	14	20	22	20	20
Cost per participant hours from total budget to train probation, detention and surveillance officers	6	15	7	15	15
Cost per participant hours from total budget to train judicial staff	3	15	2	15	15

◆ **Goal 4** To assure the accessibility of judicial education programs through various delivery mechanisms, including seminars/workshops, conferences, residential programs, broadcasts, computer-based and other distance learning formats

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of seminars/workshops	68	50	82	60	65
Total number of conferences	7	6	5	6	6
Total number of residential programs	45	30	25	25	25
Total number of broadcasts	28	25	22	25	25
Total number of computer based programs	28,745	3,000	4,778	5,000	5,000
Total number of publications	62,856	74,000	61,615	60,000	60,000
Total number of WENDELL website "hits"	81,105	90,000	114,404	100,000	100,000
Total number of materials checked out of resource library	NA	100	1,636	1,500	1,500

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	649.6	621.0	621.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	649.6	621.0	621.0
FTE Positions	5.5	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percentage of annual reports received and analyzed from prior fiscal year.	100	100	100	100	100
Number of alternative format programs reviewed.	2	2	4	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of time minutes were provided in 20 days & notice 48 hours prior to meeting	100	100	100	100	100

- ◆ **Goal 3** To provide on site monitoring and assessment of state and local proceedings and services related to domestic violence issues.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Monitoring and evaluation contacts made with state and local contacts to ensure proceedings and services follow statutes and court rules.	115	100	106	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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	NA	100	100	NA	100
Appropriate judicial officers and court personnel educated in policies and procedures that help counties effectively address the needs of domestic violence victims	185	200	804	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	97.9	97.9	97.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	615.3	610.3	610.3
Total Funding	713.2	708.2	708.2
FTE Positions	0.3	0.2	0.2

◆ **Goal 1** To provide for reimbursement of valid grand jury expenses, in accordance with Constitutional mandates.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Claims processed	7	7	6	7	7

Subprogram Summary

POST CONVICTION RELIEF

Kevin Kluge, Division Director/CFO
 Phone: (602) 452-3395
 A.R.S. § 13-4041

Mission:

To provide reimbursement to counties for state-funded representation of indigent defendants in first-time capital post conviction relief proceedings.

Description:

Laws 1996, Chapter 7, 7th Special Session provides that all indigent prisoners under a capital sentence are entitled to the appointment of counsel to represent them in the state PCR proceeding and requires the Supreme Court to appoint this counsel after the mandate affirming the defendant's conviction and sentence is issued. This legislation establishes a flat fee of \$7,500 to be paid to appointed counsel in a first state PCR proceeding unless the counsel is employed by a publicly funded office. The Supreme Court is required to reimburse the county, upon certification by the county that the amount is owed.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Claims processed	21	20	18	20	20

Subprogram Summary

JUDICIAL ASSISTANCE

Kevin Kluge, Division Director/CFO

Phone: (602) 452-3395

AZ Const., Art. VI, Section 19, 20, A.R.S. §§ 12-143, 38-813

Mission:

To provide for reimbursement of judges pro tempore and retired judges called to serve in the superior and appellate courts of Arizona.

Description:

The program provides the funding mechanism for payment of salaries of judges pro tempore when serving in the Superior Court, payment of retired judges' differential pay, and payment of travel expenses.

◆ **Goal 1** To provide reimbursement as required for judges pro tempore and retired judges called to serve in the superior and appellate courts of the state. <=Funding for this program has been eliminated through budget cuts.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Reimbursement provided	0	0	0	0	0

Subprogram Summary

STATE AID TO THE COURTS

Amy Wood, Program Manager

Phone: (602) 452-3337

A.R.S. § 12-102.02

Mission:

To improve the processing of criminal cases in the Arizona Superior Court and Justice Courts.

Description:

The Arizona Supreme Court is required to administer the monies in the State Aid to Courts Fund. In addition to administering the fund, this program distributes monies to the Superior Court, including the Clerk of Court, and the Justices Courts in each county based on a composite index formula using Superior Court felony filings and county population.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	500.0	0.0	0.0
Other Appropriated Funds	2,427.7	2,945.0	2,945.0
Other Non Appropriated Funds	13,543.9	17,617.3	17,617.3
Total Funding	16,471.6	20,562.3	20,562.3
FTE Positions	53.9	51.1	51.1

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of counties' criminal cases processed within the 100 day target	52	60	45	60	60
Percent of counties conducting criminal case processing improvement projects	80	80	93	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	3,392.5	4,341.2
Other Appropriated Funds	11,883.7	14,485.0	14,485.0
Other Non Appropriated Funds	441.2	441.2	441.2
Total Funding	12,324.9	18,318.7	19,267.4
FTE Positions	97.2	121.9	121.9

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of annual increase in court revenue in prior fiscal year	-2.9	0	-1.7	-1.7	-1.7
Difference in percentage change from previous fiscal year in court revenue collections and case filings	3.7	3.7	2.2	0	0

- ◆ **Goal 2** To fund court automation projects likely to improve case processing or the administration of justice.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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.	-3.3	-3.0	.9	0	0
Clearance rate (dispositions/filings) for all cases at all court levels in prior fiscal year.	1.09	1.03	1.09	1.05	1.05

◆ **Goal 3** To expedite the processing of grant requests in a cost-effective manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Mean cycle days receipt of request to court notification of approval/denial	4.85	12	5	10	10
Grant management budget as percent of total budget	1.1	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,519.9	3,492.3	3,492.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,519.9	3,492.3	3,492.3
FTE Positions	19.8	19.8	19.8

◆ **Goal 1** To develop automation systems to process all court cases.

Note: Program proposes deleting this goal and corresponding measure.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of courts with a uniform statewide automation system	81	81	81	81	81

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,216.7	1,258.2	1,258.2
Total Funding	1,216.7	1,258.2	1,258.2
FTE Positions	0.3	0.4	0.4

- ◆ **Goal 1** To enhance the ability of the courts and probation departments to process drug related cases more expediently and effectively.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average days drug case processing	126	125	76	75	74
Percent of quarterly financial and progress reports submitted according to schedule	94	100	100	100	100
Cases that are over 361 days to disposition	1,044	1,050	869	895	922

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	149.3	259.0	259.0
Total Funding	149.3	259.0	259.0
FTE Positions	1.2	1.7	1.7

- ◆ **Goal 1** To create, improve, maintain, or enhance alternative dispute resolution programs in superior court and justice of the peace courts.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of volunteer mediators trained	116	128	116	130	130
Number of volunteer mediator training sessions held	7	10	8	10	10

Subprogram Summary

CASE PROCESSING ASSISTANCE

Amy Wwood, Program Manager
 Phone: (602) 452-3337
 A.R.S. § 41-2401.(D)(8)

Mission:

To enhance the ability of the courts to process criminal and delinquency cases.

Description:

The Case Processing Assistance Fund (CPAF) is used to enhance the courts' ability to process criminal and juvenile delinquency cases and to process orders of protection. Monies are used to fund judges pro tempore and support staff, and to purchase necessary equipment and supplies that courts are unable to obtain through their local funding sources. CPAF also is used to fund innovative projects to improve criminal and delinquency case processing and processing orders of protection.

*Total FTEs do not include grant funded and field FTEs.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,221.2	3,004.8	3,004.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,221.2	3,004.8	3,004.8
FTE Positions	21.2	21.2	21.2

◆ **Goal 1** To enhance the ability of courts to process juvenile delinquency cases.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent growth in filings in prior fiscal year	-14.6	-14.6	-10.1	-10.0	-10.0
Prior fiscal year clearance rate (dispositions/filings) of 1.00 or greater annually	1.0	1.0	.97	1.0	1.0
Months for disposition of pending cases in prior fiscal year	7.2	7.2	8.1	8.0	8.0

◆ **Goal 2** To enhance the ability of the courts to process criminal cases.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent growth in filings in prior fiscal year	-6.7	-6.7	1.8	1.0	1.0
Prior fiscal year clearance rate (dispositions/filings) of 1.00 or greater annually	1	1	1.1	1.0	1.0
Months for disposition of pending cases in prior fiscal year	13	13	15.2	15	15

◆ **Goal 3** To expedite the processing of grant requests in a cost-effective manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Mean cycle days receipt of request to court notification of approval/denial	5.33	10	8	10	10
Grant management budget as percent of total budget	1.4	1.4	1.4	2.7	2.7

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,160.3	3,649.9	8,793.1
Other Appropriated Funds	2,548.4	2,942.8	2,942.8
Other Non Appropriated Funds	221.3	634.3	634.3
Total Funding	6,930.0	7,227.0	12,370.2
FTE Positions	53.9	60.0	65.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,611.5	3,212.3	3,555.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	221.3	634.3	634.3
Total Funding	3,832.8	3,846.6	4,189.8
FTE Positions	45.0	50.7	55.7

- ◆ **Goal 1** To ensure that each child in out-of-home placement, for 6 months or more, is reviewed by the FCRB at least once every 6 months and is making progress towards permanency.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Children eligible for review during the fiscal year	22,001	24,201	23,922	26,314	28,945
Number of child reviews held during the fiscal year	25,689	28,257	28,593	31,452	34,597
Total number of reviews conducted within the fiscal year	15,041	16,845	16,512	18,163	19,979
Percent of reviews during fiscal year for which the board found that progress was being made towards establishing permanency	58.10	63.91	56.28	59.08	62.03

- ◆ **Goal 2** To establish, maintain and train sufficient volunteers to perform high quality case reviews.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
FTEs to support volunteers (Does not include Support Pool)	44.70	42.8	44.9	44.9	44.9
Number of active volunteers during the fiscal year	600	630	592	622	653
Average length of volunteer service during the fiscal year	6.00	6.00	5.99	6.00	6.00
Number of volunteers meeting or exceeding the yearly training requirement	261	287	263	289	318

- ◆ **Goal 3** To provide accurate information to families in a caring, respectful manner

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Hotline Calls	653	700	762	812	872

- ◆ **Goal 4** To increase public and agency awareness of the Parent Assistance Hotline

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Yellow Page referrals	1	0	1	1	1
Agency Referrals	281	200	340	388	442
Calls attributable to brochures (DES)	44	350	22	25	29
Calls attributable to other advertising	327	700	399	455	519

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	102.0	0.0	0.0
Other Appropriated Funds	2,548.4	2,942.8	2,942.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,650.4	2,942.8	2,942.8
FTE Positions	7.9	8.3	8.3

◆ **Goal 1** To maintain an adequate number of certified volunteer advocates.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Children eligible for CASA assignment during the year	22,001	25,469	23,922	25,836	27,903
Children with CASA assigned as of 6/30	1,345	1,503	1,756	1,896	2,048
Total Number of volunteers as of 6/30	916	961	989	1,069	1,155
Volunteers serving during the year	1,143	1,283	1,243	1,343	1,446
Number of Assigned CASAs as of 6/30	714	797	787	861	930
Number of volunteers during the year completing the required number of hours	440	697	705	775	850
Percent of number of volunteers serving during the year completing the required number of hours	48	82	73	80	85
Average number of in-service training hours volunteers received	31.03	28.8	23	25	26

- ◆ **Goal 2** To ensure compliance by performing an operational review of county program activities. Working closely with other Administrative Office of the Court divisions, monitoring is now done on a cycle. Monitoring is not done in all 15 counties each year.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of volunteer files reviewed	168	200	119	151	140
Percent of required items reviewed and found to be in compliance	98	90	76	85	90
Total number of case files reviewed	152	220	119	150	140
Percent of required items reviewed and found to be in compliance	91	98	86	90	95

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	446.8	437.6	5,237.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	446.8	437.6	5,237.6
FTE Positions	1.0	1.0	1.0

- ◆ **Goal 1** To reduce the time frame from removal to permanency.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of petitions that met preliminary protective hearing requirements (within 5-7 days of removal)	61	82	58	50	40
Average number of days to adjudication	76	75	59	65	60
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	90	92	91	91

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	426.8	413.5	413.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	426.8	413.5	413.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Applications received from minorities and women as a percent of all applications	59	50	60	50	50
Nominations of minorities and women as a percent of all nominations	50	50	40	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cost per appellate court vacancy (dollars)	0	4,000	0	2,000	3,000
Cost per trial court vacancy (dollars)	3,400	2,000	1,800	4,000	2,000

◆ **Goal 3** To provide survey forms during each survey period for distribution to individuals who interact with a merit/retention judge.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Survey forms distributed	59,873	7,000	7,900	60,000	8,000
Survey forms returned	12,479	2,000	1,400	12,000	1,500

◆ **Goal 4** To widely disseminate the results of the survey and review process.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Pamphlets distributed (in thousands)	0	50	100	50	100

Explanation: Pamphlets are not distributed in a non-election year.

Telephone Contacts	60	100	60	200	60
Website Hits	20,431	120,000	501,677	520,000	500,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	520.3	505.0	505.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	520.3	505.0	505.0
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; for example, FY15 includes data from January 1 through December 31, 2014)

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints processed	376	360	413	360	360
Explanation: FY15 data is based on calendar year (1/1/14 - 12/31/14)					
Formal and Informal Advisory Opinions	232	200	237	200	200
Explanation: FY15 data is based on calendar year (1/1/14 - 12/31/14)					
Preliminary investigations	92	100	82	100	100
Explanation: FY15 data is based on calendar year (1/1/14 - 12/31/14)					
Motions for reconsideration	47	40	43	40	40
Explanation: FY15 data is based on calendar year (1/1/14 - 12/31/14)					
Sanctions and other warnings	27	30	27	30	30
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,403.6	8,391.0	8,459.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	8,403.6	8,391.0	8,459.5
FTE Positions	83.3	82.8	82.8

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
All cases on file in prior fiscal year	408,932	410,000	406,083	405,000	405,000
All cases terminated in prior fiscal year	204,438	204,000	199,631	200,000	200,000
Cases pending in prior fiscal year	205,011	205,000	207,424	205,000	205,000
New filings (includes transfer in cases) in prior fiscal year	200,038	200,000	201,299	200,000	200,000
Other proceedings in prior fiscal year	42,608	42,000	48,000	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	24,860.9	20,033.8	22,631.9
Other Appropriated Funds	7,199.9	7,714.6	7,714.6
Other Non Appropriated Funds	3,667.4	4,054.6	4,054.6
Total Funding	35,728.2	31,803.0	34,401.1
FTE Positions	51.8	7.3	7.3

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	13,512.4	11,335.1	13,267.3
Other Appropriated Funds	4,175.4	3,774.1	3,774.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	17,687.8	15,109.2	17,041.4
FTE Positions	23.8	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Operational reviews conducted	2	4	5	4	4
Percent of operational reviews completed within prescribed time frame	100	100	100	100	100
Percent of follow-up reviews on non-compliance issues completed within prescribed time frame	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of court-ordered restitution paid by active standard probationers	42	45	31	35	37
Percent of community service hours completed	52	55	51	52	55
Percent of probationers exiting standard probation and not committed to county jail or DOC	78	80	76	78	80

- ◆ **Goal 3** To assist in enhancement of education and training of probation officers and staff by providing regionalized and statewide training.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Certification Academies conducted	4	4	4	4	4
Regional training events	128	125	133	125	125
Percent of probation personnel in compliance with COJET requirements	98.5	100	99.8	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of probation departments in compliance with 65:1 mandate	82	100	93	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	76	80	74	75	76
Average annual state cost per probation slot (in dollars) in prior fiscal year	1,065	1,376	1,414	1,425	1,425

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	10,700.4	8,374.8	9,029.9
Other Appropriated Funds	1,473.0	1,535.2	1,535.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	12,173.4	9,910.0	10,565.1
FTE Positions	16.4	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of eligible IPS probationers participating in a treatment program	45	50	42	44	46
Percent of IPS probationers maintaining full-time employment	45	50	44	46	48
Percent of IPS probationers not testing positive for illegal drug use	70	72	68	70	73
Explanation: 14 of 15 counties reporting					
Percent of court-ordered restitution paid by active IPS probationers	33	50	33	36	39
Explanation: 14 of 15 counties reporting					
Percent of community service hours completed	66	70	55	60	62
Percent of probationers exiting IPS and not committed to county jail or DOC	44	50	46	48	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of probation departments in compliance with statutorily prescribed caseload	79	100	71	100	100
Percent of probation departments provided sufficient operating motor vehicles	100	100	100	100	100
Percent of probationers successfully completing probation	70	70	73	74	75
Average annual state cost per probation slot (in dollars) in prior fiscal year	7,356	8,370	8,504	8,500	8,500

- ◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,451.0	2,310.3	2,310.3
Other Non Appropriated Funds	554.6	650.9	650.9
Total Funding	2,005.6	2,961.2	2,961.2
FTE Positions	0.7	0.7	0.7

◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of active probationers who received CPP funded services	3,769	3,500	3,883	3,900	4,000

Subprogram Summary

INTERSTATE COMPACT

Dori Ege, Program Manager
Phone: (602) 452-3324
A.R.S. § 31-461

Mission:

To provide supervision to probationers transferring to Arizona and monitor the supervision of probationers transferred to other states from Arizona.

Description:

The program provides for the supervision of probationers transferring to Arizona from other states, and probationers transferring from Arizona to other states. County probation departments investigate requests of probationers sentenced in other states who wish to transfer their probation supervision to Arizona. After investigation, these requests are either denied or accepted. If accepted, county probation departments provide supervision for transferred probationers. Arizona probation officers monitor compliance with probation conditions and initiate corrective action, if deemed necessary, through the state Compact Office. Arizona probation departments also maintain contact with probationers transferred from Arizona to other states and collect court-ordered monetary assessments, including restitution and fines.

* Beginning with FY04, Maricopa County is not included in the statewide result. Beginning in FY 2007, Maricopa and Graham Counties are not included

*Total FTE's do not include those FTE's funded in the Field.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	648.1	323.9	334.7
Other Appropriated Funds	100.5	92.8	92.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	748.6	416.7	427.5
FTE Positions	4.8	0.0	0.0

◆ **Goal 1** To facilitate the transfer and supervision of probation cases through the interstate compact.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of transfer investigation requests completed within forty-five days of receipt, as required	98	99	98	99	99
Percent of victim assistance fund payments collected	59	60	57	58	59

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	2.2	2.2
Other Non Appropriated Funds	3,112.8	3,403.7	3,403.7
Total Funding	3,112.8	3,405.9	3,405.9
FTE Positions	6.1	6.6	6.6

◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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	4,398	5,000	4,458	4,500	4,500
Number of probationers convicted of an ARS 13-901.01 1st or 2nd offense that received DTEF funded treatment services	1,233	1,500	1,151	1,200	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of probationers on GPS	221	225	189	225	225

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	45,093.7	37,605.5	37,931.7
Other Appropriated Funds	3,407.4	5,235.3	5,235.3
Other Non Appropriated Funds	-850.1	4,232.9	4,232.9
Total Funding	47,651.0	47,073.7	47,399.9
FTE Positions	78.4	31.2	31.2

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,601.7	3,595.7	3,700.6
Other Appropriated Funds	19.2	150.0	150.0
Other Non Appropriated Funds	1,283.3	1,289.9	1,289.9
Total Funding	5,904.2	5,035.6	5,140.5
FTE Positions	6.6	0.5	0.5

◆ **Goal 1** To ensure proper supervision of youth on probation.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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	85	85	88	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	1,928	1,920	2,317	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of juvenile probationers ordered to pay restitution, who pay	94	95	94	95	95
Percent of juveniles ordered to pay probation fees, who pay	73	80	71	80	80

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,467.3	5,532.7	5,612.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	8,467.3	5,532.7	5,612.4
FTE Positions	11.0	0.0	0.0

◆ **Goal 1** To ensure the proper level of intensive supervision of high risk probationers .

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	86	80	100	80	80
Average annual cost per probation slot (in dollars) in prior fiscal year	13,908	14,292	14,303	14,500	14,500

◆ **Goal 2** To ensure that JIPS officers are trained and meet established standards.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of JIPS youth who successfully complete JIPS	67	67	70	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of the juvenile intensive probationers ordered to pay restitution who are paying	100	95	98	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:	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
General Funds	22,341.6	19,937.8	19,960.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-1,557.7	2,810.8	2,810.8
Total Funding	20,783.9	22,748.6	22,771.7
FTE Positions	27.1	3.4	3.4

◆ **Goal 1** To audit and evaluate treatment programs for contract compliance and effective service delivery.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Service contractors audited for compliance with program standards	17	35	41	40	40
Percent of contractors monitored in satisfactory compliance with established program standards (70%+)	83	85	95	87	87
Average cost per contract to audit (dollars)	1,350	1,350	1,400	1,400	1,400
Average hours per contract to audit and write report	80	50	41	80	80

◆ **Goal 2** To provide a comprehensive array of services and interventions for youth on probation.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Youth served	8,008	8,000	6,466	6,400	6,400
Youth provided out of home services	738	750	580	575	575
Youth provided day support services	456	500	504	550	550
Youth provided counseling intervention	2,576	2,700	3,072	3,000	3,000
Youth provided drug testing	4,839	5,000	5,648	5,000	5,000
Youth provided evaluations and other services	4,784	4,800	3,239	3,000	3,000
Youth provided educational and vocational services	150	150	172	170	170
Percent of youth who don't re-offend within 12 months of program completion in prior fiscal year	53	50	53	50	50
Percent of youth with successful outcomes in functional family therapy	62	70	75	70	70
Percent of youth with successful outcomes in high impact residential	76	80	49	80	80

Subprogram Summary

FAMILY COUNSELING

Steve Tyrrell, Program Manager
 Phone: (602) 452-3451
 A.R.S. §§ 8-261 et seq.

Mission:
To oversee the development of programs for families in crisis which strengthen family relationships and reduce juvenile delinquency.

Description:
 The program provides the basic crisis and supportive counseling services to children and their families. Funds are used to provide counseling not only to children who have already come to the attention of the court, but also to their families and siblings, in an effort to address family problems that may be contributing to unlawful behavior and to prevent escalation into more serious activity. For incorrigible children who would otherwise be unable to obtain counseling services, these funds provide the courts with the critical resources needed to improve the family's ability to deal with conflicts and exercise proper control.

*Total FTE's do not include those FTE's funded in the Field.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	658.3	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	658.3	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	697	700	954	950	950
Average cost per family (dollars) in prior fiscal year	870	950	689	900	900
Average age of youth participating in program in prior fiscal year	16	15	15	15	15
Average sessions per family in prior fiscal year	14	14	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	9,024.8	8,039.3	8,157.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-575.7	132.2	132.2
Total Funding	8,449.1	8,171.5	8,290.0
FTE Positions	3.3	0.0	0.0

◆ **Goal 1** To ensure diversion eligible referrals are processed in a timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of juveniles with an intake interview within 30 days of receipt of referral by the juvenile court	47.8	55	34	55	60

- ◆ **Goal 2** To promote victim and community restoration by holding diversion youth accountable for their assessed financial obligations.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of diversion youth assessed restitution, who pay	92	95	100	95	95
Percent of parents of diversion youth assessed one-time parental assessment fee, who paid	86	90	89	90	90

- ◆ **Goal 3** To ensure consequences are successfully completed.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Community Work Service case closures that were successfully completed Explanation: Does not include Pima County	87	85	86	85	85
Percent of Counseling case closures that were successfully completed Explanation: Does not include Pima County	83	90	85	85	85
Percent of Delinquency Prevention Education case closures that were successfully completed Explanation: Does not include Pima County	87	90	87	90	90
Percent of Substance Abuse Education case closures that were successfully completed Explanation: Does not include Pima County.	92	90	82	90	90
Percent of Non-Residential Rehabilitation or Supervision case closures that were successfully completed Explanation: Does not include Pima County	95	95	100	95	95
Percent of diversion programs showing a minimum of 15% positive change between pre and post test Explanation: Does not include Pima County.	88	90	87	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,388.2	5,085.3	5,085.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,388.2	5,085.3	5,085.3
FTE Positions	30.4	27.3	27.3

◆ **Goal 1** To manage and monitor the distribution of JCRF grant funds.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of on-site monitoring visits conducted (non-random sample)	95	100	33	50	50
Percent of programs in compliance with financial requirements	100	100	100	100	100
Percent of programs in compliance with program requirements	100	100	100	100	100

◆ **Goal 2** To promote the development of promising community-based programs for youth.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Local programs funded	23	26	26	26	26

Explanation: Excludes LEARN Labs

Youth served in local programs	74,814	74,000	60,512	65,000	65,000
LEARN labs	3	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Counties receiving funds	15	15	15	15	15
Juveniles served	8,857	8,000	6,609	7,000	7,000
Percent of on-site fiscal and program audits conducted	70	70	38	75	75
Percent of programs audited in compliance	100	100	100	100	100

◆ **Goal 4** To ensure that juvenile courts and probation departments are in compliance with statutes, administrative orders, funding agreements, rules, program plans, and policies and procedures.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Operational reviews conducted	5	5	3	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Automation projects funded	2	2	2	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	9,988.9	9,988.8	10,974.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	9,988.9	9,988.8	10,974.3
FTE Positions	98.3	98.3	98.3

◆ **Goal 1** To provide fair and expeditious determination of cases.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
All cases on file	4,551	4,580	4,736	4,836	4,911
All cases terminated	2,443	2,500	2,457	2,467	2,542
Cases pending	2,108	2,080	2,279	2,565	2,369
Explanation: Cases pending are as of 6/30					
New case filings	2,630	2,600	2,725	2,800	2,775
Customer Satisfaction rating for settlement program	7.5	7.5	NA	NA	NA
Explanation: Collection of this measure is temporarily discontinued, until future review.					
Cases decided in which a Supreme Court review was not sought, excludes those cases dismissed in which no petition for review can be filed.	2,056	2,000	2,007	1,987	1,987
Cases decided where Supreme Court review was denied	369	250	322	350	352
Cases decided which Supreme Court review was granted and decision upheld	18	15	27	30	32

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,340.3	4,326.7	4,337.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,340.3	4,326.7	4,337.3
FTE Positions	38.5	38.5	38.5

◆ **Goal 1** To provide fair and expeditious determination of cases.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
All cases on file	1,829	1,900	1,660	1,850	1,850
All cases terminated	1,171	1,000	961	1,100	1,100
Cases pending	654	850	699	800	825
Explanation: Cases pending are as of 6/30					
New case filings	959	975	1,018	1,100	1,100
Customer Satisfaction rating for settlement program (Scale 1-8)	7.8	7.8	7.8	7.8	7.8
Cases upheld upon review	1,058	990	893	980	980

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,006.8	993.6	993.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	231.6	211.1	211.1
Total Funding	1,238.4	1,204.7	1,204.7
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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of Participants sentenced to drug court.	838	1,000	859	900	950
Number of Participants retained at 180 day point	1,501	1,500	1,479	1,500	1,500
Number of Graduates from drug court	310	350	348	375	375

◆ **Goal 2** To measure the number of Juvenile participants screened, admitted and graduated from drug courts.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of Participants admitted to drug court	210	215	182	200	200
Number of Participants retained at 180 day period	226	230	203	210	215
Number of graduates from drug court	68	75	65	70	75

Agency Summary

DEPARTMENT OF JUVENILE CORRECTIONS

Vacant, Director
 Phone: (602) 364-4051
 A.R.S. § 41-2802

Mission:

To enhance public protection by changing the delinquent thinking and behavior of juvenile offenders committed to the Department.

Description:

The 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ HOUSING	27,439.3	27,006.5	28,752.5
➤ REHABILITATION	10,772.6	10,935.0	10,935.0
➤ ADMINISTRATION	6,870.3	7,009.1	7,009.1
Agency Total:	45,082.2	44,950.6	46,696.6
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	40,762.4	26,984.6	28,730.6
Other Appropriated Funds	2,583.1	16,132.1	16,132.1
Other Non Appropriated Funds	1,736.8	1,833.9	1,833.9
Total Funding	45,082.2	44,950.6	46,696.6
FTE Positions	587.5	587.5	587.5

Issue 1 Strategic Issue 1: TRANSFORMATIONAL MANAGEMENT - Creating a more effective state managed juvenile corrections system

Description In keeping with Governor Douglas A. Ducey's commitment to ensuring that Arizona State Government is as efficient and effective as possible, beginning in FY 2016, the Arizona Department of Juvenile Corrections (ADJC) will be focusing on creating a more effective State Managed Juvenile Corrections System. ADJC will ensure that priorities, management systems, and operational processes align with the Governor's plan to improve Arizona's economy, education, and image; improve the lives of at-risk children; value ADJC employees; and contribute to society by increasing youthful offender success, protecting public safety, and reducing government costs.

To accomplish this, ADJC will focus on system-wide changes that increase value by reducing waste and that help the agency meet its obligations to the public. Following the principles of "lean transformational management," ADJC will adjust its practices in order to further consolidate resources, reduce costs, and improve outcomes and will strive to change how managers manage and how workers work. The ongoing success of these efforts will present employees with clearer pathways to career goals, afford managers more opportunity to mentor, support, and reward employees, and surround the youth in our care with a more positive and engaged workforce.

At ADJC, staffing is our largest single cost, with the secure care Youth Corrections Officer (YCO) series accounting for 45% of staff. There has been a historically high turnover rate for the YCO staff, which has limited our effectiveness in providing committed youth with a structured environment and service delivery continuity, both of which are essential for successful community reintegration. To succeed, we must focus on new, innovative human capital management strategies to ensure a sustainable workforce. In addition to continuing efforts aimed at increasing overall retention of staff through improved staff development and recognition, ADJC must begin to seriously consider new models and systems for optimal staffing. For ADJC, optimal staffing systems must simultaneously create the correct balance between workload and performance and the correct balance between treatment/therapeutic service provision and corrections/security practices. ADJC will be looking at a variety of alternative system models for secure care, community corrections, and administration; models that maximize positive youth outcomes while reducing cost. This will include consideration of staffing plans and patterns for all agency operations, reporting structures, lines of responsibility, position classification groupings and distribution, position descriptions, post assignments, relief factors, staff to youth ratios, caseloads, staff rotations, alternative work schedules, and alternative shift hours.

Also of paramount importance is the continuous improvement of decision models that monitor and evaluate ADJC processes and operations and the continuous engagement of staff in the effective collection and assessment of data. Ensuring that staff are engaged and informed, agency-wide, enhances ADJC's ability to continually improve safety, security, and treatment practices. All agency staff receive a daily dashboard report that provides an overview of key indicators such as demographics, safety incidents, therapeutic and educational progress, and community corrections data. Key staff also participate in daily briefings to discuss incidents that concern the safe environment for treatment and rehabilitation. On a monthly basis, executive staff utilize a management process to link real-time data with strategic problem solving strategies - from addressing individual level, incident-centered activity to system-wide trends. The agency has also implemented a web-based inspections system, referred to as GAR (Green-Amber-Red inspection system) that timely monitors and ensures compliance with pre-determined facility and operational competencies related primarily to safety, security, and service and process fidelity. Systems problems or deficiencies are easily identified, resulting in quicker corrective actions.

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 that synthesizes analysis of agency data, proactive problem solving, rigorous prevention strategies, and a clear accountability structure.

Only by creating a more effective state managed juvenile corrections system, one based on lean principles, can ADJC demonstrate to the people of Arizona that we are faithful stewards of the monies entrusted to us and that we will continuously look for innovative ways to cut costs and improve our outcomes.

Solutions:
Strategies:

- 1.To create a safe environment for staff and committed youth.

2.To safeguard the public, staff and committed youth using sound corrections practices.

3.To provide necessary and appropriate medical, dental and mental health care to committed youth.

4.To provide optimal services for committed youth efficiently and cost effectively.

Issue 2 Strategic Issue 2: TREATMENT/REHABILITATIVE SERVICES - Maximizing treatment therapies to improve youth outcomes

Description The Arizona Department of Juvenile Corrections (ADJC) is committed to providing youth in secure care with effective, efficient, and high quality rehabilitative and transformative services in support of our vision, mission, and values. These services include treatment, education, and pro-social activities.

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. Although the majority of committed youth have struggled or failed in traditional education settings (42% have been expelled from school at least once; most have had significant attendance problems; almost 21% enter ADJC with zero (0) high school credits; and over 24% require special education services), youth educational achievements soared in FY 2015.

Beginning in FY 2016, ADJC will be looking more closely at how we provide our secure care treatment services, with the intent to re-engineer our systems to improve rehabilitation outcomes.

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. 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 (CBT), Motivational Enhancement Therapy (MET), 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. Currently, about 25% or more youth receive conduct disorder treatment; 25% receive intensive substance abuse and dependency treatment; 15% receive intensive mental health treatment; 23% receive intermittent mental health services; and 15% receive sexualized behavior treatment.

Knowing that research indicates that better outcomes are directly related to treatment dosage (frequency and length of treatment), we will be looking at three key strategies.

First, ADJC will work to increase the number of group therapy hours each youth receives, including core behavior treatment, specialized treatment, and psychoeducational sessions. As part of this strategy, ADJC will continue to seek out ways to schedule daily and weekly activities in a manner that increases the treatment hours available and will explore ways to eliminate lapses in treatment based upon youth behavioral issues.

Second, ADJC will attempt to include all staff in the delivery of treatment, especially youth corrections officers engaged in housing unit management and general supervision. This will involve re-training staff on the fundamental treatment competencies and content and designing specific treatment activities that can be conducted as part of daily youth routines.

Third, ADJC will work to integrate treatment competencies and concepts into other secure care services, especially education and pro-social programs. This will allow us to maximize the treatment therapies while still providing viable academic education courses and relevant pro-social, normalizing activities. With education being a fundamental part of our programming, we have an opportunity to align treatment skills and proficiencies into academic and career technical high school educational coursework and activities. We also have an opportunity to integrate these same treatment skills and proficiencies into our pro-social activities, recreation, religious services and events, social events, organized sports, and clubs and social groups.

As ADJC moves forward, all of its secure care programs and operational practices will undergo review from the perspective of the direct role they play in a youth’s successful reintegration into the community. Wherever indicated, adjustments will be made to improve a youth’s chances of success, based upon ongoing program assessment and the most effective treatment practices and academic research findings.

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:

STRATEGIES:

- 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 Strategic 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). In addition, 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 settings rather than in corrections settings, Governor Ducey advocated for reform and successfully enacted law banning 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 helps 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.

In FY 2014 and FY 2015, 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 the public's 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 their juvenile offense record expunged. By revising parole standards and reorganizing caseload and workflow, the FY 2015 rate of absolute discharges for ADJC youth on parole increased from 25% to 33.15%, with 42 absolute discharges issued.

In FY 2016, ADJC will focus on increasing the number of successful releases from secure care to community corrections (parole). Arizona law provides that if a youth is not likely to be a threat to the 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.

Although we know that many youth do better in community-based settings and lengthy secure care stays do not always produce better outcomes, since FY 2011, the average length of stay in ADJC secure care has been increasing (from 7 months in FY 2011 to 8.5 months in FY 2015) and the average length of stay in ADJC community corrections has been decreasing (from 6.4 months in FY 2011 to 4.3 months in FY 2015). 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, greater attention will be placed on parole, community outreach and transition, and community placement. 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.

To accomplish this, ADJC will be exploring new intake assessment tools and applications that better target and classify low-risk youth; new intensive secure care treatment programs and delivery systems that reduce secure care length of stay; new hybrid step-down and graduated sanctions programs that offer alternatives to institutionalized care; new partnerships with counties or other government agencies that will facilitate the sharing of resources and/or facilities; and new partnerships with private residential centers and community-based service providers.

Solutions:
STRATEGIES:

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 Strategic 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 2015 the overall agency turnover rate increased from 23% to 25% and the Youth Corrections Officer (YCO) turnover rate increased from 29% to 51%.

To mitigate this high turnover and aid in increasing overall retention of staff, ADJC must continue to make purposeful efforts to improve the development, retention and recognition of staff and must continue to focus on innovative human capital management strategies in order to further reduce turnover and ensure a sustainable workforce.

In FY 2016, ADJC will focus on creating a culture that celebrates success, provides meaningful recognition programs, and actively identifies and rewards employees who perform outstanding work. This will include improving internal communications and fostering a greater respect for innovative ideas and solutions and implementing succession planning to develop future agency leaders and prevent loss of institutional knowledge. It will also include ongoing efforts to develop viable and sustainable compensation strategies that ensure wages are fair, competitive, and aligned with performance.

In order to ensure that we are hiring the most talented applicants, rewarding the best workers, and appropriately disciplining underperforming employees, ADJC will adopt a fiscal approach that better aligns individual pay to individual performance. This approach will improve accountability and performance, while allowing us flexibility in human capital management. Throughout FY 2016, ADJC will be systematically looking at a number of position classifications with the intent to identify and correct a number of imbalances in base-salary. Employees in those positions who are uncovered and who can demonstrate good performance will be rewarded.

As part of this strategic issue, ADJC will focus on realigning its goals, processes, values, communications practices, roles, attitudes and assumptions to affect positive change within the agency. ADJC will strive to eliminate those things that divide us, while teaching and demonstrating positive reinforcement, professionalism, trust, and respect for one another and those we serve.

Solutions:

STRATEGIES:

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	738.5	738.5	738.5
General Fund	27,886.0	27,886.0	27,886.0
Other Appropriated Funds	15,230.7	15,230.7	15,230.7
Non-Appropriated Funds	151.4	151.4	151.4
Federal Funds	1,802.6	1,802.6	1,802.6

Program Summary

HOUSING

Dona Marie Markley, Assistant Director
Phone: (602) 364-4051
A.R.S. § 41-2802

Mission:
To enhance public protection by providing safe, secure, 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	26,144.4	12,200.5	13,946.5
Other Appropriated Funds	549.3	14,000.1	14,000.1
Other Non Appropriated Funds	745.5	805.9	805.9
Total Funding	27,439.3	27,006.5	28,752.5
FTE Positions	392.0	392.0	392.0

Subprogram Summary

FACILITIES MANAGEMENT

Dona Marie Markley, Assistant 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	6,302.8	3,811.5	5,557.5
Other Appropriated Funds	549.3	2,000.1	2,000.1
Other Non Appropriated Funds	745.5	805.9	805.9
Total Funding	7,597.6	6,617.5	8,363.5
FTE Positions	61.0	61.0	61.0

◆ **Goal 1** To create a safe, clean and functional physical plant and sound operational structure.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of fire and health inspection discrepancies corrected before the next inspection	100	100	100	100	100
Percent of facility/operational compliance as measured by the GAR inspection system	0	0	87	87	87

Explanation: New Measure-FY 2014 Actual was 86%

Subprogram Summary	
SECURITY	
Dona Marie Markley, Assistant 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 Arizona Department of Juvenile Corrections (ADJC) facilities.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	16,476.4	4,918.0	4,918.0
Other Appropriated Funds	0.0	12,000.0	12,000.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	16,476.4	16,918.0	16,918.0
FTE Positions	294.0	294.0	294.0

◆ **Goal 1** To safeguard the public, staff and committed youth using sound corrections practices.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Youth on youth assaults per 100-youth days	.28	.23	.24	.24	.24
Percent of youth in secure care not engaging in assaultive or violent behaviors	0	0	63	63	63

Explanation: New Measure-Actual FY 2014 was 63%

Percent of youth who feel safe in secure care	87	92	83	87	87
Number of escapes	0	0	0	0	0

Subprogram Summary

HEALTH CARE

Dona Marie Markley, Assistant Director
 Phone: (602) 364-4051
 A.R.S. § 41-2802

Mission:

To provide age and gender appropriate medically-necessary health services to juveniles in secure facilities.

Description:

The Health Services Subprogram provides a delivery system that utilizes on-site professional health care staff in the secure facilities and when deemed necessary, makes referrals to off-site hospitals and/or specialty health care providers.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,365.3	3,471.0	3,471.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,365.3	3,471.0	3,471.0
FTE Positions	37.0	37.0	37.0

◆ **Goal 1** To provide necessary and appropriate medical, dental and mental health care to committed youth.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Medical services average annual cost per youth	7,941	7,941	8,680	8,680	8,680
Percent of youth assessed with significant mental health needs	32	32	39	39	39
Mental health services average annual cost per youth	5,646	5,646	6,008	6,008	6,008

Program Summary

REHABILITATION

Dona Marie Markley, Assistant Director
Phone: (602) 364-4051
A.R.S. § 41-2802

Mission:

To enhance public protection by confronting delinquent thinking and behaviors; developing pro-social attitudes and skills; and preparing youth academically and vocationally for success.

Description:

The Rehabilitation Program provides secure care treatment, education, and community care treatment programs that focus on changing delinquent behavior patterns, and ensuring youth are successfully returned to the community.

This Program Contains the following Subprograms:

- ▶ Education
- ▶ Secure Care Treatment
- ▶ Community Care Treatment

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,832.2	7,843.1	7,843.1
Other Appropriated Funds	2,033.8	2,132.0	2,132.0
Other Non Appropriated Funds	906.7	959.9	959.9
Total Funding	10,772.6	10,935.0	10,935.0
FTE Positions	133.0	133.0	133.0

Subprogram Summary

EDUCATION

Dona Marie Markley, Assistant Director
Phone: (602) 364-4051
A.R.S. § 41-2831

Mission:

To support the mission of the Arizona Department of Juvenile Corrections (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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,279.4	1,435.4	1,435.4
Other Appropriated Funds	1,826.2	1,600.7	1,600.7
Other Non Appropriated Funds	885.5	894.3	894.3
Total Funding	3,991.2	3,930.4	3,930.4
FTE Positions	48.0	48.0	48.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of youth entering secure care at two or more grades below grade level	70	70	42	42	42
Overall grade level increase in mathematic achievement in secure care (average length of stay is 8.5 months)	1.3 grade	1.4 grade	1.7 grade	1.7 grade	1.7 grade
Overall grade level increase in reading achievement in secure care (average length of stay is 8.5 months)	2.2 grade	2.2 grade	1.6 grade	1.7 grade	1.7 grade
Percent of youth entering secure care with zero (0) high school credits	0	0	21	21	21
Explanation: New Measure-FY 2014 Actual was 18%					
Total number of educational credits earned by youth in secure care	0	0	1,714	1,714	1,714
Explanation: New Measure-FY 2014 Actual was 1,867					
Average educational credits earned per youth in secure care	0	0	2.8	2.8	2.8
Explanation: New Measure-Actual FY 2104 was 2.6 credits					
Number of youth in secure care earning a high school diploma	33	33	80	80	80
Explanation: A high school diploma requires 22 credits					
Number of youth in secure care earning a GED	129	129	107	130	130
Explanation: Reported FY 2014 number of 129 was incorrect; actual FY 2014 number was 130. Reflects only six (6) months of testing due to GED online program conversion					
Percent of youth passing the GED test.	80	80	90	90	90
Explanation: Reflects only six (6) months of testing due to GED online program conversion					

Subprogram Summary

SECURE CARE TREATMENT

Dona Marie Markley, Assistant Director
 Phone: (602) 364-4051
 A.R.S. § 41-2802

Mission:

To provide specialized treatment, programming and transition planning based upon the individual needs of the committed youth.

Description:

The Secure Care Treatment Subprogram provides individualized developmental programming and supervision services to committed juveniles requiring placement in a secure facility. 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. The Arizona Department of Juvenile Corrections (ADC) 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 (CBT), Motivational Enhancement Therapy (MET), 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,066.3	3,033.0	3,033.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	21.2	65.6	65.6
Total Funding	3,087.5	3,098.6	3,098.6
FTE Positions	44.0	44.0	44.0

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of youth showing progress in their primary treatment problem area	89	89	87	89	89
Ratio of "good behavior/positive reinforcements" earned by youth to "bad behavior/rule violations" earned by youth	0	0	15:1	15:1	15:1

Explanation: New Measure-Actual FY 2014 was 13:1

◆ **Goal 2** To ensure committed youth contribute to the successful restoration of communities and families.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of youth in secure care required to pay court ordered restitution, paying restitution	0	0	60	60	60
Dollar amount of court ordered restitution collected from youth in secure care	16,261	16,261	9,434	9,434	9,434

Explanation: In FY 2015, percentage of youth in secure care required to pay court ordered restitution declined from 40% to 27%

Subprogram Summary

COMMUNITY CARE TREATMENT

Dona Marie Markley, Assistant Director
 Phone: (602) 364-4051
 A.R.S. § 41-2817

Mission:

To enhance public protection by providing effective and efficient structure, intervention/supervision, surveillance, and enforcement that changes delinquent thinking and behaviors of committed juveniles on conditional liberty (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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,486.5	3,374.7	3,374.7
Other Appropriated Funds	207.5	531.3	531.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	3,694.0	3,906.0	3,906.0
FTE Positions	41.0	41.0	41.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average length of stay (in months) for a youth in secure care	0	0	8.5	8	7
Explanation: New Measure-Actual FY 2014 was 7.4 months					
Percent of youth released from secure care to community corrections	0	0	55	63	63
Explanation: New Measure-Actual FY 2014 was 63%					
Average length of stay (in months) for a youth on parole	0	0	4.3	4.7	5
Explanation: New Measure-Actual FY 2014 was 4.5 months					

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of youth involved in an academic, vocational or employment program while on conditional liberty (parole)	91	100	92	92	92
Percent of victims reporting satisfaction with restorative justice services received from ADJC	100	100	100	100	100

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of youth on parole absconding from supervision	0	0	18	18	18
Explanation: New Measure-Actual FY 2014 was 32%					
Percent of youth on parole returning to secure care for a new delinquent offense	29	24	21	21	21
Percent of youth on parole achieving an absolute discharge from ADJC	25	25	33	33	33
Percent of juveniles incarcerated within 12 months of release	30	30	41	30	30
Explanation: Includes parole revocation return to ADJC secure care, recommitment to ADJC, and commitment to Arizona Department of Corrections					
Percent of youth incarcerated for new criminal or delinquent offense within 36 months of release	46	45	23	23	23
Explanation: Does not include parole revocation return to ADJC secure care					

Program Summary

ADMINISTRATION

Dona Marie Markley, Assistant Director
 Phone: (602) 364-4051
 A.R.S. § 41-2802

Mission:

To provide the Arizona Department of Juvenile Corrections (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 they require to change the lives of youth within the Department's care. These services include: Accounting, Budgeting, Communications, Detention Center Inspections, Due Process, Grant Management, Human Resources, Internal Affairs, Legal Support, Management Information Systems, Policy Development, Procurement, Research and Development, Staff Development, Quality Assurance, Victims Rights, Volunteer Coordination, and Youth Rights.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	6,785.8	6,941.0	6,941.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	84.6	68.1	68.1
Total Funding	6,870.3	7,009.1	7,009.1
FTE Positions	62.5	62.5	62.5

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Administration as a percent of total cost	6.1	6.1	6	6	6
Average daily population for youth in secure care	351	TBD	324	TBD	TBD
Average yearly cost per bed in secure care.	290.68	TBD	316.56	TBD	TBD
Explanation: This dollar amount is the daily cost per youth in secure care.					
Average daily population for youth on conditional liberty in the community (parole)	411	TBD	344	TBD	TBD
Daily cost per youth on conditional liberty in the community (parole)	49.94	TBD	57.61	TBD	TBD

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of staff indicating that their supervisor shows care and concern for employees	0	0	70	70	70
Explanation: New Measure-Actual FY 2014 was 68% based upon ADOA 2015 Statewide Employee Engagement Survey Results					
Percent of staff eligible for increased compensation and benefits because they are uncovered	0	0	84	84	84
Explanation: New Measure-Actual FY 2014 was 81%					
Percent of uncovered staff receiving merit-based incentive payments	0	0	69	69	69
Explanation: New Measure-Actual FY 2014 was 61%					
Annual Youth Corrections Officer (YCO) turnover rate	29	26	51	35	35

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 9.3 million acres of land is assigned to one of the beneficiaries, the largest of which is the state's common schools. The Department works to sustain the long-term value for the Trust's beneficiaries by administering, selling, and leasing the State's Trust lands and natural products. The Department also administers the State's Natural Resource Conservation District Program, which involves funding and technical assistance for 32 districts across the State. The Department provides navigability studies to the State's Navigable Streambed Adjudication Commission and staffs the Governor-appointed State Land Board of Appeals. The Commissioner serves as the State Cartographer and Surveyor-General. The Department provides statewide geological information system services including development and sharing of data layers through the Arizona Land Resources Information System program.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ TRUST MANAGEMENT AND REVENUE GENERATION	16,574.3	16,950.6	22,245.7
➤ OUTSIDE ASSISTANCE AND GRANTS	1,411.4	995.3	3,066.4
Agency Total:	17,985.7	17,945.9	25,312.1
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	12,506.4	12,520.5	7,067.5
Other Appropriated Funds	4,037.1	4,525.4	17,444.6
Other Non Appropriated Funds	1,442.2	900.0	800.0
Total Funding	17,985.7	17,945.9	25,312.1
FTE Positions	130.7	129.7	129.7

Issue 1 Management of Significant Instruments

Description The Department has a wide variety of approximately 11,000 active significant instruments from year to year. This includes land exchange agreements, leases, certificates of purchase, royalty agreements and special land use permits. These instruments represent a diverse range of uses including rights of way, commercial, Federal government, minerals, oil, gas, grazing and agriculture. They range in length from less than a year to ninety-nine years. The majority are five to ten year agreements. Most of the revenue received by the Department is generated through the use of these instruments.

Since the Department manages a large number of diverse instruments that are utilized in the generation of the majority of Trust revenue on an annual basis, the Department recognizes the management of significant instruments as a strategic issue.

Solutions:

The Department plans to generally address the issue by continuing to review the language in proposed significant financial instruments before they are executed to ensure economic return is optimized for the Trust beneficiaries and the potential liability of both the State and Department is minimized.

Specifically, the Department has developed a methodology whereby appropriate internal staff is alerted to, and concurs with, the terms and conditions in the significant instruments entered into by the Department. This process should continue and be expanded as new instruments create increased revenue and or potential risk. These instruments should continue to be reviewed by individuals representing a broad variety of expertise to identify possible deficiencies in the areas of risk, finance, accounting, legal, title, land management and administration. Whenever possible, an attempt should be made to create standardized terms and conditions to ensure uniformity and aid in efficiency. Due to the large number of instruments compared to the limited amount of staff, the Department should continue to identify limiting criteria to prioritize the agreements which will yield the greatest results on an annual basis. This limiting criterion should narrow the subset to an achievable amount given the static human resources available. Some of the factors considered include the dollar amount, length of the agreement and special risk factors. For example, it may be determined that an achievable subset in a particular fiscal year may include only the new instruments over a certain length along with all new agreements involving industrial usage. Subsequent subsets could expand to include the previous-year criteria along with new instruments valued at a threshold above a specific annual anticipated revenue level. In this manner, the benefits should compound each year due to the standardization of terms and conditions until, ultimately the Department is only tasked with reviewing a select group deemed to exhibit special factors that either deviate from the standardized language, or are considered especially high risk in terms of scope and/or scale compared to previously identified characteristics.

In conjunction with Governor Ducey's Lean Transformations Policy Initiative, the Department anticipates simplifying both processes and instruments to ensure both a high level of customer service and a low level of risk to the State of Arizona through standardization of terms and identification of risk factors.

The Department will have been successful when every new instrument contains previously reviewed standardized terms and conditions, or thoroughly reviewed newly created language that can be applied to comparable future agreements.

Issue 2 Management of Application Processes

Description Each year the Department receives, on average approximately 11,000 applications distributed among approximately forty different land uses throughout eight major categories. Over the past number of years, the total has ranged from 9,000 to 17,000. Some applications are simple and routinely processed within a few days, while others such as land exchanges, rights of way and commercial lease assignments are extremely complicated and dependent on both internal and external actions from third parties for completion. The more complicated, numerous and time consuming applications provide an opportunity for improvement.

In order to potentially improve the efficiency of Department, thereby allowing more capacity to be utilized toward the core mission of the Department and to improve the customer experience, the Department recognizes the management of application processes as a strategic issue.

Solutions:

The Department plans to generally address the issue by reviewing and streamlining the application processes that have the greatest potential benefit to both internal and external customers.

The Department should identify application processes with the highest likelihood of being improved given the assumption of static human resources availability. The factors involved in the selection process may include the amount of applications received annually, the complexity and number of contacts required for completion, the overall average time involved in processing, and the economic impact to Trust beneficiaries. After a specific type of application has been targeted for process improvement, related stakeholders should be identified. These include Department employees directly involved in each step of the process, their supervisors, managers, internal employees indirectly tied to the process and external customers whenever possible. The Department should work with this core group to review the application process using proven techniques and methodologies. Some of these are commonly referred to as “Lean”, “TQM – Total Quality Management” and “Six-Sigma”. The Government Transformation Office (GTO) has been and will continue to be involved in the process, in order to ensure the greatest improvement possible and also to train internal Department staff to apply these techniques to other processes identified for future improvement.

As the Department progresses the efficiency savings should compound for subsequent processes in the time needed to identify, review and improve the process; and therefore the resources needed to maintain current service levels of processes previously improved should be optimized.

In conjunction with Governor Ducey's Lean Transformations policy initiative, the Department anticipates simplifying both processes and instruments to ensure a high level of customer service and a low level of risk to the State of Arizona through the continual gain of efficiencies in processes.

The Department will have been successful in this strategy when application processes have been reviewed through a proven methodology in order to achieve the greatest possible efficiency improvement.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	129.7	129.7	129.7
General Fund	3,269.9	3,269.9	3,269.9
Other Appropriated Funds	16,189.6	16,189.6	16,189.6
Non-Appropriated Funds	800.0	800.0	800.0
Federal Funds	0.0	0.0	0.0

Program Summary

TRUST MANAGEMENT AND REVENUE GENERATION

Jill Pernice, Assistant Administration and Budget Director
 Phone: (602) 542-3179
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,980.2	11,945.7	4,505.9
Other Appropriated Funds	3,863.9	4,264.9	16,999.8
Other Non Appropriated Funds	730.1	740.0	740.0
Total Funding	16,574.3	16,950.6	22,245.7
FTE Positions	128.7	127.7	127.7

◆ **Goal 1** To administer Trust resources to optimize revenue over time.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total revenue generated (in millions)	186.3	204.3	203.3	239.6	261.9
Balance in Permanent Fund (Book value in millions)	2,927.8	3,081.1	3,081.1	3,267.8	3,451.8
Total expendable receipts, excluding interest on permanent fund and school leases (millions)	66.7	46.1	63.4	46.9	57.8
Total annual revenue to permanent fund (millions)	103.4	153.3	136.3	186.7	184.0
Number of participation sales	0	1	0	0	1
Number of auctions where broker commission is paid	1	2	4	2	2
Percent increase in commercial leasing revenue	-15.1	3.2	16.8	-11.6	0
Number of sales above appraised value	2	1	0	1	0
Percent of total leasing revenue from long-term leases	80	83	69.7	75.0	77.0
Net present value of long-term leases (in millions)	500	500	490	490	490

◆ **Goal 2** To protect unique Trust resources and provide environmental protection to maintain the long-term value of the asset.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Proposed land use and disposition actions reviewed for cultural resource considerations	404	400	421	525	550
Number of hazardous materials sites remediated	4	5	0	4	0
Number of nonhazardous materials sites remediated	25	20	0	25	0
Amount allocated for adjudicating water rights	93400	175,000	0	175,000	220,000

◆ **Goal 3** To improve the Department's efficiency in application or transaction processing.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average processing time for long-term leases (tracked by months)	N/A	14	14.6	14.0	14.0
New short-term lease processing time (in months)	8	10	9.5	10.0	10.0
Average processing time for sales applications (tracked by months)	11	18	16.5	18.0	18.0
In-house appraisal turnaround time (days from administrator request to receipt by section manager)	50	45	54	50	50
Contract appraisal turnaround time (days from administrator request to receipt by section manager)	85	90	82	85	85
Average trust land earnings per acre sold (in dollars)	16,079	75,000	82,786	155,154	10,395
Average trust land earnings per acre on new long-term commercial leases	N/A	47,214	424,216	10,893	120,580

◆ **Goal 4** To provide efficient internal support and coordination to enable the Department to accomplish its mission.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of findings during annual financial audit	0	0	0	0	0
Average score on employee engagement survey.	3.6	3.6	1.8	4.4	4.4
Median number of minutes to resolve computer user problems	15	15	24	30	30
Percent of agency staff turnover	10	9	9.3	9.0	9.0
Administration as a percentage of total cost	5.7	5.7	5.1	5.1	5.1

◆ **Goal 5** To improve Department productivity and minimize costs through increased efficiency and risk reduction.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of employees receiving basic computer training	27	120	18	110	20
Number of professional training hours for staff	595	600	498	600	600
Number of agency's administrative policies updated or added	1	2	0	5	5
Percent of employees completing agency required training	98	100	98	100	100

◆ **Goal 6** To develop and implement measures to improve external customer service.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of customers giving the department a rating above 4 (Survey rating 5 - 1; 5 = very satisfied, 1 = unsatisfied)	98	96	92	98	98
Number of settlement hearings vs. number of appeal hearings	0/0	1/1	0/0	1/1	1/1
Number of interactive applications available through the web site	2	3	3	4	4
Number of times interactive applications are accessed by the public	34,693	35,000	60,392	60,000	60,000
Number of times the web site is accessed	297,247	300,000	265,839	275,000	275,000
Number of formal public records requests vs. number of records (number of pages in thousands) pulled and researched for requests	14/30	13/25	14/31	14/20	14/20

◆ **Goal 7** To continue an effective program of land conservation of appropriate State lands while ensuring continued economic benefits to the trust.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cumulative number of acres petitioned to be reclassified for conservation	110,941	110,941	110,941	110,941	110,941
Cumulative number of acres sold under Arizona Preserve Initiative	31,614	31,801	32,306.9	32,867.4	32,867.4
Number of Arizona Preserve Initiative land sale/leases	3/0	2/0	2/0	3/0	0/0
Cumulative number of acres reclassified as suitable for conservation purposes	46,195	46,195	0	46,195	0
State acres identified and/or researched for transfer under State/Federal land conservation and federal land management actions	1,521,278	1,500,000	1,521,303	1,800,000	1,800,000
Federal acres identified and/or researched for State acquisition under State/Federal Land conservation and land management actions	412,041	350,000	364,791.2	360,000	360,000

◆ **Goal 8** To improve the availability of actual information and increase analytical capabilities of the agency.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Combined parcels (surface, minerals, special permits, etc.) accessible through PALMS	63,156	63,020	66,327	67,000	67,000
Number of data sets accessible through PALMS	505	590	527	550	550

◆ **Goal 9** To improve internal and external communication.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of customers giving the department a rating above 4 on the understandability of applications, correspondence, documents, and the clarity of information being transmitted (Survey rating 5 - 1; 5 = very satisfied, 1 = unsatisfied)	96	95	92	96	96
Average percentage of employees attending "All Employee" meetings	80	90	80	90	90
Number of agency-wide electronic notices distributed	525	500	308	350	350

◆ **Goal 10** To respond within established time frames, to all applications and request for land use and title research from public and staff.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Acres researched involving title transactions, special projects, lease, or contract development (in millions of acres)	1.8	3.0	2.9	3.5	3.5
Number of applications received requiring current land use or ownership research	1,192	1,200	1,245	1,300	1,300

Program Summary

OUTSIDE ASSISTANCE AND GRANTS

Jill Pernice, Assistant Administration and Budget Director
 Phone: (602) 542-3179
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	526.2	574.8	2,561.6
Other Appropriated Funds	173.1	260.5	444.8
Other Non Appropriated Funds	712.1	160.0	60.0
Total Funding	1,411.4	995.3	3,066.4
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	136.2	184.8	61.6
Other Appropriated Funds	0.0	0.0	184.8
Other Non Appropriated Funds	712.1	160.0	60.0
Total Funding	848.3	344.8	306.4
FTE Positions	2.0	2.0	2.0

- ◆ **Goal 1** To design, develop, maintain and distribute digital geospatial datasets to public agencies in Arizona to reduce the costs of data creation and maintenance to the State's taxpayers.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Datasets transferred	1,851	2,000	3,262	4,000	4,000
Geospatial datasets under development or revision	217	200	189	200	200
Datasets accessible through AGIC, ALRIS or SCO websites	198	220	230	250	250

- ◆ **Goal 2** To create and implement cost-effective and results-effective GIS training and information programs for Arizona public agencies.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Government employees trained	38	38	43	35	35
Percent of students rating training as satisfactory	90	90	91	90	90

- ◆ **Goal 3** To increase access and utility of GIS data by providing information on location, lineage, and availability of geospatial databases; promote development and implementation of GIS standards; and coordinate governmental inter-agency cooperative agreements.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Users accessing AGIC, ALRIS or SCO websites for information or data	26,018	20,000	45,119	50,000	50,000
Participation in coordination activities with organizations which improve access and utilization of geographic datasets	38	36	38	36	36

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	390.0	390.0	2,500.0
Other Appropriated Funds	173.1	260.5	260.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	563.1	650.5	2,760.0
FTE Positions	0.0	0.0	0.0

- ◆ **Goal 1** To strengthen the network of 32 NRCs by assisting district supervisors in developing, improving and broadening relationships with private landowners, the NRCS, state and federal agencies, rural communities, county governments, and private interest groups.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
District meetings attended	42	40	37	40	40
Interagency meetings attended	14	15	10	10	10
Percent of NRCs rating Department assistance as satisfactory	97	100	100	100	100

Agency Summary

LEGISLATIVE - AUDITOR GENERAL

Debbie Davenport, Auditor General
 Phone: (602) 553-0333
 A.R.S. § 41-1279

Mission:

To improve state and local government operations and accountability by independently providing the Legislature, government decision-makers, and the public with timely, accurate, and impartial information; relevant recommendations; and technical assistance.

Description:

The Auditor General is appointed by the Joint Legislative Audit Committee and approved by a concurrent resolution of the Legislature. By law, the Auditor General is required to express an opinion on the financial statements of audited entities, and determine compliance with applicable federal and Arizona laws and conduct comprehensive performance evaluations of state agencies and the programs they administer. In addition, the Auditor General is required to conduct performance audits of school districts and monitor the percentage of dollars spent in the classroom.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	18,246.4	17,933.3	17,933.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,919.3	1,940.3	1,940.3
Total Funding	20,165.7	19,873.6	19,873.6
FTE Positions	204.8	204.8	204.8

◆ **Goal 1** To use efficient and value-added processes to ensure our reports are issued in a timely manner

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	NA	NA	Yes	NA

◆ **Goal 2** To identify and communicate on high-impact issues

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of administrative recommendations implemented or adopted within two years for performance audits	97	90	84	90	90
Percentage of single audit recommendations implemented or adopted within one year for financial audits	58	65	58	75	75
Percentage of legislative recommendations implemented or adopted within two years	57	60	100	60	60

◆ **Goal 3** To hire, develop, and retain a high-quality workforce

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of staff turnover	8	15	9	15	15

Agency Summary

HOUSE OF REPRESENTATIVES

Andy Tobin, Speaker

Phone: (602) 926-5172

Constitution Art. 4, Part 1, Section 1

Mission:

To serve the public by enacting laws that protect the public safety and welfare, to provide information to the public and to assist members of the public who contact their legislative representatives with questions, problems, or concerns.

Description:

The House of Representatives consists of 60 members elected by the public. Two members are elected from each of the 30 legislative districts in biennial elections. Members of the Legislature participate in activities related to the review and adoption of a wide range of topics that affect the citizens of Arizona. Members serve on standing committees, participate in interim projects and handle constituent concerns.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,897.1	13,289.5	13,289.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,897.1	13,289.5	13,289.5
FTE Positions	0.0	0.0	0.0

Agency Summary

JOINT LEGISLATIVE BUDGET COMMITTEE

Richard Stavneak, Director
Phone: (602) 926-5491
§ 41-1272

Mission:

To provide the Arizona Legislature with sound research, analysis, forecasts, and recommendations on state government finances and public policies; to provide the members with high quality work that is factually-based and delivered in a timely and professional manner, so they can make informed public policy decisions that are in the best interest of the citizens of Arizona.

Description:

The Joint Legislative Budget Committee (JLBC) Staff is a statutory agency of the legislature. The governing board is the Joint Legislative Budget Committee, which appoints a Budget Analyst [Director], who is responsible for hiring other staff. The Director is responsible for evaluating the Governor's Budget and making recommendations, as well as supporting the Joint Legislative Budget Committee and the Joint Committee on Capital Review.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,308.4	2,490.9	2,490.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,308.4	2,490.9	2,490.9
FTE Positions	29.0	29.0	29.0

Agency Summary

LEGISLATIVE - LEGISLATIVE COUNCIL

Michael Braun, Executive Director
 Phone: (602) 926-4236
 A.R.S. §§ 41-1301 to 41-1307

Mission:

To provide quality legal, research, computer and administrative services to the Arizona Legislature.

Description:

The Legislative Council staff performs the following core functions: drafting of legislative bills, memorials, resolutions, and amendments; review and possible revision of each legislative enactment for technical corrections prior to publication of the Arizona Revised Statutes; enrolling and engrossing of bills and processing of legislative journals; conducting legal research; and operating the legislative computer system.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,471.3	8,233.3	8,233.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,471.3	8,233.3	8,233.3
FTE Positions	49.0	49.0	49.0

Program Summary

LEGISLATIVE COUNCIL

Michael Braun, Executive Director
 Phone: (602) 926-4236
 A.R.S. §§ 41-1301 to 41-1307

Mission:

To provide quality legal, research, computer and administrative services to the Arizona Legislature.

Description:

The Legislative Council staff performs the following core functions: drafting of legislative bills, memorials, resolutions, and amendments; review and possible revision of each legislative enactment for technical corrections prior to publication of the Arizona Revised Statutes; enrolling and engrossing of bills and processing of legislative journals; conducting legal and public policy research; and operation of the legislative computer system.

◆ **Goal 1** To provide timely and accurate processing of all work products.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of positive survey ratings regarding accuracy of bill drafting	96	97	99	100	100
Percent of positive survey ratings regarding timeliness of bill drafting	96	97	99	100	100
Percent of positive survey ratings regarding accuracy of legal research	98	99	98	99	100
Percent of positive survey ratings regarding timeliness of legal research	98	99	98	99	100

◆ **Goal 2** To increase awareness of Legislative Council's functions among legislators, legislative staff, state agencies and lobbyists.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of survey respondents indicating awareness of Legislative Council's bill drafting function	99	100	100	100	100
Percent of survey respondents indicating awareness of Legislative Council's legal research function	96	97	97	98	99

◆ **Goal 3** To increase the comfort level of all legislative computer users through training and support.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of positive survey ratings regarding accuracy of computer help desk	96	97	96	97	98
Percent of positive survey ratings regarding timeliness of computer help desk	96	97	98	99	100

Program Summary

OMBUDSMAN CITIZENS AIDE OFFICE

Dennis Wells, Ombudsman-Citizens' Aide

Phone: (602) 277-7292

A.R.S. § 41-1371 et. seq.

Mission:

To improve the effectiveness, efficiency and responsiveness of government by receiving public complaints, investigating the administrative acts of state agencies, recommending fair and appropriate remedies and investigating matters relating to public access to government records and meetings throughout Arizona.

Description:

The Office of the Ombudsman-Citizens' Aide is a nine person independent agency in the legislative branch of Arizona State Government. The Office receives citizen complaints about the administrative acts of state agencies. The Office investigates citizen complaints and, when they are justified, works with the complainant and agency to help them resolve the problem in a mutually agreeable manner. Although the Office cannot change an agency's decision nor direct it to take action, it can make findings and offer recommendations to the agency. The Office also helps citizens by coaching them on how they can best resolve their problem on their own and providing other forms of assistance when the problem can be resolved without going through the time and expense of an investigation. In addition, the office investigates complaints about public access to records and meetings at all levels of government throughout Arizona. The Office provides reports of its activities to the legislature, governor and public.

◆ **Goal 1** To help more citizens redress their legitimate grievances with state agencies.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of individuals assisted	5,099	5,000	5,003	5,000	5,100

◆ **Goal 2** To respond to citizen complainants in a timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of initial responses to citizen inquiries made within two business days	99	98	98	98	98
Percent of notices of investigation sent within 30 days	99	98	98	98	98
Percent of investigations completed within 3 months	98	96	96	96	97
Percent of citizens responding "strongly agree" or "agree" to timeliness question on customer satisfaction survey	98	96	100	96	99

◆ **Goal 3** To prevent recurrence of similar complaints by identifying and correcting patterns of undesirable administrative practices.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of recommendations accepted by agencies	99	95	99	95	98

◆ **Goal 4** To provide courteous and impartial service to citizens.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of citizens responding "agree" or "strongly agree" to courtesy question on survey	100	98	99	98	99
Percent of citizens responding "strongly agree" or "agree" to impartially question on the customer satisfaction survey	99	98	99	98	99

Agency Summary

SENATE

Andy Biggs, President
Phone: (602) 926-4371
Constitution Art. 4, Part 1, Section 1

Mission:

To serve the Arizona constituency through policy development and enactment of legislation in support of the public health, safety, and welfare.

Description:

The Arizona Senate consists of 30 elected members, one from each legislative district. Members are appointed to serve on Senate standing committees, as well as statutory and interim committees. They consider a variety of issues for the purpose of enacting legislation deemed necessary for the public interest.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,648.0	8,223.9	8,223.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	7,648.0	8,223.9	8,223.9
FTE Positions	0.0	0.0	0.0

Agency Summary

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

John Cocca, Director
 Phone: (602) 542-9020
 A.R.S. § 4-111 et seq.

Mission:

To protect public safety and support economic growth through the responsible sale and consumption of liquor while efficiently licensing qualified applicants.

Description:

The Department regulates all businesses dealing with spirituous liquor. The Department reviews and investigates complaints, police reports, and civil violations regarding licensees. The Department investigates all allegations against licensees, whether criminal or civil, and in collaboration with the Attorney General's Office, prosecutes before civil and criminal courts. Further, the Department educates youth to reduce underage drinking.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	907.5	879.8	915.2
➤ INVESTIGATIONS	2,257.7	2,143.9	2,371.6
➤ LICENSING	852.2	865.8	865.8
Agency Total:	4,017.4	3,889.5	4,152.6
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,950.9	2,955.3	3,218.4
Other Non Appropriated Funds	1,066.5	934.2	934.2
Total Funding	4,017.4	3,889.5	4,152.6
FTE Positions	39.0	38.0	39.0

Issue 1 MISSION STATEMENT

Description

ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL
5 Year
Strategic Plan

Mission Statement (what we do)

To protect public safety and support economic growth through the responsible sale and consumption of liquor, while efficiently licensing qualified applicants.

Vision Statement (future - what we want to be)

Our agency continuously improves human resources, operations, and communications to achieve a level of public service and safety that exceeds expectations.

Values (guiding principles)

Integrity: We insist on honest, fair, and trustworthy behavior at all times.

Responsibility: We challenge ourselves to continually improve our liquor industry knowledge, to readily respond to business needs and regulatory requirements, and to be accountable for our every word and action.

Courtesy: We treat others politely and with respect. We honor the individual rights of others and the significance of community.

Teamwork: We collaborate and build partnerships with employees, stakeholders, and enterprises that are essential to the effectiveness and cost-efficiency of this agency.

Areas of Focus

We ensure compliance with A.R.S. §Title 4.

We support the economic growth of the State of Arizona.

We excel in customer service.

Goals (long term, on-going achievements that don't normally change as often as strategies)

Employees: To recruit, develop, and retain talented individuals and support their commitment to excellence.

Effectiveness/Reliability: To use communications, training, and teamwork to achieve optimal results.

Teamwork: To build lasting internal and external partnerships that promote public safety and the State's economic success.

Innovation: Use knowledge, resources, experience, and leadership to produce outcomes that exceed expectations.

Knowledge: We welcome opportunities for intellectual collaboration.

Solutions:

The Department of Liquor Licenses and Control regulates all businesses dealing with spirituous liquor. The Department processes complaints, police reports, and civil violations regarding licensees. The Department investigates all allegations against licensees, whether criminal or civil, and in collaboration with the Attorney General's Office prosecutes before civil and

criminal courts within the State. Further, the Department interacts with the Governor's Office of Highway Safety to educate underage youth and reduce underage drinking. The Department meets on a regular basis with the Arizona Licensed Beverage Association, Arizona Beer and Wine Association, Arizona Grocers Association, Arizona Hotel and Motel Association, Arizona Restaurant Association and various civic organizations statewide. Finally, the Department is responsive to all Arizona citizens who are served and affected by the licensees.

Issue 2 PROGRAM SUMMARY ADMINISTRATION

Description Mission:

To ensure all Divisions in the Department of Liquor Licenses and Control operate in a cost effective and efficient manner, all operational activities conform to statutory requirements and other guidelines and staffing is provided to the State Liquor Board.

Description:

Daily departmental operations communications ,budget preparation, human resources, payroll, accounting for and distribution of revenues, accounts payable, accounts receivable, accounting for all authorized non-reverting funds, purchasing, records retention and information flow. The program also provides personnel to staff the State Liquor Board, a separate quasi-judicial body appointed by the Governor. The division maintains a relationship with governmental agencies as well as all businesses dealing with spirituous liquor.

Solutions:

- Goal 1: To ensure timely payment of invoices
 Percentage of invoices paid within 30 days

- Goal 2: To ensure timely and accurate reporting of revenue and expenses
 Reports completed by the 15th of every month

- Goal 3: To set hearings before the State Liquor Board in a timely manner
 Percent of hearings set within the statutory time frame

- Goal 5: To recruit, develop and retain talented staff and support their commitment to excellence.
 Encourage personal and professional growth by providing at least 3 training opportunities
 to all employees

Description Mission:

To maintain a working relationship with both licensees and the law enforcement community to obtain the maximum compliance with state statutes and rules.

Description:

The Investigations Division conducts random liquor inspections to ensure licensees are complying with A.R.S. Title 4 and all departmental rules and regulations; provides training and assistance to local law enforcement agencies thereby enhancing their ability to enforce liquor laws; investigates and processes all civil complaints received concerning liquor-related

violations; provides criminal background checks to all individuals associated with liquor licenses in Arizona; liaisons with the Department of Public Safety, city and town police departments, sheriff's offices, and other local law enforcement agencies; conducts covert operations alone and in collaboration with police agencies investigating for hidden ownerships; maintains an investigative database which is accessible to police agencies; and meets with the United States Attorney's Office, Gaming, the FBI, and the Arizona Attorney General's Office. The Compliance Section receives actionable reports of violation and attempts to resolve them informally.

Solutions:

Goal 1: To conduct routine liquor inspections and investigations of as many licensed establishments as possible to ensure compliance with the Arizona Liquor Laws, Rules and Regulations.

Number of investigations completed resulting in compliance actions

Number of random liquor inspections completed

Goal 2: To process investigative complaints quickly and efficiently

Average number of calendar days to complete an investigative complaint

Goal 3: To conduct Title 4 training for police officers as well as business associates

Number of training classes conducted

Goal 4: To resolve compliance cases so that fewer cases go to hearing

Number of compliance cases sent

Goal 5: To perform restaurant audits expeditiously

Number of days to complete an audit

Description Mission:

To serve applicants, licensees and the public by processing and retaining documents associated with liquor-licensed businesses operating in the state of Arizona.

Description:

The Licensing Division assists new applicants and existing licensees in the preparation and processing of applications, renewals, forms, and fee collection required to lawfully operate a liquor-licensed business; analyze and verify business structure and ownership required for licensure, route documents to cities, towns, counties for local approval and recordkeeping requirements; maintains a database used to respond to public records requests, website license queries, and records retention requirements.

Solutions:

Goal 1: Track number of newly issued licenses, transferred licenses and renewal transactions to measure increase/decrease in annual license activity

Number of licenses processed

Goal 2: Demonstrate quality and efficiency in customer service when processing documents

CSR maintain an 85% or better accuracy in processing documents

Goal 3: To maintain accurate document history on license files

Percentage of errors found in imaged documents

Goal 4: Tract surveys for customer service satisfaction

Percentage of customers rating service as excellent and good

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	41.0	45.0	45.0
General Fund	3,500.0	3,800.0	3,800.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	1,000.0	1,500.0	1,500.0
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	907.5	879.8	915.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	907.5	879.8	915.2
FTE Positions	8.0	7.0	7.0

◆ **Goal 1** To ensure timely and accurate reporting of revenue and expenses

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Revenue and Expense reports to be completed by the 15th of the month	100	98	100	98	98

◆ **Goal 2** To ensure timely payment of invoices.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
To pay all invoices within 30 days of receiving invoice	100	98	100	98	98

◆ **Goal 3** To set hearings before the State Liquor Board in a timely manner

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of hearings set within the statutory time frame	100	98	100	98	98

Program Summary

INVESTIGATIONS

Michael Rosenberger, Deputy Director
 Phone: (602) 542-9076
 A.R.S. § 4-112, 4-113, 4-213

Mission:

To maintain a working relationship with both licensees and the law enforcement community to obtain the maximum compliance with state statutes and rules.

Description:

The Investigations Division conducts random liquor inspections to ensure licensees comply with A.R.S. Title 4 as well as departmental rules; provides training and assistance to local law enforcement agencies thereby enhancing their ability to enforce liquor laws; investigates and processes all civil complaints received concerning liquor-related violations; provides criminal background checks of all individuals associated with liquor licenses in Arizona; liaisons with the Department of Public Safety, city and town police departments, sheriff's offices, and other local law enforcement agencies; conducts covert operations alone and in collaboration with police agencies investigating for hidden ownerships; maintains an investigative database which is accessible to police agencies; and meets with the United States Attorney's Office, Gaming, the FBI, and the Arizona Attorney General's Office. The Compliance Section receives actionable reports of violations and attempts to resolve them informally.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,191.2	1,209.7	1,437.4
Other Non Appropriated Funds	1,066.5	934.2	934.2
Total Funding	2,257.7	2,143.9	2,371.6
FTE Positions	17.0	17.0	18.0

◆ **Goal 1** To conduct routine liquor inspections and investigations of as many licensed establishments as possible to ensure compliance with Arizona Liquor Laws, Rules and Regulations.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of investigations completed resulting in compliance actions	866	850	856	850	850
Number of random liquor inspections completed	3434	3000	2,710	3,000	3,000

◆ **Goal 2** To process investigative complaints quickly and efficiently.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of calendar days to complete an investigative complaint	35	35	34	35	35
Percentage of liquor law compliance cases processed in less than 90 calendar days	99	99	98	99	99

◆ **Goal 3** To conduct Title 4 training to police officers as well as business associates

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of training classes conducted	35	30	51	35	35

◆ **Goal 4** To resolve compliance cases so that fewer cases go to hearing

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of compliance cases sent to hearing	4	6	4	6	6

Program Summary					
LICENSING					
Connie Wagner, Assistant Director					
Phone: (602) 542-9055					
A.R.S. Title 4					

Mission:

To serve applicants, licensees and the public by processing and retaining documents associated with liquor-licensed businesses operating in the state of Arizona.

Description:

Licensing assists applicants and licensees in the preparation and submission of required documentation for the purpose of obtaining a liquor license; maintains a database capable of responding to public, corporate and law enforcement inquiries and routes filed documents to appropriate entities; maintains licensing records as required by law; analyzes and correlates corporate and individual materials to determine corporate structure, limited liability companies, partnerships, sole proprietorships, and the controlling individual of each; and forwards the appropriate paperwork to the local governing boards (cities, towns, counties) on each new application which is proposing to be licensed.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	852.2	865.8	865.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	852.2	865.8	865.8
FTE Positions	14.0	14.0	14.0

◆ **Goal 1** To track number of newly issued licenses, transferred licenses and renewal transactions to measure increase/decrease in annual license activity.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of new licenses, transferred licenses, and renewals issued	11918	12000	12,703	13,500	13,500
Percent of surveyed licensees reporting very good or excellent service	87	85	86	85	85

◆ **Goal 2** To maintain accurate document history on license files

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of errors found in imaged documents	1	2	2	2	2

◆ **Goal 3** To demonstrate quality and efficiency in customer service when processing documents

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
CSRs maintain an 85% or better average in processing documents	87	85	86	85	85

Agency Summary

LOTTERY

Tony V. Bouie MA, MS, MBA, 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	61,910.9	108,854.6	111,888.4
Other Non Appropriated Funds	1,146,502.4	1,216,126.5	1,216,126.5
Total Funding	1,208,413.3	1,324,981.1	1,328,014.9
FTE Positions	98.8	98.8	107.3

Issue 1 Sales Growth Challenges with Realigned Product Mix

Description The Lottery has seen a 6.9% compound annual growth rate over a 15 year period. Consistent growth has occurred in the instant ticket category with national draw game sales (Powerball & Mega Millions) declining at an alarming rate.

Solutions:

The Lottery believes strategies that generated a record \$750 million in sales will not be what gets the Lottery to the \$1 billion sales mark. Lottery sales and transfer goals will be buoyed by the passage of HB2517 which places an emphasis on the “Pull Tab” product line expansion. Rules changes are being developed to be able to expand that product line.

In state, draw game rotations will become more frequent and will be based on extensive market research. Reliance on multi-state draw games is concerning, which places an ever greater emphasis on the development, launch and rotation of new in-state draw games.

The Lottery has recently completed a consulting engagement with the nationally renowned “Trouser First” organization to help optimize product development. This 3-month engagement will help the Lottery launch more effective and market-relevant games to increase revenues and therefore, fund transfers.

Retailer expansion continues to be a focus of the sales organization. The hiring of a full time recruiter will bring accountability for measurable results in retailer growth. New equipment technology, such as the “compact lottery terminal” (CLT), which is in use by the Hoosier Lottery will allow the Lottery to focus on non-traditional locations that require a smaller terminal footprint (dry cleaners, smoke shops, restaurants, etc.).

Finally, the Georgia Lottery has successfully developed 2 airport locations run by the Lottery. They quickly became the largest retailers in the state and required no commissions since they are run by the Lottery. The Arizona Lottery is moving forward with plans to launch a Lottery-run retail location at the Phoenix airport which is projected to add \$2.8 - \$3.4 million in additional revenue.

Issue 2 Statutory Provisions Impacting Operational Efficiency

Description Current statutory provisions hinder the Lottery’s ability to implement new initiatives and generate revenue for state programs.

The ability of the Lottery to adapt to a more modern and dynamic environment is constrained by the provisions of the Arizona Tribal-State Gaming Compacts (Compacts). Evolutions in technology and player preferences in types and styles of games cannot be addressed. For example, the current legal age to purchase a Lottery ticket in Arizona is 21. Arizona is one of only three lottery states, out of 44, where the legal age to purchase a ticket is 21. In all other states, the age to purchase a ticket is 18, with some states implementing a higher age limit for casino gaming and/or video lottery. Arizona has a total population of 6.59 million, with a population of 3.9 million that is of legal playing age. This leaves a large potential player group aged 18-20 that cannot purchase Lottery games.

Another obstacle adversely impacting operational efficiency is the procurement process required by statute. Currently, the Lottery can directly solicit bids for the design and operation of tickets and equipment but must follow the process outlined in the procurement code. For the Lottery’s advertising needs, it is required to solicit bids through the State Procurement Office. These requirements create an unnecessary level of complexity in conducting Lottery procurements. Modifying these parameters will allow the Lottery to operate in a more business-like manner through greater efficiencies and responsiveness to changing circumstances.

Solutions:

The Lottery may request permission to seek a legislative solution that addresses these procurement issues and an opportunity to participate in discussions of the Compacts to ensure the Lottery is generating the maximum amount of revenue that is transferred to the general fund and other statutorily designated beneficiaries.

Issue 3 Attracting and Maintaining High-Level Talent

Description The Lottery is truly a business that is shackled by the chains of government. When comparing the Lottery’s financial numbers to other Arizona based companies, it is astonishing. The Arizona Lottery ranks solidly in 22nd place in total revenues (FY14 \$723,954,296) for all Arizona based companies. The Lottery ranks number 11 in net income (FY14 \$175,620,652). This number is deceiving since all the another companies generate revenue outside the state of Arizona. The Lottery does not. The Lottery ranks first in sales per employee at \$8,134,317. This is almost four times more than the second place company (Meritage Homes at \$2,192,771).

Solutions:

The Lottery will be requesting additional funds to compensate employees at a more market competitive rate.

Issue 4 Falling Behind in Industry Innovation

Description Mobile technology has become ubiquitous in the United States. A growing majority of lotteries have a mobile application with varying degrees of functionality. Sixty-four percent (64%) of American adults own a smartphone. The ability to engage on a more frequent, non-invasive platform is critical in reaching the “traditional millennial” player. This is a key demographic for future lottery growth. Forty-four percent (44%) of these adults sleep with their phones next to them. Sixty-seven percent (67%) of cell phone owners check their messages and alerts even when they don’t notice their phone ringing or vibrating.

Solutions:

As a complementary platform to the mobile application, a players’ club will be launched. Lotteries have been instituting players’ clubs for the past 5-7 years. This platform will allow for gamification of the instant and draw product lines. Players will be able to register and enter tickets to receive points which can be redeemed for prizes. The players’ club will also function as the second chance platform currently performed by a third party.

All lotteries have an ongoing issue with players not understanding they are a winner or possibly losing the ticket they bought. The Arizona Lottery has passed legislation changing statute so winners can collect their monies with a “physical ticket or an electronic version of their ticket”. Technology and security will be put in place for this to happen in the future.

The Lottery is not only focusing on player engagement, but is poised to enhance winner awareness. Public visibility on winners at all levels will be a social media push. The Lottery is developing a categorized recognition platform to create more visibility and viral social sharing. This comes with automated social tools and professional photography equipment to be purchased for all Lottery locations.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	107.3	107.3	107.3
General Fund	0.0	0.0	0.0
Other Appropriated Funds	118,676.4	123,108.1	127,672.0
Non-Appropriated Funds	569,280.0	595,136.0	622,208.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To increase revenue to the State.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Dollar amount of instant ticket sales (in millions)	488.3	519.0	547.2	589.9	619.0
Dollar amount of on-line sales (in millions)	235.7	258.0	202.8	211.1	231.9
Dollar amount of all game sales (in millions)	724.0	777.0	750.0	801.0	850.9
Increase/(decrease) in instant ticket sales from prior year (in millions)	47.8	30.7	58.9	42.7	29.1
Increase/(decrease) in on-line sales from prior year (in millions)	(16.8)	22.3	(32.9)	8.3	20.8

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.	228,100	235,000	261,100	280,000	270,000
Out of stock percentage for ticket vending machines.	4.5	4.5	4.4	4.4	5.0
Total Lottery dollars distributed to State programs (in millions)	175.4	197.0	176.0	184.2	195.7
Percent of lottery ticket sales distributed to state beneficiaries	24.2	25.3	23.5	23.0	23.0

◆ **Goal 2** To increase agency efficiency.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of hours draw games system not available for processing transactions (operational hours: 20 hrs per day x 365 = 7300 hrs)	3.8	3.5	3.6	3.5	3.5
Number of hours instant ticket validation system not available for processing transactions (operational hours: 20 hrs per day x 365 = 7300 hrs)	3.82	3.50	3.6	3.5	3.5
Percent of Lottery program expenditures outsourced	90.9	93.9	91.1	92.7	92.5
Administration as a percentage of total cost	5.1	5.0	5.4	5.0	4.9
Average number of days required to pay vendors	10	9	7	7	7
Percent of vendor invoices paid within 30 days	94.4	95.0	97.8	96.5	96.5

◆ **Goal 3** To maintain an effective retailer compliance program.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of active retailer accounts in good standing	99.7	99.7	99.5	99.5	99.5
Percent of routine retailer inspections in compliance with underage wagering requirements	99.9	99.9	99.9	99.9	99.9
Percent of routine retailer inspections resulting in discovery of a rule violation or criminal activity	1.9	.9	.9	1.3	1.3
Number of "at risk" retailers requiring immediate investigation (2800 total retailers)	71	110	53	60	60

Explanation: Measure depicts retailers that require immediate inspections as compared to routine compliance inspections.

◆ **Goal 4** To expand public awareness regarding the Lottery's values, beneficiaries, winners, and products.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of general public indicating the Lottery is run honestly and with integrity	77	78	76	79	81
Percent of general public indicating the Lottery is a good way to raise money for the state of Arizona	72	73	71	74	76
Average number of calls received per month on automated winning numbers line	231,700	238,000	171,100	180,000	190,000
Average "open" rate for Lottery product email blasts	22.0	22.2	14	14	16
Average page views per visit to the Lottery website	2.4	4.6	20	21	22

◆ **Goal 5** To enhance retailer relationships.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of retailers achieving additional .5% commission incentive	36.4	34.0	29.0	30.0	30.0
Total instant tab game commissions earned by charitable organizations	878,900	900,000	1,028,100	1,180,000	1,180,000
Percent of retailers expressing overall satisfaction with Lottery services	96	97	97	96	95

◆ **Goal 6** To attract and retain high quality employees.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of agency staff turnover	14	12	18	14	12

Agency Summary

BOARD OF MASSAGE THERAPY

Kathleen Phillips, Executive Director
 Phone: (602) 542-8217
 A.R.S. § 32-4201

Mission:

To protect the health, safety, and welfare of the public by regulating the practice of massage therapy.

Description:

The Board regulates individuals who engage in the practice of massage therapy and conducts investigations and hearings on complaints relating to incompetence and unprofessional conduct.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	434.4	455.8	485.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	434.4	455.8	485.8
FTE Positions	5.0	5.0	5.0

5 Year Plan

Issue 1 The renewal process is not as efficient as it could be.

Description

The Board would also like to more efficiently process renewal applications. In FY16 the Board will be working on on-line licensing for initial applications so that a person who submits a complete application can receive a license faster. The Board renews approximately 3764 applications licenses a year and would like to decrease the turn-around time from no longer than 45 days to no longer than 30 days. If the Board was able to institute an on-line application process for renewals, an applicant would be able to renew a license immediately, if the application was complete. The Board has received many comments from licensees recommending the Board institute an on-line system for renewals.

Solutions:

The Board would like to create and implement an on-line application process for renewal applications.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Massage therapy applications received for initial licensure and biennial renewal.	4,881	4,911	4,829	4,900	4,900
Average number of days to process an application	34	40	34	36	36

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints received against massage therapists	40	40	38	40	40
Complaints resolved in the same fiscal year.	22	22	25	25	25
Average number of days to resolve a massage therapy complaint	98	98	126	100	100

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 support two Boards – the Arizona Medical Board, which licenses and regulates allopathic physicians, and the Arizona Regulatory Board of Physician Assistants, which licenses and regulates physician assistants. The Agency processes applications for licenses, handles public complaints against licensees, and disseminates information pertaining to licensees and the regulatory process. The two Boards determine and administer disciplinary action in the event of proven violations of their respective practice acts. Together, the two Boards regulate over 25,000 licensees.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,742.9	6,426.0	6,983.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,742.9	6,426.0	6,983.5
FTE Positions	58.5	58.5	62.5

5 Year Plan

Issue 1 Consolidation of essential agency functions focused on public protection through the examination of regulatory issues, ongoing education of staff and Board members, active dissemination of public information, and public outreach.

Description The Arizona Medical Board and the Arizona Regulatory Board of Physician Assistants continually strive to proactively explore areas influencing healthcare delivery and public safety. The boards will focus on essential agency functions and concentrate on those matters that directly affect the health and well-being of Arizona's citizens. The boards will continue their advances toward providing clear direction through policy and statutory initiatives, participating in ongoing educational opportunities in regulation, and staying on the forefront of providing public information that affects healthcare decision making

Solutions:

Devote activities to public safety, healthcare and regulatory issues.

Increasing time spent addressing public safety, healthcare or regulatory issues through subcommittee discussion and adoption of relevant substantive policy statements and rules.

Increasing the availability of educational and regulatory information to licensees, stakeholders, and the general public.

Issue 2 Stabilization of database infrastructure to support e-licensing, regulatory, and information dissemination processes, as well as increased capacity for performance measurement, through improved information technology and other process improvements

Description The Board has had a successful electronic licensing renewal (e-licensing) for over seven years. The agency continues to stabilize the system to ensure on-line security as applicants and licensees share confidential information with the boards during the licensing and renewal process and as financial transactions take place.

The infrastructure will continue to evolve as other electronic functions are made available to licensees and the public as well. Before the end of summer, the Agency plans to implement the on-line initial MD Application. Should the process go as planned, allopathic physicians will be able to apply on line by the beginning of September 2015. The database also tracks staff progress during the investigative and post adjudication processes allowing for statistical data analysis and identification of process improvement.

Solutions:

- Maintaining or improving upon prior year performance levels in license processing,
- Maintaining or improving upon prior year performance levels in complaint investigation and case resolution, and
- Maintaining or improving upon prior year performance levels in responding to public information requests.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	58.5	58.5	58.5
General Fund	0.0	0.0	0.0
Other Appropriated Funds	6,983.5	6,983.5	6,983.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of substantive policy statements, guidelines, rules, or rule revisions adopted	1	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.	10	20	19	20	20

Explanation: Modified to be more inclusive of agency functions for all the Board or Staff.

Number of public awareness activities, training opportunities, and other public notifications published on the Board website or transmitted to licensees via e-mail	7	20	3	25	25
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- ◆ **Goal 2** To improve efficiency of licensing, regulatory, and information dissemination processes

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average time to approve an MD license from receipt of application	33	30	27	30	30
Average time to approve a PA license from receipt of application	20	17	18	17	17
Average number of days to process an initial medical doctor license upon receipt of completed application	13	7	15	7	7
Average score of agency-wide customer service satisfaction surveys (scale of 1-8)	7.3	7.5	7.0	7.5	7.5
Average number of days to complete an medical doctor investigation	135	150	151	140	140
Average number of days to complete an physician assistant investigation	127	140	124	130	130
Average number of days to resolve a medical doctor case	145	180	191	180	180
Average number of days to resolve a physician assistant case	174	180	167	180	180
Medical doctor cases referred to formal hearing	13	20	17	20	20

Agency Summary

STATE MINE INSPECTOR

Joseph E. Hart, State Mine Inspector
 Phone: (602) 542-5971
 A.R.S. §§ 27-121 et seq.

Mission:

To administer and enforce the Mining Code of the State of Arizona for the protection of the life, health and safety of mine employees and the public in Arizona's active, inactive and abandoned mines.

Description:

The State Mine Inspector is a statewide elected constitutional officer and the director of the Office of the State Mine Inspector. 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ MINING SAFETY ENFORCEMENT	978.8	1,020.5	1,056.7
➤ ABANDONED MINES	422.5	194.7	545.5
➤ EDUCATION AND TRAINING - FEDERAL GRANT	293.8	344.2	525.5
➤ MINED LAND RECLAMATION	20.6	112.8	192.1
Agency Total:	1,715.7	1,672.2	2,319.8
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,152.1	1,215.2	1,862.8
Other Appropriated Funds	20.6	112.8	112.8
Other Non Appropriated Funds	543.0	344.2	344.2
Total Funding	1,715.7	1,672.2	2,319.8
FTE Positions	20.0	20.0	26.0

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.

During the late 1990's and the early 2000's ASMI had to defend itself against liability lawsuits in which a lack of required inspections and the quality of the Health & Safety Inspection were a factor. ASMI paid large settlements in several cases. With a reduction of inspectors, the remaining inspectors are pressed to do more with less resulting in less time and quality performing the actual required Health and Safety inspection at each mine in an attempt to keep up. In some cases, no Health & Safety Inspection is performed of the mine resulting in the potential exposure to legal action.

Arizona Revised Statute 27-303 requires the operator to notify ASMI when a mine will be temporarily or permanently closed. In the case of temporary suspension of operations excluding labor disputes, exceeding six months or in the case of permanent termination of mining operations, the operator shall notify the inspector, in writing, before the suspension or termination date. All shafts, portals, adits or other openings shall be secured to prevent unauthorized entry and to protect public health and safety pursuant to ARS 27-318. With a reduction of inspectors, mines that have closed do not get inspected for compliance resulting in potential exposure to legal action.

The Arizona State Mine Inspector's office in order to comply with ARS 27-318 after receiving notification of ARS 27-303 inspects the closed, abandoned or inactive mining shafts, portals, pits or other excavations which are dangerous to persons legally on the premises. ASMI inspects and issues notices of violations to mine operators who fail to cover, fence, fill or otherwise secure the mine hazards and post warning signs. A reduction in inspections would result in non-compliance to 27-318 and promote abandoned mine hazards at a later time when the mine operator cannot be found or is no longer in business, leaving the problem for the land owner and the State of Arizona with potential exposure to legal action. Mine closures in the aggregate industry has increased in the last four years with decline of the economy.

Inspections Training, Continuing Education and Certifications:

To reduce legal liability and stay current in inspections, codes and equipment, continuing education for 2017 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 from the Legislature for 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 past budget submittals, at least three (3) more positions are needed to operate an effective abandoned mines inventory and closure program. Two abandoned mines supervisors would coordinate and partner with the mine industry, private sector, and other government groups to determine how a needed closure can be most effectively and efficiently completed. Additional duties are: visit abandoned mine sites to locate and survey, inventory, classify and eliminate public safety hazards and participate in the actual implementation of mine closures. An administrative assistant to assist with data entry, issuing and tracking of Notice of Violations and corrective actions as a result of issuing Notice of Violations.

Solutions:

Request additional appropriations for abandoned mine closures during the Fifty-second Legislature (2017).

Issue 3 Education and Training Division**Description**

The FY2016 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.

Solutions:

Continue with class registration fees.

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 2015 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 2017.

Solutions:

Notify the Governor's office that a minimum of two vehicles will need to be replaced by FY2017

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	18.0	18.0	18.0
General Fund	1,215.6	1,215.6	1,215.6
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	131.2	131.2	131.2
Federal Funds	237.4	237.4	237.4

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	978.8	1,020.5	1,056.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	978.8	1,020.5	1,056.7
FTE Positions	14.0	14.0	14.0

◆ **Goal 1** To eliminate fatal accidents and to reduce the number and severity of lost time accidents at Arizona mines, through health and safety inspections and enforcement of the mining code.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent mandated inspections completed	100	100	100	100	100
Number of reportable (lost time) mine accidents	218	218	151	218	150

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	14	14	10	14	10
Number of safety inspections completed	665	665	711	665	700
Customer satisfaction rating for Mines (scale 1-8)	7.2	7	7.2	7	7

Explanation: Survey results will be recorded on or before October 1, 2011

Program Summary

ABANDONED MINES

Laurie Swartzbaugh, Deputy Director

Phone: (602) 542-5971

A.R.S. § 27-318

Mission:

To promote public safety by field identification, hazard assessment, mine owner compliance notification and administration of the securing of dangerous abandoned mines in compliance with the endangered species and plant acts, historical acts and environmental acts.

Description:

The Abandoned Mines program's efforts fall into two categories: the inventory of abandoned mine sites and the administration of the securing, remediation and closure of abandoned mines. Field surveys are prioritized to primarily locate mines on State lands, secondly on other public lands, and then thirdly on private lands within the 73 million acres that comprise the State of Arizona. The survey records the exact location of abandoned mines using a global positioning satellite system. The inventory's objective is to produce an accurate count of abandoned mines and describe the significant safety hazards and potential environmental hazards occurring with them. The database of surveyed abandoned mines is used to prioritize the significant public and environmental hazards for remediation and reclamation planning. The inventory also allows the Office to accurately investigate public complaints about abandoned mines in a timely manner. An abandoned mine may be used for criminal activities, such as a cache for stolen explosives or a body disposal site. The program assists law enforcement criminal and missing persons investigations and body recoveries. The administration of securing abandoned mines first prioritizes sites on State owned lands listed in the inventory based on the severity of the threat posed to public and environmental safety. Through this prioritization, structures are designated as necessary for abandoned mine closures on State lands. The cost of field construction work to secure these mines is provided by the Abandoned Mine Safety Fund through mining industry donations, private citizen donations and a matching appropriation from the Legislature. The program performs regular monitoring to assure mine closures remain in good condition. The program coordinates the identification and securing of abandoned mines with local, state, and federal agencies as well as other states and volunteer groups. Groups include the Yuma County Sheriff's Search and Rescue Group, the Maricopa County Sheriff's Office Mountain Search and Rescue Group, Arizona Department of Mines and Mineral Resources, Maricopa County Parks, Arizona State Land Department, Arizona Game and Fish, Arizona State Historic Preservation Office, Arizona Department of Environmental Quality, Department of Labor Mine Safety and Health Administration, Bureau of Land Management, Forest Service, Environmental Protection Agency, and the National Association of Abandoned Mined Land Programs, which is comprised of 27 states and three Indian Tribes.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	173.4	194.7	545.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	249.2	0.0	0.0
Total Funding	422.5	194.7	545.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of abandoned mine openings secured	17	70	1	70	40
Explanation: Secured on State Lands					
Number of abandoned mine complaints handled. See AML Coplaints File "s drive".	19	12	6	12	12
Number of prior abandoned mine closures reviewed	10	10	3	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	181.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	293.8	344.2	344.2
Total Funding	293.8	344.2	525.5
FTE Positions	4.0	4.0	6.0

◆ **Goal 1** To eliminate fatal accidents and reduce the number and severity of lost time due to accidents.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Arizona miners and contractors trained	2813	3500	2746	3500	2700
Average course content rating.	4.4	4.7	4.8	4.7	4.7
Explanation: A decrease in performance measures due to medical leave and one retirement during FY2011.					
Average instructor rating	4.5	4.7	4.8	4.7	4.7
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	79.3
Other Appropriated Funds	20.6	112.8	112.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	20.6	112.8	192.1
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of annual mined land reclamation compliance reviews	199	200	194	200	200

Agency Summary

NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS

Gail Anthony, Executive Director
 Phone: (602) 542-8242
 A.R.S. §§ 32-1501

Mission:

To protect the public through the regulation of the practice of naturopathic medicine.

Description:

The Board issues licenses and certificates to applicants who meet the requirements of Arizona law for naturopathic medicine, including issuing specialty certificates and certificates to dispense. Further, the Board certifies naturopathic students to engage in clinical training programs, naturopathic assistants, and graduates who participate in postdoctoral training programs. The Board conducts investigations and hearings into allegations of medical incompetence and unprofessional conduct.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS	163.3	179.7	183.7
Agency Total:	163.3	179.7	183.7
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	163.3	179.7	183.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	163.3	179.7	183.7
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. The Board was able to implement the electronic tracking system during FY15. Online renewal options significantly cut down the time frames because the renewal is immediate. Currently online renewal is only offered for medical license and certificates to dispense. The Board is looking into implementing online renewals for all certificate to include, clinical training, preceptorships and medical assistants.

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.

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, automated complaint tracking .

Description The Office of the Auditor General has found that Arizona regulatory boards should resolve complaints within 180 days of receiving them. Last years audit found that Board complaints were not always resolved within the 180 days. In some cases, one of the reasons for the delay is the size of board staff. One full time Executive Director manages the licensing, the duties of the Executive Director position, and is the investigator. The Board currently employs a part-time administrative assistant.

Auditors recommended the Board implement a centralized electronic mechanism for tracking case resolution time frames. An automated system has been implemented, however does require some small changes.

Solutions:

Staff will work with IT personnel to make appropriate changes to the tracking system. The Executive Director is currently looking for someone to fill the position of an as needed investigator, to pay on a case by case basis.

Issue 4 Additional Appropriation for laptops.

Description Board packets are copied and mailed to each member. These packets are generally very large, containing many pages of medical records for each case. Even with printing double sided, the packets remain very large. Many hours of staff time is required in order to make copies for each member. The packets are sent to each member via FedEx. The cost of mailing these packets run around \$50.00 for each meeting. After each meeting, staff time is required to dispose of the information appropriately via shredding.

Solutions:

The Board is requesting additional funds for the purchase of 8 laptops. The laptops would be used by the Board members and Assistant Attorney General during the meetings. All Board packet material could be scanned and uploaded to a safe environment. The Board members could use a password to download the material. The Board has the available resources by way of fund balance, that could be used in the event of requested additional appropriation.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	2.0	2.0	2.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	179.7	179.7	179.7
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	163.3	179.7	183.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	163.3	179.7	183.7
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total Applications Received for Licensure and Certificates during the fiscal period.	1,841	1,950	1,752	1,760	1,760
Explanation: Number includes initial and renewal applications.					
Total Licenses and Certificates issued during the fiscal period.	1,825	1,925	1,752	1,752	1,752
Explanation: Number includes initial issuance and renewals.					
Average number of days to process initial licensure and certificate applications.	11.5	11.5	9.79	9.79	9.79
Explanation: Number reflects initial applications processed during fiscal period.					
Active physician licenses	780	800	955	980	985
Explanation: Active at the end of the Fiscal Period.					
Active certificates.	1045	1060	1,041	1,050	1,050
Explanation: Active at the end of the fiscal period. Number includes all certificate types.					

◆ **Goal 2** To fully investigate and adjudicate complaints in a timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints received against licensed or certified persons	27	28	27	28	28
Explanation: Complaints of illegal use of title are also investigated by the Board.					
Complaints resolved in same fiscal year	17	20	23	25	25
Explanation: These numbers include resolution of complaints involving illegal use of designation.					
Average number of days to resolve complaints - same fiscal year	180	180	164	164	164
Complaints received against unlicensed individuals in the fiscal year	2	2	2	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 State of Arizona did not determine ownership of and title to the beds of any of the 39,039 rivers and streams at the time of statehood. As many as 100,000 property titles remain clouded. Before ownership can be determined, it must be established if any of Arizona's waterways were navigable. The portion of a streambed of a stream that is determined to have been navigable as of statehood is owned by State Government and not by the party whose land the river or stream crosses. The State will have land title to that riverbed. The Commission is charged with gathering evidence, holding hearings, and making determinations regarding navigability of the 39,039 streams and rivers in Arizona as of February 14, 1912. Part of this is to respond to issues raised by the Arizona Court of Appeals and returned to the Commission for additional hearings regarding specific topics. These hearings relate to six rivers, only, and it is clear that parties involved in these cases consider the present proceedings being held by the Commission (9 days of hearings regarding the Gila River.) It is clear the ongoing and planned hearings are significant just by the amount of evidence and number of expert witnesses testifying. From a lay perspective during the hearings that ended in 2006 and that resulted in appeals of the Commission's non-navigability, the Commission collected about a bankers box and a half of evidence. During the present round of hearings that began in June 2014 the Commission has already received five boxes of evidence and the hearing has not yet concluded.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	188.9	126.6	126.6
Other Appropriated Funds	200.0	200.0	200.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	388.9	326.6	326.6
FTE Positions	1.0	1.0	1.0

5 Year Plan

Issue 1 Complete hearings on six cases returned by Court of Appeals to the Commission. These Six cases have been reduced to five following consolidation of two cases.

Description The five cases presently under consideration by ANSAC have involved hearings that are much greater in length than during any earliere hearings. During previous procedings hearings lasted no more than slightly in excess of a day and presently every case is lasting for eight days or more.

Solutions:

To hold hearings on the five pending cases.

Issue 2 Hearings, appeals, defense in court.

Description To complete hearings and appeals on six remaining cases returned by the Arizona Court of Appeals and by Maricopa and Pima County Superior Court.

NOTE: Six pending cases have been reduced to five pending cases with the cosolidation of two cases.

NOTE: ANSAC is scheduled to Sunset June 30, 2020.

Solutions:

Collect evidence, hold hearings and complete legal processes for six remand cases, plus include appeal times and defend appeals in court.

Issue 3 Public Trust 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 hold public trust value proceedings as necessary.

Issue 4 Recording of Commission 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 reduced to five when two rivers were consolidated).

Solutions:

To record reports in appropriate counties as cases are completed and as appeal times have expired.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	1.0	1.0	1.0
General Fund	126.0	126.0	126.0
Other Appropriated Funds	200.0	200.0	100.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Arizona rivers and streams adjudicated, including the necessity to alter and ratify remaining reports that comport with information requested by courts.	0	6	0	3	1
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		6	0	3	1
Cost per hearing to study watercourses (in thousands of dollars)	0	20,000	50,000	50,000	50,000
Customer satisfaction rating for hearing attendees (scale 1-8)		8	0	0	0
Number of final reports approved by Commission	0	6	0	2	1
Monitor and act on court cases and related reports that may require change pursuant to court instructions. As of June 30, 2010 there were six matters in State Court, two in Pima County Superior Court, three in Maricopa County Superior Court, and one between the Arizona Court of Appeals and the Arizona Supreme Court - a Petition for Review by the Supreme Court is currently pending. Perform additional hearings as mandated by the court and to record final reports in the appropriate counties.		6	0	3	1
Six total cases are pending with the likelihood of completing two in FY2015 and four in FY2016. NOTE: These six cases are now five cases as a result of two very large cases being consolidates into a single case.	0	2	0	3	1
Continued legal work and report writing based on court cases and related reports that may require changes pursuant to court instructions. As of October 21, 2011 six cases have been remanded to the Commission, one case was remanded by the Arizona Court of Appeals and the other five cases which were already on hold/stayed pending the outcome of the case that was in the Court of Appeals were remanded by stipulation of the parties. Therefore, all six cases on appeal are currently back in the hands of the Commission to deal with.		6	0	3	1

- ◆ **Goal 2** To complete and ratify all Commission final reports, including changes in reports to comport with Court instructions particularly in the six remand cases on appeal returned as a result of a determination by the Arizona Court of Appeals on October 21, 2011.
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.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complete and ratify Commission final reports in appealed cases that may require additional Commission reports.	0	2	0	2	1

- ◆ **Goal 3** 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 writngt Commission final reports.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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.		6	0	3	1

- ◆ **Goal 4** To defend all other legal actions filed against the Commission. Presently five cases are in various stages of hearings following return to the Commission by the Arizona Court of Appeals.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
As a result of the return/remand of six court cases following return of the Lower Salt River case by the Arizona Court of Appeals.		6	0	3	1

Explanation: There are no numbers included as there are no actions pending other than actual appeals and legal actions related to those.

- ◆ **Goal 5** To record each Commission report in the appropriate county seat either following expiration of appeal times or completion of Court mandated work and completion of appeals and court actions.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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.		6	0	2	1

- ◆ **Goal 6** To insure all legal proceedings are held correctly and thoroughly to comply the remand of Six appealed cases in court, the Gila River, Lower Salt River, San Pedro River, Santa Cruz River, Upper Salt River, and Verde River. Thus far the Commission has request legal memorandums that presently number more than 70 and are reviewing these to assess what it must do to complete these court cases. All six of these cases are presently in the Commission's hands for the Commission's Action.
NOTE: Six remand cases have been reduced to five cases as a result of the consolidation of two cases.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of legal proceedings including public trust value hearings if necessary numbering as many as six each of the next four years including the current fiscal year.		6	0	3	1

- ◆ **Goal 7** To write and ratify additional Commission reports regarding the six remand cases as they are completed. NOTE: Six remand cases have been reduced to five cases as a result of the consolidation of two cases.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Five or more additional commission reports will likely be written during any one of the next three fiscal years including during the current fiscal year. Six cases have been reduced to five with the consolidation of two cases.	0	2	0	2	1
Write and ratify final reports.	0	2	0	2	1
Cost per report, estimated two reports in FY2015 and three in FY2016 and one in FY2018.	0	50,000	0	50,000	50,000

- ◆ **Goal 8** To respond to legal motions.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Additionally, it is impossible to know what legal motions and legal actions may be filed during any of these years. However, it is likely that all six remand cases will require a Commission Report which may lead to legal actions.		6	0	3	1

- ◆ **Goal 9** To respond to court directives. Superior Courts as well as the Arizona Court of Appeals have given directions to the Commission regarding six specific cases. 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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.	2	10	0	3	1
Directives by Commission are met regarding court cases.	2	10	3	2	0
To insure hearings and court cases are litigated in a manner so the Commission prevails.	2	10	0	3	1

◆ **Goal 10** To litigate post remand cases, defend lawsuits, file lawsuits if necessary, file motions, and respond to motions.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
To insure appropriate legal actions are taken/filed in six pending cases. NOTE: Six remand cases have been reduced to five cases as a result of the consolidation of two cases.	0	6	0	0	5
To insure legal actions are filed in Superior Court, Court of Appeals and State Supreme Court if necessary.	0	0	0	0	5

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ LICENSING AND REGULATION - RN/LPN	4,247.3	4,265.9	4,265.9
➤ NURSING ASSISTANT	572.0	951.4	951.4
Agency Total:	4,819.3	5,217.3	5,217.3
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	150.0	0.0	0.0
Other Appropriated Funds	4,247.3	4,802.6	4,802.6
Other Non Appropriated Funds	422.0	414.7	414.7
Total Funding	4,819.3	5,217.3	5,217.3
FTE Positions	54.8	55.2	55.2

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	42.2	42.2	42.2
General Fund	0.0	0.0	0.0
Other Appropriated Funds	4,802.6	4,802.6	4,802.6
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	414.7	414.7	414.7

Program Summary

LICENSING AND REGULATION - RN/LPN

Jo Elizabeth Ridenour, Executive Director
 Phone: (602) 771-7801
 A.R.S. §§ 32-1601 to 32-1669

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,247.3	4,265.9	4,265.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	4,247.3	4,265.9	4,265.9
FTE Positions	42.2	42.0	42.0

◆ **Goal 1** To reduce the cycle time needed to issue certificates and licenses for examinee, endorsement and renewal applicants.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average score on customer service survey (Scale of 1 - 8)	7.1	7.3	7.03	7.3	7.4
Average days from application received to RN/LPN renewal license issued	1	4	.02	4	.02
RN/LPN renewals issued (4-year cycle)	16,258	18,200	16,970	18,200	17,000
Total licensees Registered Nurses and Licensed Practical Nurses	89,361	87,000	92,468	92,000	93,000

- ◆ **Goal 2** To reduce the cycle time needed to investigate complaints, complete hearings and increase compliance with consent agreements and Board orders.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total complaints received	1,124	1,200	1,160	1,200	1,200
Percent of licensees with disciplinary action	1.3	1.8	1.6	1.8	1.6
Average hours per investigation needed to complete a case	25.0	25.0	25	25.0	25
Average months needed to complete investigations and present cases to the Board	8.2	7.8	9.6	7.8	7.8
Average calendar days from receipt of RN/LPN complaint to resolution	250	215	278	215	240
Average calendar days per investigation from start to final adjudication	280	260	350	260	270
Percent of investigations resulting in disciplinary enforcement action	62	70	65	70	70

- ◆ **Goal 3** To effectively provide a non-disciplinary Chemically Addicted Nurse Diversion Option (CANDO) program.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Licensees in CANDO program	174	190	181	190	190
Licensees completing CANDO program (%)	71	65	62	65	65

- ◆ **Goal 4** To provide an effective educational program monitoring process for schools of Nursing that promotes a high percentage of RN/LPN examinees passing NCLEX.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Nursing programs monitored for non-compliance	11	9	8	9	9
Examinees from program successfully passing NCLEX	2984	3,500	3,068	3,500	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	150.0	0.0	0.0
Other Appropriated Funds	0.0	536.7	536.7
Other Non Appropriated Funds	422.0	414.7	414.7
Total Funding	572.0	951.4	951.4
FTE Positions	12.6	13.2	13.2

◆ **Goal 1** To operate the program efficiently and effectively.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of applicants or certificate holders reporting very good or excellent service	6.87	7.0	6.98	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	300	300	350	300	300
Total individuals certified as nursing assistants	27,267	28,500	27,158	28,500	27,500
Total complaints received	885	675	854	850	850
Average calendar days from receipt of CNA complaint to resolution	268	255	402	255	255
Percent of CNA's with disciplinary action	1.4	1.7	1.5	1.7	1.6
Total investigations conducted - status closed	728	700	737	700	750
Percent of investigations resulting in disciplinary enforcement action	40	60	34	60	40
Average calendar days per investigation from start to final adjudication	271	280	276	280	280

Agency Summary

BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ADULT CARE HOME MANAGERS

Allen Imig, Executive Director
 Phone: (602) 542-8156
 A.R.S. § 36-446.02

Mission:

To protect the health, welfare, and safety of Arizona citizens who seek and use the services of nursing care institution administrators and assisted living facility managers.

Description:

The Board evaluates and processes initial applications and renewals from individuals seeking nursing home administrator licenses and assisted living facility manager certificates. Since both administrators and managers are required by law to meet continuing education requirements, the Board also approves continuing education programs. The Board approves, renews, and regulates assisted living facility manager and caregiver training programs. The Board investigates complaints received from the public or the Department of Health Services and imposes disciplinary action on licensees or certificate holders when necessary. All Board functions are accomplished through a fee-financed program of examination, licensure, and regulation.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	387.3	422.1	446.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	387.3	422.1	446.1
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.

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.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	6.0	6.0	6.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	444.3	444.3	444.3
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints opened	84	100	66	75	80
Disciplinary actions	41	55	29	35	40
Fiscal Year Complaints resolved	65	75	59	65	70
Average number of days from open to close of complaint, within fiscal year	69	120	82	120	120
Number of complaint and application investigations conducted	80	90	69	75	80

◆ **Goal 2** To ensure that licenses and certificates are granted or renewed to qualified administrators and managers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of existing licenses and certificates	2738	2900	2794	2800	2830
Number of new applications filed	331	390	277	330	350
Number of new licenses issued	332	335	232	275	300
Number of new and existing licenses	3070	3,200	3,026	3,075	3,130
Number of renewal applications processed	641	1,800	1874	650	1900
Average calendar days to renew a license	4	4	3	4	4

◆ **Goal 3** To ensure that agency operations are effective and efficient.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction (scale of 1-8)	7.9	7.5	7.9	7.5	7.5
Administration as percent of total cost	5.4	5.4	5.4	5.5	5.5

◆ **Goal 4** To ensure quality continuing education is approved

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of new CE sponsor hours approved	582	540	730	550	750
Average number of days to process CE sponsor applications	4	5	3	5	5

◆ **Goal 5** To ensure public information requests and license verifications are completed timely.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	7	5	4	5	5
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Explanation: Implemented starting FY07

Agency Summary

BOARD OF OCCUPATIONAL THERAPY EXAMINERS

J.Randy Frost, Executive Director
 Phone: (602) 589-8353
 A.R.S. §§ 32-3401 to 32-3445

Mission:

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

Description:

The Board of Occupational Therapy Examiners is a regulatory board that issues and renews over 3,000 licenses for occupational therapist and occupational therapy assistants. By law, the Board requires that each applicant meet minimum standards of education, experience, and competency. The Board also receives and investigates complaints, takes appropriate disciplinary action, and responds to inquiries from consumers as to the license status of occupational therapy professionals.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ BOARD OF OCCUPATIONAL THERAPY EXAMINERS	171.7	172.0	172.0
Agency Total:	171.7	172.0	172.0
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	171.7	172.0	172.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	171.7	172.0	172.0
FTE Positions	1.5	1.5	1.5

Program Summary

BOARD OF OCCUPATIONAL THERAPY EXAMINERS

J. Randy Frost, Executive Director
 Phone: (602) 589-8353
 A.R.S. §§ 32-3401 to 32-3445

Mission:
To protect the health, safety, and welfare of the public by licensing and regulating individuals who provide occupational therapy services.

Description:
 The Board of Occupational Therapy Examiners is a regulatory board which issues and renews bi-annually approximately 1,800 active licenses for the occupational therapy profession and monitors 1,469 closed licenses. By law, the Board requires that each applicant meet minimum standards of education, experience, and competency. The Board also receives and investigates complaints, takes appropriate disciplinary action, and responds to inquires from consumers as to the license status of individual occupational therapy professionals.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	171.7	172.0	172.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	171.7	172.0	172.0
FTE Positions	1.5	1.5	1.5

◆ **Goal 1** To investigate and adjudicate complaints within 120 days

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of occupational therapy complaints received	6	5	5	5	5
Number of complaints resulting in disciplinary action	3	3	2	3	3
Complaints resolved within 120 days	6	5	5	5	5
Percent of complaints resolved within 120 days	100	100	100	100	100

◆ **Goal 2** To ensure that licenses and renewals are issued in a timely manner to Occupational Therapists and Occupational Therapy Assistants with high standards of professional and ethical standards.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of license renewal applications received and renewed (OTs and OTAs)	1319	870	2004	2400	2000
Number of Licensees (OTs and OTAs)	3052	3100	3854	3900	4100
Number of initial license applications received (OTs and OTAs)	494	500	630	650	700
Number of Initial Licenses Issued (OTs and OTAs)	494	500	628	650	700
Average calendar days to process a renewal application	5	5	5	5	5
Average calendar days to issue an initial license	5	5	5	5	5

◆ **Goal 3** To continually improve customer satisfaction by providing consistency in carrying out the Board's policies and procedures.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of licenses issued within 10 days of approval	100	100	100	100	100
Number of individuals licensed as occupational therapists	2,034	2,200	2,103	2,300	2,400
Customer Satisfaction rating (scale 1-8)	7.7	8.0	8.0	8.0	8.0

Agency Summary

BOARD OF DISPENSING OPTICIANS

Lori D. Scott, Executive Director
Phone: (602) 542-8158
A.R.S. § 32-1671

Mission:

To protect the visual health of the citizens of Arizona by regulating and maintaining standards of practice in the field of opticianry.

Description:

The Board of Dispensing Opticians licenses professionals to practice in the field of opticianry, and licenses optical establishments. This Board is distinguished from the Board of Optometry, which regulates optometrists, whereas dispensing opticians fill orders for and fit persons with corrective eyewear. The Board of Dispensing Opticians accepts complaints against licensees, and unlicensed entities, investigates, and adjudicates.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	133.8	136.8	164.8
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	133.8	136.8	164.8
FTE Positions	1.0	1.0	1.0

Issue 1 5 yr Strategic Plan

Description ARIZONA STATE BOARD OF DISPENSING OPTICIANS

FIVE-YEAR STRATEGIC PLAN

8/28/2015

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 2015, the Board will review National Organizations' Practical Examinations. The Board will bring any recommendations for a full Board vote.

Objective #2: By December 2016, the Board 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 \$25,000 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 2016, the Executive Director will increase the number of optical establishments visited and inspected.

Objective #2: By the end of fiscal year 2016, the Board will actively recruit more retired licensed opticians to serve as investigators.

The Board will request another increase in travel funds to accommodate the establishment inspections. The Board has the available resources in the Dispensing Opticians Fund to accommodate an increase in appropriations.

Goal #3: To better protect the public through the administration of the continuing education requirement in order to upgrade the profession of opticianry in accordance with the Board's mandate.

Objective #1: 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.

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:

Issue 2 New SI

Description

Solutions:

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	28.0	28.0	28.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Optician licenses issued	60	60	35	60	40
Optician renewal applications processed	812	850	831	850	850
Establishment licenses issued	78	15	18	15	15
Explanation: 64 locations were sold and obtained new licenses in fiscal year 2014. 14 were new locations.					
Establishment renewal applications processed	309	410	362	370	370
Average number of days from receipt of application for establishment license to granting of license	4	15	17	15	15
Explanation: 64 applications were received two days before issuance.					
Percentage of renewals within 3 days	99	98	100	99	99
Customer satisfaction rating (Scale 1-8)	8	8	8	8	8
Number of licensees (new and existing)	1230	1,240	1222	1250	1250

- ◆ **Goal 2** To investigate and resolve consumer and Board initiated complaints in accordance with statutes and rules in order to protect the public from incompetent services and unprofessional and unethical conduct.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints about licensees received and investigated	6	5	1	5	5
Complaints resolved	6	5	0	5	5
Disciplinary action	0	5	0	5	5
Number of days from receipt of complaint until completion	44	70	116	60	60

Explanation: Number of days is an average of all complaints

Establishment Inspections	136	180	104	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of licensees fulfilling continuing education requirement	99	100	96	96	97
Number of licensees fulfilling requirement	157	193	185	479	199

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	193.7	230.2	278.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	193.7	230.2	278.2
FTE Positions	2.0	2.0	8.0

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	2.0	2.0	2.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	260,000.0	260,000.0	260,000.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New licenses issued	86	60	62	60	60
License applications received	91	70	65	70	70
Active licensees	1,106	1,120	1,153	1,175	1,175
Average time to process an initial license application (in days)	20	20	20	20	20
Average calendar days to renew a license	1.5	2	1.5	2	2

◆ **Goal 2** To effectively investigate and adjudicate complaints pursuant to statutes and rules.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of complaints received	31	35	25	35	35
Total number of complaints resolved	29	35	20	35	35
Average number of days from receipt of complaint to resolution	76	70	56	70	70
Total number of disciplinary actions	1	3	1	3	3

◆ **Goal 3** To provide accurate information and programs to stakeholders, including but not limited to: citizens, licensees, health care organizations, and other governmental bodies.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of written public information requests	289	300	165	250	250

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Prompt response to renewal applications with deficiencies (percent)	100	100	100	100	100
Administration as % of total cost	4	7	4	7	7

Agency Summary

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) REVIEW BOARD

Laura McGrory, Director
 Phone: (602) 542-4411
 A.R.S. § 23-422

Mission:

To be an independent body that adjudicates appeals of administrative law judge decisions regarding citations issued by the Arizona Division of Occupational Safety and Health, a division of the Industrial Commission.

Description:

The review board is an independent body that consists of five members appointed by the Governor. One member is a representative of management, one member is a representative of labor and three members are representatives of the general public. The Industrial Commission is responsible for all budgetary actions, including providing administrative support for the OSHA Review Board. The OSHA Review Board is otherwise considered independent of the Commission.

Following the issuance of a citation, an employee may request a hearing. If the case is not resolved informally before the hearing, the case is heard before an Industrial Commission administrative law judge. If either ADOSH or the cited employer disagrees with the outcome of that hearing, they can request review before the review board, which is authorized under A.R.S. 23-423 to hear and rule on requests for review of ALJ decisions on contested citations. The decisions of the review board can be appealed to the Court of Appeals.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.9	10.8	15.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.9	10.8	15.0
FTE Positions	0.0	0.0	0.0

5 Year Plan

Issue 1 Funding Issue 1: OSHA Review Board Continuation Funding

Description The OSHA Review Board is an independent body that consists of five members appointed by the Governor. The Review Board has historically received a non-lapsing \$15,000 appropriation when needed to fund the program. Workload projections indicate the Review Board will exhaust its remaining appropriation of \$12,000 during FY15.

Solutions:

Grant an additional \$15,000 General Fund non-lapsing appropriation to the OSHA Review Board in FY16.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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 hear and rule on OSHA appeal cases.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cases heard and ruled upon	1	3	0	1	1

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	757.9	803.7	970.2
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	757.9	803.7	970.2
FTE Positions	6.7	6.7	7.7

5 Year Plan

Issue 1 Identifying and resolving pending complaints on a more timely basis. Complete the investigation so they can be resolved more timely by the Board.

Description This is a critical issue to our Board and to a number of parties (stakeholders) that we are current with our complaint caseload. As we prepare for the sunset review this year, this may be of concern to the legislature.

We have spent the past thirty six 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. During FY15, we received 299 complaints, another significant increase over the previous year. We have gone from 176 new complaints to 299, or almost doubled, our complaints in the past 3 years.

We have worked very hard to complete the investigations on the older cases and continue to do so. In FY12, we received 176 new complaints. In FY13, we received 217 new complaints and in FY14, we received 262 complaints.

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.

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.

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. On the other hand, we are also reviewing the way we assign those cases that may not need a medical consultant's expertise. As such, more cases will be referred to our investigator for review and investigation completion.

Other options we have considered include hiring another part-time medical consultant. This is still an option but due to the lack of funding, office space limitations and other expenses, we have not pursued this option. Also, with the current funding we did not find it possible for the long term. We may also pursue a contractual type arrangement with an outside medical consultant to allow us to keep work flow up but not incur additional ERE. If we were to hire someone on a contractual basis I would anticipate we would have to pay them close to \$100 to \$150 per hour. We may also look at increasing our current consultant's hours to a full 40 hour position. This would mean an increase to our appropriation of \$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, respectively. Both numbers are a significant improvement over last year.

Issue 2 Complaints are taking more than 180 days to resolve and the Auditor General has set a guideline of 180 days or less to resolve complaints. We need to complete our complaints more timely.

Description Our goal is to reduce the average number of days to investigate or resolve a complaint to an average of 180 days or less. We recognize that some complaints, due to the difficulty of the case, require further investigation, evaluation or chart review after the Board reviews the matter initially. We are trying to identify these cases before they go to the Board in anticipation of their request. Resolution of these cases within 180 days is difficult but we will strive to do our best and we believe the initial investigation should be possible within this timeframe.

This problem was also a direct result of not getting the investigations completed timely as discussed in Issue #1. This problem deals with the Board reviewing the case by holding an Investigative Hearing or possibly sending it to the Office of Administrative Hearings for review and recommendation. These processes can take a very long time and six months is not always a reasonable measure of time for these more difficult cases that may result in a revocation or extended suspension of a license; however, we will strive to meet timely resolution of such cases. We believe we may need an additional administrative person to assist with the processing, complaint responses and maintaining a follow up system for the entire complaint process.

Again, this is a critical item to our Board as it affects the public and our licensees. When we have a serious case involving possible immediate danger to the public, the Board addresses these matters on an immediate basis and with possible summary suspensions.

Solutions:

This issue is tied with our first strategic issue. If we can reduce the outstanding number of complaints, we can address the newly received complaints more quickly. As the Board works through resolving all of the outstanding complaints, we are able to more timely deal with the newer complaints.

We have reduced our number of days to complete an investigation from 194 days in FY14 to 143 days in FY15. This is close to a 25% reduction in time to investigate.

The Board has increased their number of meetings to allow them to hold more Investigative Hearings. We anticipate 7 meetings in FY16. More meetings will allow them to conduct more Investigative Hearings and increase the outcome of resolving more cases. Sometimes, the Board will initially review a case but then return it for more investigation, a chart review or possibly an evaluation of the licensee. In order to address these situations, staff is trying to be more proactive by anticipating such requests and addressing or requesting the additional information prior to the Board's initial review.

We have undertaken a number of items to address ways to increase our output of completed investigations and our Board has been very supportive of increasing their workload (ie: board meetings) to respond and address the backlog. By holding the extra meetings it has enabled us to resolve more complaints. In addition, we have revised our reviewer process to allow a more timely initial review of the cases.

We will also continue to look at our processes to determine if there are methods or processes available to us to increase our complaint resolution rate. Perhaps there are ways or methods that we can take internally, by staff, that will increase the output without directly translating more work to our Board members. We may seek to offer more Consent Agreements to the licensees rather than going thru the entire hearing process. We may need to hire someone part time to assist with the coordinating of the investigations and keeping track of investigation responses, etc. We would anticipate this would be a part time position of 20 hours per week, at \$14 per hour, or \$20,500 per year with ERE this would equate to \$29,000.

We believe that to continue the downward trend on time to resolve complaints is directly related and reflective of the number of pending complaints. As we review and revise our processes, we have been able to stay on top of the increasing complaint numbers while clearing out the backlog.

One of the issues raised this past year was the significant cost to take cases to an Administrative Hearing at the Office of Administrative Hearings (OAH). We incurred almost a \$10,000 expense for a one day hearing to defend the denial of a license at OAH. We have several high profile cases coming up that we expect will go before OAH due to their serious nature. As such, we will need to increase our budget for these cases. Experts command \$3-400 per hour, court reporters run about \$1000 per day. A 2-4 day hearing could easily cost \$30-40,000.

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.

Currently, the medical profession is encountering pressures from outside groups to pursue national licensure using as an example, the doctor who wants to provide telehealth must be licensed in the state that he provides care. The argument is that it takes too long for many of the jurisdictions to process the applications and that every state has different requirements. The response has been to consider a state licensing compact for physicians.

Many agencies are utilizing more online processes in response to demands from the public and applicants. We must continually evaluate what forms we provide on the internet and what information is provided on our website. We strive to be proactive in this area and we are open to customer suggestions or requests. Currently, applicants for licensure and dispensing registrations must send the forms into our office. We will explore moving to an online application submission while still assuring compliance with the statutes and rules. However, to date the expense to move to such a system is not justified and we do not have the funding to do so.

We, as well as other medical boards, are striving to find ways to process applications and issue licenses as expediently as possible. We are continuing to pursue the most efficient license process possible while continuing our mission to protect the public. Our current average application processing time is twenty-three days. We measure from the time the application is received in our office until the issuance letter is sent. Cases where a license is denied would take longer because that would have to go before the Board but we also comply with the mandated timeframes for licensing.

We 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 a the most efficient model possible both to the licensees and the public. Those applicants that are qualified to be licensed should move through the process as quickly as possible and the public demands licensed professionals to provide medical care on a timely basis. With the approaching shortage of doctors we do not want to be viewed as a barrier to entry into the practice for those qualified applicants who wish to practice in Arizona.

Solutions:

Our plan includes reviewing and updating the rules and statutes regarding licensing requirements and pursuing updates or revisions for changes, if necessary. This is a very long, difficult process to assure that all provisions are covered and the process is in compliance with the statutes and rules or what needs to be modified to be in compliance. Rules changes require the assistance of a rules writer and therefore additional expense. Staff time devoted to these changes is significant and as the world changes and external pressures increase, we are required to devote more time to reviewing and evaluating our processes and therefore time is taken away from other duties and responsibilities. With a small staff, this is sometimes very difficult.

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 25 days, we hope to reduce this figure by 10% over the next two years. Thus far, in the past year we have taken an average of over 60 days and reduced it to 25.

We will be looking at online application processing; however, much of the verification process will still require and compose much of the time required to process applications. There are external factors that we can not control which also affect the processing time. We are working to identify these and methods to improve the response time for receiving these materials.

We will continue to evaluate other board's processing procedures to see where or how we may enhance our current policies and procedures. We 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 Federation of State Medical Boards is investigating a compact program, we will participate in these discussions and be involved in the process.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	7.5	7.5	7.5
General Fund	0.0	0.0	0.0
Other Appropriated Funds	875.0	885.0	895.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of new and existing licenses	2780	2850	2,992	3,070	3,150
Number of applications for new license received (does not include Post Graduate permits or dispensing registrations)	247	200	254	250	275
Number of new license applications issued	212	185	238	225	240
Average days to issue new license	23.5	22	25	22	20

Explanation: Timeframe to process applications

Percentage of renewals done online vs. paper/manually	91.5	92	90	92	92
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◆ **Goal 2** To investigate and resolve complaints in a timely manner

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Complaints received	262	300	299	320	350
Complaints investigated	264	275	325	300	325
Licensees who had disciplinary action taken	11	18	9	14	14
Average calendar days to resolve a complaint	378	300	296	275	250
Average calendar days to investigate a complaint	194	150	143	120	110
Number of complaints closed/resolved	249	300	336	320	320

◆ **Goal 3** To administer the agency efficiently and provide customer service to the public

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Administration as percent of total cost	9	10	7	8	8
Customer satisfaction rating (1-8)	5	5	5	5	5

Agency Summary

PARENTS COMMISSION ON DRUG EDUCATION AND PREVENTION

Joseph LeDuc, Chairman
Phone: (480) 312-2512
ARS 41-1604.17

Mission:

To fund programs that increase and enhance parental involvement, and increase education about the serious risks and public health problems caused by the abuse of alcohol and controlled substances.

Description:

The Arizona Parents Commission on Drug Education and Prevention, also known as the Parents Commission, was created by voter initiative in 1996 and established by A.R.S. 41-1604.17. The Parents Commission is comprised of nine members appointed to the Commission by the Governor to serve two-year terms. Membership consists of five parents of children currently enrolled in Arizona schools and one representative each from the education, county probation, prevention and treatment, and law enforcement.

It allocates funding for programs that will increase and enhance parental involvement and will increase education about the serious risks and public health problems caused by the abuse of alcohol and controlled substances.

5 Year Plan

Issue 1 To assess prevention funding needs around the state in relation to substance use amongst Arizona's school-age youth. The Parents Commission will increase and enhance parental involvement, substance abuse education about the serious risks and public health problems caused by the abuse of alcohol, tobacco, and other drugs, including but not limited to: Prevention of Prescription Drug Abuse, Prevention of Underage Drinking (alcohol), Prevention of Marijuana/Synthetic Marijuana Abuse, Prevention of Synthetic Drug Abuse (bath salts, spice, gold, etc.) and increasing Parent Education Programming(must include a substance abuse prevention component).

Description The Arizona Parents Commission on Drug Education and Prevention , also known as the Parents Commission, was created by voter initiative in 1996. The Parents Commission's mandate is to increase and enhance parental involvement, and increase education about the serious risks and public health problems caused by the abuse of alcohol and controlled substances. The grant program will support programs that align with this purpose.

Its nine commissioners are appointed by the Governor and consist of five parents of children currently enrolled in Arizona schools and one representative each from the education, probation, treatment and prevention and law enforcement professions.

The Parents Commission works jointly with the Governor's Office of Youth, Faith and Family (GOYFF), which performs the administrative and professional services for the commission.

Solutions:

In State Fiscal Year 2016, the Parents Commission is supporting programs that were awarded through a competitive Request for Grant Applications process. Currently, 23 programs are funded in 11 Counties and are collectively addressing the strategic issues identified above. The GOYFF will monitor progress and compliance of grant terms through reviewing fiscal reports, program reports and site visits. The Parents Commission will also utilize the Arizona Youth Survey to assess prevention funding needs based on data trends.

The Parents Commission awarded programs and will continue to award programs that address substance abuse prevention efforts that focus on the needs of communities. Programs are considered in the following categories; Rural-rural is defined as a target area with a population of 75,000 or fewer; Tribal-eligible applicants include Federally recognized Indian Tribes; consortia of Indian Tribes; incorporated non-Federally recognized Tribes; incorporated non-profit multi-purpose community-based Indian organizations; urban Indian centers; National or regional incorporated non-profit Native American organizations with Native American community-specific objectives and Urban/County/Statewide-Urban is defined as a target area with population of more than 75,000. County is defined as a target area of a consortium of municipalities and/or a county-wide target area with a population of more than 75,000. Statewide is defined as a target area with a population of more than 75,000 in more than one county.

The Governor's Office of Youth, Faith and Family will be responsible for the overall management of the Parents Commission grant. Awarded programs will provide fiscal reports, program reports, participate in conference calls, meetings and annual site visits.

Issue 2 New SI

Description

Solutions:

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	4,641.6	4,641.6	4,641.6
Federal Funds	0.0	0.0	0.0

- ◆ **Goal 1** To fund programs that increase and enhance parental involvement, and increase education about the serious risks and public health problems caused by the abuse of alcohol and controlled substances.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of individuals impacted directly and indirectly by programs and/or efforts funded by the Parents Commission, evidenced by program reports.	3,375,764	2,000,000	3,616,813	3,000,000	3,000,000

- ◆ **Goal 2** To increase public awareness through outreach and effective partnerships.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of public education and awareness events sponsored by the Parents Commission.	2,959	1,500	2,263	2,000	2,000

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 2.3 million visitors each year, one-half of which are typically visitors to the state.

Arizona State Parks developed, and in collaboration with partners, manages 31 State Parks and Natural Areas and provides safe and enjoyable facilities and programs throughout the state. There are over 65,000 acres of park property – 28% of which is owned by the State, and 72% of which is leased or under easement from federal or state entities. These properties include approximately 1,800 campsites, recreational, environmental education and historic parks for the public to enjoy.

Arizona State Parks serves as an economic engine to the State of Arizona. Parks that are open year round, 7-days a week. The total economic impact of Arizona State Parks is \$226 million with direct expenditures by visitors calculated at \$209 million. Federal, state, and local tax generated by the more than 2 million visitors is \$ 33 million. 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ PARK DEVELOPMENT AND OPERATION	16,744.6	23,686.2	78,551.1
➤ PARTNERSHIPS AND GRANTS	3,642.6	6,623.6	6,623.6
➤ ADMINISTRATION	3,838.9	5,181.7	5,181.7
Agency Total:	24,226.1	35,491.5	90,356.4
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	59,090.0
Other Appropriated Funds	13,294.1	12,854.8	14,500.0
Other Non Appropriated Funds	10,932.0	22,636.7	16,766.4
Total Funding	24,226.1	35,491.5	90,356.4
FTE Positions	265.0	258.8	258.8

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	260.0	265.0	265.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	15,000,000.0	16,000,000.0	17,000,000.0
Non-Appropriated Funds	12,000,000.0	12,000,000.0	12,000,000.0
Federal Funds	0.0	0.0	0.0

Program Summary

PARK DEVELOPMENT AND OPERATION

Kelly Moffitt, Deputy Director, Park Operations
 Phone: (602) 542-7103
 A.R.S. §§ 41-511 et. seq.

Mission:

To manage and conserve Arizona's natural, cultural and recreational resources for the benefit of the people, both in our parks and through our partners.

Description:

The Parks Division consists of two sections: the Operations and the Development Sections. The Operations Section is responsible for the operation and maintenance of Arizona's State Parks, Natural Areas and historic and cultural areas. The agency utilizes a staffing model that uses both full-time and part-time employees. In 2014, more than 1,800 agency volunteers and Site Stewards donated approximately 260,000 hours (which equates to \$5.1 million in estimated labor). The volunteer program extends the Arizona State Parks operational budget by 22%. There are also 15 Arizona State Parks Friends Groups. The Operation Section is also responsible overseeing the daily activities of the Community Outreach Staff, the Historian, Merchandise Sales, Safety and Training, Reservations and Research and Science.

The Development Section is responsible for the design, construction and overall maintenance of Arizona State Parks and natural areas. Major responsibilities include the selection of consultants for project design as budget permits and monitoring/inspection of projects from conception to completion. Staff completes in-house design and construction projects as well, and monitors water and wastewater quality. Staff prepares the agency's two-year capital improvement plan.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	59,090.0
Other Appropriated Funds	13,214.7	12,718.1	14,363.3
Other Non Appropriated Funds	3,529.9	10,968.1	5,097.8
Total Funding	16,744.6	23,686.2	78,551.1
FTE Positions	204.0	196.8	196.8

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Parks Open to the Public	96	96	96	96	96
Percent of parks open 7 days per week	68	68	84	90	100
Percent of parks managed by Arizona State Parks without financial assistance	46	46	60	80	80
Percent of parks operated by Arizona State Parks with partner assistance	29	29	40	20	20
Number of Non-Paid Hours Provided by Volunteers and Site Stewards (000)	161	161	200	205	210

- ◆ **Goal 2** To provide safe, meaningful, and unique experiences for our visitors, volunteers, and citizens

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of parks completing facility upgrades	24	22	8	22	15

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of private concessionaire agreements	8	8	7	12	15

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 Division has been incorporated into the Administrative Services Division.

Funding:	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,642.6	6,623.6	6,623.6
Total Funding	3,642.6	6,623.6	6,623.6
FTE Positions	32.0	32.0	32.0

- ◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic and human resources.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of SHPO correspondence processed	2000	2000	2000	2000	2000

- ◆ **Goal 2** To provide safe, meaningful and unique experiences for our visitors, volunteers and citizens

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Attendance at Special Events (in thousands)	34	35	35	37	39
Number of Special Events	8	50	50	52	55

- ◆ **Goal 3** To document our progress through planning, analysis and research.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of studies monitoring the health of Kartchner Caverns State Park and other parks	10	10	2	10	4

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of new or renewed partnership agreements.	13	13	13	13	20

◆ **Goal 5** To effectively communicate with the public, policy makers, our partners, peers, and ourselves.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Public visits to agency web site (000)	2000	2100	2000	2100	2200
Explanation: Public visits to agency web site					
Number of Facebook fans	9,000	9,000	55000	100000	200000
Number of Twitter followers	8,500	8,500	16000	25000	45000
Number of media exposures (millions)	600	600	500	600	750

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 is responsible for implementing solutions, establishing policies and providing strategic direction with regard to the management of the agency's Resources & Public Program, Off Highway Vehicle State Historic Preservation Office: SHPO Marketing and Public Information Office, Human Resources, Finance, and technology based resources.

The Resources & Public Programs (R&PP) Section manages the following programs: cultural and natural resource study, protection and management; grants; statutorily mandated statewide and system research and planning; and coordination with ASP Board or gubernatorially appointed outdoor recreation advisory groups. This section is also responsible for managing over \$40 million in grants available to Arizona communities. Although many grant programs were devastated due to legislative sweeps or the elimination of grant programs, funded programs include one for open space conservation, federal recreation trails projects, both motorized and non-motorized, federal land and water conservation projects, and off-highway vehicle (OHV) recreation. 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, 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). 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.

The Public Information Office develops communications plans and strategies for information Arizona’s residents and visitors about the programs and projects being managed by the Arizona State Parks.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	79.4	136.7	136.7
Other Non Appropriated Funds	3,759.5	5,045.0	5,045.0
Total Funding	3,838.9	5,181.7	5,181.7
FTE Positions	29.0	30.0	30.0

◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic and human resources.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of information technology infrastructure upgrades/systems deployed	45	45	65	60	60
Percent of eligible employees recognized through Agency Service Awards	100	100	100	100	100
Administration as a percentage of total cost	8.0	8.0	8.0	8.0	8.0

◆ **Goal 2** To provide safe, meaningful and unique experiences for our visitors, volunteers and citizens.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Maintain a positive margin on overall park system revenues less park level expenditures.	21	18	28	28	28

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	311.6	375.7	375.7
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	311.6	375.7	375.7
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.

Fewer appeals have been filed; in FY15, 30 disciplinary action appeals and 4 whistleblower complaints were filed.

Solutions:

The Board will continue to watch this trend to determine what steps will need to be taken to ensure stakeholders get the full benefit of due process.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	3.0	3.0	3.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	375.7	383.2	390.8
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of appeals/complaints filed	46	60	34	50	50
Hearing days	34	60	20	50	50
Average days from receipt of an appeal/complaint until the Board issues a final order	122	115	110	115	115
Average cost of an appeal/complaint (dollars)	1,400	1,400	1,400	1,400	1,400

◆ **Goal 2** To ensure customer/client satisfaction with process.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of cases appealed to Superior Court	5	5	3	4	5
Number of cases remanded from court	0	0	0	0	0
Percent of customers rating overall hearing process as good to excellent	67	100	100	100	98

Explanation: Rec'd only 2 surveys; both rated excellent

◆ **Goal 3** To continuously implement changes that will increase effectiveness and internal capacity to deliver services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of training classes attended by staff	10	5	25	10	5

◆ **Goal 4** To strengthen relationships with stakeholders (agencies and constituents).

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of meetings/input from stakeholders	5	5	5	5	5
Number of pamphlets distributed (approximate)	50	60	40	50	50

Agency Summary

OFFICE OF PEST MANAGEMENT

Mark W. Killian, Director
 Phone: (602) 542-5729
 A.R.S. §§ 32-2301 et. seq.

Mission:

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

Description:

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,329.2	1,699.5	1,699.5
Other Non Appropriated Funds	77.8	113.5	113.5
Total Funding	1,407.0	1,813.0	1,813.0
FTE Positions	30.0	30.0	30.0

5 Year Plan

Issue 1 Provide a High Level of Customer Service to Consumers and Pest Management Professionals

Description Provide a high level of customer service to consumers and pest management professionals through current testing and study materials, fair and uniform inspections and investigations, using web resources for online continuing education reporting, license renewals, and using web postings to keep industry and the general public informed of important structural related issues.

Solutions:

Engage the Pest Management Advisory Committee (PMAC) in improvements of all aspects of agency interactions with the public - website, testing, renewals, continuing education approval and online interactions to ensure proper communication, improvements and quality service is occurring.

Revise and improve testing materials and keep the website current with information on issues of importance to the public and industry.

Decrease the overall time for inquiry and complaint investigations.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	30.0	30.0	30.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,699,500.0	1,699,500.0	1,699,500.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	113,500.0	113,500.0	113,500.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total of all licensing applications received.	11,222	10,500	11,690	11,000	11,000
Average calendar days from receipt of completed application to ruling on application for Certified Applicator Testing.	0	7	1	7	7
Average calendar days from receipt of completed application to ruling on application for Qualified Applicator Testing.	0	7	1	7	7
Qualified Applicator Renewals issued.	1,389	1,000	1,313	1,300	1,300
Total of all licenses issued.	9,490	9,000	9,265	9,000	9,000
Certified Applicator renewals issued.	5,682	5,000	5,381	5,300	5,300
Percentage of licenses processed within overall time frame.	100	100	100	100	100
Percentage of Certified Applicators renewals processed online of those that did renew.	87	75	89	89	89
Percentage of Qualified Applicators renewals processed online of those that did renew.	88	75	90	90	90
Percentage of Business License renewals processed online of those that did renew.	85	75	90	90	90
Business License and Branch Office renewals issued.	1,175	1,000	1,190	1,100	1,100

- ◆ **Goal 2** To provide continuous quality education to the public and industry members through the Office of Pest Management presented or approved programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of contact hours for Initial License Training taken annually from the OPM.	0	180	150	150	150
Number of CE contact hours taken annually from the OPM.	1,344	960	3,299	2,000	2,000
Number of Education and Training staff hours provided to the Public by the OPM (not including ILT and CE training).	141	100	71	60	60

- ◆ **Goal 3** To Monitor pesticide applications and ensure compliance with OPM Laws and Rules.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total inspections conducted (use and non-use).	2,345	1,500	2,016	2,000	2,000

◆ **Goal 4** To efficiently and professionally investigate inquiries and complaints to protect and maximize the safety of the general public.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total inquiry investigations conducted and completed.	98	80	160	100	100
Total complaint investigations conducted and completed.	60	50	55	50	50
Number of consent agreements reached/orders finalized.	57	45	55	55	55
Number of formal hearings held.	1	1	0	1	1
Percent of investigations resulting in disciplinary action.	57	45	34	35	35
Number of licenses revoked.	0	0	1	0	0
Total consumer and agency generated complaints.	56	45	55	50	50
Average calendar days from receipt of complaint to resolution	126	125	122.47	120	120

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,940.8	2,020.5	2,170.5
Other Non Appropriated Funds	710.3	710.5	710.5
Total Funding	2,651.1	2,731.0	2,881.0
FTE Positions	18.0	18.0	18.0

5 Year Plan

Issue 1 Growth and modernization of sterile drug compounding pharmacies without oversight from the U.S. Food and Drug Administration

Description Operated by licensed pharmacists, compounding pharmacies are regulated by State Boards of Pharmacy and are not regulated by the U.S. Food and Drug administration (FDA) as they are not viewed as drug manufacturers under federal law. Compounding pharmacies have modernized since most compliance officers graduated. Specialized training is required to fulfill the mission of the Board and protect the health, safety and welfare of Arizona consumers. Compounding pharmacies produce and distribute sterile drugs including injectable steroids, eye drops, etc. If compounding is performed incorrectly, contamination can occur which can lead to serious health risks for consumers. Disease outbreaks due to contamination have made headlines in recent years across the country, including a fungal meningitis outbreak in 2012 that sickened 680 people and was linked to injectable steroid medication produced by a compounding pharmacy in Massachusetts.

Solutions:

1. Provide compliance officers with specialized training in modern compounding practices in order to effectively monitor and regulate sterile drug compounding.

2. Engage with the National Association of Boards of Pharmacy to support federal legislation requiring compounding permits for compounders who wish to practice outside the scope of traditional pharmacy practice.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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 who are competent applicants with high standards of professional and ethical conduct.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Disciplinary actions/100 Registered Pharmacists & Technicians	0.07	0.10	0.12	0.12	0.14
Complaints per 100 practitioners (Pharmacists & Technicians)	0.32	0.5	0.5	0.5	0.5
Continuing education seminars conducted for pharmacists	4	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	2	3	3	5
Pharmacy audits	7	8	10	10	10
Board Meetings	6	6	6	6	6
Miles Driven-Inspections	90,547	110,000	110,560	110,000	125,000
Pharmacies-Inspections	858	1,000	1,000	1,000	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	12	14	14	14	14
Non-Prescription Drug Permit-Inspections	2,441	2,800	3,000	3,000	3,200
Wholesaler-Inspections	83	86	90	90	90
Re-inspections	7	10	14	12	16
Total number of inspections conducted	3,406	3,600	3,950	4,000	4,100

◆ **Goal 2** To maintain a comprehensive electronic Controlled Substance Prescription Monitoring Program.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Use prescription monitoring program fund to maintain and improve prescription monitoring program approved by legislature in 2007.	435,000	435,000	435000	435,000	435000
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).	907	1,000	1100	1,100	2500
About how many licensed PRESCRIBERS were there?	28,005	29,850	30500	31,169	31500
About how many licensed/permitted DISPENSERS were there?	3,022	4,000	4100	4,100	4200
for PRESCRIBERS: How many solicited reports were produced?	1,310,436	2,000,000	3000000	3,000,000	3000000
For PRESCRIBERS: How many unsolicited reports were produced?	250	500	1500	1,500	2500
for DISPENSERS: How many solicited reports were produced?	885,126	1,000,000	1500000	1,500,000	1500000
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?	1,250	1,350	1375	1,500	1500
For Law Enforcement INVESTIGATIONS OR COMPLAINTS: How many unsolicited reports were produced?	20	25	25	30	30
For Professional Licensing Board INVESTIGATION OR COMPLAINTS: How many solicited reports were produced?	579	600	625	650	650
For Professional Licensing Board INVESTIGATIONS OR COMPLAINTS: How many unsolicited reports were produced?	10	30	45	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	396.3	480.4	494.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	396.3	480.4	494.0
FTE Positions	4.0	4.0	4.0

5 Year Plan

Issue 1 1.Establish the mechanisms for assessing continuing professional competence of physical therapists to engage in the practice of physical therapy and the competence of physical therapist assistants to work in the field of physical therapy.

Description a.The Board of physical therapy currently requires licensed physical therapist to complete 20 contact hours of continuing competence activities during each compliance period. The compliance period is two years in length, beginning September 1 of an even numbered year and ending August 31 of the next even numbered year.
b.Certified physical therapist assistants currently have no minimum continuing competence activity requirement.

Solutions:

1.The Board is currently working with the Arizona Physical Therapy Association to update current requirements for continuing competence activities for licensed physical therapists and certified physical therapist assistants.
a.The taskforce working on the matter expects to approach the Board in 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 requiring amendments reflects the need for the change.

Issue 2 2.Regulate the practice of physical therapy by interpreting and enforcing this chapter.

Description a.The Board received between 50 and 70 complaints per year.
b.The Board currently maintains a 1 FTE to investigate all complaints received against physical therapists, physical therapist assistants, and business entities.
C.The Board has seen an increase in the number of complaints filed beginning in 2009 as well as an increase in the complexity of the cases.

Solutions:

2.The Board has evaluated its current investigative resources and identified a lack of time and manpower as the greatest contributor to recent back logs in adjudicating complaints.

The Board has seen marked improvement in investigations completeness time frames. However, a backlog of formal hearings remains. The Board is working to resolve the matter with the Office of Attorney General. We are considering a onetime spending increase in FY 2016 to have the OAG dedicate more resources to the backlogged cases and clear them in FY 2016. The funding for the one time expenditure has been received and implemented. However, the Board and the Attorney General's Office feel the increased expenditures to address cases at the formal hearing level needs the funding to become permanent. An FY 2017 decision package will be submitted.

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 will be requesting in its FY 2017 budget submission approval 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.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	543	450	629	550	550
Average time, in calendar days, between receipt of completed application to issuance or denial of licensure or certification.	2.9	12	2	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	0	5,300	5,325	0	5,500
Explanation: FY 2014 actual reflects that renewals did not begin until FY 2015. The renewal is every two years. FY 2016 Will not have a renewal cycle.					
Number of applications received	775	520	730	580	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	60	70	61	70	70
Explanation: Total number of complaints received.					
Total number of disciplinary actions issued	28	30	27	30	30
Explanation: Total number of disciplinary actions issued.					
Number of licenses suspended/revoked/voluntarily surrendered	3	5	4	5	5
Explanation: Number of licenses suspended/revoked/voluntarily revoked					
Total number of unlawful practice investigations received by the Board for investigation	4	10	6	2	10
Explanation: Total number of unlawful practice investigations received by the Board for investigation					

- ◆ **Goal 3** To provide accurate information, with the highest quality customer service, to all requests from citizens, licensees, health care organizations, and public agencies for public records information and license verifications.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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.	516	500	519	500	500
Explanation: Board staff tracks and reports the number of requests received.					
Number of written requests for public records received.	94	75	56	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	2	7	3	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	7.2	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of physical therapist licensees whose continuing competence records were successfully audited by the Board for compliance.	0	5	5	0	10
Explanation: Percent of physical therapist licensees whose continuing competence records were successfully audited by the Board for compliance.					
Percent of continuing competence audit notices sent within 60 calendar days following the license renewal deadline. The audit is done every two years following renewal. Some years will have no results.	0	100	100	0	100
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,599.2	0.0	271.6
Other Appropriated Funds	4,346.8	6,204.9	6,204.9
Other Non Appropriated Funds	23.3	14.1	14.1
Total Funding	5,969.3	6,219.0	6,490.6
FTE Positions	93.0	93.0	93.0

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 Parker boilers have been installed which will provide improved heating to the building with increased energy efficiency. A new hot water tank has been installed which will provide better temperature control at reduced costs due to increased efficiency. Radiator covers have been placed on all radiators on the first and second floors enhancing resident safety. Several radiator covers have been placed on the third floor with completion of total building expected this FY. Along with this thermostatic radiator controls are being installed which will provide better heating and reduced energy costs. A new fuel tank has been installed for the Home's backup electrical generator. A significant improvement was made to the grounds with monies received from donations. Monies are being sought to repave the Pioneers' Cemetery drive, remediate lead based paint, update the Home's cooling system, refurbish a portion of the Home's window frames and sashes and replace the dishwashing system in the Home's dietary department.

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 associated 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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	94.0	94.0	94.0
General Fund	9.5	9.5	9.5
Other Appropriated Funds	6,204.9	6,204.9	6,204.9
Non-Appropriated Funds	32.3	32.3	32.3
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of residents from counties other than Yavapai and Maricopa.	19	18	17	16	15

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of citations from inspections	0	2	0	0	0
Residents rating of good or excellent (percent)	99	98	99	98	98

- ◆ **Goal 4** To maintain the efficacy of services provided in the most cost conscious manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average census	100	102	96	88	85

Agency Summary

BOARD OF PODIATRY EXAMINERS

Ryan P. Edmonson, Executive Director
 Phone: (602) 542-8151
 A.R.S. § 32-801

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	123.1	148.2	198.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	123.1	148.2	198.1
FTE Positions	1.0	1.0	2.0

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 New SI

Description

Solutions:

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	1.0	1.0	1.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	147.3	147.3	147.3
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New licenses issued	0	0	25	22	22
Renewal licenses issued	0	0	388	414	430

◆ **Goal 2** To efficiently investigate complaints pursuant to the Board's statutes and rules

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of complaints opened	0	0	21	15	15
Number of complaints resolved	0	0	6	15	15
Average number of calendar days to resolve a complaint	0	0	147	180	180

◆ **Goal 3** To effectively and accurately respond to public record requests

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of written public information requests received	0	0	30	40	40

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,396.8	1,396.8	2,963.4
Other Appropriated Funds	1,299.0	1,534.8	1,534.8
Other Non Appropriated Funds	1,348.9	931.4	931.4
Total Funding	4,044.7	3,863.0	5,429.6
FTE Positions	9.5	9.5	13.0

5 Year Plan

Issue 1 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 in the areas of access and finance. The Commission 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 Application Campaign and Arizona Family College Savings Program Advisory 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 Degree Phoenix, 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 the changes necessary to accomplish the mission of ACPE.

1. Develop and support policy analysis center(s).

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2. Use research to identify necessary initiatives and goals.
 3. Identify research and infrastructure partners.
 4. Disseminate and use research to promote policy change.

Performance Measures:

- Sustain AMEPAC through leadership, infrastructure, and fundraising support.
- Number of studies produced that forward the mission.
- Research and its findings are promoted among the community.
- Identify impact of the studies.

Issue 2 Most Arizona students and their families are inexperienced and unaware of the necessary steps to enroll, finance, and complete a postsecondary education.

Description As compared to other states across the nation Arizona has

- (1) one of the lowest college-going rates with only 50.5% of the 2012 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 Goal Arizona (CGA) is a statewide senior year initiative coordinated by the Arizona Commission for Postsecondary Education. It promotes partnerships with high schools statewide to implement strategies designed to (1) increase the number of students making an application to a postsecondary education institution and (2) increase the number of seniors applying for and securing student financial aid.

College Goal Arizona (CGA) comprises the Arizona College Application and College Goal FAFSA Campaigns. The College Application Campaign provides a supported, cohort approach where high school staff and peer support takes on the role of experienced, college knowledgeable adult who informs, motivates, and prods students toward submitting, on time, a college application. In order to participate, high school principals and counselors sign a pledge to provide an event, generally over 1-3 days, when every student is provided computer time to complete at least one application for postsecondary education. High schools also agree to a goal of 100% participation. More than 411,000 applications were filed in 45 states following this format last fall through the American College Application Campaign organized by the American Council on Higher Education and with financial support from Lumina. Arizona mounted a very successful second year campaign last November with 45 high schools representing just under 13,000 seniors participated in the 2014 CAC events.

College Goal FAFSA also provides cohort support for seniors to file the Free Application for Federal Student Aid or FAFSA. The College Goal FAFSA effort of the Arizona Commission has relied heavily over the past 19 years on financial support from USA Funds, the strength of a 18 member Advisory Committee, and manpower from the Arizona Association of Student Financial Aid Administrators. All of which will be pursued for 2015-16. An additional challenge present for College Goal FAFSA is gaining involvement from at least one parent because the application requires a parent signature on the youth's FAFSA application. FAFSA completion is a family affair. The expectation from implementation of College Goal Arizona is that increasing the number of Arizona seniors who complete a college application and file the Free Application for Federal Student Aid or FAFSA will result in an increased college-going rate in participating high schools.

Solutions:

Goal 2: Provide support from knowledgeable professionals and accurate and timely information to help students and families take the steps to enroll, finance, and succeed in postsecondary education.

Strategy 2.1 Establish College Goal Arizona which supports and develops a culture where every high school senior is encouraged and expected to apply for and participate in a postsecondary education experience.

1. Promote the CGA senior year initiative statewide.
2. Establish and develop relationships with key decision-makers and pertinent staff at Arizona postsecondary education institutions and high schools.
3. Encourage Community "buy in" via three groups 1) ACPE Commissioners, 2) the 37 member AzCAC Advisory Committee and 3) an 18 member College Goal FAFSA Task Force. These groups will be asked to help in establishing partnerships and collaborations, identifying and securing funding, and recruiting volunteers.
4. Develop a Fundraising/ Partnership Plan inclusive of a case statement, logic model, goals, strategies, outcomes, and

indicators for success.

5. Execute the College Goal Arizona Fundraising/Partnership plan.
6. Adjust activities and outcomes to meet the budget.

Performance Measures:

- Key leadership supports the statewide initiative.
- Funding, collaborations, partnerships provide desired assistance in specific areas of need for 2015, 2016, 2017.
- Increase the number and proportion of Arizona high school graduates going on to college over a four year period of time.
- Counselor and student surveys demonstrate movement toward expectations that ALL students can benefit from and progress toward a postsecondary education experience.
- Raise the level of college-going culture in Arizona high schools.

Strategy 2.2: Coordinate the statewide College Application Campaign.

1. Secure external funding sources to implement program elements.
2. Develop marketing and public relations materials.
3. Identify and develop relevant web-based content rich materials for AzCAC website to support high schools, volunteers, and postsecondary institution personnel.
4. Recruit high schools with focus on Title 1.
5. Connect with non-profit volunteer organizations and college access organizations to share resources and collaborate.
6. Develop partnerships and collaborations with postsecondary institutions from all three sectors to ensure adequate support is provided for each of the participating high schools and staff.
7. Evaluate all aspects of the AzCAC program and act upon data collected.

Performance Measures:

- Program is adequately funded to support data analysis, high school giveaways, promotional materials, and evaluation.
- Increased number (over pilot) of high schools and seniors participate while retaining the focus on Title 1.
- Volunteer groups provide manpower for events at high schools.
- Postsecondary institutions' admissions professionals (all 3 sectors) attend high school events and provide expert advice for program success.
- Media and newspaper coverage promotes AzCAC and touts the outcomes.
- Data on program success is gathered from all stakeholders and analyzed for program improvements to be implemented
- Promote program success at all levels.
- Successful school personnel will be invited to participate as a College Goal FAFSA high school.
- Increase the number and proportion of Arizona high school seniors who apply to a postsecondary education institution in the fall of their senior year.

Strategy 2.3: Coordinate the statewide College Goal FAFSA events.

1. Secure external funding sources to implement program elements.
2. Promote College Goal FAFSA events.
3. Develop relevant, web-based, content rich materials in order to support high school personnel, student, family, and postsecondary institution needs.
4. Coordinate and execute the on-going statewide College Goal FAFSA 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 300 financial aid professionals from all sectors of postsecondary education to staff College Goal FAFSA weekends and high school nights.
7. Evaluate site coordinator, funder, and family/student surveys, analyze data, and make improvements.

Performance Measures:

- Dollars are available to support program elements.

- College Goal FAFSA community weekend event staffed by financial aid professionals is held.
- Funder is satisfied with data they receive.
- Financial aid professionals in postsecondary institutions and AASFAA members provide expert advice for program support both at postsecondary sites and high school events.
- Student/family surveys indicate target audience is served and benefits are realized.
- Number of FAFSA's completed at participating high schools.
- Number of publications distributed and website visits.

Strategy 2.4: Develop the capacity to provide student level FAFSA completion status data to participating secondary schools, Local Education Agencies, and designated entities for the purpose of supporting student FAFSA completion.

- 1.ACPE has been named by the U.S. Department of Education as the entity permitted to disclose limited Institutional Student Information Record or ISIR data to Local Education Agencies, secondary schools, and additional designated entities, e.g. GEAR UP.
- 2.Commission secures written agreements with high schools asseting multiple assurances of compliance, extensive security measures, and a plan to use the data with interested entities, following the U.S. Department of Education requirements.
- 3.Develops the capacity to match every 1-2 weeks name, date of birth, and zip code as submitted by high school among the 800,000 FAFSAs received annually by the Commission and assemble school specific reports from the matched records with the allowable information.
- 4.A secure portal is established to receive requests from participating entities and to provide secure access to informational reports for each entity every 1-2 weeks describing the status of the FAFSA completion for each student requested.
- 5.Resources to undertak a llimited first year roll out of the technology solutions for objectives 3 and 4.

Performance Measures:

- ACPE becomes equipped to compile and securely disseminate FAFSA data with a limited number of contracted secondary schools, LEA's, and designated entities.
- Schools, districts, and designated entities receive both a manual and instruction about the use of the data.
- Organizational personnel receive current data identifying who has applied and who has corrections, signing issues, etc.
- Schools act on information and specific knowledge to assist students to complete their FAFSA.
- School personnel become aware of the value of the FAFSA Completion data and identify strategies to assist students in completion of individual FAFSA's.
- Additional schools become aware of the availability of FAFSA Completion data and enter into agreements with the ACPE to receive the data.
- High schools and designated entities statewide see a significant increase in students FAFSA completions; thereby students obtain more funds for college attendance

Strategy 2.5: Provide current and relevant web and print-based information on college-going and financial assistance for families and students.

- 1.Secure external funding sources.
- 2.Develop content/program elements.
- 3.Identify outreach/distribution methods using partnerships and collaborations.
- 4.Implement, maintain, and evaluate the publications and websites including the Arizona College and Career Guide (print and online) and ACPE websites including College Goal Arizona, ACPE website, azgrants.az.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

Issue 3 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, the Private Postsecondary Education Student Assistance Program. 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.

In response to the meager levels of state and federal student aid, the Commission is working to raise the awareness and participation rate of the Arizona Family College Savings (529) Program. This state-sponsored program provides investments where earnings grow tax-deferred and distributions are tax-free when used for qualified college expenses. Moreover, contributions of up to \$4,000 for a married filer are annually deductible from Arizona income tax. The Arizona Family College Savings Program provides a great opportunity for families to prepare for college expenses and achieved \$1B in assets under management in March of 2015.

Solutions:

Goal 1: Maximize student financial assistance available and support efforts to restore and increase student aid.

Strategy 1.1: Provide effective and efficient administration of the Arizona Leveraging Educational Assistance Partnership (AzLEAP).

1. Maintain elements of program administration similar to state and federal guidelines to provide consistency for both institutions and students.
2. Survey postsecondary institutions regarding effectiveness of administration.
3. Identify and implement areas for administrative improvement annually.
4. Develop, test, and implement streamlined processes.
5. Prepare and distribute reports on students served by program to policy makers.

Performance Measures:

- Achieve 90% satisfaction with administration of program as evaluated by institutional constituencies.
- Document the number of processes annually reviewed.
- Document the number of process improvements implemented and their benefit to better administration.
- Complete and distribute an annual report to policy leaders informing them about participants and the benefits to the State.

Strategy 1.2: Provide effective and efficient administration of the Arizona Math, Science, Special Education (MSSE) Teacher Loan Forgiveness program.

1. Implement a program based upon requirements in statute which is congruent with procedures implemented by the Arizona Board of Regents in the previous administration, in order to meet both student and the State's needs.
2. Integrate the MSSE Teacher Loan Forgiveness Program into the AzGrants website providing a simple application for student aid.
3. Develop a marketing plan and promote to all Arizona students enrolled in public and private teacher education programs for maximum exposure to eligible students.
4. Prepare an annual report describing student and institutional participants as well as teacher retention, loan forgiveness, and loan repayments.

Performance Measures:

- MSSE Program represents a cohesive forgivable loan program with achievable and measurable goals.
- Application process is simple for students and integrated into the AzGrants web portal to benefit students' understanding of potential financial aid programs.
- Students apply and receive funds in a timely manner contributing to the success of the program and its goals.
- Adequate numbers of eligible students apply and receive funds.
- An annual report to policy leaders is compiled and distributed including data regarding students and institutions participating, data on service in shortage areas, and retention data.

Strategy 1.3: Ensure the sustainability of the AzGrants secure web portal which provides access to all state student grants, scholarships, forgivable loans, and loan repayments, as well as serves as the web portal for the exchange of sensitive data and reports with high schools and designated entities for both FAFSA Finish Line and College Application Campaign student data, given the reduction in state funding.

1. Single web portal is maintained which accepts student applications and completes the back end administrative processes necessary to award student financial aid.
2. Portal also serves as entry point for students in repayment of state financial aid to view account information and complete the administrative processes necessary to manage loan repayment.
3. Portal provides financial aid professionals from postsecondary institutions across the state a user-friendly access for verification and certification of student eligibility for financial aid programs.
4. Portal allows students to track the progress of their application or loan status.
5. Portal provides high school staff and designated entities secure access to individual FAFSA and Student Exit Survey Data
6. Website provides links to financial aid options and resources.
7. Data is collected through website regarding students and institutions to be used for 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 and report to the state the following elements:
 - Number of grants, scholarships, loans issued annually.
 - Number of repayments accepted and processed annually.
 - To achieve the transfer of sensitive data in a secure manner e.g. individual FAFSA application status data and student specific Exit Data.
- Review of postsecondary institutions' perspective of the portal use and the functions it provides.
- Survey high school personnel in the College Application and FAFSA campaigns regarding the effectiveness of the web portal for their needs.
- Assessment of enhanced security provided through the portal.
- Assessment of the value of annual reports to policy leaders describing characteristics of students and the institutions participating, as well as data from students regarding barriers and incentives to persistence to degree.
- Website allows the Commission to support high schools in their College Application Campaigns and FAFSA Campaigns by providing a means to securely transmit reports and individual data enabling staff to intervene and aid the student in the completion of an application.

Strategy 1.4: Provide effective and efficient administration and oversight for the Arizona Family College Savings (529) Program (AFCSP).

1. Through on-going research and participation in professional development venues, Commission staff apprise Commissioners and Oversight Committee members of SEC, MSRB, national standards and national 529 plan issues and trends.
2. Commission staff seek advice when appropriate from an experienced, contracted consultant regarding investment offerings, program operating procedures, legal issues, and 529 plan industry trends.
3. Commission staff, trustees (Commissioners), and Oversight Committee members use knowledge of best practices and successes of other state programs to improve Arizona 529 plan administration and offerings.
4. Processes to ensure the interest of the state and the needs of Arizona residents are being met are in place.
5. Improved processes and procedures are developed, tested, and implemented annually.

6. Staff, with a public relations firm, develop and implement a year-long public awareness/marketing plan to inform and encourage Arizona families to prepare for the expenses of postsecondary education through a tax-advantaged 529 plan.

7. Commission staff provides measures of the success of the 529 plan, using various sources of data and program mission and goals.

Performance Measures:

- Program administration, operating procedures, and offering materials comply with regulatory and College Savings Plan Network standards, reflecting best practices of the industry.

- Director and Executive Director attend national meetings, participate in professional organizations, and bring research and best practices to the trustees, Oversight Committee, and administration of the AFCSP.

- Expert advice is sought from a recognized industry expert for issues of legal and regulatory import.

- Director holds monthly meetings with representatives of program managers, reviewing the interests of the state, and ensuring program participants needs are being considered as well as compliance with contract obligations.

- Management reports are prepared and distributed among constituencies.

- Public awareness of 529 plan benefit is increased through public awareness efforts.

- The number of Arizona families benefiting from the AFCSP increases annually by a predetermined annual goal.

Strategy 1.5: Offer a quality college savings (529) program by maximizing the contribution of the AFCSP Oversight Committee.

1. Oversight Committee mission and goals are presented to Trustees for approval.

2. Oversight Committee member expertise is maximized in areas of evaluation of program, knowledge of investment offerings, operations, and marketing.

3. Effective Oversight Committee meetings take place five times per year to make recommendations; Trustees meet 4 times a year to make decisions.

4. Staff provides research, daily oversight, and measurement of processes against goals.

5. A productive and on-going annual provider review process results in informed decision-making by Trustees regarding program managers' contracts and investment products.

Performance Measures:

- Mission and goals are developed and are used to direct program administration.

- Oversight Committee and Trustee meetings are held and evaluated effective by participants.

- Outputs from the Oversight Committee meetings include recommendations to trustees regarding decisions regarding program manager contracts and modification,

mission and goals for the AFSCP Oversight Committee,

operational procedures,

quality and affordable investment products for Arizona families, and

- Quality of financial institutions and investment products continually improve as evidenced by successful public comparison to other states' programs and meeting savings growth goals.

Strategy 1.6: Meet the escalating need of student financial assistance by reinstatement of two successful programs currently under suspension: Postsecondary Education Financial Assistance Program (PFAP) and Postsecondary Education Grant (PEG).

See submitted Justification for Proposed Funding Issues for FY 2017 in the FY 2017 Budget Request.

Strategy 1.7: Restoration of adequate funding to achieve the goals set forth in the Math, Science, and Special Education Teacher Loan Forgiveness program.

See submitted Justification for Proposed Funding Issues for FY 2017 in the FY 2017 Budget Request.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	8.5	8.5	8.5
General Fund	2,963.4	2,963.4	2,963.4
Other Appropriated Funds	1,534.8	1,534.8	1,534.8
Non-Appropriated Funds	628.0	650.0	650.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To maximize student financial assistance available to students and families

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of LEAP student awardees	3,095	2,800	3,241	3,000	3,000
Percent of good or excellent service via evaluation surveys	97	90	92	90	90
Number of Arizona Family College Savings Program accounts	73,001	76,500	77,838	82,000	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Arizona College & Career Guides distributed	8,966	9,000	348	5,000	5,000
Number of Arizona College & Career Guide (ACCG) on-line visits	2,088	3,000	3,303	3,000	3,000
Attendees at College Goal Sunday	1,234	1,800	982	1,500	3,000

Explanation: Program has changed . College Goal Sunday is now College Goal FAFSA and has two workshop components.

Think College and Parent materials distributed (Spanish)	9,575	5,000	8000	8,500	9,000
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Explanation: *The Arizona College Application Campaign and College Goal FAFSA are grant and sponsorship supported programs that distributes materials to students/families through high schools and college access programs.

Think College and Parent materials distributed (English)	99,043	80,000	89,504	88,000	90,000
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Explanation: *The Arizona College Application Campaign and College Goal FAFSA are grant and sponsorship supported programs that distributes materials to students/families through high schools and college access programs.

◆ **Goal 3** To provide a forum where all sectors of postsecondary education dialogue, partner and problem solve issues of mutual interest

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	1	1	0	1	0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	35,676.7	35,900.1	35,900.1
Total Funding	35,676.7	35,900.1	35,900.1
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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	7.0	7.0	7.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	7.0	7.0	7.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Hoover annual revenue requirements (in thousands).	76,108	61,009	61,009	63,736	77,937

- ◆ **Goal 2** To analyze and critically review the transmission system costs and other factors associated with the delivery of Hoover power.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	15.36	15.36	16.08	16.08

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customers purchasing power from Arizona Power Authority	29	29	29	29	29

Agency Summary

STATE BOARD FOR PRIVATE POST-SECONDARY EDUCATION

Teri Stanfill, Executive Director
Phone: (602) 542-2399
A.R.S. §§ 32-3001 et seq.

Mission:

To protect the health, safety, and welfare of the public by regulating private postsecondary educational institutions and providing services to their students.

Description:

The Board licenses and regulates 260 private postsecondary educational institutions who serve approximately 590,722 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ LICENSING AND REGULATION	363.9	996.3	411.3
➤ STUDENT TUITION RECOVERY FUND	197.2	322.7	223.6
Agency Total:	561.1	1,319.0	634.9
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	363.9	996.3	411.3
Other Non Appropriated Funds	197.2	322.7	223.6
Total Funding	561.1	1,319.0	634.9
FTE Positions	4.0	4.0	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 260 private postsecondary educational institutions, serving approximately 636,614 students annually. The Board acts on license applications, determines compliance, investigates complaints and violations, and takes disciplinary action.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	363.9	996.3	411.3
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	363.9	996.3	411.3
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of institutions licensed	260	257	260	261	262
Total number of renewal licenses approved	243	237	241	242	243
Total number of Supplemental Licenses approved	663	320	413	420	420
Number of adverse actions taken (Higher bonds, reporting/monitoring required, C&D issued)	58	55	56	57	57
Number of annual inspections conducted	28	25	26	27	27
Number of students enrolled in private institutions	636,614	775,000	590,722	570,000	575,000
Number of licenses denied	0	1	0	1	1
Number of institutional closures	21	15	25	20	20

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of annual student complaints investigated	12	15	8	15	15
Number of student complaints resolved/dismissed	9	10	5	10	10
Number of student complaints resulting in disciplinary action	0	5	1	3	3
Number of Student Complaints Pending	3	0	2	2	2
Number of non-student complaints investigated	5	10	5	10	10
Number of non-student complaints resolved	1	5	2	5	5
Number of non-student complaints resulting in disciplinary action	3	5	2	5	5
Number of non-student Complaints Pending	1	0	1	0	0
Number of written inquiries (Letter of Intent, Inquiries, State Authorization Letters and student questions)	496	450	382	400	400

◆ **Goal 3** To efficiently and effectively administer the licensing and regulation program of the Board.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer Satisfaction Survey (scale of 1-8)	7.8	7.5	0	7.8	0
Administration as a percentage of total cost	3.9	3.9	0	3.9	0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	197.2	322.7	223.6
Total Funding	197.2	322.7	223.6
FTE Positions	0.0	0.0	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of claims filed	1	10	102	80	20
Number of claims rejected	1	0	62	20	0
Number of claims paid/settled/closed	1	10	40	60	20
Number of claims pending	0	0	0	0	0
Average number of calendar days to pay claims	NA	60	60	60	60

◆ **Goal 2** To collect or secure monies sufficient to provide for student financial restitution.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of institutions billed	0	1	0	0	0
Amount of assessments collected (in thousands)	0	.1	0	0	0
Amount available to students (in thousands)	634.1	542.0	445.3	733.6	520.0
Amount paid in Student Claims	0.	30.0	91.5	150.	0

◆ **Goal 3** To provide students access to their educational records in a timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of student record requests processed.	2115	2100	2959	3200	2500
Average number of days to process requests	9	10	12	30	25

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	362.6	448.5	484.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	362.6	448.5	484.5
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 SB 1353 (Chapter 70, effective 9/13/2013) authorizes that mental health disorders may be addressed in rural regions by telemedicine beginning in 2015.

Description SB 1353, passed in 2013 by the Arizona Legislature, allows for the provision of services for "mental health disorders" via telemedicine in "rural regions" beginning in January, 2015. The issue of providing psychological services via telepractice has been an ongoing discussion at both the state and national level for several years. A.R.S. § 32-2061(14) defines telepractice and A.R.S. § 32-2063(a)(12) authorizes the Board to make rules for telepractice by June 30, 2016.

Solutions:

The Board has expressed its intent to first develop rules pertaining to intrastate telepractice. The national ASPPB (Association of State and Provincial Psychology Boards) has approved a compact for telepractice whereby interested states could potentially participate in an agreement across states. The Board has expressed its intent to seek legislative approval in a future legislative session to participate in the compact.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	485.5	485.5	485.5
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of applications received for initial behavior analyst licensure	45	40	58	60	60
Number of new behavior analyst licenses issued	38	39	62	60	60
Number of behavior analyst licensees (active/inactive)	120	155	160	200	240

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of behavior analysis-related complaints received	1	2	1	2	2
Average number of days to resolve a behavior analysis-related complaint	68	50	22	50	50

- ◆ **Goal 3** To protect the public from unqualified practitioners of psychology by efficiently processing applications for licensure to determine if statutory and rule requirements have been met.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of applications received for initial psychologist licensure	184	170	147	150	150
Number of new psychologist licenses issued	108	111	116	110	110
Number of licensees (active/inactive)	1,987	2,000	1,932	2,000	1,950

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	2	2	2
Average number of days to substantively process a psychologist application for licensure (from administrative completion to Board adjudication and/or issuance of license)	20	20	24	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of investigations	52	52	58	50	50
Explanation: Includes non-jurisdictional complaints and complaints against alleged title-violators					
Number of complaints opened regarding psychologists	29	29	40	35	35
Number of psychology-related complaints received involving unlicensed practitioners/title violators/non-jurisdictional issues	23	23	18	15	15
Number of psychology-related complaints resolved at the Complaint Screening Committee level	20	20	24	24	24
Average days from date a psychology-related complaint is opened to resolution at Complaint Screening Committee	40	40	42	40	40
Number of psychology-related complaints resolved at the Board level through Board actions	5	12	13	12	12
For psychology-related complaints referred to the full Board, average days from receipt of complaint to Board resolution/Board action	85	77	134	100	100
Explanation: Does not include complaints dismissed at the Complaint Screening Committee level.					
Number of disciplinary actions taken against psychologists	3	7	7	7	7
Number of non-disciplinary/rehabilitative actions taken against psychologists	2	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of licensees in compliance with continuing education requirements	n/a	71	**	n/a	71

Explanation: **The FY 2015 CE audit is in progress at this time; Final CE audit numbers will be submitted once completed.

- ◆ **Goal 6** To encourage public input regarding the Board's performance through customer surveys.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction rating (scale 1-8)	7.6	7.4	7.4	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ AGENCY SUPPORT	42,428.2	61,339.9	62,244.3
➤ HIGHWAY PATROL	130,339.0	144,966.2	154,092.0
➤ CRIMINAL INVESTIGATIONS	57,127.9	61,755.8	64,005.1
➤ TECHNICAL SERVICES	62,319.7	64,936.3	69,734.5
➤ ARIZONA PEACE OFFICER STANDARDS AND TRAINING	6,711.7	6,149.6	6,149.6
Agency Total:	298,926.5	339,147.8	356,225.5
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	85,779.0	93,374.8	113,039.6
Other Appropriated Funds	154,105.8	164,164.7	168,028.3
Other Non Appropriated Funds	59,041.7	81,608.3	75,157.6
Total Funding	298,926.5	339,147.8	356,225.5
FTE Positions	2,120.9	2,157.2	2,141.2

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	2,194.7	2,249.6	2,305.8
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

Andres O. Vasquez, 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	32,335.3	28,513.4	30,235.9
Other Appropriated Funds	638.9	8,670.3	7,852.2
Other Non Appropriated Funds	9,454.0	24,156.2	24,156.2
Total Funding	42,428.2	61,339.9	62,244.3
FTE Positions	215.5	221.5	221.5

◆ **Goal 1** To deliver exemplary service

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
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Percent of employees terminating employment (excludes non- Department of Public Safety task force members and retirements)	9	3	1	3	3
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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.	45	30	32	30	30
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Explanation: Accidental deletion. FY2014 estimate was 20.

Percentage average of 45 calendar days from start of vehicle build to assignment.	0	0	0	90	90
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Explanation: New measure for FY2016.

Decrease average age of trooper residences to 25 years.	0	0	0	24	24
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Explanation: New measure for FY2016. No FY2015 data.

Decrease the average age of Department-owned office space to 26 years.	0	0	0	25	25
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Explanation: New measure for FY2016. No FY2015 data.

Percentage of 20 cadet troopers provided to each academy class that has a DPS presence.	0	0	0	80	80
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Explanation: New measure for FY2016. No FY2015 data.

Average number of calendar days from availability/request to customer delivery.	0	0	0	10	10
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Explanation: New measure for FY2016. No FY2015 data.

Number of public outreach events supporting highway safety.	0	0	0	100	100
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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	0	0	24	24
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Explanation: New measure for FY2016. Combined total from PIO, HPD, CID.

◆ **Goal 2** To embody professionalism and maintain public trust.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	0	0	90	90
Provide leadership class opportunities to DPS and outside agency personnel. Explanation: New measure for FY2016. No FY2015 data.	0	0	0	5	5
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	0	0	90	90
Percent of minority representation of troopers. Explanation: New measure for FY2016. No data for FY2015.	0	0	0	25	25
Percent of female representation of troopers. Explanation: New measure for FY2016. No data for FY2015.	0	0	0	5	5

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	449.4	1,826.6	10,757.5
Other Appropriated Funds	112,378.9	117,360.1	121,790.1
Other Non Appropriated Funds	17,510.7	25,779.5	21,544.4
Total Funding	130,339.0	144,966.2	154,092.0
FTE Positions	959.4	982.7	971.7

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	1,826.6	1,921.3
Other Appropriated Funds	96,663.4	99,338.7	103,788.1
Other Non Appropriated Funds	7,428.1	10,948.4	8,663.3
Total Funding	104,091.5	112,113.7	114,372.7
FTE Positions	782.4	783.9	782.9

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Fatal highway collisions on Department of Public Safety patrolled roads	205	250	225	200	200
Percentage reduction of fatal collisions relating to impaired drivers.	33	31	19	8	8
Explanation: Changed in FY2016 to a percentage reduction from a number count.					
Number of collisions on DPS patrolled roadways relating to impaired drivers.	931	860	0	860	0
Percentage reduction of fatal collisions that are secondary collisions.	4.1	2.2	2.4	2.9	2.9
Explanation: FY2016 measure changed to include "reduction".					
Percentage reduction of total collisions that are secondary collisions.	6.2	5.3	5.8	6	6
Explanation: FY2016 measure changed to specify "reduction".					
Percentage increase of seatbelt citations.	31	55	34	2	2
Explanation: Measure changed in FY2016 from a number count to percentage increase.					
Percentage increase of citations related to collision-causation factors.	65	90	70	3	3
Explanation: Measure changed in FY2016 from a number count to a percentage increase.					
Percentage increase of DUI arrests.	6	9	6	3	3
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	0	0	14	14
Explanation: New measure for FY2016. No FY2015 data.					
Current percentage reduction compared to previous year.	0	0	0	2	2
Explanation: New measure for FY2016. No FY2015 data.					
Percentage reduction in collisions resulting in a fatality.	0	0	0	2	2
Explanation: New measure for FY2016. No FY2015 data.					
Increase the number of driving under the influence task force deployments.	0	0	0	40	40
Explanation: New measure for FY2016. No data for FY2015.					
Percentage increase in child restraint citations issued.	0	0	0	2	2
Explanation: New measure for FY2016. No data for FY2015.					
Increase the number of aircraft enforcement details.	0	0	0	18	18
Explanation: New measure for FY2016. No data for FY2015.					

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage increase in drug arrests.	0	0	0	2	2
Explanation: New measure for FY2016. No data for FY2015.					
Percentage of SWAT and explosive ordnance detail calls responded to.	0	0	0	100	100
Explanation: These were two separate measures combined as one.					
Number of interdiction training sessions provided to criminal justice agencies.	0	0	0	3	3
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	936.2
Other Appropriated Funds	8,540.5	11,080.1	10,770.8
Other Non Appropriated Funds	9,759.0	12,680.6	10,730.6
Total Funding	18,299.5	23,760.7	22,437.6
FTE Positions	125.0	146.8	136.8

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage reduction of fatal commercial vehicle-involved collisions.	13	39	34	8	8
Explanation: Measure changed in FY2016 to a percentage reduction versus number count.					
Percentage reduction of commercial vehicle-involved collisions.	1,720	1,874	1,895	3	3
Explanation: Measure revised in FY2016 to a percent reduction from a number count.					
Percentage reduction in commercial vehicle involved and responsible collisions.	1,150	1,163	1,122	2	2
Explanation: Measure revised in FY2016 to a percent reduction from a number count.					
Percentage increase in driver vehicle examination reports (DVER) completed.	53,256	52,500	43,759	1	1
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.	14	20	27	18.5	18.5
Explanation: Measure changed in FY2016 from placing out of service to reducing placing out of service.					
Number of school buses inspected.	0	0	0	7,500	7,500
Explanation: New measure for FY2016.					
Number of school bus training and education sessions.	0	0	0	8	8
Explanation: New measure for FY2016.					

Subprogram Summary

AVIATION

Heston Silbert, Deputy Director
 Phone: (602) 223-2464
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	449.4	0.0	7,900.0
Other Appropriated Funds	7,175.0	6,941.3	7,231.2
Other Non Appropriated Funds	323.6	2,150.5	2,150.5
Total Funding	7,948.0	9,091.8	17,281.7
FTE Positions	52.0	52.0	52.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average percent of time twin-engine aircraft available for service.	35	75	51	75	75
Average percent of time single-engine aircraft available for service.	78	100	45	100	100
Average percent time helicopter(s) available for service.	48	60	55	60	60

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	41,781.5	47,505.8	49,611.6
Other Appropriated Funds	6,995.4	5,205.5	5,349.0
Other Non Appropriated Funds	8,351.0	9,044.5	9,044.5
Total Funding	57,127.9	61,755.8	64,005.1
FTE Positions	385.8	382.8	382.8

◆ **Goal 1** To promote public safety in Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of computer forensic examinations identified as priorities completed within 6 months.	0	90	74	90	90
Percent of ACTIC tips and leads assigned to DPS resolved within 30 days.	87	90	87	90	90
Explanation: Measure revised in FY2014 to remove the word "investigated."					
Percentage of administrative investigations completed within 60 days.	100	90	100	90	90
Explanation: Measure changed in FY2016 from "projected timelines" to "within 60 days".					
Number of identified and disrupted organized/transnational groups.	0	0	0	225	225
Explanation: New measure for FY2016.					
Number of multi-agency/multi-bureau gang enforcement operations targeting specific gangs, affected neighborhoods or fugitive gang members.	0	0	0	12	12
Explanation: New measure for FY2016.					
Number of violent repeat offender investigations.	0	0	0	18	18
Explanation: New measure in FY2016.					
Facilitate/conduct multi-agency intelligence sharing meetings and briefings.	54	24	159	75	75
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	0	0	5	5
Explanation: New measure in FY2016.					

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,212.8	15,529.0	22,434.6
Other Appropriated Funds	34,092.6	32,928.8	33,037.0
Other Non Appropriated Funds	17,014.3	16,478.5	14,262.9
Total Funding	62,319.7	64,936.3	69,734.5
FTE Positions	536.2	546.2	541.2

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	662.8	2,701.2	4,085.4
Other Appropriated Funds	16,667.8	17,528.2	16,734.6
Other Non Appropriated Funds	2,737.4	3,418.5	2,468.5
Total Funding	20,068.0	23,647.9	23,288.5
FTE Positions	157.7	161.7	156.7

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of days required to analyze a blood alcohol submission from evidence receipt to result delivery.	50	24	46	24	24
Average number of days required to screen a sex assault case from evidence receipt to result delivery.	78	30	63	30	30

◆ **Goal 2** To deliver exemplary service.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of crime lab cases over 30 days old	13	5	12	5	5

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	10,550.0	9,688.8	15,098.8
Other Appropriated Funds	10,114.3	11,098.7	11,456.0
Other Non Appropriated Funds	737.2	1,406.7	1,406.7
Total Funding	21,401.5	22,194.2	27,961.5
FTE Positions	221.0	221.0	221.0

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of paths complete each year of the replacement of the Western Microwave Loop.	0	0	0	2.5	2.5
Explanation: New measure for FY2016.					
Percentage complete of a developed plan to replace the Northern Microwave Loop.	0	0	0	100	100
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	3,139.0	3,250.4
Other Appropriated Funds	7,310.5	4,301.9	4,846.4
Other Non Appropriated Funds	13,539.7	11,653.3	10,387.7
Total Funding	20,850.2	19,094.2	18,484.5
FTE Positions	157.5	163.5	163.5

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of criminal history record review audits conducted annually.	69	113	76	113	113
Explanation: Based on calendar year NCIC cycle.					
Number of Arizona Criminal Justice Information System (AJCIS) audits conducted annually.	74	96	59	96	96
Explanation: Based on calendary year NCIC cycle.					
Percent of all registered sex offender files verified annually.	92	90	96	90	90
Percent of all registered sex offender files queried annually for address verification.	100	100	100	100	100
Number of open security guard and private investigator complaints exceeding 90 days from receipt to final disposition.	25	0	49	0	0
Explanation: Note: calculated based on the average of four quarters per fiscal year.					
Number of noncriminal justice agency audits conducted annually.	37	50	0	50	50

◆ **Goal 2** To deliver exemplary service

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of days to process a clearance card when applicant has NO criminal record.	17	15	15	15	15
Average number of days to process a clearance card when applicant HAS a criminal record.	53	40	57	40	40
Average number of days to process a criminal records check and provide the results.	6	8	7	8	8
Average number of days to process a concealed weapons permit when research IS required.	116	26	35	26	26
Average number of days to process a concealed weapons permit when NO research is required.	62	21	36	21	21
Percentage of customer-service areas transitioned to electronic payment and reporting system.	0	0	0	100	100
Explanation: New measure for FY2016.					
Number of criminal justice agencies transitioned to the Arizona Disposition Reporting System.	11	10	13	10	10

Program Summary

ARIZONA PEACE OFFICER STANDARDS AND TRAINING

Lyle Mann, Executive Director
 Phone: (602) 223-2514
 A.R.S. §§ 41-1822 et. seq.

Mission:

To foster public trust and confidence by establishing standards of integrity, competence, and professionalism for Arizona peace officers and correctional officers.

Description:

The Arizona Peace Officer Standards and Training Board (POST) is composed of thirteen members appointed by the Governor according to the provisions of A.R.S. § 41-1828.01. The program provides the following: funding for basic training academies; reimbursement for materials and supplies; continuing training for law enforcement officers (i.e., sponsorship, financial support, and actual delivery); development of standards for law enforcement officers (i.e., physical, educational, and proficiency skills); certification and decertification of law enforcement officers; and the development of standards for correctional officers.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,711.7	6,149.6	6,149.6
Total Funding	6,711.7	6,149.6	6,149.6
FTE Positions	24.0	24.0	24.0

- ◆ **Goal 1** To develop, implement, and update standards for the selection, retention, and training of peace officers and corrections officers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New hires.	1,406	1,150	1,283	1,300	1,300
Peace officers requiring basic training.	750	750	865	800	800
Peace officers via waiver testing.	54	70	57	60	60
Agencies to be audited.	164	164	163	163	163
Certified peace officers.	14,589	14,800	14,578	15,000	15,000
Corrections officers.	5,836	6,100	5,807	6,640	6,640
New hire minimum qualification compliance audits conducted.	1,228	1,150	1,325	1,300	1,300

Explanation: Note: Includes officers moving from one agency to another.

Days required to conduct new hire audits.	42	44	35.4	36	36
Percent of agencies in non-compliance.	10	10	10	10	10
Academy audits completed.	4	4	5	4	4
Average number of days to review and complete investigations.	239	150	119	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Inter-governmental agreements and partnerships.	19	21	22	23	22
Revenues received from public sources (\$ thousands).	0	0	0	0	0
Efficiency review ideas received.	15	15	16	15	15
Efficiency review ideas considered for implementation.	15	15	16	15	15

- ◆ **Goal 5** To enhance the professional development of peace officers through continuous improvement of basic and in-service training, and to provide for a comprehensive system for agency attainment of POST-mandated training.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Qualified new instructors teaching POST programs.	566	300	459	300	300
Explanation: Measure changed slightly in FY2014 to include the word "new".					
Train-the-trainer programs provided.	26	22	27	24	24
In-service programs presented by POST.	115	100	170	100	100
Explanation: Measure changed for FY2014. Previous measure was: Calendar School Programs presented by POST and the Community Policing Institute.					
Attendees of in-service programs.	3,820	4,000	4,472	4,000	4,000
Explanation: Measure changed for FY2014. Previous measure was: Attendees of Calendar Schools.					
DVD training programs produced.	6	7	8	7	7
Percent of participants in DVD training programs.	100	100	100	100	100
Number of students participating in interactive web-based training program.	21,311	23,000	2,500	15,000	20,000
Explanation: For FY2015, current system outdated; working on a new system.					
Percent high-risk, high liability topics reviewed.	100	100	100	100	100
Percent of train-the-trainer, specialty, and regional training programs reviewed.	50	66	66	66	66
Percent of in-service programs achieving an overall evaluation of 8.0 or better.	97	90	90	90	90

Agency Summary

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

Jared Smout, Administrator
 Phone: (602) 296-2527
 38-841

Mission:

To be a low cost, highly personalized quality service provider of retirement benefits to public safety personnel.

Description:

PSPRS manages the retirement systems for most law enforcement officers, correctional officers, and elected officials in the State of Arizona.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	100,361.6	99,251.0	99,251.0
Total Funding	100,361.6	99,251.0	99,251.0
FTE Positions	47.0	47.0	47.0

5 Year Plan

Issue 1 New SI

Description

Solutions:

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Active Members in PSPRS	18,526	18,711	20,084	20,284	20,488
Active Members of CORP	14,595	14,741	14,184	14,325	14,469
Active Members of EORP	843	851	909	900	900
Retirees from PSPRS	10,524	10,629	11,034	11,144	11,255
Retirees from CORP	4,090	4,130	4,410	4,454	4,499
Retirees from EORP	1,053	1,063	1,116	1,127	1,138

◆ **Goal 2** To provide high quality investment management of the System's assets.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of investment returns	13.28	8.0	3.68	8.0	8.0
3 year rolling rate of return	7.65	8.0	9.22	8.0	8.0

Agency Summary

DEPARTMENT OF RACING

William J. Walsh, Director
Phone: (602) 364-1730
A.R.S. §§ 5-101 et seq.

Mission:

To regulate and supervise pari-mutuel racing and wagering conducted in Arizona in order to protect racing participants and the wagering public. To regulate and supervise boxing and mixed martial arts events conducted in Arizona to protect all participants in these events.

Description:

Effective July 3, 2015, the Department of Racing consolidated into the Department of Gaming. The Department of Gaming succeeds to the authority, powers, duties, and responsibilities of the Department of Racing. The Department of Racing regulated the Arizona pari-mutuel horse and greyhound racing industries as well as all professional boxing events and mixed martial arts contests. The Department oversaw, supervised, and issued permits for all commercial horse, greyhound and county fair racing, including live and simulcast racing; supervised off-track betting sites; conducted background checks and licensed all racing participants; collected state revenues generated by races; promoted and encouraged the breeding of horses and greyhounds in the state; promoted and encouraged the adoption of retired racehorses and retired greyhounds; and enforced laws and rules related to racing and wagering.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,014.4	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	29.8	0.0	0.0
Total Funding	2,044.2	0.0	0.0
FTE Positions	0.0	0.0	0.0

Agency Summary

RADIATION REGULATORY AGENCY

Aubrey V Godwin, Director

Phone: (602) 255-4822

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ RADIOACTIVE MATERIALS/NON-IONIZING RADIATION	419.1	419.3	419.3
➤ X-RAY COMPLIANCE	811.6	809.3	981.4
➤ EMERGENCY RESPONSE	1,195.3	1,444.9	1,415.0
➤ RADIATION MEASUREMENT LABORATORY	610.7	620.9	620.9
➤ MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS	271.0	272.5	272.5
Agency Total:	3,307.7	3,566.9	3,709.1
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,466.5	1,595.0	1,767.1
Other Appropriated Funds	842.4	851.2	851.2
Other Non Appropriated Funds	998.8	1,120.7	1,090.8
Total Funding	3,307.7	3,566.9	3,709.1
FTE Positions	38.0	38.5	41.5

5 Year Plan

Issue 1 SI Issue 1. X-ray tube growth exceeds Agency resources.

Description The number of x-ray tube heads in use in Arizona normally increases at a rate of about 4% per year. For Fys 2010, 2011, 2012, 2013, 2014 and 2015 the growth rate was 2.5%, 0.3%, 1.8%, 1.7%, 4.1% and 0.0%. Agency staffing and equipment is unable to keep up with this growth rate. The Agency is 47.3% behind in its inspection of x-ray tubes. The lack of staff means Agency will continue to increase in overdue inspections until sufficient staff can be trained.

Solutions:

Improvement strategy: Assuming 4%, the historical growth rate for FY2016 and 2017, we will have to add resources, both staff and equipment, to have our inspections to be caught up to the point of not more than 5% of the registrants overdue for inspection. Possible increased efficiencies will help reduce the resource needs, they will not eliminate these needs. To inspect the 15,999 x-ray tubes at the scheduled re-inspection rate, of 4,260 per year, we need 7 general x-ray inspectors. At the present time we have 4. By FY2017 we will need 8 if we are to reduce the overdue for inspection to 5% or less by FY2019.

Issue 2 SI Issue 2. High- and Low-level radioactive waste will continue to be a public issue and problem.

Description The disposal of radioactive waste continues to be of major concern to the public. Over the next 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 FY2015, 52 shipments of route controlled quantities (16,000,000 Curies) were shipped across AZ, primarily along I-40 but some along I-10 and I-15.

Solutions:

Improvement strategy: We need to maintain calibrated equipment and trained first responders along the transportation routes. Until FY 2012, we had a position funded by the U.S. Department of Energy (DOE). DOE decided to stop funding the position, training, and equipment maintenance since WIPP in New Mexico would no longer use the I-40 route. In view of the significant amount of radioactive material transported across AZ, we believe the function should continue even though DOE does not fund the project. Public concern could indicate a need to monitor each significant shipment before it crosses Arizona. If every shipment is to be monitored, additional 2 FTE will be required. This also indicates a need, which we are currently meeting, to continue to provide calibrated instruments to the local first responders.

Issue 3 SI Issue 3: Emerging technologies.

Description Newer and more powerful particle accelerators are coming to Arizona for medical treatments. These facilities involve the treatment utilizing higher energy protons. These protons require new training of staff and some new equipment. Discussions with the prospective registrants indicate they will be treating patients 18 hours per day. The remainder of the day the physicists from the particle accelerator supplier will be performing maintenance. In some cases new radiopharmaceuticals are being developed for experimentation and the production of the radiopharmaceuticals are under the jurisdiction of the State to assure the safety of the drugs.

Solutions:

Improvement Strategy: While we anticipate having 2 such facilities, there are 12 units in operation in the U.S. Our approach to the situation is that we need to have a trained professional to assess the exposure risks and apply reasonable requirements and reduce unreasonable requirements in our program.

The proton particle accelerators will have a high energy potential of up to 250 MEV. Current accelerators are 25 MEV or less when used for patient treatment. The drug production accelerators currently in use in Arizona are 30 MEV and the incoming units are up to 250 MEV.

Issue 4 SI Issue 4: Uranium mining and leaching are again becoming an issue in Arizona.

Description The Agency is required by §30-654(B)(15), A.R.S. to conduct an offsite environments monitoring program of any fixed nuclear facility, any uranium milling and tailing site and any leaching operation. With the increase of the price of uranium to greater than \$100.00 per pound, increased interest is being shown by industry to mine and considering milling and leaching.

Solutions:

Improvement strategy: Restart the State wide environmental monitoring program. This would meet the requirements of §30-654(B)(15), A.R.S. should any of the sires process the ore in any way at their site. Further, we could respond to any concerned citizens' questions about waste releases from any mining operation. It may be of economic interest to the State of Arizona to sign an agreement to become the regulatory agency for these sites and thereby reduce the costs to the sites. If the State elects to take this option, up to 4 FTE would need to be added to the staff. They would be paid for by the increased fees collected after the agreement is signed with NRC. The fees to the State would be less than those than the licensees would pay to the NRC, if the state does not become the regulatory agency, resulting in a savings to the industry.

Issue 5 SI Issue 5: Non-ionizing radiation sources increasingly is a public concern.

Description Legislation adopted in 2008, required certification of technicians performing cosmetic laser procrduress. In addition, the World Health Organization and the U.S. Food and Drug administration have recommended restrictions on tanning bed usage by individuals under the age of 18. The funding from the certification of technicians currently pays the cost of certifying the technicians but not the inspection of the facilities. If additional restrictions are adopted by the legislature, there may be some cost in enforcing them. At present the Agency is late in inspecting 56% of the facilities.

Solutions:

Improvement strategy: The Agency will continue to respond to public inquiries and concerns. 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 SI Issue 6: The State needs to be prepared to respond to a major radiation incident or terrorist event.

Description Since 1979, the Agency has historically responded to a major radiation incident every 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. In addition, the U.S. Nuclear Regulatory Commission has changed the requirements for emergency response to incidents at nuclear power plants by requiring additional testing and the complexity of the radiological emergency plan testing.

Solutions:

Improvement strategy: At present, the State is heavily dependent on receiving federal assistance within 12 to 24 hours of the initiating event. The addition of staff for other Agency needs will also allow the Agency to be able to respond to a major radiation event or a terrorist event adequately. This may be important since the federal response may be as long as 24 hours in arriving in AZ. If other facilities are also threatened we cannot be assured of how much federal support we may receive.

Issue 7 SI Issue 7: Monitoring of the environment will be important after major, worldwide radiation events.

Description The release of radioactive material at the Fukushima reactor site in Japan demonstrated that such events will be detected in Arizona. Prior to FY 2007, we maintained a state wide environmental radiation monitoring system in Arizona. After 2008 we ceased all such monitoring except around Palo Verde Nuclear Generating Station. As a result, the Agency was unable to respond to public requests for the concentrations of radioactive material in their milk, air, or water outside of the Phoenix area. Even though we believe that detectable quantities of Fukushima material was in all sections of Arizona.

Solutions:

Improvement strategy: By FY2017, the Agency would need to add 2 FTE and acquire additional monitoring equipment to provide this information to the public.

Issue 8 SI Issue 8: Maintaining adequately trained and drug free personnel delivering personal services.

Description It is becoming increasingly important to assure the qualifications of personnel in the medical realm as well as those providing cosmetic services. The David M. Kwiatkowski case is a prime example of what could happen. He apparently caused at least 30 cases of hepatitis-C when he replaced sterile syringes with contaminated syringes in other states. The Agency investigates and takes appropriate actions to prevent individuals who conduct unprofessional, unethical, illegal or otherwise unacceptable performance from receiving or maintaining certification to work in medical areas. Mr. Kwiatkowski surrendered his certification to work in AZ and apparently he did not contaminate any one in AZ.

Solutions:

Improvement strategy: The Agency needs to assess applicants and complaints and where appropriate suspend the certificate of those who are performing unprofessional, unethical, illegal or substandard performance. For those who may be reclaimed, a program that is preventative and will wean the user from the drugs or change their conduct must be implemented as soon as possible. Additional clerical staff would permit more time for investigations, random background checks, and review of training and education.

Issue 9 SI Issue 9: Relationships with federal agencies will remain uncertain.

Description The U.S. Nuclear Regulatory Commission (NRC) continues to pay for the classroom and travel costs for training. They do not pay the salary costs or for lost production. There are no indications of a change in the immediate future. The U.S. Food and Drug Administration (FDA) continues to support the mammography program for the State. Since the Waste Isolation Pilot Project no longer uses Arizona as a route to Carlsbad, NM, the U.S. Department of Energy has withdrawn their support to train, equip and maintain radiation response along I-40. The Agency is still obligated to respond to any radiation accidents that may occur. This includes providing technical assistance (training) so that agencies may respond to such accidents safely. The U.S. Environmental Protection Agency (EPA) contracts with the State for Radon information and limited testing for radon. Consideration is being given to suspending the radon program nationally. While AZ is fortunate to not be in the high radon zones, we do find homes and businesses within AZ that do exceed the EPA guidelines for the facilities. At present the Agency receives 3 to 4 calls per day from the public regarding radon.

Solutions:

Improvement strategy: The Agency will continue to utilize the training provided by the NRC. Further, the Agency will continue to accept the support available from the FDA. We still continue to seek support from DOE since they continue to transport low level waste across Arizona. The Agency will continue to respond to public inquiries on radon. We have noticed an increase in the number who have radon testing/mitigation issues addressed in their sales contracts. If federal funding sources are unavailable, the state will have to support about 1.5 FTE for these services.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	32.5	34.0	36.5
General Fund	2,000,000.0	2,100,000.0	2,200,000.0
Other Appropriated Funds	900,000.0	900,000.0	1,000,000.0
Non-Appropriated Funds	815,000.0	845,000.0	850,000.0
Federal Funds	285,000.0	295,000.0	305,000.0

Program Summary

RADIOACTIVE MATERIALS/NON-IONIZING RADIATION

Aubrey V Godwin, Director
 Phone: (602) 255-4822
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	338.2	338.4	338.4
Other Appropriated Funds	80.9	80.9	80.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	419.1	419.3	419.3
FTE Positions	7.0	7.0	7.0

◆ **Goal 1** To identify and license or register all users of radioactive materials or particle accelerators in Arizona.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
New licenses and renewals	68	72	81	80	85
Accelerator registrations	68	70	72	75	75
Accelerator registration actions	70	75	78	75	80
Customer satisfaction rating	7.4	7.6	7.5	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Non-ionizing radiation registrations, active.	1,411	1,500	1,481	1,600	1,610
Non-ionizing radiation registration actions.	586	600	601	610	610

◆ **Goal 3** To inspect all users of radioactive materials or particle accelerators according to Agency regulations.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of radioactive materials inspections	187	150	190	150	160
Accelerator inspections	25	35	33	40	45

◆ **Goal 4** To inspect NIR users to assure conformance with radiation safety regulations

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Non-ionizing radiation registrations inspected	337	350	286	400	400

Explanation: Staff shortage due to budget restrictions has reduced the number of inspections.

◆ **Goal 5** To show agency-wide goals and objectives as shown in Budget Act.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Administration as a per cent of total expenditures	12.3	11.0	9.1	10.8	10.9
Customer satisfaction rating	7.4	7.6	7.5	7.6	7.6

Program Summary

X-RAY COMPLIANCE

Aubrey V Godwin, Director
Phone: (602) 255-4822
A.R.S. §§ 30-652 et seq

Mission:

To protect the citizens of Arizona from overexposure or unnecessary exposure to x-ray radiation. Provides technical expertise to response activities during radiation emergencies or terrorist events.

Description:

X-Ray Compliance is responsible for the registration of x-ray machines and the regulation of x-ray radiation. Inspection of all x-ray facilities and equipment utilizing x-rays is performed routinely, including those used for mammographic, chiropractic, dental, veterinary, industrial and medical disciplines. The subprogram supports safe use by operators and the minimization of patient exposure.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	348.5	341.2	513.3
Other Appropriated Funds	260.6	265.6	265.6
Other Non Appropriated Funds	202.5	202.5	202.5
Total Funding	811.6	809.3	981.4
FTE Positions	14.0	14.0	17.0

◆ **Goal 1** To register all x-ray tubes within the State of Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
X-Ray tubes registered	16,092	16,200	15,999	16,000	16,000

◆ **Goal 2** To inspect all x-ray tubes to ensure continuous compliance with health and safety standards.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of x-ray tubes inspected	16.0	16	17.5	17	17

Explanation: As the number of x-ray tubes increases a fixed number of inspectors will inspect a smaller percent of the total.

X-ray machines inspected	2,513	2,550	2,653	2,650	2,650
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Explanation: The number of available inspectors limits the number of inspections.

Percent of x-ray tubes overdue for inspection	47.8	52	47	47	47
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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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of mammography facilities certified	147	150	154	150	150

◆ **Goal 4** To improve efficiency of subprogram database changes and tracking of applications.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Database changes	1,524	1,600	1,594	1,600	1,600

Explanation: We have reduced the amount of data we collect and this has reduced the number of data changes

Program Summary	
EMERGENCY RESPONSE	
Aubrey V Godwin, Director	
Phone: (602) 255-4822	
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	707.2	834.9	834.9
Other Appropriated Funds	110.8	110.8	110.8
Other Non Appropriated Funds	377.3	499.2	469.3
Total Funding	1,195.3	1,444.9	1,415.0
FTE Positions	5.0	5.5	5.5

◆ **Goal 1** To respond effectively to any radiological incidents or accidents within Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Radiological incidents (non-Palo Verde related)	23	25	28	25	25

Explanation: May include reactor events outside of Arizona if the Agency has to respond to public inquiries.

Radiological incidents (Palo Verde related)	3	1	0	1	1
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◆ **Goal 2** To promote Agency radiological incident response capabilities within the State's HAZMAT community.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of contact procedure pamphlets distributed to users	3,500	3,500	150	200	200
Number of assistance requests (state, local or federal agency)	23	25	42	45	45
Number of Spent Nuclear Fuel or Large Quantity Radioactive Material Shipments	42	60	54	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of monitoring team members	186	185	515	500	500

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of instrument kits distributed to qualified teams	2	25	5	4	5

Explanation: WIPP terminated their support of a shipment route in AZ.

Program Summary

RADIATION MEASUREMENT LABORATORY

Aubrey V Godwin, Director
 Phone: (602) 255-4822
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	72.6	80.5	80.5
Other Appropriated Funds	119.1	121.4	121.4
Other Non Appropriated Funds	419.0	419.0	419.0
Total Funding	610.7	620.9	620.9
FTE Positions	7.0	7.0	7.0

◆ **Goal 1** To analyze environmental samples to ensure that no radioactivity beyond natural background is present.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of environmental sample analyses	1134	1,170	1,315	1325	1,350

◆ **Goal 2** To analyze radon test canisters for the presence of radon in public schools above the recommended action level established by the U.S. Environmental Protection Agency (EPA).

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Radon canisters analyzed	625	800	210	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
TLD monitoring sites	52	55	51	52	52

Explanation: Statewide monitoring program stopped in 2009 due to budget restraints. Only monitoring PVNGS at present.

Air sampling stations throughout Arizona	8	10	8	8	8
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Explanation: Program shutdown in 2009 due to severe budget restrictions. Only monitoring PVNGS at present.

- ◆ **Goal 4** To maintain designation as a primary laboratory for valid data.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Designated. Awaiting report from EPA regarding the 2013 review.	Yes	Yes	yes	Yes	yes

Explanation: EPA review results pending

- ◆ **Goal 5** To provide laboratory support to the Department of Environmental Quality drinking water and mining programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of practices/responses	1	2	3	2	2

Explanation: PVNGS will have an emergency drill involving terrorism activities in 2014.

Program Summary	
MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS	
Aubrey V Godwin, Director	
Phone: (602) 255-4822	
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	271.0	272.5	272.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	271.0	272.5	272.5
FTE Positions	5.0	5.0	5.0

- ◆ **Goal 1** To assure qualifications and issue certificates to qualified applicants.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Qualified technologists certified, total	7,372	7,600	7,411	7,500	7,525
Certificates issued within 60 days	4,057	4,100	4,949	4,200	4,250
Number of active medical radiologic technologist certificates	8,045	8,100	8,813	8,850	8,875

◆ **Goal 2** To enforce A.R.S. § 32-2801 et seq.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of complaints	39	50	67	65	70
Number of complaints resolved	24	35	43	30	30

◆ **Goal 3** To conduct investigations required by A.R.S. § 32-2821(B).

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of investigations	39	50	63	60	65

Agency Summary

DEPARTMENT OF REAL ESTATE

Judy Lowe, Commissioner
Phone: (602) 771-7760
A.R.S. §§ 32-2101 et seq

Mission:

To serve and protect the public interest through efficient and timely licensure, balanced regulation, and proactive education of the real estate profession in the State of Arizona.

Description:

Pursuant to A.R.S. Title 32, Chapter 20 and the Administrative Code Title 4, Chapter 28, the Department regulates real estate licensees (including residential sales, brokers, companies, property managers, business brokers, and commercial brokers), private cemeteries, and membership camping licensees. The Department also regulates real estate educators and schools, monitoring pre-licensing and continuing education courses to ensure the quality content of courses and the competence of instructors, as well as the quality and timeliness of materials being taught. The Department oversees the administration of licensing examinations as well as the activities of licensees to ensure compliance with the Arizona Revised Statutes and the Commissioner's Rules.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,507.2	2,985.2	3,215.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	59.1	185.1	185.1
Total Funding	2,566.3	3,170.3	3,400.9
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 beginning to see recovery in the real estate market that is showing signs of a growing Arizona economy. There has been modest recovery in some important areas, which in turn could escalate some of the problematic areas in the industry that historically have jeopardized the public and their confidence in real estate professionals. Some of the more prevalent and ongoing harmful effects in the real estate market are seen in the following:

- Advertising violations, where misleading false and deceptive marketing is used;
- Property management mishandling and/or depletion of trust accounts by licensed individuals;
- Property management schemes/violations conducted by unlicensed individuals;
- Unlicensed entities in Arizona, as well as, out-of-state companies, conducting real estate activities;
- Auctions, where unlicensed individuals facilitate the sale of properties; 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 increased the number of classes monitored 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.

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 permits divisions.

To the extent possible, while still adhering to statutory mandates, and with respect for the legal requirements to ensure due process, the agency will continue to identify and implement ways to streamline and simplify these operational processes to serve the public, and industry, in a timelier manner. The Department is committed to continuous improvement of these overall processes in order to enable staff to work toward the best outcomes for those the Department serves.

The Department recognizes that it has an obligation to the citizens of Arizona to ensure that Department resources are being used as efficiently and effectively as possible. To this end, the Department continues to explore and implement efficiency and cost-saving strategies wherever possible, and to look for better ways to deliver services. The Department has reviewed each of its divisions over the past year and developed comprehensive procedures manuals that outline all key functions. This goal was targeted to ensure that the critical information necessary to operate the agency is available for all appropriate staff. Although division process manuals have been developed, the agency reviews them annually to make critical updates and will always work to identify more efficient ways to achieve results.

The Department will also continue to review and revise the many forms used by the real estate industry and the public. These forms are reviewed when there are questions from the public, so as to identify how the form could be made more “user-friendly”.

Issue 4 Strategic Issue #4: Maximize Technology Platform

Description The Arizona Department of Real Estate's Information Technology Infrastructure must be improved upon in order to facilitate more efficient internal processes and to keep pace with the technologically savvy real estate industry and public that the Department serves.

Based on the Department's business technology assessment and the review of the State of Arizona IT Strategic Plan, the Department has developed an implementation plan to replace/update the outdated IT and communication system, providing opportunities for re-engineering appropriate business processes throughout all areas of the agency. Implementation and integration of these systems will provide faster, more efficient customer service to the public, as well as enhance staff efficiencies by reducing duplication of effort and shortening time spent on various data-gathering and verification tasks.

These improvements must be achieved in both the Department's internal file/document management and online services development. Today, through the Department's proprietary technology platform, a licensee can complete the renewal of their license on-line in a matter of minutes, and the original license applicant can visit the Department, or mail/scan their application documents and receive same day licensing services. The online capability must be expanded to enhance the new online license application.

The internal file management was developed years ago, and must be redesigned to today's systems. Serving 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 34 FTE). Technology is the catalyst that will allow the Department to continue to improve its excellent service delivery.

Solutions:

The Department will continue to develop an enhanced internal database system called REALM II which will build upon the current database system known as Realm. Additionally, over the past year the Department has worked toward converting all paper documents to electronic files to create greater efficiencies for processing applications, public records requests, and reducing the Department's paper footprint. The Department completed digitizing nearly 100,000 legacy files from the Licensing Division in August 2015. The Department will now work toward digitizing the following divisions: Investigations, Enforcement and Compliance, Development/Builder Services, Business Services, and Administration in FY 2017.

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.

Lastly, the Department implemented its first Licensing Self-Serve Kiosk. A license candidate or renewal license applicant can now 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, 2015, the Arizona Department of Real Estate employs 32.5 FTE, while budgeted in FY 2015 for 37 FTE. The Department may under the hiring freeze, if critical, hire up to 34 FTE, by the end of the calendar year. Leaner staffing levels, tighter budgets, and greater efficiencies than the previous year, is what the public and industry has come to expect from the ADRE. Over the past year, the ADRE has had 12 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 as proven by FY15. The Department's focus moving forward will continue to be on the ability to implement strategies to mitigate anticipated departures of valuable employees, to preserve and transfer the historical institutional knowledge of retiring staff, and to implement recruitment measures to attract top talent and improve on staff job satisfaction.

Issue 6 Strategic Issue #6: Adhere to Fiscal Guidelines

Description The Department has successfully accommodated budget cuts, downsizing staff, and has survived with less than requested annual appropriations. Over the last five budget cycles the ADRE's appropriation has remained below \$3 million, while reducing the number of appropriated FTE's to 32.5 in FY 2015.

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	38.0	38.0	38.0
General Fund	3,200.0	3,200.0	3,200.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	185.0	185.0	185.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To provide excellent customer service to licensees.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Department customer service surveys indicating good to excellent service.	N/A	99	0	99	99

◆ **Goal 2** To review and approve new courses quickly and thoroughly.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average days from receipt to approval of real estate school, course and instructor applications.	11	10	7	7	5

◆ **Goal 3** To improve the quality of class offerings and instructors by monitoring and auditing more classes.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Classes assigned	553	600	643	720	720

◆ **Goal 4** To create and maintain procedures to process licenses in an efficient and timely manner.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average days from receipt of application to issuance of real estate license	1	1	1	1	1
Total real estate applications received	36,326	37,553	40,978	42,000	44,000

Explanation: New Applicants & Renewals

Number of real estate licensees	78,053	72,200	78,038	78,500	80,000
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Explanation: Number reflects actual count of licensees. This includes individuals, brokers, and entities.

◆ **Goal 5** To maintain the timeliness of the investigative process.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average calendar days from receipt of real estate or subdivision complaint to resolution	43	40	27	25	25
Total real estate or subdivision complaints investigated	729	1,100	866	1,100	1,100

◆ **Goal 6** To maintain excellent customer service through the timely issuance of public reports.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of calendar days to issue deficiency letter on subdivision applications received.	20	15	18	15	11
Number of subdivision filings received	598	650	556	600	600

Explanation: Includes amendments

Average number of days to issue an improved lot public report.	20	20	5	5	5
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◆ **Goal 7** To maintain an appropriate ratio of administrative costs in relation to the Department's appropriation.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of administrative costs	10.3	9	9.8	9	9

Explanation: Includes Information Technology, Budget, Policy, Human Resources, and Operations

◆ **Goal 8** To perform 1,500 in-field broker audits and/or electronic broker audit reports (EBARs) by FY 2016.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of in-field broker audits performed.	464	450	316	320	320

Explanation: The Department based its FY 2015 estimate on receiving its funding request for 2 FTE Auditor/Investigator.

Number of Electronic Broker Audit Reports (EBARs) conducted.	162	222	126	150	150
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Explanation: The Department based its FY 2015 estimate on receiving its funding request for 2 FTE Auditor/Investigator.

Agency Summary

RESIDENTIAL UTILITY CONSUMER OFFICE

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,025.1	1,335.0	1,335.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,025.1	1,335.0	1,335.0
FTE Positions	7.0	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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	8.0	8.0	8.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,335.0	1,335.0	1,335.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of cases analyzed	17	20	13	19	13
RUCO interventions in rate making	14	12	12	19	13

◆ **Goal 2** To secure for residential utility ratepayers the lowest reasonable rates.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of utility rate hearings	6	10	9	13	11
Number of utility hearings	8	12	9	16	13
Average rate increase requested by utilities (millions)	2.1	10.0	9.1	7.4	8.2
Average rate increase recommended by RUCO (millions)	0.6	4.0	6.6	5.4	6.0
Average rate increase approved by ACC (millions)	1.6	6.0	7.8	6.3	7.0
Percent variance between utilities' request for rate increases and the actual ACC authorized rates	40	35	14.7	14.7	14.7

◆ **Goal 3** To protect residential consumer interests in matters involving competitive issues before the Arizona Corporation Commission.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
RUCO interventions in cases involving competitive issues	2	2	4	2	2
Administration as a percentage of total cost	3.0	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	271.9	300.1	300.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	271.9	300.1	300.1
FTE Positions	4.0	4.0	4.0

Issue 1 ARIZONA BOARD OF RESPIRATORY CARE EXAMINERS
FIVE-YEAR STRATEGIC PLAN
Fiscal Years 2015-2017

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:To professionally respond to industry and national trends, the Board will need to have the appropriate staffing and financial resources to accomplish this goal. This will require new statutory language and rulemaking.

Strategy:By July 2016, the Board will have completed rules and implemented a new entry level examination standard, requiring new licensees to hold or have taken and passed the NBRC examination for Registered Respiratory Therapists (RRT).

Strategy:Introduce legislation in 2016 to add a statutory ability to order evaluations and implements a monitored aftercare program.

Goal:To continuously improve the electronic licensing and payments systems.

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:By March 2017 have all backdated National Practitioner Databank Reports entered and submitted to the Health and Human Services Administration as required.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	4.0	4.0	4.0
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New and temporary licenses issued	367	375	286	300	300
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	1,757	1,700	1,766	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of complaints received	99	110	127	100	100
Explanation: Total number of complaints received					
Average days from receipt of complaint to resolution	91	90	60	90	90
Explanation: Average number of day to close a complaint					
Average monthly backlog of complaints not yet resolved	25	20	22	20	20
Explanation: Total number of complaints pending from month to month					
Number of licenses revoked or suspended	8	5	5	3	3
Explanation: Total number of licenses revoked or suspended					
Total number of practitioners investigated	96	95	126	90	90
Percent of investigations resulting in disciplinary or enforcement action	22	10	2.61	5	5
Total percent of licensees receiving disciplinary action	2	2	2	2	2

Agency Summary

STATE RETIREMENT SYSTEM

Paul Matson, Director
 Phone: (602) 240-2031
 A.R.S. § 38-712

Mission:

To benefit our members, the Arizona State Retirement System (ASRS) will be a leading state benefit plan administrator in the areas of core member services, funded status, investment performance, and operational effectiveness, while keeping program benefits and associated costs relatively aligned and maintaining actuarial and fiscal integrity.

Description:

The Arizona State Retirement System provides pension, retirement, survivor, disability, health insurance, and education 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ MEMBER SERVICES	23,421.7	27,853.4	27,231.5
➤ ADMINISTRATION AND SUPPORT	6,073.6	5,867.9	5,867.9
➤ INVESTMENT MANAGEMENT	235,801.3	245,781.9	267,241.4
Agency Total:	265,296.6	279,503.2	300,340.8
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	24,643.1	27,981.6	27,565.0
Other Non Appropriated Funds	240,653.5	251,521.6	272,775.8
Total Funding	265,296.6	279,503.2	300,340.8
FTE Positions	246.9	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

	FY2018 Estimate	FY2019 Estimate	FY2020 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

MEMBER SERVICES

Anthony Guarino, Deputy Director, Chief Operations Officer
Phone: (602) 240-2077
A.R.S. § 38-712

Mission:

To benefit our members, the Arizona State Retirement System (ASRS) will be a leading state benefit plan administrator in the areas of core member services, funded status, investment performance, and operational effectiveness, while keeping program benefits and associated costs relatively aligned and maintaining actuarial and fiscal integrity.

Description:

The Member Services Program is comprised of the Member Services, Financial Services, and Information Services Divisions of the ASRS. These three divisions are collectively responsible for delivering services to ASRS members.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	19,492.1	23,059.4	22,642.8
Other Non Appropriated Funds	3,929.6	4,794.0	4,588.7
Total Funding	23,421.7	27,853.4	27,231.5
FTE Positions	193.0	200.0	200.0

◆ **Goal 1** To ensure that members receive calculations and disbursements timely, consistently, and accurately.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of new retirees receiving initial payments within 10 business days of retirement (objective 90%)	83	90	86	90	90
Percent of overall member satisfaction with the retirement application process for new retirees (objective 90%)	96.9	90	97	90	90
Number of new retirements processed	8,390	8,600	9,379	8,600	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)	125,302	131,501	130,688	133,955	137,303
Number of pension adjustments completed	737	700	512	600	600
Percentage of pension adjustments processed within 20 business days of identification (objective 90%)	99	90	99	99	99
Percentage of refunds disbursed within 10 business days of request (objective 90%)	99	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%)	96.4	90	96	90	90
Number of refund requests received	15,152	16,000	13,416	15,000	15,000
Percentage of service purchase cost invoices distributed within 10 business days of receipt (objective 90%)	91	90	87	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%)	89.2	90	88	90	90
Number of service purchase cost invoices requested	3,500	3,500	3,873	3,500	3,500
Number of service purchase lump sum payments completed	1,862	2,000	1,829	2,000	2,000
Number of service purchase payroll deduction agreements completed	110	150	68	150	150
Percentage of service purchase lump sum payments processed within 10 business days of receipt (objective 90%)	86	90	87	90	90
Total number of deaths reported (retired members)	2,537	2,600	2,807	2,650	2,650
Total number of deaths reported (non-retired members)	1,224	1,300	994	1,100	1,100
Percent of overall member satisfaction with the survivor benefit process (objective 90%)	93.2	90	95	90	90

- ◆ **Goal 2** To offer retired and disabled members access to affordable, competitive and efficiently run health insurance and disability programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of enrollments and declines processed	n/a	10,000	11,027	11,000	11,000
Number of retirees receiving a premium benefit	n/a	71,000	77,519	78,000	78,500
Total amount disbursed for premium benefit (in thousands)	n/a	105,000	104,000	105,000	107,500
Number of months needed to determine eligibility for LTD	1.9	2.5	1.8	2.5	2.5
Number of open LTD claims	4,341	4,400	4,242	4,300	4,300
Number of new LTD claims	706	750	724	750	750
Number of late LTD claims	11	25	14	15	15
Percentage of overall member satisfaction with Long Term Disability program (objective 90%)	94.3	90	91.9	90	90

- ◆ **Goal 3** To ensure that contributions, account information, and financial data are collected, managed, and accounted for efficiently and effectively.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of valid invoices paid within 30 days of receipt (objective 100%).	99.8	100	99.9	100	100
Percentage of all invoices with a discount paid within the discount period (objective 99%).	60	99	100	99	99
Percentage of collected outstanding accounts receivable balance each month (objective 5%).	7.4	5	6.7	5	5
Percentage of employees are paid timely and accurately (objective 100%).	100	100	100	100	100

- ◆ **Goal 4** To provide members with easy and timely access to current account information and various educational services to help plan and manage their retirement.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of calls answered within 20 seconds (objective 80%)	80	80	88	80	80
Percent of telephone inquiries answered accurately (objective 95%)	98	95	99	95	95
Percentage of overall member satisfaction with Telephone Service at the Arizona State Retirement System (objective 90%)	92.6	90	97	90	90
Number of calls received	176,003	185,000	172,758	175,000	175,000
Percent of calls abandoned by caller (objective 5% or fewer)	5.9	5	0.7	5	5
Percentage of overall member satisfaction with Destination in Sight meetings (objective 90%)	99.6	90	99	90	90
Percentage of overall member satisfaction with Next Exit Retirement meetings (objective 90%)	100	90	99	90	90
Total number of Destination in Sight meetings (statewide)	197	200	146	200	200
Total number of Next Exit Retirement meetings (statewide)	165	200	124	150	150
Total number of Destination in Sight meeting attendees (statewide)	3,768	4,000	3,761	4,000	4,000
Total number of Next Exit Retirement meeting attendees (statewide)	1,832	2,000	2,212	2,000	2,000
Percentage of overall member satisfaction with walk-in counseling (objective 90%)	97	90	96	90	90
Percentage of appointments customers served within 5 minutes of arrival (Phoenix and Tucson offices) (objective 80%)	93.7	80	97	80	80
Total number of walk-ins (Phoenix and Tucson)	4,879	5,500	4,761	5,000	5,000
Percentage of walk-in customers served within 30 minutes of arrival (Phoenix and Tucson offices) (objective 80%)	93.8	80	96	80	80
Total number of pre-scheduled appointments (Phoenix and Tucson)	6,978	7,500	5,999	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,826.9	4,621.2	4,621.2
Other Non Appropriated Funds	1,246.7	1,246.7	1,246.7
Total Funding	6,073.6	5,867.9	5,867.9
FTE Positions	42.9	39.9	39.9

- ◆ **Goal 1** To foster member and stakeholder trust and confidence in the ASRS through effective communications, mutually beneficial relations, and a forward-looking legislative agenda.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of employers enrolled with the ASRS	733	735	732	735	735
Number of employer conferences/workshops held	50	35	36	35	35
Number of individual employer meetings held	72	50	56	50	50
Percentage of members who "agree" or "strongly agree" that ASRS employees provide good service to members (objective 90%)	97.1	90	97	90	90
Percentage of members who "agree" or "strongly agree" that the ASRS keeps its members informed of matters that affect them (objective 90%)	94.6	90	94	90	90
Percentage of members who "agree" or "strongly agree" that the ASRS is pleasant and easy to do business with (objective 90%)	96.2	90	98	90	90

- ◆ **Goal 2** To ensure that administrative services are in place to support: an effective operating cost structure and budget; and a work force that reflects agency values and is capable of consistent high performance.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of months in which permanent staffing levels were 90 percent or higher (objective 6)	12	6	12	6	6
Maintain a rolling average annual turnover rate of 18 percent or less	12.8	18	8.4	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	324.1	301.0	301.0
Other Non Appropriated Funds	235,477.2	245,480.9	266,940.4
Total Funding	235,801.3	245,781.9	267,241.4
FTE Positions	11.0	12.0	12.0

◆ **Goal 1** To achieve a total fund rate of return equal to or greater than the actuarial assumed interest rate.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of investment returns	18.6	8.0	3.2	8.0	8.0

Explanation: one-year return figure

10-Year rolling annual rate of return on total fund assets (%)	7.5	7.6	6.9	8.0	8.0
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◆ **Goal 2** To achieve a total fund rate of return equal to or greater than the Asset Allocation Benchmark.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Annualized rate of return	18.6	8.0	3.2	8.0	8.0
Excess return measured against strategic asset allocation benchmark	0.8	n/a	1.6	n/a	n/a
3-year rolling annual rate of return	10.8	8.0	11.4	8.0	8.0
3-Year excess return measured against strategic asset allocation benchmark	0.4	n/a	0.9	n/a	n/a

◆ **Goal 3** To achieve a total fund rate of return equal to or greater than the amount projected in the most recent asset allocation study.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
5-Year rolling annual rate of return	14.2	8.0	11.8	8.0	8.0
5-Year excess return measured against strategic asset allocation benchmark	0.6	n/a	0.6	n/a	n/a

◆ **Goal 4** To achieve asset class net rates of return equal to or greater than their respective broad asset class benchmarks.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Annualized rate of return for domestic equity	24.7	n/a	6.7	n/a	n/a
Excess domestic equity return measured against benchmark	-0.2	n/a	-0.6	n/a	n/a
Annualized rate of return for international equity	21.3	n/a	-3.8	n/a	n/a
Excess international equity return measured against benchmark	-0.7	n/a	0.3	n/a	n/a
Annualized rate of return for fixed income	6.0	n/a	-0.3	n/a	n/a
Excess fixed income return measured against benchmark	0.0	n/a	1.7	n/a	n/a
Annualized rate of return for Multi-Asset Class Strategies	21.2	n/a	1.8	n/a	n/a
Excess Multi-Asset Class Strategies return measured against benchmark	3.3	n/a	0.7	n/a	n/a
Annualized rate of return for real estate	13.7	n/a	13.8	n/a	n/a
Excess real estate return measured against benchmark	1.0	n/a	1.4	n/a	n/a
Annualized rate of return for private equity	17.8	n/a	9.7	n/a	n/a
Excess private equity return measured against benchmark	-7.1	n/a	2.5	n/a	n/a
Annualized rate of return for opportunistic equity investments	37.9	n/a	28.6	n/a	n/a
Annualized rate of return for opportunistic debt investments	9.6	n/a	6.5	n/a	n/a
3-year rolling annual rate of return for domestic equity	16.1	n/a	17.6	n/a	n/a
3-year rolling annual excess domestic equity return measured against benchmark	-0.4	n/a	-0.2	n/a	n/a
3-year rolling annual rate of return for international equity	6.4	n/a	10.0	n/a	n/a
3-year rolling annual excess international equity return measured against benchmark	-0.2	n/a	-0.4	n/a	n/a
3-year rolling annual rate of return for fixed income	4.5	n/a	1.7	n/a	n/a
3-year rolling annual excess fixed income return measured against benchmark	0.1	n/a	0.5	n/a	n/a
3-year rolling annual rate of return for Multi-Asset Class Strategies	11.8	n/a	11.6	n/a	n/a
3-year rolling annual excess Multi-Asset Class Strategies return measured against benchmark	1.1	n/a	1.3	n/a	n/a
3-year rolling annual rate of return for real estate	12.9	n/a	13.5	n/a	n/a
3-year rolling annual excess real estate return measured against benchmark	0.9	n/a	1.9	n/a	n/a
3-year rolling annual rate of return for private equity	15.3	n/a	13.3	n/a	n/a
3-year rolling annual excess private equity return measured against benchmark	2.1	n/a	-1.7	n/a	n/a

◆ **Goal 5** To ensure sufficient monies are available to meet cash flow requirements.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total market value of ASRS fund assets (in billions)	34.6	n/a	34.9	n/a	n/a
Total annual benefit payments (in billions)	2.8	n/a	n/a	n/a	n/a
Percentage of liability funded	n/a	n/a	n/a	n/a	0

Agency Summary

DEPARTMENT OF REVENUE

David Raber, Director
Phone: (602) 716-6090
A.R.S. § 42-1001 et seq.

Mission:

To serve the people of Arizona by administering tax laws with integrity, fairness and efficiency.

Description:

Pursuant to Arizona Revised Statutes Titles 42 and 43, the Department of Revenue administers and enforces the collection of individual and corporate income, transaction privilege, withholding and luxury taxes. The Department oversees the fifteen county assessors in the administration of state property tax laws.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ SERVICE	7,226.0	8,488.2	8,488.2
➤ PROCESSING	6,089.1	5,873.7	5,873.7
➤ EDUCATION AND COMPLIANCE	16,618.0	19,751.9	27,673.5
➤ AGENCY SUPPORT	45,525.0	46,749.3	47,749.3
Agency Total:	75,458.2	80,863.1	89,784.7
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	46,287.7	30,338.6	39,260.2
Other Appropriated Funds	25,140.8	47,484.4	47,484.4
Other Non Appropriated Funds	4,029.7	3,040.1	3,040.1
Total Funding	75,458.2	80,863.1	89,784.7
FTE Positions	753.5	749.3	760.3

Issue 1 ADOR continues to face the challenges of modernization and sustaining core business processes in order to ensure efficient tax administration and delivery of services.

Description The Department depends upon its technology to ensure functionality of our core business processes. The required modernization of technology is identified as our most critical need. It is our most important issue because so much rides on our ability to process tax returns and income refunds, collect and distribute taxes, and remain compliant with federal tax requirements. Our ability to perform these most basic tasks is critical to the Department. Relying on antiquated technology to support software and applications continues to threaten our core operations.

In addition, despite advances in technology, DOR still has many work areas where outdated and cumbersome paper-driven processes remain as well as many manual “work-arounds” to what should be automated processes. Finally, DOR’s lead in TPT Reform requires a heavy investment in time, talent and resources, but the yield will be worth it with increased efficiencies, productivity and partnerships. TPT Reform as well as other statewide projects will bring increases in opportunity for improved efficiencies for internal core business processes.

Solutions:

ADOR will focus on updating technology, supporting software and applications to ensure efficiencies of core business processes. We plan to address this strategic issue in an organized way, prioritizing tasks according to our available resources. Technology updates and requirements create on-going demands, and we plan to address them systematically. Our strategies to address this problem are:

- Continue to replace aged hardware and software
- Implement all aspects of TPT Simplification, HB2111
- Create Audit Platform/System to support HB2111 implementation
- Capture data on second page of individual income tax return
- Perform security upgrades
- Replace AzTaxes website
- Replace TAS applications software
- Replace Accenture custom built integration technology

Issue 2 An ongoing issue is ADOR’s inability to hire and retain qualified employees due to budget constraints. ADOR is losing talented, knowledgeable employees to other job markets as we cannot compete with outside job sectors. Our salary structure is not competitive enough throughout all job descriptions in the Department.

Description This issue is important because the Department is unable to maintain an acceptable level of trained employees to carry out the work of the core business processes. The Department is only as good as its people. On the positive side, ADOR employees excel in performing their work due to their knowledge base, caring and concerned attitude, and passionate nature. Their knowledge base is substantive, allowing for interpretation of complex tax law and handling of statutory requirements in an accurate and timely manner. However, the reality is that current state salary levels are not competitive with other local county and city governments. We often train our employees in the basics of taxes only to have them leave state service to use their knowledge in their new jobs.

Solutions:

ADOR will explore opportunities and alternatives in meeting salary needs of our talented workforce. Our strategies to address this problem are:

- Advocacy for salary increase
- Set aside budget dollars
- Use Personnel reform tools to reward top performers post Sept. 29
- Increase training and continuing education opportunities
- Reclassify Job Classifications (positions)
- Use budget efficiencies generated from technology and process improvements for pay increases
- Establish an employee training program agency wide with cross training
- Recruiting at colleges and universities/ internship programs
- Career planning and job rotation/divisional job rotation
- Establish a leadership training program with competitive enrollment
- Prepare for brain drain (retiring workforce)

Issue 3 ADOR employees have opportunities to create efficiencies for overall process improvement.

Description This issue is important because employees throughout the Department have the ability to look at how they do their work and determine how they contribute to the overall strategic plan. Employees make the difference in process efficiencies through small and continuous improvement steps. ADOR will educate the employee workforce in how to improve daily operations through “Lean” theory to improve overall work processes.

Solutions:

ADOR will incorporate Lean theory into the workforce through education and guided process improvement efforts. The partnership with the Government Transformation Office (GTO) will afford many opportunities for process improvement. Our strategies to address this problem are:

- Partner with the GTO
- Select employees for formal Lean training led by the GTO
- Establish Lean teams throughout the agency
- Establish an employee training program agency wide with cross training

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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

SERVICE

Michael Moan, Budget Manager
Phone: (602) 716-6885
A.R.S., Title 42

Mission:

To efficiently and accurately meet the needs of Arizona taxpayers in: providing answers to their questions regarding licensing; filing requirements and application of the State's tax laws; providing revenue statistics to the Governor's Office, Legislature and the public that aid in the making of revenue projections; performing economic impact projections and other tax policy determinations; and, ensuring fair, accurate and uniform property valuations and property tax services for client counties as prescribed by Arizona statutes in a manner that is fair, consistent, accurate, professional, timely and with the highest standards of integrity.

Description:

The Service program is responsible for: issuing tax form and licensing information; answering telephone and written inquiries on the application of tax laws, drafting and publishing rulings, procedures, and instructions to aid taxpayers in understanding their tax obligations; analyzing tax filing, audit and collection information; providing statistics relating to revenues and credits in reports to the Governor's Office, Legislature, departmental staff and members of the public that aid in making revenue projections, economic impact projections and other tax policy determinations; responding to inquiries from the Legislature and Governor's Office as to the economic impact of proposed legislation or other economic impact issues; exercising general supervision over county assessors to ensure all property is uniformly valued, prescribing guidelines for appraisal methods and providing property tax processing services for client counties; resolving taxpayer account problems and disputes; answering billing inquiries; reviewing and evaluating penalty abatement requests; processing license applications for transaction privilege and bingo licensees; and, returning unclaimed property to its rightful owners by identifying, locating and notifying the owners/holders of the property.

This Program Contains the following Subprograms:

- ▶ Inquiries and Requests
- ▶ Local Jurisdictions
- ▶ Taxpayer, Executive, and Legislative Issues

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	6,351.5	3,052.8	3,052.8
Other Appropriated Funds	874.5	5,435.4	5,435.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	7,226.0	8,488.2	8,488.2
FTE Positions	113.0	121.3	121.3

Subprogram Summary

INQUIRIES AND REQUESTS

Michael Moan, Budget Manager
 Phone: (602) 716-6885
 A.R.S., Title 42

Mission:

Enable Arizona taxpayers and other customers to understand and more easily comply with Arizona's tax laws by providing state tax, licensing and unclaimed property information and assistance in a manner that is fair, consistent, accurate, professional, timely and with the highest standards of integrity.

Description:

The Inquiries & Requests subprogram is responsible for: issuing tax forms and licensing information; answering telephone and written inquiries on the application of tax laws; drafting and publishing rulings, procedures, and instructions that aid taxpayers in understanding their tax obligations; resolving taxpayer account problems and disputes; answering billing inquiries; reviewing and evaluating penalty abatement requests; processing license applications for transaction privilege and bingo licensees; and, returning unclaimed property to its rightful owners by identifying holders of the property and locating and notifying the owners.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,258.4	1,604.7	1,604.7
Other Appropriated Funds	874.5	4,777.9	4,777.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,132.9	6,382.6	6,382.6
FTE Positions	84.0	89.0	89.0

◆ **Goal 1** To ensure prompt response to taxpayers' immediate inquiries.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Average wait time for all phone calls (in minutes) in the Taxpayer Information and Assistance section call center.	5:51	18:00	7:57	12:00	7:00

Explanation: Future estimates are based on current staffing levels.

Percent of written inquiries answered within 30 calendar days in Taxpayer Information and Assistance section	97	70	70	75	85
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◆ **Goal 2** To improve the processing of business license applications.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Average transaction privilege tax license turnaround time (in business days).	8.0	8.0	5.0	6.0	5.0
Percent of transaction privilege tax license applications completed on-line.	53	53	59	65	75

◆ **Goal 3** To attain favorable customer service levels as evidenced by aggregate customer survey scores.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Customer satisfaction rating for Taxpayer Information and Assistance section (scale 1-5)	4.60	4.50	4.6	4.50	4.75

Subprogram Summary

LOCAL JURISDICTIONS

Michael Moan, Budget Manager
 Phone: (602) 716-6891
 A.R.S., Title 42

Mission:

Ensure fair, accurate, and uniform property values as prescribed by Arizona statutes, and to provide timely and accurate property tax data services to client counties.

Description:

The Division is responsible for administration of the State's property tax laws; appraisal of utilities, railroads, mines, and other complex properties; development of appraisal and assessment guidelines; conducting analyses to ensure assessors' values are within statutorily prescribed limits, and providing property data systems to client counties.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,476.6	1,109.2	1,109.2
Other Appropriated Funds	0.0	25.0	25.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,476.6	1,134.2	1,134.2
FTE Positions	18.0	18.0	18.0

◆ **Goal 1** To improve the equity and uniformity of values for centrally valued properties.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of tax area code reviews and/or site inspections.	134	113	105	115	110

Explanation: Centrally valued properties include water/sewer, mines, railroads, telecommunications and electric companies.

Number of tax area codes changed as a result of reviews.	113	60	0	60	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

Michael Moan, Budget Manager
 Phone: (602) 716-6885
 A.R.S., Title 42

Mission:

Provide timely and accurate information to the Governor's Office, Legislature and the public relating to revenues and credits to aid in the making of revenue projections, economic impact projections and other tax policy determinations, to provide thorough analysis of the tax implications of pending and approved legislation; and to assist taxpayers fairly in resolving problems or disputes with their accounts.

Description:

The Taxpayer, Executive & Legislative Services subprogram is responsible for analyzing tax filing, audit and collection information to create reports for the Governor's Office, Legislature, departmental staff and members of the public to aid in the making of revenue projections, economic impact projections and other tax policy determinations; responding to inquiries from the Legislature and Governor's Office as to the economic impact of proposed legislation or other economic impact issues; resolving taxpayer account problems and disputes; and providing analysis of the tax implications of pending and approved legislation.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	616.5	338.9	338.9
Other Appropriated Funds	0.0	632.5	632.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	616.5	971.4	971.4
FTE Positions	11.0	14.3	14.3

◆ **Goal 1** To provide timely and accurate information to the Governor's Office, legislature, and the public.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of Hearing Office Decisions issued within 65 calendar days of the hearing or last memo due date (in cases conducted by memoranda).	98	100	100	100	100
Percent of taxpayer referrals responded to by the Problem Resolution Officer within 24 hours from the time the referral was received.	97.4	90.0	96.8	98	98

Explanation: Responses are defined as telephone calls, e-mails or messages left on voice mail.

Program Summary

PROCESSING

Michael Moan, Budget Manager
 Phone: (602) 716-6885
 A.R.S., Title 42

Mission:

Process all incoming electronic and paper tax documents and associated revenues, process tax refunds and execute the mailing of tax documents to Arizona taxpayers in a timely and efficient manner; to ensure the accuracy of taxpayer accounts within the BRITS system; and to provide quality service to satisfy debts owed by taxpayers to other government agencies.

Description:

The Processing program is responsible for:

- opening, editing, and distributing taxpayer-generated documents to processing units;
- ensuring department forms, documents and correspondence are prepared for mailing;
- providing in-house photocopying and courier service;
- preparing documents for entry into various automated tax systems;
- performing subsequent document error resolution;
- generating tax refunds and correction notices; and
- operating the debt setoff program, which transfers portions of taxpayer balances to satisfy debts owed to other government agencies within the State.

In addition, the program processes Electronic Fund Transfers and documents associated with the electronic income tax filing program and subsequently processes withholding tax, corporate estimated tax, and transaction privilege tax electronically through the revenue system into the State Treasury. The program collects and distributes taxes imposed on cigarettes and all other products containing tobacco such as cigars and smoking tobacco, and also maintains the automated accounts receivable system that interfaces with the automated systems for Licensing, Audit and Collections.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,607.5	4,357.1	4,357.1
Other Appropriated Funds	481.6	1,516.6	1,516.6
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,089.1	5,873.7	5,873.7
FTE Positions	86.0	87.0	87.0

◆ **Goal 1** To improve the timeliness of payment processing.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of payments deposited within five business days.	97	95	97	95	97

Explanation: This measure tracks payments deposited for all four tax types.

Average turnaround time for deposits (in business days).	.81	1.5	.71	1.0	.8
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◆ **Goal 2** To process Individual Income and Transaction Privilege Tax (TPT) returns in a timely manner.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Average number of calendar days to process an Individual Income tax return.	3.8	4.0	6.0	4.0	3.5
Total tax documents processed (in millions).	5.8	5.8	5.85	5.9	6.0

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average calendar days to refund total	9.4	9.0	10.22	9.0	9.0
Individual Income tax checks (paper warrants and electronic deposits)					

Program Summary

EDUCATION AND COMPLIANCE

Michael Moan, Budget Manager
Phone: (602) 716-6885
A.R.S., Title 42

Mission:

Ensure compliance with Arizona tax laws and Department regulations and policies through proactive education, fair, firm, timely and reasonable valuation and enforcement activities while providing an effective and equitable legal recourse for taxpayers. In short, the purpose of this program is to ensure that taxpayers pay their fair share of tax, not more and not less.

Description:

The Education & Compliance program, currently under the oversight of the Assistant Director of the External Services and Special Projects division:

- provides information services through publications and via the Department's website; and
- matches employees with the appropriate knowledge base to an organization that requests a speaker on any given topic about which they want to learn;
- provides for employees to connect with organizations to volunteer their services in speaking engagements.

In addition, it is responsible for:

- the selection of tax returns and refund claims for audit examination and the accurate and timely review of those returns and claims;
- the collection of receivables and delinquent returns, and using collection tools such as phone and field contacts, lien and levy filings, bankruptcy court actions; and
- the research of businesses using on-site computerized license compliance checks ensuring business license/registration compliance programs.

The program also provides various legal services such as resolving disputed assessments and refund denials:

- directs the process of interpreting and applying tax laws;
- provides legal support and analysis to the audit sections; and
- adjudicates taxpayers' administrative appeals through the Agency's Hearing Office.

It inspects, educates and investigates tobacco retailers and distributors for compliance with tobacco tax laws;

- investigates allegations of tax fraud;
- assists the Attorney General's office in the prosecution of criminal tax offenders;
- conducts administrative and internal investigations; and
- develops and supports the valuation of centrally-valued properties.

This Program Contains the following Subprograms:

- ▶ Education and Outreach
- ▶ Audit and Assessing
- ▶ Collections
- ▶ Enforcement

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	14,837.3	9,719.6	17,641.2
Other Appropriated Funds	1,615.3	9,863.3	9,863.3
Other Non Appropriated Funds	165.4	169.0	169.0
Total Funding	16,618.0	19,751.9	27,673.5
FTE Positions	304.5	294.0	305.0

Subprogram Summary

EDUCATION AND OUTREACH

Michael Moan, Budget Manager
 Phone: (602) 716-6885
 A.R.S., Title 42

Mission:

Provide taxpayers and tax practitioners with understandable, accurate and current tax education, information and forms to facilitate voluntary compliance with Arizona's tax laws, and to provide training and appraisal certification courses to county and state appraisal staff.

Description:

Inquiries from taxpayers and tax practitioners are directed to various employees throughout the agency best suited to answer questions and assist with issues based on different areas of expertise. Employees provide taxpayers with information and support services through publications, and, in conjunction with the Internal Revenue Service and state universities, offer tax seminars to interested parties.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	173.2	362.6	362.6
Other Appropriated Funds	0.0	78.5	78.5
Other Non Appropriated Funds	18.5	23.0	23.0
Total Funding	191.7	464.1	464.1
FTE Positions	2.0	4.0	4.0

◆ **Goal 1** To increase taxpayer transactions conducted electronically.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of all tax dollars received electronically.	78.0	80.0	70.0	80.0	85.0

Explanation: Actuals for FY14 should be 67.0

Percent of Individual Income tax returns received electronically.	75.0	75.0	70.0	75.0	80.0
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◆ **Goal 2** To improve voluntary compliance in the filing of tax returns.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of money remitted voluntarily as a percentage of total receipts.	95.97	96.00	95.0	96.50	97.0

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

Michael Moan, Budget Manager
Phone: (602) 716-6885
A.R.S., Title 42

Mission:

To assist taxpayers in complying with tax laws and filing correct tax returns through: a fair, courteous, and helpful tax return examination and correction process, and providing supporting legal services to fairly resolve disputed audit assessments and refund denials; fairly interpreting and applying tax laws and disseminating that information to departmental employees and to the public in a timely manner; providing quality legal support and analysis to the audit sections; fairly adjudicating taxpayer appeals to the Department's hearing office; and developing fair and reasonable valuations for centrally-valued properties.

Description:

The Audit and Assessing subprogram is responsible for a portion of the Department's audit compliance programs for corporate, individual income, transaction privilege and use taxes and Special Audit services (luxury tax and unclaimed property), including resolution attempts, informal resolutions on taxpayer protests and oversight at audit litigation.

The subprogram also provides various legal services, such as resolution of disputed assessments and refund denials, adjudication of taxpayers' administrative appeals to the Department's hearing office; direction of the process of fair interpretation, application and timely dissemination of tax law information to departmental employees and the public; and provision of legal support and analysis to the audit sections. Lastly, the subprogram develops and supports the valuation of centrally valued properties throughout the State, such as mines, utilities and railroads.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,870.8	8,459.0	10,080.6
Other Appropriated Funds	1,276.1	1,822.5	1,822.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	10,146.9	10,281.5	11,903.1
FTE Positions	163.5	173.0	184.0

◆ **Goal 1** To increase the quality of the audit programs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of final Individual Income tax audit assessment amounts compared to the initial assessment amounts.	87.7	89.0	89.2	90.0	90.0

Subprogram Summary

COLLECTIONS

Michael Moan, Budget Manager
 Phone: (602) 716-6885
 A.R.S., Title 42

Mission:

Fairly and efficiently collect receivables and delinquent returns and to ensure businesses are properly licensed/registered with the Department.

Description:

The Collections subprogram secures the payment of receivables, delinquent taxes and filing of delinquent returns through correspondence, telephone, and field contacts with taxpayers and performs activities to identify and license previously unlicensed businesses.

All collection activity is performed under the overview of the Taxpayer Bill of Rights to promote fairness, confidentiality, and consistency of application of the tax laws. Arizona was the first state to have a Taxpayer Bill of Rights in 1986, and the 1994 updated version again put Arizona in the leadership role of protecting taxpayer rights, while ensuring that all taxpayers pay their fair share of the tax burden.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,180.0	898.0	898.0
Other Appropriated Funds	0.0	4,159.4	4,159.4
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,180.0	5,057.4	5,057.4
FTE Positions	123.0	101.0	101.0

◆ **Goal 1** To improve the quality of collection activities.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
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Percent of non-audit revenue to total revenue	98.9	98.8	98.9	98.9	99.0
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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	100	100
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Explanation: Letters are sent to every taxpayer upon being assigned as a delinquent account. The Department considers letters as contacts.

◆ **Goal 2** To increase fiscal efficiencies.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
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Ratio of net enforcement revenue collected per total Department general fund dollar spent.	7.12	7.10	7.16	7.15	7.15
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Explanation: This measure means that the Department's enforcement program collected \$7.12 for each general fund dollar spent in FY2014.

Subprogram Summary

ENFORCEMENT

Michael Moan, Budget Manager
 Phone: (602) 716-6885
 A.R.S., Title 42

Mission:

Encourage voluntary compliance in all tax obligations and work with the taxpayer in entering into payment arrangements that are fair to the taxpayer yet protect the State's interest. To utilize fair and firm enforcement upon broken payment arrangements or lack of taxpayer compliance. To provide quality education to, and inspections of, tobacco retailers and distributors to ensure their compliance with tobacco tax laws; to fairly investigate allegations of tax fraud, assisting the Attorney General's office in the prosecution of criminal tax offenders; and to timely and fairly conduct administrative and internal investigations.

Description:

The Enforcement subprogram works with delinquent taxpayers in entering into payment arrangements and educating them in compliance (filing obligations) issues. Upon the taxpayer's action to void the agreement, enforcement collections activity is pursued including filing liens, levies, and seizures of assets. The Enforcement Subprogram also inspects and educates tobacco retailers and distributors regarding compliance with tobacco tax laws, and investigates and assists in the prosecution of criminal offenders.

The subprogram also investigates allegations of tax fraud and assists the Attorney General's office in the prosecution of criminal tax offenders; conducts administrative and internal investigations; and contracts with the Attorney General's Office for the services of an attorney to prosecute tax cases.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	613.3	0.0	6,300.0
Other Appropriated Funds	339.2	3,802.9	3,802.9
Other Non Appropriated Funds	146.9	146.0	146.0
Total Funding	1,099.4	3,948.9	10,248.9
FTE Positions	16.0	16.0	16.0

◆ **Goal 1** To promote and enforce the legal sale and distribution of tobacco products.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of retailer and distributor tobacco inspection visits completed.	3,120	3,500	3285	3,500	3500

Explanation: All inspection visits serve multi-purposes including providing education, fulfilling legislative requirements, and identifying non-compliance.

Program Summary

AGENCY SUPPORT

Michael Moan, Budget Manager
Phone: (602) 716-6885
A.R.S., Title 42

Mission:

Provide excellent leadership, quality technical and administrative support and customer-oriented human resources and development for all core business processes of the Department in order to enhance the services provided to Arizona's taxpayers and other stakeholders.

Description:

The Agency Support program is responsible for providing leadership, staff development, human resources, management, technology, strategic and resource planning, legal services to management, financial and inventory accounting and other administrative services to support all core business processes of the Department.

This Program Contains the following Subprograms:

- ▶ Human Resources
- ▶ Information Services
- ▶ Support Services

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	19,491.4	13,209.1	14,209.1
Other Appropriated Funds	22,169.3	30,669.1	30,669.1
Other Non Appropriated Funds	3,864.3	2,871.1	2,871.1
Total Funding	45,525.0	46,749.3	47,749.3
FTE Positions	250.0	247.0	247.0

Subprogram Summary

HUMAN RESOURCES

Michael Moan, Budget Manager
Phone: (602) 716-6885
A.R.S., Title 42

Mission:

Foster excellence among all employees of the Department through quality staff and leadership development, ensuring effective recruitment and promotion of staff as well as fair administration of federal and state human resources laws.

Description:

The Human Resources subprogram is responsible for providing employee relations, benefits, recruitment and retention, performance evaluations, staff training and development, and guidance and resolution of employee issues.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	648.2	0.0	0.0
Other Appropriated Funds	0.0	599.1	599.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	648.2	599.1	599.1
FTE Positions	8.0	8.0	8.0

◆ **Goal 1** To increase the level of employee satisfaction.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average annual turnover rate for employees	13.88	14.00	12.9	13.5	13.5

◆ **Goal 2** To increase cost effectiveness of administrative services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Administration as a percentage of total operational expenses.	6.50	5.60	5.8	5.8	5.8

Explanation: Administrative costs compared to only operation expenses, does not include pass through funds to other agencies.

Subprogram Summary
INFORMATION SERVICES
Michael Moan, Budget Manager Phone: (602) 716-6885 A.R.S., Title 42

Mission:

Provide efficient, accessible record storage and retrieval services to all Department and taxpayer customers and to maintain and continually improve the information technology systems in order to enable the Department to provide excellent services to its customers and optimize the operations of all core business processes.

Description:

The Information Services subprogram maintains and provides access to the statutorily mandated archival files of department records and tax returns filed with the Department; microfilms individual and corporate documents and records; and operates the warehouse. This subprogram also manages and oversees improvements to all computer systems and operations; runs mainframe data queries and reports for various core functions of the Department; maintains and enhances mainframe and larger database and client-server applications, incorporating legislative changes and user requests by means of in-house and contracted programming resources; operates and maintains the Department's wide area network, including all hardware, software and inter- and intranet systems; facilitates the research and development of all new and modified Information Technology systems and processes, including interfacing with the Government Information Technology Agency (GITA); and administers the Department's information technology planning process.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,227.4	6,857.4	6,857.4
Other Appropriated Funds	4,128.1	11,214.9	11,214.9
Other Non Appropriated Funds	3,864.3	2,871.1	2,871.1
Total Funding	19,219.8	20,943.4	20,943.4
FTE Positions	82.0	79.0	79.0

◆ **Goal 1** To ensure the local and wide area network (LAN/WAN) is available 99.8% of the time.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of time the LAN/WAN is available.	99.99	99.98	99.95	99.98	99.99

◆ **Goal 2** To resolve 99% of all problem calls identified as "critical" within 4 hours.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of critical problem calls completed within the 4 hour target.	100.00	99.00	100	100	100

Subprogram Summary

SUPPORT SERVICES

Michael Moan, Budget Manager
 Phone: (602) 716-6885
 A.R.S., Title 42

Mission:

Provide visionary leadership and quality support services which promote and facilitate the realization of the missions and goals of the Department and its various programs. This includes assessing the effectiveness of various services to the taxpayer, ensuring all projects assigned to the divisions and sections are completed within prescribed time frames and according to agency policies, fostering an optimal working environment for employees, and providing administrators with the leadership and support they need to best serve our customers.

Description:

The Support Services subprogram provides leadership, management and direction to all employees of the Department; agency planning, resource allocation, and budgeting; accounting and distributions of all revenues received; purchasing and internal financial and inventory accounting; management and maintenance of all department facilities; continuous quality review and assessment of the effectiveness of various services to the taxpayer; ensures all projects assigned to divisions are completed within prescribed time frames and according to agency policies.

This subprogram also provides legal counsel to the Director, including appeals of audit cases to the Director; develops programs to foster an optimal working environment for employees; provides administrators with the leadership and support they need to best serve our customers; and tracks and monitors the progress of all special projects, employee personnel actions prior to human resources processing, and all controlled correspondence.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,615.8	6,351.7	7,351.7
Other Appropriated Funds	18,041.2	18,855.1	18,855.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	25,657.0	25,206.8	26,206.8
FTE Positions	160.0	160.0	160.0

◆ **Goal 1** To pay all invoices in a timely manner within 30 calendar days of receipt.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of invoices paid within 30 calendar days.	97	95	98	98	100

◆ **Goal 2** To respond to 90% of all building maintenance calls within 24 hours of receipt.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of building maintenance calls responded to within 24 hours of receipt of the call.	98.0	99.0	100	100	100

◆ **Goal 3** To process Payroll accurately by the end of each payroll cycle.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of payroll records processed error free by the close of the payroll cycle.	99.0	100.0	99.9	100.0	100

◆ **Goal 4** To process purchase orders within two business days of receipt of requisition.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of business days to process requisitions.	2.00	2.00	3.5	4.0	3.0

Agency Summary

SCHOOL FACILITIES BOARD

Phil Williams, Interim Executive Director
Phone: (602) 542-4457
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	179,680.5	216,878.1	217,204.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	251,648.1	280,121.0	322,079.5
Total Funding	431,328.6	496,999.1	539,283.9
FTE Positions	14.0	15.0	18.0

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	18.0	19.0	20.0
General Fund	272,634.0	264,939.0	278,755.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	89,041.0	64,120.0	64,125.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To secure funding for new construction.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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	4	3	3	3
Number of new school construction projects completed	0	1	0	1	3

◆ **Goal 2** To serve as a resource to school districts to help ensure compliance with minimum school facility guidelines and preventative maintenance requirements.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of schools	1530	1530	1530	1530	1530
Percent of all school district schools inspected to ensure minimum adequacy guidelines	6	20	1	1	2

Explanation: The staff of the School Facilities Board 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	5	6	6	7	8
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Explanation: The majority of districts report that lack of funding is prevents them from maintaining buildings and sites which causes them to be out of compliance with minimum guidelines.

Percent of inspected schools determined to have an adequate preventative maintenance program	58	50	50	50	50
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◆ **Goal 3** To strengthen relationship and communication with school districts.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of all school districts rating the Boards' services as satisfactory, good, or excellent in annual survey	94	95	91	91	91
Percent of school districts that responded to customer satisfaction survey	32	37	32	37	37

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	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	1,653.8	2,782.4	2,782.4
➤ BUSINESS SERVICES	949.3	924.1	924.1
➤ PUBLIC SERVICES	324.3	479.3	479.3
➤ ELECTION SERVICES	5,253.1	16,668.0	23,269.0
➤ ARIZONA STATE LIBRARY, ARCHIVES, AND PUBLIC RECORDS	12,144.1	12,236.7	12,973.1
Agency Total:	20,324.6	33,090.5	40,427.9
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	14,468.9	24,306.5	31,643.9
Other Appropriated Funds	2,409.1	3,683.5	3,683.5
Other Non Appropriated Funds	3,446.6	5,100.5	5,100.5
Total Funding	20,324.6	33,090.5	40,427.9
FTE Positions	139.0	139.0	141.0

5 Year Plan

Issue 1 Provide enhanced voting services to military and overseas voters

Description Arizona is home to a significant military population. The Secretary of State's office is looking for ways to increase the participation of UOCAVA voters in Arizona elections.

Solutions:

This increased effort will include outreach to voters and military families and the development of a pilot program to create greater ease in sending and receiving military ballots. We hope this secure pilot program will allow military personnel to still feel engaged to home while serving overseas.

Issue 2 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

	FY2018 Estimate	FY2019 Estimate	FY2020 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

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,409.2	2,362.8	2,362.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	244.6	419.6	419.6
Total Funding	1,653.8	2,782.4	2,782.4
FTE Positions	28.0	28.0	28.0

- ◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percentage of project completion to enhance Secretary of State's website by integrating with other government services for e-government approaches.	100	100	100	100	100

Program Summary

BUSINESS SERVICES

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	860.2	824.1	824.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	89.1	100.0	100.0
Total Funding	949.3	924.1	924.1
FTE Positions	13.0	13.0	13.0

◆ **Goal 1** To serve the public by filing records accurately and expeditiously.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of business days to process trademark applications	4	4	15	4	4
Average number of business days to process Uniform Commercial Code filings	4	3	5	3	3
Average number of business days to process athlete agents registrations	1	1	5	3	3
Average number of business days to process telephonic seller registrations	1	5	5	4	4
Average number of business days to process partnership filings	4	4	5	4	4
Average number of business days to process tradename applications	4	4	15	4	4
Average number of business days to process apostilles	2	1	5	4	4

◆ **Goal 2** To provide public disclosure through easy, accessible information and public documents, and on-line database search capabilities.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Trade names and Trademarks filed per month	2,976	3,000	3790	4000	4000
Number of partnerships on file per month	71	100	151	150	150
Number of UCC records filed per month	5,474	5,500	7566	7600	7600

- ◆ **Goal 3** To provide service to allow Notaries Public to perform their duties accurately and efficiently in the state.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of notaries commissioned	1,449	1,500	1485	1,500	1500
Number of notary seminars	43	45	45	45	45
Average number of days to process notary applications	4	3	15	4	4

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	324.3	479.3	479.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	324.3	479.3	479.3
FTE Positions	5.0	5.0	5.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of rules and rule-related items filed	245	250	579	250	250

◆ **Goal 4** To serve the public by providing materials on-line accurately and expeditiously.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of Administrative Code available via the Internet within 21 days of release date	100	100	100	100	100
Percentage of Administrative Register available via the Internet in conjunction with publication date	100	100	100	100	100
Percent of time division publications are published online within one week of release of paper publication	100	100	100	100	100
Percent of Chaptered Bills/Memorials/Resolutions posted online within 48 hours of receipt	100	100	100	100	100

◆ **Goal 5** To provide public information and publications.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of statutory publications provided	100	100	100	100	100

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,537.5	13,726.5	20,327.5
Other Appropriated Funds	1,715.6	2,941.5	2,941.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	5,253.1	16,668.0	23,269.0
FTE Positions	12.0	12.0	12.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Campaign Finance data available on-line	100	100	100	100	100
Percent of timely review and action on election law complaints	100	100	100	100	100
Number of Campaign Finance reports filed	7,614	7,500	10501	7,500	11000
Number of Political Committees registered	1,084	1,000	1057	1,000	1100
Number of Standing Political Committees registered	74	70	76	70	70

◆ **Goal 2** To coordinate statewide voter registration as provided under the National Voter Registration Act of 1993.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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)	N/A	2,000	2200	N/A	2300
Number of registered voters (in thousands)	3,245	3,200.0	3,698	3,300	3,700
Number of Town Hall meetings per year for explanation of initiatives	N/A	25	25	N/A	25

◆ **Goal 3** To provide statewide voter registration election, voter outreach, and HAVA.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total voter registration	3,244,793	3,200,000	3697900	3,300,000	3700000

◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	8,337.7	6,913.8	7,650.2
Other Appropriated Funds	693.5	742.0	742.0
Other Non Appropriated Funds	3,112.9	4,580.9	4,580.9
Total Funding	12,144.1	12,236.7	12,973.1
FTE Positions	81.0	81.0	83.0

- ◆ **Goal 1** To connect people with Arizona’s government – past and present, and to illustrate how history was made and continues to be made in Arizona through the Arizona Capitol Museum. We connect the past to the present using a variety of resources to cultivate informed government participation.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction (1=low to 8=high)	7	7	0	7	7
Museum visitors (total number)	55,711	57,000	49,340	58,000	58,000
Explanation: Decrease in overall visitation due to economy and unavailability of funds for school buses for field trips in many school districts.					
Student Education Hours	33,407	34,000	32,021	35,000	35,000
Collection (total items)	8,285	8,285	8,706	8,285	8,285

- ◆ **Goal 2** To provide alternate format library materials for Arizona residents who have difficulty reading standard print because of blindness, visual impairment or a physical disability. The Braille and Talking Book Library provides at no charge, audio and Braille books by mail and for download, plus machines to play audio materials.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Holdings (Total Audio and Braille books, audio described movies, talking book machines and accessories)	314,016	194,000	263690	194,000	200000

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)	607,018	610,000	747413	612,000	650000
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Explanation: In FY2014 most patrons stopped cassette book service in favor of digital books. Therefore book and machine circulation did not increase as much as expected.

Patrons and Institutions Served	9,048	9,050	8771	9,050	9050
Volunteer Hours Donated	21,567	21,500	19072	21,600	21600

Explanation: FY 14 value = \$485,689

- ◆ **Goal 3** To collect, preserve and make available permanent public records, historical manuscripts, photographs, newspapers and other materials that contribute to the understanding of Arizona history through the History and Archives.

- ◆ **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.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Participants in statewide projects	35,596,014	25,000,000	10582587	30,000,000	25000000
Training hours offered in continuing education programs	14,544	14,550	15101	14,550	14550
Sub-grants awarded	70	60	71	60	60

Explanation: More smaller grants were awarded in FY 2014.

- ◆ **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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	263.9	266.4	266.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	263.9	266.4	266.4
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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	4.0	4.0	4.0
General Fund	275,300.0	275,300.0	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Caseload processing (and number of issues)	27(71)	48(120)	35(91)	55(135)	65(155)
Number of tax appeals resolved	6	30	16	30	40
Number backlogged requiring written decision	8	8	5	9	9
Number of months to process appeal	9	9	9	9	9

Agency Summary

BOARD OF TECHNICAL REGISTRATION

Melissa Cornelius, Executive Director
Phone: (602) 364-4930
A.R.S. §§ 32-101, 32-106, 32-107

Mission:

To protect the 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, assayers, certified remediation specialists, drug laboratory remediation, engineers, geologists, home inspectors, landscape architects, and land surveyors. The Board also has jurisdiction to investigation and discipline the unregistered practice of professions and occupations under its Practice Act.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,844.4	2,122.6	2,922.6
Other Non Appropriated Funds	16.3	20.4	20.4
Total Funding	1,860.7	2,143.0	2,943.0
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:

It is the intent of the agency to purchase a new system capable of meeting the above criteria. An RFP has been issued and bids are under review. It is the agency's intent to begin the process of conversion to an updated system in FY2016, to be completed in FY2017.

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, address inadequacy in regulatory response, 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 completed a five-year rule review in 2015 to identify rules that need to be repealed, amended and added. The Board began the process of requesting a waiver of the rules moratorium in 2015 in order to proceed with the rule review plan. In addition, the Board has engaged in strategic planning and stakeholder outreach to identify statutes that require amendment. The Board will complete its Sunset Review in 2015 and will identify targets for updates to statute and rule in its report. The Board will seek legislative support over the next two years to achieve the changes identified as necessary for the efficient and effective performance of the Board.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	25.0	25.0	25.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	2,922.6	2,212.6	2,212.6
Non-Appropriated Funds	180.0	20.0	20.0
Federal Funds	0.0	0.0	0.0

◆ **Goal 1** To rapidly and accurately process applications for registration and certification.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of professional licensees	46,235	46,300	51,965	52,700	53,300
Explanation: Total number of licensees					
Total number of applications received	3,832	3,800	2401	2450	2500
Total number of applications processed	3,832	3,800	3606	3,800	3800
Percent of applications processed within agency timeframes	0	0	98	98	99
Explanation: New PM reported starting with FY15 Actuals					
Total number of license renewal applications processed	9,501	9,500	10427	10600	10700
Number of application denials	0	0	5	5	5
Explanation: New PM reported starting FY15					
Number of application denials reversed through appeal	0	0	0	0	0
Explanation: New PM reported starting FY15					

◆ **Goal 2** To timely investigate all complaints of violations of the Board's Practice Act

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of complaints resolved by informal methods	97	99	98	98	98
Explanation: Percent of complaints resolved informally					
Number of investigations closed	157	160	140	150	150
Number of complaints received	166	170	140	150	150
Number of non-registrant complaints	75	75	29	35	40
Average number of days open per complaint	0	0	256	225	200
Complaints against registrants resulting in disciplinary action	39	42	67	65	65

◆ **Goal 3** To rapidly and accurately respond to requests for information (public records requests) relating to the Board's regulated population.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of persons grading response to request for information as good or better	100	100	100	100	100
Number of information requests received	56,000	57,000	54	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 Office of Tourism develops and implements a travel and tourism marketing plan directed at strengthening and expanding Arizona's economy. The Office has defined a brand image for Arizona that is reflected in all marketing efforts, such as national, international and in-state marketing plans. The Office serves as a central clearinghouse for tourism-related data and manages research that guides statewide tourism development such as new and emerging markets. The Office collaborates extensively with statewide communities and tribes, providing educational programs and technical assistance on matters related to travel and tourism and the promotion of Arizona's tourism related businesses. The Office works closely with public land agencies to promote the national parks, state parks, public lands and tribal lands that constitute 70% of the State's geography.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	16,255.5	14,220.8	46,000.0
➤ TOURISM PROMOTION	15,558.5	13,779.0	13,779.0
Agency Total:	31,814.0	27,999.8	59,779.0
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,103.7	7,110.4	23,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	24,710.3	20,889.4	36,779.0
Total Funding	31,814.0	27,999.8	59,779.0
FTE Positions	28.0	28.0	32.0

Issue 1 Global Market Competitiveness

Description The Arizona Office of Tourism (AOT) is a revenue-generating agency and the only statewide entity with powers and duties to stimulate and encourage participation and cooperation in the promotion of tourism and tourism development for Arizona. AOT is charged with globally marketing and promoting Arizona as a world-class, travel destination to increase the statewide economic benefits of visitor spending.

The Arizona travel and tourism industry is often the first introduction to Arizona's economic development 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. However, accelerated and aggressive competition at the global and national levels continue to impact Arizona's travel and tourism industry on a daily basis. 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.

To remain competitive, AOT requires a strong and stable budget to further expand the state's brand against other international and national destinations that are currently outspending Arizona on travel promotion. With an increase in AOT's effective budget, AOT could boost the economic benefits to the entire state from this critical industry. Visitor dollars are directly attributed to strengthening and expanding the state's economy by importing new money, generating taxes and creating jobs. Furthermore, tourism is Arizona's number one export-oriented industry, making it a vital component of the state's economy and the 15 counties it directly impacts.

Solutions:

1. Use allocated funds to build on the marketing momentum we established in FY15/FY16 and expand the awareness of Arizona as a travel destination to reach potential visitors in international, national, regional and statewide markets. Boosting the effectiveness of marketing efforts by increasing the use of print advertisements, broadcast video, outdoor placements, digital advertisements, and social media efforts will enable the agency to grow the awareness of Arizona's Tourism Brand and reach more prospective visitors with our travel destination message.
2. Continue to maximize available funds to promote Arizona in the domestic market by increasing the FY16 national network television schedule buy on key networks such as the Travel Channel and HGTV, which are prime networks in reaching Arizona's key target audiences.
3. Leverage the national advertising campaign via AOT's target cities campaign, which will enable the agency to build on the FY15 and FY16 marketing efforts by reaching further into additional designated metropolitan areas (DMAs) that have the most potential travelers. For FY16, AOT utilized industry research to select three additional target cities/DMA markets and expand the FY15 program for a total of five target cities/DMA markets: Chicago, Minneapolis, Seattle, Portland and Austin. Increased funding would provide AOT the opportunity to reach even more lucrative top markets such as Los Angeles, New York City and San Francisco.
4. Expand the Arizona brand at the international level by increasing our advertising cooperative partnership with Brand USA. Leveraging each dollar AOT invests with Brand USA, Arizona receives an added spend of 25 -30 percent to market Arizona's brand travel message in Mexico and Canada, our most lucrative international visitor markets.
5. Extend the reach of AOT's advertising program and bring greater visibility to Arizona's rural communities, by increasing the agency's dollar-to-dollar matching Marketing Cooperative program.
6. Double the national earned media coverage by procuring a U.S. public relations firm to assist AOT's media relations staff.
7. Restore trade efforts in Europe, specifically the UK, France and Germany, by hiring representatives in each of these markets to proactively reach out to the travel trade (tour operators and travel agents) on a regular basis. Without AOT's presence, Arizona communities have found it impossible to conduct the same level of outreach on their own. This requires additional funding to re-establish efforts in Europe as well as a Full Time Employee (FTE) to oversee these efforts.

Issue 2 Technology

Description AOT has an on-going and critical need for meaningful strategies regarding website development, mobile applications and digital services that provide real time information to travelers and recreationists.

Arizona is competing to identify, reach, and convert consumers against global destinations in an increasingly complex technological environment. As data driven technology evolves, AOT must continue to have a strategy to provide relevant, personal and instant information on a spectrum of devices and platforms (e.g. websites, mobile devices and tablets). Additionally, in order for AOT to be successful in attracting and engaging a visitor with various devices and platforms depends on our ability to leverage the latest in consumer technologies, such as having the ability to capture visitor data and target consumers with travel-related offers and follow-up pitches.

For example, AOT has a significant need to increase its video and rich media material. Research shows that online video is rapidly eclipsing television as the most effective channel for travel marketing, especially for targeting younger demographics. Video is the closest thing to an immersive experience that marketers can deliver.

Additionally, an ever-growing need of the travel industry is to focus more on travel behaviors to encompass niche travel interests and travel motivations, which differentiate us from our competitors. The current traveler is more discerning than ever, has a higher expectation level and wants to create life-long experiences and memories of their vacations. To effectively market niche experiences, we must provide valid and detailed information.

Solutions:

1. Use allocated funds to enhance the online marketing initiatives and digital technologies we used in FY15/FY16 to complement our general marketing efforts and expand the awareness of Arizona as a travel destination to reach potential visitors in international, national, regional and statewide markets.
2. Enhance our communication with consumers and ensure our marketing outreach is more meaningful, customized and impactful. In FY15, AOT introduced our email nurture program. As consumers request our Official State Visitors Guides through our online process, they answer a series of questions so we gain insight as to what type of Arizona information they want to hear more about (e.g. outdoor adventures, golf, shopping, etc.). Their answers help us customize our follow-up email messages tailored to fit their specific travel interests. The program is in its early stages but we've received excellent consumer feedback and engagement. Increased funding would enable us to stay relevant with this online technology to ensure our digital marketing efforts are effective and consumers are receiving the Arizona travel information they want.
3. Create more video and rich media content to inspire consumers to travel to Arizona. Video allows us to share multiple key messages about an Arizona travel experience with our consumers in a way in which they prefer to receive travel information. Data analysis by YouTube revealed that travel-related content views are up 118 percent year over year. This increasing demand creates an incredible opportunity for AOT to portray all the possibilities Arizona has to offer. In FY15, AOT developed a series of short videos, Grand Tour Videos, showcasing Arizona's diverse statewide travel options. These videos are placed on our consumer website, VisitArizona.com. With increased funding, AOT could create more videos on various topics related to traveler's interests in both English and other languages to promote our state as effectively as possible.
4. Produce digital mini guides that promote niche travel experiences such as Arizona Wine Guide, Dining Guide, American Indian Guide, etc. These guides would be available for download on the VisitArizona.com website as well as mobile friendly.
5. Launch more mobile travel applications. In FY15, AOT successfully launched the Arizona Travel Impacts Mobile App, providing economic impact data through mobile technology instantaneously. Trends show continued growth in the use of Mobile apps. Not only have apps changed the way we communicate, but also how travelers plan their trips and maximize their time when traveling. Apps are the most effective and efficient way for AOT to communicate to travelers because they are easy to use and allow us to keep connected to our customer. Travelers rely on mobile apps as they used to rely on printed maps and guide books. Efficiency is driving growth and, in order to stay competitive and current in the market, AOT must be able to create relevant apps about what our travelers are seeking when they are researching and planning their visit to Arizona. With increased funding, AOT would have the opportunity to create an Arizona Travel App for consumers looking for immediate travel information on their mobile devices.

Issue 3 Research

Description A.R.S. § 41-2305 requires AOT to assume a comprehensive research program designed to establish the office as the state's central repository and clearinghouse for all data which relates to tourism, perform research necessary to determine a long-range tourism development plan for this state and conduct research at the request of the governor, the legislature or state or local agencies, pertaining to any of AOT's objectives.

However, in an evolving travel and research environment, more innovative research techniques using new digital methods and tools are required in order to provide more strategic insights to effectively promote Arizona's Tourism Brand and increase Arizona's international and domestic market share.

Therefore, with increased funding, the agency will perform additional research in FY17 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.

Solutions:

1. Use allocated funds to conduct studies imperative to our marketing efforts. AOT must continually provide the necessary research on advertising effectiveness, economic impact of the travel industry and tourism indicators through traditional research methods.
2. Utilize a combination of both traditional and innovative research techniques in order to produce the highest quality insights, such as studies including both psychographics (values, attitudes and lifestyle) and demographic factors (e.g. age, gender, education, Income) about consumers that have visited Arizona, which will guide AOT in identifying potential visitors. In FY15, AOT conducted a target cities analysis survey to determine the best visitor markets to invest marketing dollars in for the best return on investment. The data collected determined the FY16 national/target cities consumer advertising campaign program of work. Additional funding could increase our research methods to ensure AOT's program of work is providing the best return on investment.
3. Conduct conversion studies and return-on-investment (ROI) studies to evaluate the effectiveness of AOT's national advertising campaign. In addition to measuring advertising that leads to inquiry/fulfillment (customers' response to acquire information), research will be done to show actual conversion from the advertising that leads to inquiry/purchase (customers who inquire for information and then actually travel to Arizona).
4. Capitalize on the growing trend of international travel to the USA, which is set to grow faster than domestic travel. In order to capitalize on this trend, AOT requires more data about our international travelers to Arizona. With increased funding, AOT could conduct and/or purchase research such as International Travel Trade Forecasts, studies that focus on visitor intent to travel (booking window and methods), in-depth reports on overseas visitors, and profiles and trip characteristics from key primary and secondary international markets.
5. Maximize available funds by obtaining detailed information about those who have visited Arizona and find like-minded prospective consumers who, if made aware of Arizona, are more likely to travel here. To identify new prospects, AOT will use precise targeting and segmentation tools to better understand who our visitors are in terms of their visitation habits, behavior and traits. For example, the Internet has become an essential part of our daily lives, and as consumers navigate within and between websites and social networks, they leave behind an unprecedented amount of data. By leveraging that data, AOT has the ability to learn more about potential visitor interests, intents and stages within the buying process than ever before.
6. Assist strategic partners with joint venture research projects including Cactus League Economic Impact Studies and Golf Industry and Economic Impact Surveys. Impact studies conducted with strategic industry partners provide AOT with valuable data to better understand the vacation habits, travel behaviors and spending traits of visitors interested in specific or niche Arizona experiences.

Issue 4 Resources

Description AOT is requesting four additional FTEs to accommodate the growing needs of the agency and increase the effectiveness of our program of work. Requested FTEs will (1) manage the expansion of AOT's strategic partnerships with international, national, regional, statewide, tribal tourism entities and economic development organizations; (2) pursuant to A.R.S. § 41-2305 (B)(3), manage efforts to restore AOT's trade relations opportunities in key European countries (France, Germany and the United Kingdom); (3) manage increasing demand for in-house graphic services production to enhance AOT's general creative services efforts; (4) manage the expansion of corporate communications opportunities including promotion of agency's program of work, its connection to the economic benefits of the Arizona tourism industry and its correlation to the overall brand of Arizona.

Solutions:

1. One FTE to increase strategic partnerships with national, regional, statewide and tribal tourism entities and economic development organizations.
2. One FTE to re-establish and oversee trade efforts and expand overall marketing efforts in mature European markets including the United Kingdom, Germany and France. Restoring even a limited presence in Europe will assist AOT in attracting more travelers from these key European markets.
3. One FTE to manage increasing demand for in-house graphic services production to enhance AOT's general creative services efforts
4. One FTE to accommodate for the expanding corporate communication needs, which include increasing public relations efforts for the promotion of AOT's multiple marketing campaigns and to further promote/educate about the importance of the Arizona tourism industry to Arizona's economy.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	34.0	36.0	38.0
General Fund	17,000.0	19,000.0	21,000.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	15,433.0	15,982.0	16,555.0
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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,103.7	7,110.4	23,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,151.8	7,110.4	23,000.0
Total Funding	16,255.5	14,220.8	46,000.0
FTE Positions	28.0	28.0	32.0

◆ **Goal 1** To ensure the efficient, timely, and accurate administration of AOT's financial and business affairs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of invoices paid within 30 days	92	94	94	90	92
Average number of days for processing invoices received	13	13	13	22	20

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Hours of certified training in procurement	16	16	24	16	16

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	15,558.5	13,779.0	13,779.0
Total Funding	15,558.5	13,779.0	13,779.0
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 and the state Welcome Center.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,970.3	6,300.0	6,300.0
Total Funding	7,970.3	6,300.0	6,300.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To expand the volume of tourism activity through tourism promotion and development.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of domestic tourists (in millions)	39.1	39.5	40.7	41.9	43.1

◆ **Goal 2** To efficiently use advertising resources (both online and offline) to generate demand for Arizona tourism information.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cost per inquiry for advertising-generated requests for Arizona travel planning information (in dollars)	25.9	25.0	21.40	20.76	20.14
Number of inquiries for Arizona travel packet (in thousands)	173.0	172.0	201	207	213
Number of visitors to AOT's consumer web sites for Arizona travel planning information (in thousands)	3,137	3,451	3,736	3,848	3,963

◆ **Goal 3** To offer the Arizona tourism industry the opportunity to participate in cost-efficient and effective advertising programs with AOT.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of partners who participate in the Marketing Cooperative Program with AOT.	30	32	31	32	32

◆ **Goal 4** To work with the travel trade and media to generate increased interest in Arizona amongst target consumers.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Contacts at trade shows and on sales missions	1,996	1,800	2,865	1,430	1,473
Participants on familiarization tours and site inspections	98	50	86	90	94
Participants on group press trips and individual media visits	120	100	157	120	125
Advertising value of domestic and international coverage generated by AOT efforts for every \$1 expended on media promotions (ROI in dollars)	49	50	55	50	50

◆ **Goal 5** To generate positive media coverage for the Arizona Office of Tourism and the tourism industry.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Circulation of print, TV, radio and online coverage about AOT and the tourism industry (in millions)	186	200	590	596	602
Advertising value of print, TV, radio and online coverage about AOT and the tourism industry (in dollars)	221,269	230,000	1,600,000	1,620,000	1,650,000

◆ **Goal 6** To provide tourism-related technical assistance to communities and American Indian tribes throughout Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of constituents participating in workshops and meetings	220	230	97	100	102

- ◆ **Goal 7** To provide information to visitors at the Painted Cliffs Welcome Center to provide tourism-related information about Arizona and encourage them to extend their travel throughout Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of visitors to the Welcome Center	92,282	86,600	89,772	11,320	0

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Increase the number of gross impressions (in millions)	355	380	397	409	421

- ◆ **Goal 2** To increase engagement on consumer website.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Increase average time on site (in minutes)	0	0	2:00	2:06	2:11

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 for the funding of tourism marketing activities such as advertising, public relations, and travel industry marketing to eligible Destination Marketing Organizations (DMOs) within Maricopa County as well as AOT. The purpose of this funding to Maricopa County DMOs is to promote the individual city or town, and for AOT to promote Maricopa County, as destinations with a variety of tourism-related products and activities. AOT, in consultation with the Prop 302 Maricopa County Grant Program Committee, oversees the guidelines, application process and level of funding to be awarded to each eligible Maricopa County DMO. AOT’s allocation of funding is capped at 5% of the total fund annually.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,588.2	7,479.0	7,479.0
Total Funding	7,588.2	7,479.0	7,479.0
FTE Positions	0.0	0.0	0.0

◆ **Goal 1** To distribute Proposition 302 money in a timely manner

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average number of days from Treasurer's Office notification to disbursement of funds	3	3	3	3	3

Agency Summary

DEPARTMENT OF TRANSPORTATION

John Halikowski, Director
 Phone: (602) 712-7227
 A.R.S. Title 28

Mission:

To provide products and services for a safe, efficient, cost-effective transportation system.

Description:

The Arizona Department of Transportation (ADOT) is 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	96,921.1	95,824.3	91,024.3
➤ INTERMODAL TRANSPORTATION	2,600,688.2	3,310,115.3	3,314,710.8
➤ MOTOR VEHICLE	95,663.5	95,627.9	95,627.9
➤ FOR-HIRE TRANSPORTATION	0.0	0.0	233.5
Agency Total:	2,793,272.8	3,501,567.5	3,501,596.5
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.9	50.4	50.4
Other Appropriated Funds	360,618.1	367,364.4	367,393.4
Other Non Appropriated Funds	2,432,653.8	3,134,152.7	3,134,152.7
Total Funding	2,793,272.8	3,501,567.5	3,501,596.5
FTE Positions	4,022.0	4,576.0	4,580.0

5 Year Plan

Issue 1 Maximize performance of the existing transportation system.

Description In November 2011, the State Transportation Board adopted the update to the state's long-range transportation plan, called "What Moves You Arizona", which identified investment choices based upon projected transportation revenues during the next 25 years. Our priorities for the future will focus our limited resources on preserving and modernizing what we already have to protect taxpayers' investment and to maximize performance on the existing transportation system. Continuing resource limitations may affect our ability to deliver a safe, efficient and effective transportation system that facilitates business development and job creation, while contributing to a vibrant state economy as one of the nation's emerging population centers.

Solutions:

1. Prioritize and focus on the products and services most critical to serving the public, collecting revenue and maintaining the transportation infrastructure.
2. Align the organizational structure to optimize effectiveness and reduce costs.
3. Increase efficiency of service delivery processes and systems.
4. Refine ADOT's performance measures.
5. Research, evaluate and explain alternative funding sources to help finance and maintain a multimodal transportation system.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	4,552.0	4,552.0	4,552.0
General Fund	50.4	50.4	50.4
Other Appropriated Funds	373.0	375.0	378.0
Non-Appropriated Funds	3,135.0	3,135.0	3,135.0
Federal Funds	870.0	870.0	870.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	83,450.7	82,907.8	78,107.8
Other Non Appropriated Funds	13,470.4	12,916.5	12,916.5
Total Funding	96,921.1	95,824.3	91,024.3
FTE Positions	632.0	769.0	769.0

Subprogram Summary

DIRECTOR'S OFFICE / TRANSPORTATION BOARD

John Halikowski, Director
Phone: (602) 712-7227
A.R.S. Title 28

Mission:

To serve the employees, suppliers and customers of the Arizona Department of Transportation by exemplifying leadership and a commitment to achieve the agency guiding vision. The Transportation Board's mission is to administer the functions outlined in A.R.S. § 28-106 with respect to development or modification of the five-year transportation facilities construction program, the awarding of all construction contracts for transportation facilities and monitoring the status of such projects.

Description:

The Director and staff exist to provide strategic direction and guidance to agency personnel in achieving the organizational mission in an atmosphere of continuous improvement.

The Transportation Board distributes monies from the aviation fund for public airport planning, design and construction; establishes a complete set of state highway routes; determines which routes shall be accepted into the system and which shall be improved; establishes or otherwise alters the status of any portion of a state route or highway or other transportation facility; and determines priority programming with respect to transportation facilities.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,001.0	1,002.5	1,002.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,001.0	1,002.5	1,002.5
FTE Positions	6.0	6.0	6.0

◆ **Goal 1** To increase the quality, timeliness and cost effectiveness of our products and services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Highway User Revenue Fund revenue forecast range (percent)	1.4	+2.0/-1.0	+1.6	+2.0/-1.0	+2.0/-1.0
Regional Area Revolving Fund revenue forecast range (percent)	1.0	+2.0/-1.0	+1.0	+2.0/-1.0	+2.0/-1.0
Administrative expenses as percentage of total budget	0.9	1.0	1.0	2.0	2.0

◆ **Goal 2** To develop a high performing and successful workforce.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Agency turnover rate (percentage)	16	10.0	11.4	10.0	10.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	82,449.7	81,905.3	77,105.3
Other Non Appropriated Funds	5,153.8	4,837.0	4,837.0
Total Funding	87,603.5	86,742.3	81,942.3
FTE Positions	601.0	735.0	735.0

Subprogram Summary

ARIZONA HIGHWAYS MAGAZINE

Win Holden, Publisher
 Phone: (602) 712-2023
 A.R.S. §§ 28-1881 to 28-1884

Mission:

To encourage travel within Arizona by publishing magazines and products about the state and its people while achieving the highest level of quality in production and customer service.

Description:

The first issue of Arizona Highways was published in April 1925. The current monthly circulation, including newsstand, averages 120,000 and includes subscribers from every state and 87 foreign countries. Fifty percent of the magazine's subscribers live outside Arizona, many of them receiving gift subscriptions from Arizonans. A one year subscription is \$24.00. Arizona Highways is an enterprise fund and generates revenue from two major sources:(1) subscription and newsstand sales of the magazine; and (2) related product sales. The magazine is 56 full-color pages per issue. Most of the writing and photography included is provided by freelance contributors who are paid fees for one-time rights to publish their material.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	8,316.6	8,079.5	8,079.5
Total Funding	8,316.6	8,079.5	8,079.5
FTE Positions	25.0	28.0	28.0

◆ **Goal 1** To remain financially self-sufficient while promoting travel and tourism to and through the state of Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average paid subscriptions	114,407	111,218	111,361	108,576	105,862
Average monthly newsstand sales	7,611	7,200	6,001	5,500	5,000

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

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.9	50.4	50.4
Other Appropriated Funds	188,278.9	195,482.6	200,078.1
Other Non Appropriated Funds	2,412,408.4	3,114,582.3	3,114,582.3
Total Funding	2,600,688.2	3,310,115.3	3,314,710.8
FTE Positions	2,142.0	2,417.0	2,417.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	135,915.0	138,882.7	143,393.2
Other Non Appropriated Funds	15,809.3	15,356.5	15,356.5
Total Funding	151,724.3	154,239.2	158,749.7
FTE Positions	843.0	932.0	932.0

◆ **Goal 1** To improve the movement of people and products throughout Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total maintenance lane miles	29,308	29,480	29,480	29,630	29,770

Explanation: Maintenance lane miles include passing lanes, shoulders, ramps, etc.

◆ **Goal 2** To increase the quality, timeliness and cost effectiveness of our products and services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of highway system with pavement smoothness rating <171	96	95	95	95	95

Explanation: Based on International Roughness Index

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	34,197.5	37,630.5	37,630.5
Other Non Appropriated Funds	2,360,944.3	3,059,934.3	3,059,934.3
Total Funding	2,395,141.8	3,097,564.8	3,097,564.8
FTE Positions	1,033.0	1,200.0	1,200.0

◆ **Goal 1** To enhance the movement of people and products throughout Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of dollars awarded vs. planned	100	100	100	100	100
Total travel lane miles	21,390	21,450	21,453	21,500	21,550
Percent of highway construction projects completed on schedule	95	95	97.1	95	95

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.9	50.4	50.4
Other Appropriated Funds	427.0	423.9	508.9
Other Non Appropriated Funds	27,113.3	30,856.5	30,856.5
Total Funding	27,541.2	31,330.8	31,415.8
FTE Positions	77.0	85.0	85.0

◆ **Goal 1** To increase the quality, timeliness and cost effectiveness of our aviation services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent projects completed on schedule	95	95	95	95	95

Subprogram Summary

VEHICLES AND HEAVY EQUIPMENT

Sonya Herrera, Division Director
Phone: (602) 712-6255
A.R.S. § 28-7006

Mission:

To purchase, maintain, repair and dispose of light and heavy duty vehicle and fleet equipment for ADOT and perform contract services for selected state agencies and county/municipal governments.

Description:

It is the responsibility of Equipment Services to: provide and maintain the equipment fleet for ADOT users; maintain equipment fleets for other agencies and county/municipalities governments under contract; collect revenue to finance capital replacement and operational expenses; provide management and financial information through an equipment management system; provide fuel resources statewide in compliance with federal/ state EPA regulations; and maintain state port-of-entry scales.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	17,739.4	18,545.5	18,545.5
Other Non Appropriated Funds	8,541.6	8,435.0	8,435.0
Total Funding	26,281.0	26,980.5	26,980.5
FTE Positions	189.0	200.0	200.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	88,888.5	88,974.0	88,974.0
Other Non Appropriated Funds	6,775.0	6,653.9	6,653.9
Total Funding	95,663.5	95,627.9	95,627.9
FTE Positions	1,248.0	1,390.0	1,390.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	63,154.8	63,068.6	63,700.4
Other Non Appropriated Funds	4,026.4	3,990.9	3,990.9
Total Funding	67,181.2	67,059.5	67,691.3
FTE Positions	906.0	1,030.0	1,050.0

◆ **Goal 1** To improve customer service.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of all vehicle registration renewals completed through alternate methods	86	85	86	85	85
Average Level II telephone wait time (minutes)	14	20	20	20	20
Average customer visit time in MVD field offices	29	30	29	30	30
Percent of office customers rating service as good or excellent	96	85	91	91	91

◆ **Goal 2** To increase the use of electronic service delivery.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total Internet transactions and activities (in thousands).	9,042	8,500	9,744	9,000	9,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	25,733.7	25,905.4	25,273.6
Other Non Appropriated Funds	2,748.6	2,663.0	2,663.0
Total Funding	28,482.3	28,568.4	27,936.6
FTE Positions	342.0	360.0	340.0

◆ **Goal 1** To promote public safety and protection through regulation, licensing, and the administration of transportation laws.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of commercial vehicles processing activities at Fixed Ports of Entry (in thousands)	2,686	2,600	3,703.8	3,780.0	3,850.0

Program Summary

FOR-HIRE TRANSPORTATION

Phone:
A.R.S. Title 28

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.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	233.5
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	0.0	0.0	233.5
FTE Positions	0.0	0.0	4.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	778.4	1,205.1	1,205.1
Other Appropriated Funds	5,471.9	5,044.0	5,044.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	6,250.3	6,249.1	6,249.1
FTE Positions	30.4	30.4	30.4

Issue 1 Develop and deploy an Employee Capital Enhancement System.

Description The Office of the Arizona State Treasurer has historically been a very small agency, and this fact adds to the importance of building and maintaining a strong group of employees. Specialized training and experience is vital to the successful operation of the office. This is why developing and maintaining a system to hire, train, and retain great employees is at the top of the strategic plan. As a large portion of the staff advances toward retirement age, systems must be in place that will create a dependable and evolving succession planning process.

Solutions:

1. Support a culture of leadership and continuous learning

Objectives:

- a. Identify tools and processes to define the competencies that the Arizona State Treasurer must develop and retain to ensure that the agency has the right skills it needs to meet organizational goals.
 - B.The Office will conduct an annual training assessment to ensure there is training in place that is designed to improve organizational and individual performance.
 - C.Develop a leadership succession plan that includes a leadership gap analysis.
 - D.The Office will pilot the implementation of at least one knowledge management tool to support knowledge sharing across the organization.
- 2.Sustain a productive workforce and achieve results by recognizing performance in an environment in which all employees are encouraged to contribute.

Objectives:

- a.Develop, in conjunction with the new personnel reform policies, a performance management system and award program using a new performance evaluation method (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 monitoring appropriate investment benchmarks for state's operating cash as it relates to safety and liquidity.
 - e. Provide risk-adjusted returns on an annual basis that are no less than 25 basis points below the benchmark's annual return.
3. Provide appropriate risk adjusted returns for longer term funding needs of state agencies.

Objectives:

- a. Ensure the management of these funds adheres to the principals of safety first, followed by liquidity and then yield.
 - b. Adopt and monitoring appropriate investment benchmarks for state agencies longer term funds.
 - c. Invest longer term funds in a safe manner that meets the monthly, quarterly and annual liquidity needs for various state agencies.
 - d. Provide risk-adjusted returns on an annual basis that are no less than 25 basis points below the benchmark's annual return.
4. Offer as a continued service investment management services to local governments.

Objectives:

- a. Ensure the management of these funds adheres to the principals of safety first, followed by liquidity and then yield.

Issue 4 Deliver excellent customer service and financial transparency to taxpayers of Arizona.

Description Customer service is an important part in every division of the State of Arizona Treasurer’s office. Our employees deliver services to state agencies, municipal and county governments, distribution recipients, and taxpayers to the State of Arizona. Our Mission and Vision speaks directly to the importance of this strategic issue.

Solutions:

1.Strengthen our customer service survey process to include all division touch points relating to customer service.

Objectives:

- a.Develop and complete a meaningful survey of customers on an annual basis that measures customer satisfaction with all touch points with the office.
- b.Use survey to establish baseline and continual improvement annually.

2.Improve the Office’s web page to provide more transparency of financial information.

Objectives:

- a. Ensure financial information created by the office is posted timely and in a manner easily understandable by the general public.
- b. Improve the graphical representation of AZCheckbook.
- c. Facilitate a one stop point for the public to access financial information of the State of Arizona.

Issue 5 Promote Economic Development in the State of Arizona

Description The Treasurer of the State of Arizona is a statewide elected official that oversees tens of billions of dollars of transactions annually with an aggregate investment portfolio of \$13 billion. The Treasurer is in a unique position to leverage existing relationships with current investment partners and companies looking to expand or growth their operations in the state.

Solutions:

1.Work closely with elected officials, private-sector leaders and economic associations to promote business friendly policies.

Objectives:

- a.Attract new business and grow existing businesses across the state.
- b.Maintain good working relationships with the Governor, Commerce Authority, Chambers of Commerce, etc.
- c.Visit Local Government Investment Pool clients on a regular basis to gain insight and perspective on what opportunities exist at the local level.

2.Communicate with key persons in the firms we invest with to promote growth opportunities for the state.

Objectives:

- a.Develop outreach plan to target investor relations contacts
- b.Research potential expansion opportunities of companies the state invests in.
- c.Conduct phone and in-person relationship building meetings as opportunities present themselves.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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	5,044.0	5,044.0	5,044.0
Non-Appropriated Funds	4,772.4	4,772.4	4,772.4
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction rating for State Agency depositors (scale 1-8).	7.56	7.10	7.76	7.10	7.10

- ◆ **Goal 2** To disburse funds as required by law in a manner that ensures accuracy and timeliness, while maintaining adequate internal controls and auditable records.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Customer satisfaction rating for State Agency banking customers (scale 1-8).	7.40	7.10	7.03	7.10	7.10
Customer satisfaction rating for distribution recipients (scale 1-8).	7.11	7.10	7.03	7.10	7.10
Percent of distributions sent successfully and accurately.	99	98	100	98	98
Percent of outgoing wires sent successfully and accurately.	99	99	98	99	99
Percent of distributions sent on time.	100	98	100	98	98
Percent of outgoing wires sent on time.	99	99	98	99	99

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of non-compliant trades.	0	3	1	3	3
Average days to correct non-compliant trades.	0	1	1	1	1

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ GOVERNANCE	131,109.1	153,672.3	167,199.4
➤ STUDENT ASSISTANCE	14,826.0	16,362.5	15,491.7
Agency Total:	145,935.1	170,034.8	182,691.1
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	19,928.4	16,928.4	16,928.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	126,006.7	153,106.4	165,762.7
Total Funding	145,935.1	170,034.8	182,691.1
FTE Positions	29.1	31.5	31.5

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,352.5	2,352.5	2,352.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	125,756.6	151,319.8	164,846.9
Total Funding	131,109.1	153,672.3	167,199.4
FTE Positions	28.8	31.4	31.4

◆ **Goal 1** To Drive Student Success and Learning

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Bachelor's degrees produced annually in the system.	26,250	24,279	25,279	26,120	27,108

Explanation: *FY15 Actual is an estimated number. Final number is not yet available.

Total Enrollment	0	0	152,933	161,406	166,292
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◆ **Goal 2** To discover New Knowledge

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total Research Activity (in Thousands)	41	41	1,046,329	1,420,796	1,538,205
Invention Disclosures	89	89	473	410	418

◆ **Goal 3** To impact Arizona

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Public service activity (in Thousands)	1800	2000	\$159,799*	\$164,072	\$168,945

Explanation: *FY15 Actual is an estimate number. Final number is not yet available.

Number of degrees awarded in high demand fields	0	0	13,979*	14,800	15,362
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Explanation: FY15 Actuals is an estimated number. Final number is not yet available.

◆ **Goal 4** To oversee the university internal audit process

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Audits scheduled	41	39	41	39	38
Explanation: Numbers reflect systemwide activities					
Audits performed on universities	26	39	36	39	38

Program Summary

STUDENT ASSISTANCE

Gale Tebeau, Director Financial Policies
 Phone: (602) 229-2522
 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 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	250.1	1,786.6	915.8
Total Funding	14,826.0	16,362.5	15,491.7
FTE Positions	0.3	0.1	0.1

◆ **Goal 1** To deliver a high quality university education

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of Western Interstate Commission for Higher Education awards	173	171	172	171	203
Number of first year Western Interstate Commission for Higher Education awards	41	44	44	56	73
Number of first year WICHE applications meeting eligibility requirements	233	202	202	206	200
Number of first year WICHE applications processed	255	234	215	220	210
Percent of recipients returning to practice in Arizona	78	79	78	79	80
Number of Improving Teacher Quality (ITQ) grants awarded (depend on funding)	1	1	1	10	0

Explanation: Funding expected to end by FY2017

Number of students awarded financial aid through the Arizona Financial Aid Trust	7100	7100	7572	7600	7600
Graduation rate	0	0	59.8%	61.6%	62.6%

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 about 73,500 Tempe campus and nearly 24,000 Downtown campus full-time and part-time students and applying the strongest features of the traditional major research university to the rapidly evolving needs of the metropolitan Phoenix area and Arizona. The Tempe campus plays an extensive role within Arizona State University by providing high quality graduate training at the doctoral level and serving as the only Carnegie Foundation-designated Doctoral/Research-Extensive campus in the metropolitan Phoenix area.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ INSTRUCTION	738,462.2	790,768.7	839,382.7
➤ ORGANIZED RESEARCH	197,376.6	194,308.3	195,011.2
➤ PUBLIC SERVICE	38,445.2	37,915.7	37,915.7
➤ ACADEMIC SUPPORT	188,884.8	153,339.6	158,990.2
➤ STUDENT SERVICES	370,650.6	364,132.4	377,553.7
➤ INSTITUTIONAL SUPPORT	649,669.1	697,224.3	728,356.2
Agency Total:	2,183,488.5	2,237,689.0	2,337,209.7
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	292,451.0	241,538.2	306,074.0
Other Appropriated Funds	512,843.2	551,220.9	551,220.9
Other Non Appropriated Funds	1,378,194.3	1,444,929.9	1,479,914.8
Total Funding	2,183,488.5	2,237,689.0	2,337,209.7
FTE Positions	11,152.0	11,282.2	11,465.2

Issue 1 Increase participation in postsecondary education and ultimately increase baccalaureate degree production

Description To broaden access to a quality education for all segments of the population, ASU must be positioned to accommodate the expected growth in high school graduates, particularly minority populations and a growing pool of older students requiring new job skills. Never in the history of Arizona has a university education been more important. Our knowledge-based economy and an ever-increasing trend toward globalization are changing the skills needed for success in the labor force. Yet, rising costs, need for financial aid, and years of under-funding for higher education place the idea of access at risk. Tuition rates approved by the Board of Regents in recent years and future changes consistent with Board policy will help to meet some of the increasing need for financial aid and improve affordability for a greater number of students.

ASU is strongly committed to providing access to college for all qualified students. Furtherance of this goal requires bold and sustained planning to provide for the projected increases in enrollments, primarily of undergraduate students. Continued investment will be necessary to provide the infrastructure for the enrollment growth envisioned at each of the campuses.

Solutions:

Strategy 1: Increase efforts to enroll more Arizona high school graduates.

Strategy 2: Increase the diversity of the student population.

Strategy 3: Enhance partnerships with the community colleges to facilitate more effective transfer processes.

Strategy 4: Increase ASU Online program offerings to increase access for students seeking ASU degrees.

Strategy 5: Provide flexibility in course offerings and educational modalities.

Strategy 6: Increase financial assistance available to needy students.

Strategy 7: Establish Colleges@ASU sites that will provide an opportunity for students to complete baccalaureate degrees at lower costs.

Issue 2 Improve the quality of undergraduate and graduate education

Description Undergraduate and graduate education are the cornerstones of the university enterprise. Students seek a high quality education that prepares them to be successful in their careers, to contribute to society, and to become lifelong learners. Today's graduates must have strong communication, team building, and critical thinking skills as well as a global perspective to be successful.

A continued emphasis on providing a quality educational experience requires examining and evolving how the university designs and delivers its instructional programs to maximize the impact of education. Improvements can be accomplished through new pedagogical techniques, such as adaptive learning, collaborative learning, service learning, and other learner-centered approaches; through the appropriate use of technology to enhance the learning environment; through undergraduate education that focuses on the student as an individual; by providing seamless access to the services and resources required for learning and creative and intellectual inquiry; and by providing an environment that fosters student scholarship. ASU continues to conceptualize and create a wide range of new interdisciplinary schools, institutes, centers, and programs that will foster the development of new knowledge. In addition, ASU is enhancing learning environments that facilitate learner-centered delivery with improved instructional technologies and flexible room design. Necessary funding will provide the resources needed to improve the learning environments, to accommodate the increased student population, and to hire the faculty necessary to establish national standing for colleges and schools in every field.

Solutions:

Strategy 1: Increase the number of tenured and tenure-track faculty.

Strategy 2: Enhance the electronic systems that provide students with information to assist their academic planning and progress.

Strategy 3: Emphasize learning experiences that are outcomes-focused.

Strategy 4: Expand the use of alternative instructional methodologies and delivery methods.

Issue 3 Recruit and retain faculty and staff in highly competitive national and local markets during a period of limited resources

Description Quality faculty members are fundamental to a quality university education. Without the best faculty members, providing Arizona citizens the superior quality higher education they deserve and the output of research innovations they expect is impossible, and Arizona will not be able to achieve the necessary cultural and economic vitality required for the state to thrive. At ASU, hiring and retaining outstanding faculty members continues to be a concern. Like the other Arizona universities, ASU struggles to consistently compete in the demanding marketplace of top institutions. With the funding provided by the state for salaries between FY05 and FY08, ASU made some progress in improving faculty salaries, enabling the University to recruit and retain highly recognized and respected academics in a variety of fields. But the average salary for faculty members continues to fall below most of its peer institutions. Staff salaries also continue to fall further behind comparable jobs in the relevant markets. Turnover among staff continues to be a significant problem, in part due to salaries that are not competitive with the local market.

Solutions:

Strategy 1: Close the gap on salaries as defined in the Faculty Peer Salary Analysis through an ongoing commitment of performance salary adjustments. State investment in faculty salaries is critical at this time to retain key faculty members as well as enabling ASU to continue attracting and successfully competing for the highest qualified new faculty members.

Strategy 2: Adopt and implement an ongoing commitment of salary improvement to address the significantly negative market position of staff (non-academic) salaries by targeting budgetary funds at a level anticipating salary movement of 3 - 4% per year, with allocations tied directly to outcome driven performance measures.

Strategy 3: Develop and maintain the laboratory facilities and the network and computational resources required by the research community. Maintaining competitiveness in research, faculty and student recruitment and retention requires well-equipped modern facilities as well as secure access to high capacity network connectivity; computational, data, and analytic resources required to support researchers; and the systems and application support staffing required by individual researchers, clusters, and research teams.

Strategy 4: Maintain the program to improve salary and benefits for graduate research and teaching assistants. Other universities with whom ASU competes for top-quality graduate students have better salary and benefits packages. Excellent graduate students are essential for improving the quality of both graduate programs and the broader research enterprise.

Issue 4 Expand research capabilities

Description ASU continues to vigorously pursue long-term initiatives in such areas as health and biosciences, advanced materials, global security, renewable energy and sustainability, learning sciences, informatics and communications. ASU continues to be one of the fastest growing research enterprises, among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to 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
- 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 resources and plans for cost constraints

Description Between FY 2008, with the emergence of a fiscal crisis in Arizona and nationally, and FY 2012, Arizona State University experienced a reduction in state investment of \$196,305,700 while student FTE enrollment grew by over 12,000 (20 percent). In addressing the sudden and significant funding decline amidst increasing enrollment, the focus of resource reduction was to protect to the greatest extent possible the educational mission of the university, and to reduce the administrative and to a lesser extent student services functions rather than academic activities. Colleges and departments were consolidated, eliminating duplicate administrative structures. While the decline in state investment was real, a portion of the loss was partially offset by stimulus funds in FY 2010 and FY 2011. Increases in tuition permanently fill a part of the lost revenue, but most of the reduction was taken through efficiency measures and reductions in cost.

In 2011, in response to the FY 2012 Higher Education Budget Reconciliation Bill, the Arizona Board of Regents convened a work group to extensively study and propose a methodology to address the General Fund 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 and considers the legislative obligation to appropriate parity funding to be complete.

In addition to addressing the aforementioned funding disparity, ABOR endorsed the legislatively mandated funding model calling for performance funding based on metrics and goals set for each of the universities and developed an outcomes-based performance funding model. The metrics focus on degree completion, class enrollments, and research growth with added weight given to degrees related to the STEM fields (Science, Technology, Engineering and Mathematics) and other higher-value degrees that are in short supply or identified as essential to the State of Arizona's economic development strategy. Despite submitting performance funding requests in FY 2015 and FY2016 based on the legislatively mandated model, no funding was appropriated in response to the model. In fact, ASU's state investment was reduced by \$53.3 million.

The Governor addressed the Board of Regents in 2015 and challenged the Board to refashion the existing strategic plan into a sustainable, long-term business plan that counts on the State as one of many investors. The Board of Regents has endorsed a plan that requests that state funding be focused on supporting resident students with the current goal to work toward funding half of the Educational and General (E&G) expenses for such students coming from state appropriations. At present, the state supports approximately 38% of the E&G cost for resident students across the university system.

ASU's FY 2017 operating budget request of \$45.0 million is comprised of three components, partial restoration of the FY 2016 base budget reduction, funding for growth in resident student enrollment, and operations and maintenance support for resident students. A fourth component of the FY 2017 budget request is one-time in nature, a request for \$30.6 million in capital funding that will be matched with university funds on a dollar-for-dollar basis and to address both deferred maintenance and academic space needs.

Solutions:

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	140.0	140.0	140.0
General Fund	26,955.6	26,955.6	26,955.6
Other Appropriated Funds	27,561.0	28,939.1	30,386.1
Non-Appropriated Funds	34,138.2	35,162.3	36,217.2
Federal Funds	20,439.7	21,666.1	22,966.1

Program Summary

INSTRUCTION

Melinda Gebel, Director
 Phone: (480) 965-2318
 A.R.S. § 15-1601

Mission:

To offer high quality academic degrees, general studies, and honors programs that prepare graduates for personal growth, fulfilling careers, and lifelong contributions to the quality of intellectual life in the community, state, region, and nation.

Description:

Instruction is comprised of activities carried out during the academic year, summer sessions, and other periods outside the regular term and associated with degree credit and non-credit academic courses. This program also includes faculty departmental research and public service activities that are not separately budgeted and academic administration where instruction plays an important role, such as at the dean and department chair levels.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	154,415.1	139,031.1	166,445.1
Other Appropriated Funds	294,442.5	349,019.2	349,019.2
Other Non Appropriated Funds	289,604.6	302,718.4	323,918.4
Total Funding	738,462.2	790,768.7	839,382.7
FTE Positions	5,781.3	5,268.8	5,409.8

◆ **Goal 1** To improve the quality of undergraduate education.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Average years taken by freshman students to complete a baccalaureate degree program	4.5	4.4	4.4	4.4	4.3
Percentage of undergraduate degree recipients participating in research related or capstone (case study) experience	91	92	90	91	91
Percent of graduating seniors who rate their overall university experience as good or excellent	87	88	89	89	90
Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	84	84	85	85	85
Number of Bachelors degrees granted	12,587	13,028	12,852	13,409	15,067

◆ **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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Honors undergraduate headcount students	4,803	5,300	5,416	6,343	6,800
BHC degree recipients (i.e., with honors)	691	770	733	775	825
Courses offered for honors credit	2,797	3,000	2,967	3,200	3,400

- ◆ **Goal 3** To provide support services and courses that assist students in achieving academic success and planning programs of study within their chosen degree curricula.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of tutorials conducted by University Academic Success Programs	118,884	123,044	143,099	146,676	150,342
Number of students enrolled in UNI Academic Success courses to transition successfully to college and achieve academic success	2,857	3,000	4,779	6,213	8,077
Major and Career Exploration (UNI and ASU 101) course sections for exploratory students	190	200	171	200	220
Number of degree program course audits run by students and staff	1,395,549	1,674,658	1,548,816	1,703,697	1,874,067
Number of eAdvisor tracking audits run by students and staff	1,973,262	2,367,914	1,101,387	1,211,525	1,332,677

- ◆ **Goal 4** To provide enriched educational opportunities to students by expanding accessibility and delivery of courses.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Summer sessions headcount students	23,762	25,522	25,522	30,199	32,500
Explanation: NOTE: Reflects total university					
Internet course registrations during the fall semester (duplicated enrollments)	80,939	93,811	92,870	110,267	130,115
Explanation: NOTE: Reflects total university					
Internet course sections offered during the fall semester	2,022	2,304	2,283	2,736	3,228
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Students enrolled in graduate degree programs	0	0	14,870	15,762	16,708
Explanation: NOTE: Reflects a new metric added in FY15					
Masters degrees granted	4,094	4,196	4,500	5,416	6,331
Doctorate degrees granted	578	590	668	668	668
First professional degrees granted	200	204	223	225	225
Minority graduate enrollment as percentage of total enrollment	21.1	22.0	22.3	23.0	23.5

Program Summary

ORGANIZED RESEARCH

Melinda Gebel, Director
 Phone: (480) 965-2318
 A.R.S. § 15-1601

Mission:
To foster pre-eminent scholarship and creative activity that serves the citizens of Arizona through the development, application, and transfer of new knowledge especially beneficial to Arizona.

Description:
 Organized Research includes research activities taking place within centers, divisions, bureaus, institutes and experiment stations formally approved by the Arizona Board of Regents. These activities are specifically created and organized to produce research, whether separately budgeted within the university or commissioned by an external agency, as with federal grants and contracts.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	13,491.9	13,904.9	14,607.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	183,884.7	180,403.4	180,403.4
Total Funding	197,376.6	194,308.3	195,011.2
FTE Positions	1,365.8	1,369.0	1,373.0

◆ **Goal 1** To maintain and enhance the University's status as a major research institution.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Dollar value of proposals submitted (in millions)	1,518.7	1,787.9	1,520.0	1,641.6	1,772.9
External dollars received for research and creative activity (in millions of dollars)	296.5	323.2	300.1	324.1	350.0
Dollar value of total research expenditures (in millions)	403.3	428.0	428.5	457.1	495.1
Dollar value of externally funded, non-research expenditures (in millions)	34.1	35.7	32.9	34.5	36.3

◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Undergraduate students supported by sponsored funds	2,094	2,250	1,830.0	1,875.8	1,922.6

Explanation: NOTE: Reflects total university

Graduate students supported by sponsored funds	1,562	1,600	1,680.0	1,722.0	1,765.1
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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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	722.5	359.9	359.9
Other Appropriated Funds	1,267.0	821.2	821.2
Other Non Appropriated Funds	36,455.7	36,734.6	36,734.6
Total Funding	38,445.2	37,915.7	37,915.7
FTE Positions	225.6	236.3	236.3

- ◆ **Goal 1** To provide quality educational and informative television programs and improve services provided to the community, especially in rural areas.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Persons viewing KAET-TV on a weekly basis (in thousands)	1,068	1,078	1,134	1,168	1,203
Teachers served through educational support programming	63,387	65,289	65,089	67,041	69,052
Students served through educational support programming	1,204,358	1,240,488	1,236,691	1,273,779	1,311,988

- ◆ **Goal 2** To continue to stage excellent cultural and other nonathletic special events for various diverse constituents.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Persons attending University sponsored cultural events (in thousands)	474	511	478	487	487
Special events coordinated	420	440	445	460	475

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	39,449.1	27,957.4	33,608.0
Other Appropriated Funds	69,178.0	63,802.2	63,802.2
Other Non Appropriated Funds	80,257.7	61,580.0	61,580.0
Total Funding	188,884.8	153,339.6	158,990.2
FTE Positions	1,038.7	1,431.8	1,449.8

◆ **Goal 1** To manage the number of books and periodical subscriptions owned by the university libraries for increased accessibility.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Periodical subscriptions	60,842	62,000	59,719	59,000	59,200
Virtual/remote reference transactions	9,809	10,000	9,140	9,250	9,500
Visits to Libraries web site	3,959,093	4,500,000	3,880,318	3,800,000	3,700,000
Online catalog use (pageviews)	3,888,197	3,700,000	3,152,573	2,900,000	2,800,000
Online databases use (searches)	12,491,314	12,590,000	12,496,521	12,590,000	12,690,000

◆ **Goal 2** To increase impact and attendance by positioning the Museum as a center for research and discovery around new art forms and ideas for students and the public, utilizing strategies of presenting high quality exhibitions at ASU and international venues, international artist residencies, educational events for broad audiences including classes taught in the Museum, and transdisciplinary collaborative projects on and off campus.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Annual attendance at university art collections	98,000	120,000	97,300	100,000	120,000
Annual attendees of lectures and special events	20,000	25,000	35,000	40,000	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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of mediated classrooms	417	420	433	443	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)	1	0	3	2	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	15,813.2	13,652.1	15,507.5
Other Appropriated Funds	27,730.2	31,155.8	31,155.8
Other Non Appropriated Funds	327,107.2	319,324.5	330,890.4
Total Funding	370,650.6	364,132.4	377,553.7
FTE Positions	1,327.3	1,389.4	1,405.4

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Students receiving health care at the Campus Health Service	48,216	49,600	50,628	51,640	52,672
Disabled students served	2,568	2,593	2,079	2,120	2,150

◆ **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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Registered campus clubs and organizations	855	860	865	880	885
Student participation in advising services, workshops, career events, job fairs, on-campus interviews and special events offered by Career Services to assist students seeking employment and/or career guidance	67,554	69,580	73,333	75,530	77,800
Organizations recruiting on campus	4,629	4,768	5,493	5,660	5,830

◆ **Goal 3** To provide services that enhance the likelihood of students' academic success.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Students participating in orientation	9,500	9,750	9,523	9,750	10,000
Students living in first-year residential communities	8,678	9,000	8,015	8,482	8,600
Students receiving financial assistance in an academic year	69,283	71,361	77,649	79,978	82,378

Explanation: NOTE: Reflects total university

Dollar volume for all financial assistance programs (dollars in thousands)	1,064,271	1,096,199	1,194,990	1,230,840	1,267,765
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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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average GPA of student athletes (4.0 highest)	3.05	3.05	3.04	3.10	3.10
Percent of student athletes graduating in six years based on NCAA Graduation Success Rate	82	82	82	84	86

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	68,559.2	46,632.8	75,545.7
Other Appropriated Funds	120,225.5	106,422.5	106,422.5
Other Non Appropriated Funds	460,884.4	544,169.0	546,388.0
Total Funding	649,669.1	697,224.3	728,356.2
FTE Positions	1,413.3	1,586.9	1,590.9

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of employees trained through targeted institutional programs	1,655	1,686	3,161	2,100	2,400

Explanation: NOTE: Reflects a new metric added in FY15. Several large one-time-only programs were offered in FY15, hence the lower projections for FY16 and FY17.

Administration as a percentage of total cost	1.18	1.15	1.00	1.04	0.96
Job applications processed	48,358	53,194	55,096	62,800	71,600

Explanation: NOTE: In FY14, a new applicant tracking system was implemented

Positions filled	1,768	1,945	1,947	2,100	2,268
Percent of agency staff turnover (classified staff only)	14.2	13.5	13.7	12.8	11.9

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Maintenance work order man-hours on buildings/tunnels/structures	204,908	209,006	205,867	207,926	210,005
Number of faculty, staff, and students participating in fire and safety training classes	10,275	11,275	12,446	13,500	15,000
Annual Parking Permit Sales to students and staff	19,000	20,000	18,800	18,000	18,000
Community-based police assignments	360	365	368	375	386

◆ **Goal 3** To maintain support for all telecommunications systems throughout the University.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Centrally supported Ethernet connections	124,000	128,000	134,138	139,000	144,000
Explanation: NOTE: Reflects total university					
Internet bandwidth available (in Gigabits)	13.5	20.0	20.0	20.0	30.0
Internet bandwidth burstable (in Gigabits)	17	20	20	20	30
Wireless hours (in millions)	46.5	53.5	54.0	62.1	69.5

Program Summary	
AUXILIARY PROGRAM	
Phone: Not applicable	

Mission:

To

Description:

Not applicable

Agency Summary

ASU - POLYTECHNIC

Dr. Michael Crow, President
 Phone: (480) 965-8972
 A.R.S. § 15-1601

Mission:

To emphasize professional and technological programs based in the liberal arts and sciences and engage in intellectual inquiry focused on addressing societal needs by offering undergraduate and graduate programs primarily in professional and technological fields and in selected areas of the liberal arts and sciences; engaging in forms of scholarship involved with discovering, integrating, applying, and transmitting knowledge to address the conditions and concerns of society; and working with community partners in accomplishing all aspects of this mission.

Description:

Arizona State University at the Polytechnic campus serves about 14,500 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ INSTRUCTION	35,038.9	34,731.8	36,855.2
➤ ORGANIZED RESEARCH	7,422.7	7,602.2	7,602.2
➤ PUBLIC SERVICE	1,329.8	1,383.5	1,383.5
➤ ACADEMIC SUPPORT	12,186.3	14,722.6	16,702.8
➤ STUDENT SERVICES	6,000.5	5,559.1	5,980.9
➤ INSTITUTIONAL SUPPORT	53,937.3	55,460.4	58,111.0
Agency Total:	115,915.5	119,459.6	126,635.6
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	26,018.7	22,328.0	28,103.8
Other Appropriated Funds	31,587.4	37,722.9	37,722.9
Other Non Appropriated Funds	58,309.4	59,408.7	60,808.9
Total Funding	115,915.5	119,459.6	126,635.6
FTE Positions	554.8	575.8	597.3

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 for higher education place the idea of access at risk. Tuition rates approved by the Board of Regents in recent years and future changes consistent with Board policy will help to meet some of the increasing need for financial aid and improve affordability for a greater number of students.

ASU is strongly committed to providing access to college for all qualified students. Furtherance of this goal requires bold and sustained planning to provide for the projected increases in enrollments, primarily of undergraduate students. Continued investment will be necessary to provide the infrastructure for the enrollment growth envisioned at each of the campuses.

Solutions:

Strategy 1: Increase efforts to enroll more Arizona high school graduates.

Strategy 2: Increase the diversity of the student population.

Strategy 3: Enhance partnerships with the community colleges to facilitate more effective transfer processes.

Strategy 4: Increase ASU Online program offerings to increase access for students seeking ASU degrees.

Strategy 5: Provide flexibility in course offerings and educational modalities.

Strategy 6: Increase financial assistance available to needy students.

Strategy 7: Establish Colleges@ASU sites that will provide an opportunity for students to complete baccalaureate degrees at lower costs.

Issue 2 Improve the quality of undergraduate and graduate education

Description Undergraduate and graduate education are the cornerstones of the university enterprise. Students seek a high quality education that prepares them to be successful in their careers, to contribute to society, and to become lifelong learners. Today's graduates must have strong communication, team building, and critical thinking skills as well as a global perspective to be successful.

A continued emphasis on providing a quality educational experience requires examining and evolving how the university designs and delivers its instructional programs to maximize the impact of education. Improvements can be accomplished through new pedagogical techniques, such as adaptive learning, collaborative learning, service learning, and other learner-centered approaches; through the appropriate use of technology to enhance the learning environment; through undergraduate education that focuses on the student as an individual; by providing seamless access to the services and resources required for learning and creative and intellectual inquiry; and by providing an environment that fosters student scholarship. ASU continues to conceptualize and create a wide range of new interdisciplinary schools, institutes, centers, and programs that will foster the development of new knowledge. In addition, ASU is enhancing learning environments that facilitate learner-centered delivery with improved instructional technologies and flexible room design. Necessary funding will provide the resources needed to improve the learning environments, to accommodate the increased student population, and to hire the faculty necessary to establish national standing for colleges and schools in every field.

Solutions:

Strategy 1: Increase the number of tenured and tenure-track faculty.

Strategy 2: Enhance the electronic systems that provide students with information to assist their academic planning and progress.

Strategy 3: Emphasize learning experiences that are outcomes-focused.

Strategy 4: Expand the use of alternative instructional methodologies and delivery methods.

Issue 3 Recruit and retain faculty and staff in highly competitive national and local markets during a period of limited resources

Description Quality faculty members are fundamental to a quality university education. Without the best faculty members, providing Arizona citizens the superior quality higher education they deserve and the output of research innovations they expect is impossible, and Arizona will not be able to achieve the necessary cultural and economic vitality required for the state to thrive. At ASU, hiring and retaining outstanding faculty members continues to be a concern. Like the other Arizona universities, ASU struggles to consistently compete in the demanding marketplace of top institutions. With the funding provided by the state for salaries between FY05 and FY08, ASU made some progress in improving faculty salaries, enabling the University to recruit and retain highly recognized and respected academics in a variety of fields. But the average salary for faculty members continues to fall below most of its peer institutions. Staff salaries also continue to fall further behind comparable jobs in the relevant markets. Turnover among staff continues to be a significant problem, in part due to salaries that are not competitive with the local market.

Solutions:

Strategy 1: Close the gap on salaries as defined in the Faculty Peer Salary Analysis through an ongoing commitment of performance salary adjustments. State investment in faculty salaries is critical at this time to retain key faculty members as well as enabling ASU to continue attracting and successfully competing for the highest qualified new faculty members.

Strategy 2: Adopt and implement an ongoing commitment of salary improvement to address the significantly negative market position of staff (non-academic) salaries by targeting budgetary funds at a level anticipating salary movement of 3 - 4% per year, with allocations tied directly to outcome driven performance measures.

Strategy 3: Develop and maintain the laboratory facilities and the network and computational resources required by the research community. Maintaining competitiveness in research, faculty and student recruitment and retention requires well-equipped modern facilities as well as secure access to high capacity network connectivity; computational, data, and analytic resources required to support researchers; and the systems and application support staffing required by individual researchers, clusters, and research teams.

Strategy 4: Maintain the program to improve salary and benefits for graduate research and teaching assistants. Other universities with whom ASU competes for top-quality graduate students have better salary and benefits packages. Excellent graduate students are essential for improving the quality of both graduate programs and the broader research enterprise.

Issue 4 Expand research capabilities

Description ASU continues to vigorously pursue long-term initiatives in such areas as health and biosciences, advanced materials, global security, renewable energy and sustainability, learning sciences, informatics and communications. ASU continues to be one of the fastest growing research enterprises, among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to 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
 - 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 resources and plans for cost constraints

Description Between FY 2008, with the emergence of a fiscal crisis in Arizona and nationally, and FY 2012, Arizona State University experienced a reduction in state investment of \$196,305,700 while student FTE enrollment grew by over 12,000 (20 percent). In addressing the sudden and significant funding decline amidst increasing enrollment, the focus of resource reduction was to protect to the greatest extent possible the educational mission of the university, and to reduce the administrative and to a lesser extent student services functions rather than academic activities. Colleges and departments were consolidated, eliminating duplicate administrative structures. While the decline in state investment was real, a portion of the loss was partially offset by stimulus funds in FY 2010 and FY 2011. Increases in tuition permanently fill a part of the lost revenue, but most of the reduction was taken through efficiency measures and reductions in cost.

In 2011, in response to the FY 2012 Higher Education Budget Reconciliation Bill, the Arizona Board of Regents convened a work group to extensively study and propose a methodology to address the General Fund 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 and considers the legislative obligation to appropriate parity funding to be complete.

In addition to addressing the aforementioned funding disparity, ABOR endorsed the legislatively mandated funding model calling for performance funding based on metrics and goals set for each of the universities and developed an outcomes-based performance funding model. The metrics focus on degree completion, class enrollments, and research growth with added weight given to degrees related to the STEM fields (Science, Technology, Engineering and Mathematics) and other higher-value degrees that are in short supply or identified as essential to the State of Arizona's economic development strategy. Despite submitting performance funding requests in FY 2015 and FY2016 based on the legislatively mandated model, no funding was appropriated in response to the model. In fact, ASU's state investment was reduced by \$53.3 million.

The Governor addressed the Board of Regents in 2015 and challenged the Board to refashion the existing strategic plan into a sustainable, long-term business plan that counts on the State as one of many investors. The Board of Regents has endorsed a plan that requests that state funding be focused on supporting resident students with the current goal to work toward funding half of the Educational and General (E&G) expenses for such students coming from state appropriations. At present, the state supports approximately 38% of the E&G cost for resident students across the university system.

ASU's FY 2017 operating budget request of \$45.0 million is comprised of three components, partial restoration of the FY 2016 base budget reduction, funding for growth in resident student enrollment, and operations and maintenance support for resident students. A fourth component of the FY 2017 budget request is one-time in nature, a request for \$30.6 million in capital funding that will be matched with university funds on a dollar-for-dollar basis and to address both deferred maintenance and academic space needs.

Solutions:

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	16.0	16.0	16.0
General Fund	2,253.3	2,253.3	2,253.3
Other Appropriated Funds	1,786.1	1,875.5	1,969.2
Non-Appropriated Funds	1,533.0	1,579.0	1,626.4
Federal Funds	607.6	644.1	682.7

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	11,298.2	9,503.3	11,626.7
Other Appropriated Funds	13,716.3	16,055.8	16,055.8
Other Non Appropriated Funds	10,024.4	9,172.7	9,172.7
Total Funding	35,038.9	34,731.8	36,855.2
FTE Positions	305.0	319.1	331.1

◆ **Goal 1** To improve undergraduate and graduate education.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of graduating students who rate their overall experience at ASU Polytechnic as good or excellent	84	84	82	83	84
Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	83	83	84	85	85
Number of degrees granted	945	974	1,073	1,156	1,311
Number of Bachelors degrees granted	765	792	835	871	979
Number of Masters degrees granted	178	182	232	279	326
Average number of years taken to graduate for student who began as freshmen	5.1	4.8	4.7	4.6	4.6
Fall semester enrollment (headcount)	11,302	12,290	12,290	14,550	15,132

◆ **Goal 2** To provide support services and courses that assist students in achieving academic success.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of graduating students who 'have done' or 'plan to do' a practicum, internship, co-op experience, or clinical assignment	59	60	59	59	60
Number of tutorials conducted by University Academic Success Programs	11,793	12,736	14,357	14,715	15,082

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,422.7	7,602.2	7,602.2
Total Funding	7,422.7	7,602.2	7,602.2
FTE Positions	40.5	40.5	40.5

◆ **Goal 1** To provide support mechanisms for ASU Polytechnic researchers in an effort to increase research and sponsored project activities.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Dollar value of sponsored project proposals submitted (in millions)	44.4	65.5	49.3	53.2	57.5
External dollars received for research and creative activity (in millions)	7.3	8.5	6.9	7.5	8.0
Dollar value of total research expenditures (in millions)	9.9	8.7	9.9	10.5	11.4
Dollar value of externally funded, non-research expenditures (in millions)	1.7	1.8	1.5	1.6	1.7

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,329.8	1,383.5	1,383.5
Total Funding	1,329.8	1,383.5	1,383.5
FTE Positions	8.1	7.4	7.4

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of people served in professional activities.	1,766	2,000	122	121	125

Explanation: NOTE: FY15 reflects activities for The Polytechnic School

Number of iProject and external (non-agency) research sponsors.	54	100	54	44	54
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◆ **Goal 2** To provide meaningful community engagement opportunities through education.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of attendees at K-12 outreach activities.	4,129	5,200	8,319	9,309	10,350

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,802.4	4,543.6	5,123.6
Other Appropriated Funds	5,830.2	7,676.3	7,676.3
Other Non Appropriated Funds	1,553.7	2,502.7	3,902.9
Total Funding	12,186.3	14,722.6	16,702.8
FTE Positions	67.9	107.0	112.5

◆ **Goal 1** To provide Library Services as an integral and essential component in the academic success of students and faculty.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Library gate count	116,713	120,000	122,941	125,000	130,000
Workstations available for public use in library facilities	44	44	29	30	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of mediated classrooms	74	74	95	98	100
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	0	1

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,654.1	1,930.4	2,352.2
Other Appropriated Funds	3,222.2	3,261.4	3,261.4
Other Non Appropriated Funds	124.2	367.3	367.3
Total Funding	6,000.5	5,559.1	5,980.9
FTE Positions	72.3	42.5	46.5

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Students receiving health care at the Student Health Center (provider/nurse visits)	2,069	2,275	2,005	2,165	2,339

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Events and activities held for students each year	602	650	617	620	640
Registered campus clubs and organizations	74	79	70	76	80
Organizations physically recruiting on campus	106	109	133	138	144

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Students participating in student advisement/registration workshops	550	600	452	475	500
Students living in first-year residential communities	420	500	400	425	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,264.0	6,350.7	9,001.3
Other Appropriated Funds	8,818.7	10,729.4	10,729.4
Other Non Appropriated Funds	37,854.6	38,380.3	38,380.3
Total Funding	53,937.3	55,460.4	58,111.0
FTE Positions	61.0	59.3	59.3

◆ **Goal 1** To provide comprehensive administrative and human resource services to the campus community.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Job applications processed	1,820	2,002	1,715	1,700	1,750
Explanation: NOTE: In FY14, a new applicant tracking system was implemented					
Positions filled	66	73	57	51	51
Percent of agency staff turnover (classified staff only)	13.9	13.2	15.8	15.5	15.2
Administration as a percentage of total cost	1.12	0.93	0.88	1.13	1.03

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Crime reports	125	133	99	80	65
Calls for service	1,303	1,368	2,103	2,250	2,408

Program Summary

AUXILIARY PROGRAM

Phone:
 Not available

Mission:

Description:

Agency Summary

ASU - WEST

Dr. Michael Crow, President
 Phone: (480) 965-8972
 A.R.S. § 15-1601

Mission:

To become a comprehensive campus that balances the traditions of liberal arts education with responsiveness to the dynamics of workforce requirements. The West campus colleges and schools are committed to teaching and research that are innovative, interdisciplinary, collaborative and problem-based.

Description:

ASU at the West campus is located in Phoenix and serves nearly 18,000 residential and commuter students of diverse ages, ethnicity, and experience through baccalaureate programs, master’s programs, doctoral programs and certificate programs. The West campus focuses on developing a learning community that addresses the needs of a diverse metropolitan environment. It does this by offering learner-centered academic programs that enhance learning through teaching, service and enrichment opportunities; promoting discovery and innovation; pursuing new knowledge; introducing insights and creative ideas through instruction; encouraging direct involvement in new fields of inquiry; investigating important community-based issues; and integrating with the community through service based on scholarship.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ INSTRUCTION	55,826.0	65,127.3	67,620.7
➤ ORGANIZED RESEARCH	4,910.1	5,114.6	5,114.6
➤ PUBLIC SERVICE	4,779.5	4,687.1	4,687.1
➤ ACADEMIC SUPPORT	31,102.3	20,952.3	23,502.0
➤ STUDENT SERVICES	10,395.9	10,018.1	10,735.0
➤ INSTITUTIONAL SUPPORT	58,301.5	81,273.8	82,606.5
Agency Total:	165,315.3	187,173.2	194,265.9
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	33,519.0	28,945.0	34,204.9
Other Appropriated Funds	42,592.4	45,841.4	45,841.4
Other Non Appropriated Funds	89,203.9	112,386.8	114,219.6
Total Funding	165,315.3	187,173.2	194,265.9
FTE Positions	976.1	1,026.4	1,052.4

Issue 1 Increase participation in postsecondary education and ultimately increase baccalaureate degree production

Description To broaden access to a quality education for all segments of the population, ASU must be positioned to accommodate the expected growth in high school graduates, particularly minority populations and a growing pool of older students requiring new job skills. Never in the history of Arizona has a university education been more important. Our knowledge-based economy and an ever-increasing trend toward globalization are changing the skills needed for success in the labor force. Yet, rising costs, need for financial aid, and years of under-funding for higher education place the idea of access at risk. Tuition 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 funding will provide the resources needed to improve the learning environments, to accommodate the increased student population, and to hire the faculty necessary to establish national standing for colleges and schools in every field.

Solutions:

Strategy 1: Increase the number of tenured and tenure-track faculty.

Strategy 2: Enhance the electronic systems that provide students with information to assist their academic planning and progress.

Strategy 3: Emphasize learning experiences that are outcomes-focused.

Strategy 4: Expand the use of alternative instructional methodologies and delivery methods.

Issue 3 Recruit and retain faculty and staff in highly competitive national and local markets during a period of limited resources

Description Quality faculty members are fundamental to a quality university education. Without the best faculty members, providing Arizona citizens the superior quality higher education they deserve and the output of research innovations they expect is impossible, and Arizona will not be able to achieve the necessary cultural and economic vitality required for the state to thrive. At ASU, hiring and retaining outstanding faculty members continues to be a concern. Like the other Arizona universities, ASU struggles to consistently compete in the demanding marketplace of top institutions. With the funding provided by the state for salaries between FY05 and FY08, ASU made some progress in improving faculty salaries, enabling the University to recruit and retain highly recognized and respected academics in a variety of fields. But the average salary for faculty members continues to fall below most of its peer institutions. Staff salaries also continue to fall further behind comparable jobs in the relevant markets. Turnover among staff continues to be a significant problem, in part due to salaries that are not competitive with the local market.

Solutions:

Strategy 1: Close the gap on salaries as defined in the Faculty Peer Salary Analysis through an ongoing commitment of performance salary adjustments. State investment in faculty salaries is critical at this time to retain key faculty members as well as enabling ASU to continue attracting and successfully competing for the highest qualified new faculty members.

Strategy 2: Adopt and implement an ongoing commitment of salary improvement to address the significantly negative market position of staff (non-academic) salaries by targeting budgetary funds at a level anticipating salary movement of 3 - 4% per year, with allocations tied directly to outcome driven performance measures.

Strategy 3: Develop and maintain the laboratory facilities and the network and computational resources required by the research community. Maintaining competitiveness in research, faculty and student recruitment and retention requires well-equipped modern facilities as well as secure access to high capacity network connectivity; computational, data, and analytic resources required to support researchers; and the systems and application support staffing required by individual researchers, clusters, and research teams.

Strategy 4: Maintain the program to improve salary and benefits for graduate research and teaching assistants. Other universities with whom ASU competes for top-quality graduate students have better salary and benefits packages. Excellent graduate students are essential for improving the quality of both graduate programs and the broader research enterprise.

Issue 4 Expand research capabilities

Description ASU continues to vigorously pursue long-term initiatives in such areas as health and biosciences, advanced materials, global security, renewable energy and sustainability, learning sciences, informatics and communications. ASU continues to be one of the fastest growing research enterprises, among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to 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
 - 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 resources and plans for cost constraints

Description Between FY 2008, with the emergence of a fiscal crisis in Arizona and nationally, and FY 2012, Arizona State University experienced a reduction in state investment of \$196,305,700 while student FTE enrollment grew by over 12,000 (20 percent). In addressing the sudden and significant funding decline amidst increasing enrollment, the focus of resource reduction was to protect to the greatest extent possible the educational mission of the university, and to reduce the administrative and to a lesser extent student services functions rather than academic activities. Colleges and departments were consolidated, eliminating duplicate administrative structures. While the decline in state investment was real, a portion of the loss was partially offset by stimulus funds in FY 2010 and FY 2011. Increases in tuition permanently fill a part of the lost revenue, but most of the reduction was taken through efficiency measures and reductions in cost.

In 2011, in response to the FY 2012 Higher Education Budget Reconciliation Bill, the Arizona Board of Regents convened a work group to extensively study and propose a methodology to address the General Fund 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 and considers the legislative obligation to appropriate parity funding to be complete.

In addition to addressing the aforementioned funding disparity, ABOR endorsed the legislatively mandated funding model calling for performance funding based on metrics and goals set for each of the universities and developed an outcomes-based performance funding model. The metrics focus on degree completion, class enrollments, and research growth with added weight given to degrees related to the STEM fields (Science, Technology, Engineering and Mathematics) and other higher-value degrees that are in short supply or identified as essential to the State of Arizona's economic development strategy. Despite submitting performance funding requests in FY 2015 and FY2016 based on the legislatively mandated model, no funding was appropriated in response to the model. In fact, ASU's state investment was reduced by \$53.3 million.

The Governor addressed the Board of Regents in 2015 and challenged the Board to refashion the existing strategic plan into a sustainable, long-term business plan that counts on the State as one of many investors. The Board of Regents has endorsed a plan that requests that state funding be focused on supporting resident students with the current goal to work toward funding half of the Educational and General (E&G) expenses for such students coming from state appropriations. At present, the state supports approximately 38% of the E&G cost for resident students across the university system.

ASU's FY 2017 operating budget request of \$45.0 million is comprised of three components, partial restoration of the FY 2016 base budget reduction, funding for growth in resident student enrollment, and operations and maintenance support for resident students. A fourth component of the FY 2017 budget request is one-time in nature, a request for \$30.6 million in capital funding that will be matched with university funds on a dollar-for-dollar basis and to address both deferred maintenance and academic space needs.

Solutions:

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	20.0	20.0	20.0
General Fund	2,851.5	2,851.5	2,851.5
Other Appropriated Funds	2,212.1	2,322.7	2,438.8
Non-Appropriated Funds	2,998.7	3,088.7	3,181.4
Federal Funds	909.5	964.1	1,022.0

Program Summary

INSTRUCTION

Melinda Gebel, Director
 Phone: (480) 965-2318
 A.R.S. § 15-1601

Mission:

To offer high quality academic degrees, general studies, and honors programs that prepare graduates for personal growth, fulfilling careers, and lifelong contributions to the quality of intellectual life in the community, state, region, and nation.

Description:

Instruction is comprised of activities carried out during the academic year, summer sessions, and other periods outside the regular term and associated with degree credit and non-credit academic courses. This program also includes faculty departmental research and public service activities that are not separately budgeted and academic administration where instruction plays an important role, such as at the dean and department chair levels.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	13,954.5	11,494.7	13,988.1
Other Appropriated Funds	17,731.9	18,204.6	18,204.6
Other Non Appropriated Funds	24,139.6	35,428.0	35,428.0
Total Funding	55,826.0	65,127.3	67,620.7
FTE Positions	480.1	636.3	650.3

◆ **Goal 1** To improve undergraduate and graduate education.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percentage of undergraduate degree recipients participating in research related or capstone (case study) experience	92	92	94	93	93
Percent of graduating seniors who rate their overall university experience as good or excellent	88	89	90	90	91
Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	73	74	85	85	85
Fall semester enrollment (full-time equivalent)	6,364	6,609	6,609	7,800	8,112
Minority graduate students as a percentage of total enrollment	26.2	26.5	27.4	28.0	28.5

◆ **Goal 2** To provide support services and courses that assist students in achieving academic success.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of undergraduate students graduating with internships and field experiences	31	33	33	33	33
Number of tutorials offered by Academic Success Programs	10,248	11,785	14,121	14,474	14,835

◆ **Goal 3** To retain students and help them graduate.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of first-time, full-time freshman persisting after one year	84.2	84.5	81.6	83.0	83.0
Percent of first-time, full-time, upper-division, degree-seeking undergraduate students graduating in four years	85	86	77	75	75
Number of degrees granted	1,357	1,385	1,704	1,863	2,121
Number of Bachelors degrees granted	1,029	1,065	1,155	1,205	1,354
Number of Masters degrees granted	312	320	536	645	745

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,910.1	5,114.6	5,114.6
Total Funding	4,910.1	5,114.6	5,114.6
FTE Positions	26.8	27.3	27.3

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Dollar value of proposals submitted (in millions)	59.0	85.6	76.6	82.7	89.3
External dollars received for research and creative activity (in millions)	26.0	13.3	24.1	25.3	26.6
Dollar value of total research expenditures (in millions)	12.0	8.3	11.7	12.4	13.5
Dollar value of externally funded, non-research expenditures (in millions)	17.0	17.5	18.0	18.4	19.3

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,779.5	4,687.1	4,687.1
Total Funding	4,779.5	4,687.1	4,687.1
FTE Positions	29.1	29.2	29.2

◆ **Goal 1** To serve local businesses and communities through various partnerships, events, and activities.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of community/business participatory events both on and off campus.	TBD	TBD	TBD	TBD	TBD

Program Summary

ACADEMIC SUPPORT

Melinda Gebel, Director
 Phone: (480) 965-2318
 A.R.S. § 15-1601

Mission:

To provide services and programs to faculty, staff and students in support of the instructional, research, and service mission of the university.

Description:

Academic Support services include retention, preservation, and display of educational materials through libraries, museums and galleries; audio visual and other activities that aid in the transmission of information; separately budgeted course and curriculum development; and academic computing support.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,857.9	7,037.9	7,754.8
Other Appropriated Funds	9,984.9	11,146.3	11,146.3
Other Non Appropriated Funds	13,259.5	2,768.1	4,600.9
Total Funding	31,102.3	20,952.3	23,502.0
FTE Positions	258.8	145.9	151.9

◆ **Goal 1** To develop a cohesive integrated tiered reference/research support service.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Library volumes	323,505	320,500	322,672	321,000	320,000
Items checked out including renewals	12,760	13,000	11,611	12,000	12,000
Items borrowed from other ASU libraries	1,548	1,300	1,690	1,700	1,750
Items borrowed from libraries outside ASU	1,101	1,150	1,136	1,150	1,200

◆ **Goal 2** To improve technology equipment access, training, and support for students.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of mediated classrooms	55	55	61	63	65
Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	144	144	144	125	125
Percentage of site equipment out dated (>4 years old)	0	0	0	0	1

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,377.6	3,722.8	4,439.7
Other Appropriated Funds	5,562.5	5,895.9	5,895.9
Other Non Appropriated Funds	455.8	399.4	399.4
Total Funding	10,395.9	10,018.1	10,735.0
FTE Positions	96.7	99.4	105.4

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Students receiving health care on campus	1,530	1,606	1,734	1,803	1,876
Disabled students served	117	150	146	173	199

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Registered campus clubs and organizations	67	72	55	60	65
Student participation in advising services, workshops, career events, job fairs, on-campus interviews and specials events offered by Career Services to assist students seeking employment and/or career guidance	5,184	5,340	8,151	8,395	8,646
Organizations physically recruiting on campus	168	173	141	146	151

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	7,329.0	6,689.6	8,022.3
Other Appropriated Funds	9,313.1	10,594.6	10,594.6
Other Non Appropriated Funds	41,659.4	63,989.6	63,989.6
Total Funding	58,301.5	81,273.8	82,606.5
FTE Positions	84.6	88.3	88.3

◆ **Goal 1** To provide comprehensive administrative and human resource services to the campus community.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Job applications processed	2,629	2,892	3,788	4,900	6,400
Positions filled	68	75	97	126	158
Percent of agency staff turnover (classified staff only)	12.7	12.1	12.8	12.6	12.4
Administration as a percent of total cost	1.63	1.57	1.60	1.75	1.64

◆ **Goal 2** To provide a safe and secure environment that responds to the needs of students, faculty, and staff.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Crime reports	106	118	115	127	140
Calls for Service	1,103	1,158	1,872	2,078	2,307

Program Summary

AUXILIARY PROGRAM

Phone:
 Not available

Mission:

Description:

Agency Summary

NORTHERN ARIZONA UNIVERSITY

Dr. Rita Cheng, President
 Phone: (928) 523-3232
 A.R.S. §§ 15-1601 et seq.

Mission:

To provide an outstanding undergraduate residential education strengthened by research, graduate and professional programs, distance delivery, and innovative new campuses and programs throughout the state.

Description:

Founded in 1899, Northern Arizona University is a vibrant community committed to teaching as learning, research as innovation, and service as shared leadership.

Accredited by the Higher Learning Commission/North Central Association of Colleges and Schools, the University embraces diversity and promotes inclusion across the University community as a means to prepare graduates to contribute to the social, economic, and environmental needs of a culturally rich society. It inspires students to become active citizens, leaders, visionaries, and problem solvers with an understanding of global issues.

Northern Arizona University is a part of the Arizona University System and embraces its vision of being a “top-performing state university system, nationally recognized for excellence in academic and research pursuits that support and stimulate a growing vibrant economy and a high quality of life for Arizonans.”

In addition to integrating sustainability themes across curriculum, Northern Arizona University’s beautiful 740 acre campus models sustainable operations through multi-modal transportation, environmentally responsible waste disposal, energy-efficient green construction, and sustainability in food procurement. In August 2011, the University was awarded a silver rating from the Sustainability, Tracking, Assessment and Rating System (STARS).

With a growing enrollment that includes 29,031 students from all states and 72 countries, Northern Arizona University reaches out to students regionally with satellite campuses and opportunities for distance learning. From its inception, NAU has implemented innovative and accountable teaching practices, including the effective use of technology.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ INSTRUCTION	185,421.2	183,566.6	196,436.8
➤ ORGANIZED RESEARCH	32,441.9	33,882.3	33,805.4
➤ PUBLIC SERVICE	2,476.5	2,290.6	2,290.6
➤ ACADEMIC SUPPORT	31,552.5	34,927.3	40,592.6
➤ STUDENT SERVICES	147,904.3	149,606.3	151,568.4
➤ INSTITUTIONAL SUPPORT	81,766.0	82,285.8	101,799.4
➤ AUXILIARY PROGRAM	68,003.3	70,554.8	79,025.0
Agency Total:	549,565.7	557,113.7	605,518.2
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	117,375.0	99,793.4	134,470.8
Other Appropriated Funds	132,857.5	145,286.6	145,286.6
Other Non Appropriated Funds	299,333.2	312,033.7	325,760.8
Total Funding	549,565.7	557,113.7	605,518.2
FTE Positions	3,438.9	3,619.0	3,816.8

5 Year Plan

Issue 1 Undergraduate Education

Description The core of the university mission is to provide outstanding undergraduate residential education through high-engagement, high-impact instruction. Northern Arizona University serves students from all socio-economic backgrounds, but with the lowest tuition rates among the three state institutions, the university is especially attractive to many Pell-grant recipients and first generation students.

Solutions:

- Improve retention and student success through impactful practices and data driven analysis
- Invest in distinctive, high demand programs in healthcare fields and STEM
- Leverage technology to pursue degree quality and cost containment

Issue 2 Access

Description The institution's extensive network of community campuses and a long history of delivering online degree programs to non-traditional students across the state result in a significant off-main campus student enrollment. Lower-cost options, such as Personalized Learning, NAU Yavapai with its three-year baccalaureate degrees, and NAU Yuma expand access to higher education to time- and place-bound students whose options are otherwise limited.

Solutions:

- Expand transfer student pipeline
- Build out Personalize Learning Program
- Maintain lower cost options for baccalaureate degrees
- Leverage merit and need based Financial Aid

Issue 3 Research

Description The university's research funded mostly through federal and state grants and contracts is nationally recognized in selective areas of excellence. While not as extensive as at the other state institutions, research and public service activities have deep regional roots and global impact.

Solutions:

- Increase number of research-active faculty and post-doctoral scholars
- Incentivize participation in technology transfer and increase technology marketing efforts
- Foster biomedical research partnerships
- Support research centers and institutes focusing on regionally-relevant public service
- 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 mostly dependent on tuition revenue and state funding to serve Arizona's higher education and workforce needs. With high enrollments, moderate tuition rates, and a limited ability to offer competitive financial aid awards, the university is carefully balancing enrollment management goals with financial sustainability of the entire enterprise.

Solutions:

- Maintain high productivity of degrees awarded
- Continue to pursue tuition differentiation
- Balance enrollment growth and mix with fiscal goals
- Optimize investments in facility maintenance and new infrastructure while leveraging 3rd party partnerships

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	125.0	130.0	135.0
General Fund	8,000.0	8,500.0	9,000.0
Other Appropriated Funds	5,500.0	5,700.0	5,900.0
Non-Appropriated Funds	3,500.0	3,700.0	3,900.0
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 2020.

Description:

Northern Arizona University, a public, high-research activity university, serving 20,852 students at its main campus in Flagstaff and at more than 26 sites across the state.

With its solid reputation as a university with all the features of a large institution but with a personal touch, NAU carefully balances teaching, scholarship and service with a faculty and staff dedicated to each student's success.

The emphasis is on undergraduate education, but you'll also find a wide range of graduate programs and research that extend to such national concerns as forest health and bioterrorism. NAU has carefully integrated on-campus education with educational opportunities online and at campuses and sites throughout Arizona, forming seamless avenues for students to earn degrees.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Instruction
- ▶ Yuma Instruction

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	12,279.3	4,468.6	16,035.5
Other Appropriated Funds	117,857.5	118,286.6	118,286.6
Other Non Appropriated Funds	55,284.4	60,811.4	62,114.7
Total Funding	185,421.2	183,566.6	196,436.8
FTE Positions	1,396.5	1,498.2	1,617.7

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 2020.

Description:

Improving student learning environment and college experience, focusing on student success, involving students in research opportunities, and promoting interdisciplinary pedagogy are key initiatives supporting university's strategic goal of being a learning-centered university. Additionally, enhancing technology-enabled learning environment, accelerating graduation time, and providing new access initiatives are important toward achieving student access, learning, persistence, and affordability.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	9,800.6	2,035.8	13,602.7
Other Appropriated Funds	117,857.5	118,286.6	118,286.6
Other Non Appropriated Funds	55,263.7	60,549.6	61,819.7
Total Funding	182,921.8	180,872.0	193,709.0
FTE Positions	1,367.8	1,468.8	1,588.3

◆ **Goal 1** To provide access to educational opportunities for undergraduate and graduate students.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of students enrolling in study abroad programs.	3	3	2	3	3
Increase the number of historically underrepresented ethnic students.	8,576	8,600	9,410	9,425	9,450
Increase the number of International students.	1,275	1,300	1,426	1,430	1,435
Increase the number of Native American students.	1,693	1,695	1,702	1,710	1,720
Explanation: Change in measure.					
Bachelor degrees granted to statewide students, (includes community campuses and online only).	1,477	1,485	1,542	1,550	1,560
Explanation: Bachelor degrees granted to statewide students, (includes community campuses and online only).					
Total degrees and certificates granted (includes all campuses).	7,250	7,255	7,204	7,235	7,270
Explanation: Total degrees and certificates granted (includes all campuses). Per IPEDS Completions, Preliminary Counts, 9/28/2015					
Percentage of full-time, undergraduate students enrolled per semester in three or more primary courses with ranked faculty	79	79	80	80	80
Number of Bachelor degrees granted	4,456	4,460	5,104	5,120	5,135
Explanation: Does not include Yuma campus. Per IPEDS Completions Report					
Percent of graduating seniors who rate their overall university experience as good or excellent	92	92	93	93	93
Explanation: Senior/Alumni 2015 Survey					
Average number of years taken to graduate for students who began as first-time, full-time freshmen.	4.5	4.5	4.48	4.5	4.5
Explanation: First-time, full-time freshmen					
Graduate degrees awarded at the master's level	1,441	1,450	1,180	1,190	1,200
Explanation: All campuses. Per IPEDS Completions, Preliminary Counts, 9/28/2015					
Graduate degrees awarded at the doctoral level	68	69	59	60	65
Explanation: Graduate degrees awarded at the doctoral level (All campuses). Per IPEDS Completions, Preliminary Counts, 9/28/2015					
Doctorate degrees awarded in the DPT category.	45	46	68	70	75
Explanation: Doctorate degrees awarded in the DPT category. Per IPEDS Completions, Preliminary Counts, 9/28/2015					
Graduate degrees granted (Statewide and Online only)	993	995	739	745	750
Explanation: Graduate degrees granted (Statewide and Online only, includes masters and doctorates.) Per IPEDS Completions, Preliminary Counts, 9/28/2015					

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 growing number of baccalaureate and master's degree programs. Areas of study include biology, business, criminal justice, education, environmental science, nursing, psychology, sociology, social work and Spanish. In partnership with our Flagstaff campus we offer additional course options online. Co-located on the beautiful campus with Arizona Western College, NAU-Yuma is a student-oriented educational community, offering schedules designed for working students, smaller classes and individualized academic advising. NAU-Yuma now has a free Writing Center available to students, services include: consultation on writing issues, classroom visits, writing workshops, writing materials, and online resources.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,478.7	2,432.8	2,432.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	20.7	261.8	295.0
Total Funding	2,499.4	2,694.6	2,727.8
FTE Positions	28.7	29.4	29.4

◆ **Goal 1** To provide access to higher education learning experiences for Yuma Arizona students.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Arizona residents enrolled in undergraduate programs.	478	500	496	500	510
Bachelor degrees/certificates granted to Yuma students. Per IPEDS Completions, Preliminary Counts, 9/28/2015	150	155	143	145	150
Explanation: Per IPEDS Completions, Preliminary Counts, 9/28/2015					
Undergraduate degree programs offered, per ABOR Academic Program Inventory.	9	10	16	16	16
Explanation: per ABOR Academic Program Inventory					
Graduate degree programs offered. per ABOR Academic Program Inventory.	16	16	8	8	8
Explanation: per ABOR Academic Program Inventory					
Percent of students graduating (6-year for first time, freshmen.)	67	68	50	55	55
Percent of students graduating (5 year rate for lower-division, full-time transfer students.)	81	82	81	82	82
Percent of students graduating (4 year rate for upper division, full-time transfer students.)	77	77	68	70	70

◆ **Goal 2** To provide a rich learning environment with exposure to diverse populations and cultures for all Yuma students.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent Hispanic graduate students enrolled at the Yuma campus.	56	57	54	56	56
Hispanic student degrees/certificates awarded at YUMA. Per IPEDS Completions, Preliminary Counts, 9/28/2015	133	135	121	125	130
Explanation: Per IPEDS Completions, Preliminary Counts, 9/28/2015					
Percent of Hispanic undergraduate students at the Yuma campus.	69	70	71	71	71

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 to ensure accountable and increase the prominence of the system's research enterprise so that it can contribute to the knowledge economy and improve the quality of life in Arizona.

Description:
Faculty, students, and staff at Northern Arizona University are actively engaged in their disciplines and in scholarly work, and NAU is known and recognized as the major research university producing basic and applied knowledge addressing the challenges of the interior western US. NAU graduates understand the nature of research, investigation, and original work, and are prepared to contribute such work to their communities and employers. NAU is nationally known as a center for first-rate undergraduate research and creative work.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Organized Research
- ▶ Yuma Organized Research

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	6,427.9	5,736.2	5,736.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	26,014.0	28,146.1	28,069.2
Total Funding	32,441.9	33,882.3	33,805.4
FTE Positions	241.7	263.8	266.7

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	6,427.9	5,736.2	5,736.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	26,014.0	28,146.1	28,069.2
Total Funding	32,441.9	33,882.3	33,805.4
FTE Positions	241.7	263.8	266.7

◆ **Goal 1** To offer graduate programs contributing to research and innovation in Arizona

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Graduate students enrolled in Flagstaff's Master's level programs.	1,236	1,300	1,343	1,350	1,360
Graduate students enrolled in Flagstaff's Doctoral level programs.	373	385	369	370	380
Graduate degrees granted to Flagstaff students, (masters and doctorates). Per IPEDS Completions, Preliminary Counts, 9/28/2015	489	495	568	575	580

Explanation: Per IPEDS Completions, Preliminary Counts, 9/28/2015

◆ **Goal 2** To offer graduate programs which meet needs for graduate level instruction, such as teacher education or advanced professional training.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Graduate students enrolled in statewide Master's level programs.	3,057	3,100	2,721	2,750	2,760
Graduate students enrolled in statewide Doctoral level programs.	202	190	259	260	260

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Yuma Graduate students enrolled in Master's level programs.	124	130	137	138	140

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 Institute for Native Americans, the Art Museum, and other programs benefiting Arizona.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Public Service
- ▶ Yuma Public Service

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,476.5	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	2,476.5	2,290.6	2,290.6
FTE Positions	7.5	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,996.2	2,214.2	2,214.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	24,575.6	24,360.2	24,755.6
Total Funding	26,571.8	26,574.4	26,969.8
FTE Positions	140.8	148.0	150.0

◆ **Goal 1** To be a partner in the cultural climate of Arizona and the Southwest region.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Department of Theater season performances. http://nau.edu/CAL/Theatre/Theatre-Events-Calendar/	38	38	35	36	36
Music concerts and film series scheduled.	60	60	60	60	60

◆ **Goal 2** To enhance the quality of life in Arizona and the Southwest region.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total Civic Service Institute Volunteer Hours. To mobilize generations to give service assisting community agencies to meet critical community need.	350,095	400,000	202,538	175,000	200,000
Collaborating Agencies under the Civic Service Institute. To strengthen public and private community agencies throughout Arizona by increasing volunteer capacity in the following focus areas: disaster services, economic opportunity, education, environmental stewardship, healthy futures, and veterans and military families.	319	325	276	300	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.	2,993	2,500	2,81	2,500	2,500
Number of individuals benefited by CSI services. To make a difference in the lives of others by mobilizing volunteers to assist individuals via community agencies throughout Arizona.	130,863	50,000	51,2530	50,000	50,000

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 "Lady at the O.K. Corral: The True Story of Josephine Marcus Earp," written by Ann Kirschner for 2015. Last year's selection, "The Blue Tattoo" drew nearly 500 people to lectures about the book.

This joint literacy effort encourages people to read and contemplate the same book, and come together to discuss it in a variety of settings.

http://www.yumasun.com/news/lady-at-the-o-k-corral-named-one-book-yuma/article_1ffaed24-97a1-11e4-9668-f39c994f8ad5.html

Sponsors include: NAU, AWC, Yuma County Library District, Yuma Reading Council, The Yuma Arizona Sun and Yuma Friends of Yuma County Libraries.

◆ **Goal 1** To increase the workforce development with local business and NAU-YUMA.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Arizona Town Hall series Meetings held in Yuma. http://www.aztownhall.org/Events	2	2	2	2	2
Number of Arizona Western College transfer students who attend NAU. Reflects change in measure, no longer using 'last school attended', changed to 'crse_credit table'.	397	400	232	240	240

Explanation: Change in 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.

In Fall 2011 NAU launched its ePlanning student portal that will significantly improve student access to vital academic and administrative information. As part of the ePlanning project students will receive timely and meaningful feedback on academic performance and progression to degree. Early intervention built into the project is designed to help students succeed and graduate on time.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Academic Support
- ▶ Yuma Academic Support

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	13,421.7	4,069.8	8,452.2
Other Appropriated Funds	15,000.0	27,000.0	27,000.0
Other Non Appropriated Funds	3,130.8	3,857.5	5,140.4
Total Funding	31,552.5	34,927.3	40,592.6
FTE Positions	377.5	401.7	446.7

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	13,028.5	3,586.2	7,968.6
Other Appropriated Funds	15,000.0	27,000.0	27,000.0
Other Non Appropriated Funds	3,130.8	3,846.1	5,128.5
Total Funding	31,159.3	34,432.3	40,097.1
FTE Positions	373.5	397.7	442.7

◆ **Goal 1** To provide a physical and online environment that supports student and faculty learning, teaching and research.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of users in the library	524,822	535,000	506,151	525,000	530,000
Number of electronic journal titles available	69,300	71,000	81,140	83,000	89,000
Number of items provided for NAU students, faculty and staff via Document Delivery Services	23,579	25,000	25,536	28,000	30,500
Number of research consultations completed by library staff	510	525	713	725	750
Number of laptop check outs by students	27,551	38,000	31,178	34,000	38,000
Number of digital items available to end users in the Colorado Plateau Archives	105,727	111,000	107,292	111,000	114,500
Questions answered by Cline Library staff	10,585	11,000	5,761	10,000	9,000
Electronic books supplied by Cline Library	166,859	175,000	192,956	195,000	198,000
Study room and studio checkouts	21,402	20,000	21,385	21,500	22,000
Cline Library hours open per week	108.5	108.5	108.5	108.5	108.5

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) provide students an innovative, direct path to complete four-year programs. NAU also shares an academic partnership with Imperial Valley College (IVC) in California. Under the Arizona Board of Regents’ IVC students are able to take and transfer 6 credit hours at NAU-Yuma without having to pay out-of-state tuition fees.

Recently, the Accreditation Council for Business Schools and Programs Baccalaureate/Graduate Degree board of commissioners awarded the Yuma Branch Campus of Northern Arizona accreditation of its Bachelor of Business Administration (BBA) program.

The accreditation certifies that the teaching and learning processes within the business program meet the rigorous educational standards established by the council.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	393.2	483.6	483.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	11.4	11.9
Total Funding	393.2	495.0	495.5
FTE Positions	4.0	4.0	4.0

- ◆ **Goal 1** To improve statewide access to network services, general computing resources, and instructional technology for NAU YUMA faculty and students.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Computer lab internet hookups. The computer lab is available to all NAU and AWC students and is open more than 80 hours a week during the Fall and Spring semesters. http://yuma.nau.edu/StudentResources.aspx	125	130	125	130	130
NAU-YUMA and AWC academic libraries. As an NAU-Yuma student, you have access to two libraries for research resources and services. The AWC/NAU-Yuma Academic Library, located in the LR building (map), offers numerous class resources, as well as personal assistance from the NAU-Yuma Librarian. For library assistance, contact the library reference desk as 928-344-7777 or contact the NAU-Yuma Librarian directly at 928-317-6435.	2	2	2	2	2
The NAU Cline Library also provides NAU-Yuma students with tens of thousands electronic research resources. Cline librarians are ready to assist you via phone, email, chat, or text.					
Amount raised from the Yuma Chapter of the NAU Alumni Association for Scholarships.	20,523	17,500	21,493	21,500	21,500

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, which includes the following campus service programs and activities: Student Affairs Administration, Student Life, Residence Life, Unions and Student Activities, Student Health, Counseling and Testing, Disability Resources, Native American Student Services, Financial Aid, Admissions, Inclusion and Multicultural Services (IMS) and Educational Support Programs.

An additional unit, the University College provides leadership for the following student service programs: Academic Peer Coaches, First Scholars, Honors Program, Peer Jacks Mentoring, Student Success Coaching amongst others.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Student Services
- ▶ Yuma Student Services

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	24,383.4	24,599.6	24,599.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	123,520.9	125,006.7	126,968.8
Total Funding	147,904.3	149,606.3	151,568.4
FTE Positions	512.4	516.4	522.3

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 12 orientation sessions, in addition to 122 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 also offers in-person service, and local NAU campus staff are trained to help students get the support and access needed.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	24,170.9	24,449.4	24,449.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	123,520.9	125,006.7	126,968.8
Total Funding	147,691.8	149,456.1	151,418.2
FTE Positions	509.4	514.4	520.3

◆ **Goal 1** To assist Flagstaff students in cultural, physical, and social development/wellness by providing services, activities, and events.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Students use/participation: Counseling Services visits.	5,748	6,265	7,148	8,944	11,180
Explanation: Per EMSA					
Inclusion and Multicultural Services (IMS) participants.	2,087	2,090	1,578	2,000	2,000
Explanation: Per EMSA					
Total use of computer lab in Inclusion and Multicultural Services (IMS).	21,750	21,750	28,886	25,000	25,000
Explanation: Per EMSA					
Number of Student Life registered organizations.	300	310	338	350	350
Explanation: Per EMSA					

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Students receiving financial aid by categories: Scholarships.	7,384	7,458	8,260	9,086	9,995
Students receiving financial aid by categories: Waivers	767	775	916	1,008	1,108
Students receiving financial aid by categories: Grants	7,784	7,862	7,758	8,534	9,387
Explanation: Per EMSA					
Students receiving financial aid by categories: Employment	3,952	3,992	4,157	4,573	5,030
Explanation: Per EMSA					
Students receiving financial aid by categories: Loans	9,828	9,926	10,111	11,122	12,234
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Students receiving financial aid by categories: Scholarships	507	512	688	757	832
Students receiving financial aid by categories: Waivers	161	163	158	174	191
Students receiving financial aid by categories: Grants	2,851	2,880	3,015	3,318	3,649
Explanation: Per EMSA					
Students receiving financial aid by categories: Employment	51	52	52	52	52
Explanation: Per EMSA					
Students receiving financial aid by categories: Loans	3,094	3,125	3,331	3,664	4,031
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: Psychology Club, Science Club, Social Work Student Association, Bien Hecho Volunteer Department and the Interdisciplinary Service Learning Organization (ISLO).

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	212.5	150.2	150.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	212.5	150.2	150.2
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Students receiving financial aid by categories: Scholarships	141	142	135	149	163
Students receiving financial aid by categories: Waivers	4	4	10	11	12
Students receiving financial aid by categories: Grants	351	355	359	395	434
Explanation: Per EMSA					
Students receiving financial aid by categories: Employment	18	18	23	25	28
Explanation: Per EMSA					
Students receiving financial aid by categories: Loans	271	274	255	281	309
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.

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.

As a Hispanic Serving Institution (HSI) branch campus, NAU-Yuma provides NAU faculty in Flagstaff and across the state with applied research opportunities in areas that facilitate trans-border studies, economic development, public safety and health, multicultural education, and environmental sustainability.

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Institutional Support
- ▶ Yuma Institutional Support

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	58,386.2	58,628.6	77,356.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	23,379.8	23,657.2	24,442.7
Total Funding	81,766.0	82,285.8	101,799.4
FTE Positions	556.1	571.6	576.3

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 Affirmative Action Office, Capital Assets, the Comptroller's office, Human Resources, and many other offices committed to ensuring the university functions effectively and efficiently.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	58,386.2	58,628.6	77,356.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	23,379.8	23,657.2	24,442.7
Total Funding	81,766.0	82,285.8	101,799.4
FTE Positions	556.1	571.6	576.3

◆ **Goal 1** To enhance the safety and the learning/working environment.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
NAU numbers of: Affirmative Action formal and informal complaints, consultations and ADA issue contacts.	413	400	389	425	425
People trained proactively by the Office of Affirmative Action and Equal Opportunity, on-line and in person.	4,019	4,000	4808	5,000	5,000
People served by the Office of Employee Assistance and Wellness. Large increase due to Healthy U and Yoga programs.	4,741	4,500	6,418	6,400	6,400
Explanation: NAU EAW					
Programs offered by the Office of Employee Assistance and Wellness May see a decrease of 1 or 2 programs, "Health Time Studies " which were approved for one year.	109	125	137	135	135
Explanation: NAU EAW					
Internal audits conducted.	10	12	11	14	12
Explanation: Per Internal Audit Office					
Percent of agency staff turnover	10	10	12	11	11

◆ **Goal 2** To improve the physical living, working, and learning environment.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
State appropriations for building renewal (in millions.), were not received in FY 2014, but received for FY 2015.	.34	12.0	0.34	13.2	15.1
Operation and maintenance of plant, (in millions.)	26.7	27.7	25.6	25.6	25.6

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 two years.

◆ **Goal 1** To improve the physical living, working, and learning environment.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Calculated building renewal need. No funds were received for FY 2014 and FY 2015. The Yuma FY 2016 and FY 2017 estimates are incorporated in 6.1, Goal 2, Measure 1.	128,000	132,000	0	128,000	151,000

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 supply various forms of tutoring: One on One, Drop-In tutoring and Subject-Based tutoring in numerous academic areas. The SLC also offers 65 hours of Supplemental Instruction and 38 Academic Success Workshops covering 10 topics. In addition, the SLC also offers Peer Jacks Mentoring and test prep courses.

[Http://nau.edu/Student-Learning-Centers/](http://nau.edu/Student-Learning-Centers/)

In August 2011, the 272,000 square foot Health and Learning Center (HLC) opened its doors to engage students in holistic learning by integrating recreation, health services, athletics, and academics into one central location.

NAU, a member of the Big Sky Conference, sponsors 15 NCAA Division I level athletic programs. The Northern Arizona University athletics department recorded a cumulative grade point average of 3.12 among its more than 300 student-athletes during the 2014-15 academic year. In addition, 26 student athletes earned Big Sky All-American honors achieving a 3.20 cumulative grade point average.

<http://news.nau.edu/nau-student-athletes-earn-big-sky-all-academic-honors/>

This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Auxiliary Program
- ▶ Yuma Auxiliary Program

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	68,003.3	70,554.8	79,025.0
Total Funding	68,003.3	70,554.8	79,025.0
FTE Positions	347.2	359.8	379.6

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 30 restaurants throughout campus from all-you-can-eat establishments to fine dining.

In addition, NAU hosts several options for housing facilities including Freshman Connections Halls (7), Traditional Halls (3), Suites (3), Apartments (8), Family Housing (1) and partner housing by American Campus Communities (2).

[Http://nau.edu/Residence-Life/Housing-Options/Residence-Halls/](http://nau.edu/Residence-Life/Housing-Options/Residence-Halls/)

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	68,003.3	70,554.8	79,025.0
Total Funding	68,003.3	70,554.8	79,025.0
FTE Positions	347.2	359.8	379.6

◆ **Goal 1** To provide an excellent residential living experience for students choosing to live on the Flagstaff Mountain Campus.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of new, first time, full-time students living in residence halls. Explanation: Per EMSA	88	85	91	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	58	40	61	50	50
Total number of students who were housed on campus Explanation: Per EMSA	8,871	8,871	8,965	8,900	8,900
Total number of students utilizing the Student Learning Centers (tutoring). Explanation: Per EMSA	8,024	8,000	8,687	8,700	8,700
Percent of new first-time, full-time students who live in Freshmen Connections housing. Explanation: Per EMSA	84	83	89	85	85

◆ **Goal 2** To assist Flagstaff students in cultural, physical and social development/wellness by providing services, activities and events.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total use/participation: Recreation Center visits Explanation: Source: Campus Recreation Services	589,350	500,000	627,695	634,000	641,000
Students use/participation: Outdoor Recreation Explanation: Source: Campus Recreation Services	17,067	16,000	16,519	17,300	18,100
Students use/participation: Wall Aquatic Center Explanation: Source: Campus Recreation Services	60,511	59,500	97,223	102,100	107,200
Students use/participation: Intramural participants Explanation: Source: Campus Recreation Services	6,174	5,850	7,603	8,000	8,400
Students use/participation: Campus Health Services/Medical Services visits.	66,136	69,443	71,106	88,882	111,102

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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ INSTRUCTION	305,567.2	345,432.0	359,239.4
➤ ORGANIZED RESEARCH	331,975.8	347,763.6	357,089.7
➤ PUBLIC SERVICE	27,494.6	28,053.8	28,787.4
➤ ACADEMIC SUPPORT	106,096.6	114,089.3	118,107.5
➤ STUDENT SERVICES	101,228.8	107,356.7	111,593.2
➤ INSTITUTIONAL SUPPORT	484,511.9	497,693.0	545,624.5
➤ AUXILIARY PROGRAM	257,616.1	251,244.9	255,918.5
➤ COLLEGE OF AGRICULTURE AND LIFE SCIENCES	113,982.7	119,300.0	129,220.8
➤ UNIVERSITY OF ARIZONA SOUTH	7,793.0	8,684.4	8,717.5
Agency Total:	1,736,266.7	1,819,617.7	1,914,298.5
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	210,546.2	180,704.4	239,908.6
Other Appropriated Funds	261,006.0	361,149.6	361,149.6
Other Non Appropriated Funds	1,264,714.5	1,277,763.7	1,313,240.3
Total Funding	1,736,266.7	1,819,617.7	1,914,298.5
FTE Positions	11,298.9	11,630.0	11,968.3

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	12,327.0	12,697.0	13,078.0
General Fund	249,628.0	258,444.0	268,500.0
Other Appropriated Funds	390,042.0	421,245.0	450,732.0
Non-Appropriated Funds	943,029.0	971,320.0	1,000,460.0
Federal Funds	307,253.0	331,833.0	355,061.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	492.1	500.0	10,869.0
Other Appropriated Funds	192,695.2	230,304.6	230,304.6
Other Non Appropriated Funds	112,379.9	114,627.4	118,065.8
Total Funding	305,567.2	345,432.0	359,239.4
FTE Positions	3,337.2	3,543.6	3,654.8

◆ **Goal 1** To increase productivity, efficiency, and effectiveness

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Graduating seniors who rate their overall experience as good or excellent (percent)	94.0	94.1	94.7	94	94
Full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty (percentage)	76	77	86	86	86
Total number of degrees granted	7,814	8,130	8,205	8,298	8,628
Bachelors degrees granted	5,742	6,179	6,168	6,310	6,584
Masters degrees granted	1,402	1,335	1,442	1,349	1,391
First Professional degrees granted	146	161	169	188	193
Explanation: This measure reflects the ABOR Enterprise Metrics Non-PhD Other Doctoral Degrees					
Doctorate degrees granted	414	455	426	451	461
Explanation: This measure reflects the ABOR Enterprise Metrics PhD Doctoral degrees.					
Average number of years taken to graduate for students who began as freshmen	4.25	4.3	4.4	4.3	4.3
Administration as a percent of total cost	2.1	2.3	2.6	2.5	2.5
Agency staff turnover (percent)	11.7	11.9	12.2	13.5	14.0
Gifts, grants, and contracts (millions)	340,485	343,890	327,038	338,000	341,000
Grants and contracts expenditures (millions)	287,480	290,355	277,194	280,000	283,000

◆ **Goal 2** To improve student persistence and graduation rates over time

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Freshmen returning for the second year (percent)	81.5	81.9	81.9	83.7	85.0
Four year graduation rate of Arizona community college transfers (percent)	62.9	67.2	68.7	67.7	68.1
Six-Year graduation rate (percent)	61.4	61.2	60.3	61.6	62.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	27,207.0	9,499.2	9,499.2
Other Appropriated Funds	0.0	27,400.6	27,400.6
Other Non Appropriated Funds	304,768.8	310,863.8	320,189.9
Total Funding	331,975.8	347,763.6	357,089.7
FTE Positions	2,197.4	2,289.7	2,346.8

◆ **Goal 1** To increase external funding for organized research programs relative to peer institutions.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total Research & Development Expenditures in thousands	429,046	579,750	434,449	653,010	707,970
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New Companies Started	11	10	12	10	12

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,539.4	3,619.3	3,619.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	23,955.2	24,434.5	25,168.1
Total Funding	27,494.6	28,053.8	28,787.4
FTE Positions	215.5	218.4	223.7

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of students in Study Abroad and Exchange programs	1,187	1,222	1,207	1,243	1,280
Number of undergraduate international students	1,807	1,880	2,062	2,083	2,103
Number of graduate international students	1,494	1,600	1,558	1,605	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of people served by Cooperative Extension (in thousands)	585,110	600,000	622,723	653,000	685,000
Number of volunteer hours generated in Agriculture	215,332	225,000	143,346	150,000	157,000

Program Summary

ACADEMIC SUPPORT

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To support and enhance a contemporary learning environment with tools that permit innovation in all learning spaces and assist students in bridging the relationship between research and teaching.

Description:

The units that comprise Academic Support represent all of the ways the University supports its academic mission.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	17,566.9	0.0	2,680.0
Other Appropriated Funds	44,799.4	69,484.5	69,484.5
Other Non Appropriated Funds	43,730.3	44,604.8	45,943.0
Total Funding	106,096.6	114,089.3	118,107.5
FTE Positions	928.0	912.4	951.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Academic programs reviewed for quality and effectiveness	18	16	16	15	15
Dollars internally reallocated to priority academic units (in thousands of dollars)	6,432	6,338	16,073	8,590	7,500

- ◆ **Goal 2** To acquire and/or provide access to information resources and services appropriate to research university users via the most cost-effective means.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Resources (print and non-print) circulated from the collection	234,316	225,000	197,692	193,738	189,863
Resources (print and non-print) used in the library	54,643	45,000	41,715	39,629	37,648
Electronic Resources used on-site and remotely (in millions)	12,143,376	12,400,000	12,182,875	12,304,704	12,427,751

- ◆ **Goal 3** To support alternative delivery modes of education for Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Online Undergraduate Degrees	48	50	62	80	110
Number of Online Graduate Degrees	233	272	174	308	348
Number of Online Graduate Certificates	47	89	44	116	147

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	1,510.0
Other Appropriated Funds	12,122.9	16,468.6	16,468.6
Other Non Appropriated Funds	89,105.9	90,888.1	93,614.6
Total Funding	101,228.8	107,356.7	111,593.2
FTE Positions	483.9	525.4	552.7

◆ **Goal 1** To admit a freshman class well-prepared for University work.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Quality of freshman class based on: High school grade point average	3.4	3.4	3.4	3.4	3.4
Quality of freshman class based on: SAT scores	1114	1113	1113	1114	1114

◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Students reporting binge drinking in last year (survey done biannually) (percent)	38	37	36	36	36
Students reporting tobacco use in the last 30 days (percent)	21	20	19	19	19

Program Summary

INSTITUTIONAL SUPPORT

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-1601

Mission:

To provide the University of Arizona with the support services necessary to enable it to effectively pursue the institutional mission of teaching, research, and outreach.

Description:

Institutional support includes central executive-level activities concerned with management and long-range planning for the entire University, and the operation and maintenance of the physical plant. Administrative activities include planning and programming, legal services, fiscal operations, administrative data processing, telecommunications, space management, human resources including employee personnel and records, purchasing, stores, safety, security, printing, transportation services, community and alumni relations, and development and fund-raising.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	115,682.1	121,486.5	158,131.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	368,829.8	376,206.5	387,492.8
Total Funding	484,511.9	497,693.0	545,624.5
FTE Positions	1,573.5	1,512.5	1,556.3

◆ **Goal 1** To enhance community support for the work of the University in the larger community.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Endowment Assets (in thousands)	466,599	482,230	477,359	492,396	507,906
Annual Giving (in thousands)	138,711	109,408	143,580	147,887	152,324

◆ **Goal 2** To attract and engage a diverse and high quality workforce

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Minority employees in administrative, faculty, professional and classified positions (percent)	28	28	29	29	30
UA Life & Work Connections contacts per year	19,305	20,500	21,386	23,000	23,500

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	257,616.1	251,244.9	255,918.5
Total Funding	257,616.1	251,244.9	255,918.5
FTE Positions	1,274.1	1,306.3	1,345.5

◆ **Goal 1** To provide affordable housing and a residential living experience conducive to academic success and social well-being.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of new freshmen living in residence halls	73	73	71	73	73
Total number of students living in residence halls	4,563	4,600	4,913	4,800	4,800

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of visits to Campus Health's Main and McKale clinics (medical and counseling and psychological services)	76,951	75,000	77,482	75,000	75,000
Percent who indicate they would refer a friend to Campus Health	99.4	99.0	99.5	99.0	99.0
Overall rating of Campus Health (0-10, with 10 high)	8.8	8.8	8.9	8.9	8.9

◆ **Goal 3** To serve students with learning disabilities.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of students served by the Strategic Alternative Learning Techniques (SALT) Center	578	592	637	610	615

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	43,288.4	42,855.6	50,855.6
Other Appropriated Funds	7,931.5	12,585.5	12,585.5
Other Non Appropriated Funds	62,762.8	63,858.9	65,779.7
Total Funding	113,982.7	119,300.0	129,220.8
FTE Positions	1,206.9	1,236.5	1,252.0

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Degrees/FTE faculty (T/TE)	6.1	6.1	7.0	7.2	7.4
External funding obtained/FTE Faculty (T/TE)	312,462	315,587	353,041	356,633	360,829
SCH/Faculty FTE (T/TE)	496	516	555	577	600

◆ **Goal 2** To graduate as many well qualified students as possible.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Undergraduate Degrees granted (Bachelors)	676	680	742	764	787
Number of Graduate degrees granted (Masters, Specialist, Ph.D)	104	106	93	95	97

◆ **Goal 3** To partner with and serve the people of Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of volunteer hours generated in Agriculture	215,332	225,000	143,346	150,000	157,000
Number of people served by Cooperative Extension	585,110	600,000	622,723	653,000	685,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,770.3	2,743.8	2,743.8
Other Appropriated Funds	3,457.0	4,905.8	4,905.8
Other Non Appropriated Funds	1,565.7	1,034.8	1,067.9
Total Funding	7,793.0	8,684.4	8,717.5
FTE Positions	82.4	85.2	85.5

◆ **Goal 1** To increase student FTE and retention.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Student FTE	579	650	586.4	615.7	646.5

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Degrees/FTE faculty (T/TE)	15.4	15.6	17.9	18.2	18.5
SCH/Faculty FTE (T/TE)	1,745	1,773	1,449	1,472	1,496

◆ **Goal 3** To graduate as many well-qualified students as possible.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Undergraduate Degrees granted (Bachelors)	133	140	144	148	153
Number of Graduate degrees granted (Masters, Specialist, Ph.D)	36	36	35	36	37

Agency Summary

UNIVERSITY OF ARIZONA - HEALTH SCIENCES CENTER

Ann Weaver Hart, President
 Phone: (520) 621-5511
 A.R.S. § 15-601

Mission:

To improve the prospects and enrich the lives of the people of Arizona and the world through education, research, creative expression, and community and business partnerships.

Description:

The Arizona Health Sciences Center (AHSC) in Tucson is the State's only academic health sciences center. It provides the State and its people education, research, patient care, and services through its Colleges of Medicine, Nursing, Pharmacy, Public Health, Phoenix Bio-Medical Campus, University Medical Center, and university physicians. AHSC serves as the core of a broad network of State-wide health services, health education, health restoration, health promotion, and illness prevention.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ INSTRUCTION	84,883.1	87,671.0	89,284.0
➤ ORGANIZED RESEARCH	102,428.4	104,051.1	107,053.8
➤ PUBLIC SERVICE	25,346.7	25,834.8	26,496.7
➤ ACADEMIC SUPPORT	142,955.7	193,570.3	132,607.7
➤ STUDENT SERVICES	2,776.2	3,364.0	3,463.0
➤ INSTITUTIONAL SUPPORT	-10,357.9	7,053.7	6,588.0
➤ AUXILIARY PROGRAM	9,822.6	9,782.1	10,106.4
➤ COLLEGE OF MEDICINE, PHOENIX CAMPUS	83,352.0	85,378.2	86,966.2
Agency Total:	441,206.8	516,705.2	462,565.8
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	69,585.3	68,393.5	68,684.1
Other Appropriated Funds	44,963.1	44,053.8	44,053.8
Other Non Appropriated Funds	326,658.4	404,257.9	349,827.9
Total Funding	441,206.8	516,705.2	462,565.8
FTE Positions	4,873.0	5,029.7	4,625.6

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

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	4,515.0	4,650.0	4,789.0
General Fund	71,441.0	74,750.0	78,717.0
Other Appropriated Funds	47,578.0	51,384.0	54,981.0
Non-Appropriated Funds	295,856.0	304,732.0	313,874.0
Federal Funds	105,339.0	113,766.0	121,730.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	3,145.0	7,139.3	7,382.3
Other Appropriated Funds	36,965.8	34,864.2	34,864.2
Other Non Appropriated Funds	44,772.3	45,667.5	47,037.5
Total Funding	84,883.1	87,671.0	89,284.0
FTE Positions	1,278.6	1,318.1	1,345.9

◆ **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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Degrees Granted BA/BS and MA/MS	759	766	877	871	905
Number of degrees granted-PhD	61	67	43	46	46
Explanation: This measure reflects the ABOR Enterprise Metrics PhD Doctoral degrees.					
SCH/Faculty FTE (T/TE)	318	331	353	367	382
External funding obtained/FTE Faculty (T/TE)	588,360	594,243	525,034	530,342	536,770
Degrees/FTE faculty (T/TE)	3.7	3.8	3.9	4.0	4.2

◆ **Goal 2** To increase productivity, efficiency, and effectiveness.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of degrees granted MA/MS	264	245	300	281	289
Full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty (percentage)	75	77	80	80	80
Total number of degrees granted	1,069	1,038	1,221	1,251	1,296
Bachelor degrees granted	495	521	577	590	616
First Professional Degrees granted (Non-PhD Other Doctoral Degrees)	249	274	301	334	344
Explanation: The measure reflects ABOR Enterprise Metrics Non-PhD Doctoral degrees					
Doctoral Degrees granted (PhD Doctoral)	61	67	43	46	46
Explanation: This measure reflects ABOR Enterprise Metrics PhD Doctoral degrees					
Average number of years taken to graduate for students who began as freshman	4.1	4.1	4.2	4.1	4.1
Administration as a percent of total cost	2.1	2.3	2.6	2.5	2.5
Agency staff turnover	14.2	15	15.5	16.2	16.5
Gifts, grants, and contracts (millions)	208,418	210,502	250,741	225,000	257,000
Grants and contracts expenditures (millions)	170,686	172,393	163,348	165,000	167,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,311.5	3,972.1	3,972.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	98,116.9	100,079.0	103,081.7
Total Funding	102,428.4	104,051.1	107,053.8
FTE Positions	1,029.5	1,048.6	1,078.6

◆ **Goal 1** To promote excellence in basic and clinical research, patient care, education, and training.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Regional, national, and international awards, honors, and prizes received by students, alumni, faculty, and staff	725	693	953	917	924
Patients rating physician skill as excellent in satisfaction survey (percent)	72.3	77	75	80	85

◆ **Goal 2** To establish a stable funding base to support research, education, and service activities

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total Research & Development Expenditures in thousands	157,984	253,250	166,319	249,990	271,030

◆ **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	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Training programs/ workshops/lectures	2,913	1,838	1,775	1,986	1,952

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,739.5	2,745.5	2,745.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	22,607.2	23,089.3	23,751.2
Total Funding	25,346.7	25,834.8	26,496.7
FTE Positions	245.9	251.4	257.4

◆ **Goal 1** To provide quality, accessible poison and medication-related emergency treatment assistance 24 hours a day.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Poison Control call volume per year (in thousands)	40	40	40	40	40
Accredited by the American Association for Poison Control Center Certification as a Regional Poison Control Center.	Yes	Yes	Yes	Yes	Yes

◆ **Goal 2** To provide specialty patient care in rural communities and secure State institutions.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number served through Telemedicine (clinical consultations)	57,500	40,000	25,000	35,000	50,000

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	29,965.9	26,046.6	26,046.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	112,989.8	167,523.7	106,561.1
Total Funding	142,955.7	193,570.3	132,607.7
FTE Positions	1,520.6	1,838.3	1,352.9

◆ **Goal 1** To offer education programs that meet standards of excellence

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of students passing Step I of the US Medical Licensing Exam on the first try	94	92	191	189	190
Percent of Students passing Step II of the US Medical Licensing Exam on the first try.	93	91	186	189	189

◆ **Goal 2** To assure access to information resources in the health sciences on-site and off-site.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Resources (print and non-print) circulated from the collection.	3,932	3,500	4,194	4,068	3,945
Resources (print and non-print) used in the library (in thousands)	5.7	5.5	2.4	2.3	2.2

◆ **Goal 3** To teach students and faculty the most effective methods of accessing and managing health sciences information

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of Classes/workshops taught	140	170	302	317	332
Number of participants classes/workshops	3,355	3,800	4,288	4,388	4,488

◆ **Goal 4** To support alternative delivery modes of education for Arizona.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of Online Graduate Degrees	67	78	46	82	92
Number of Online Graduate Certificates	32	61	28	74	93

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,098.6	1,653.0	1,700.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,677.6	1,711.0	1,762.4
Total Funding	2,776.2	3,364.0	3,463.0
FTE Positions	11.5	17.6	18.2

◆ **Goal 1** To enroll students well prepared for AHSC work.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of students enrolled in pre-pharmacy	474	493	426	443	461
Number of students enrolled in pre-nursing	292	307	405	425	447

◆ **Goal 2** To enroll diverse students using the diverse in its broadest meaning.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
% Undergraduate Minority Students	51	52	51	52	53
% Graduate & First Professional Minority Students	41	42	39	43	43

Program Summary

INSTITUTIONAL SUPPORT

Angela Baldasare, Assistant Provost
 Phone: (520) 626-2885
 A.R.S. § 15-601

Mission:

To provide the University of Arizona with the support services necessary to enable it to effectively pursue the institutional mission of teaching, research, and outreach.

Description:

Institutional support includes central executive-level activities concerned with management and long-range planning for the entire University, and the operation and maintenance of the physical plant. Administrative activities include planning and programming, legal services, fiscal operations, administrative data processing, telecommunications, space management, human resources including employee personnel and records, purchasing, stores, safety, security, printing, transportation services, community and alumni relations, and development and fund-raising.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,864.6	3,580.8	3,580.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-15,222.5	3,472.9	3,007.2
Total Funding	-10,357.9	7,053.7	6,588.0
FTE Positions	141.1	128.5	131.5

◆ **Goal 1** To enhance community support for the work of the University in the larger community.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Endowment Assets (in thousands)	197,901	204,531	195,564	201,724	208,079
Annual Giving (in thousands)	39,410	40,592	38,044	39,185	40,361

◆ **Goal 2** To attract and engage a diverse and high quality workforce

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Minority employees in administrative, faculty, professional and classified positions (percent)	27	27	28	28	29

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,822.6	9,782.1	10,106.4
Total Funding	9,822.6	9,782.1	10,106.4
FTE Positions	152.6	147.7	152.1

◆ **Goal 1** To provide affordable housing and a residential living experience conducive to academic success and social well-being.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of new freshmen living in residence halls	70	70	70	70	70
Total number of students living in residence halls	477	477	650	600	600

◆ **Goal 2** To promote health, wellness and safety by providing quality medical care to rural Arizona.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number served through Telemedicine (clinical & educational consultations)	57,500	40,000	35,000	40,000	50,000

◆ **Goal 3** To serve students with learning disabilities.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of students served by the Strategic Alternative Learning Techniques (SALT) Center	56	58	19	50	55

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	23,460.2	23,256.2	23,256.2
Other Appropriated Funds	7,997.3	9,189.6	9,189.6
Other Non Appropriated Funds	51,894.5	52,932.4	54,520.4
Total Funding	83,352.0	85,378.2	86,966.2
FTE Positions	493.2	279.5	289.0

◆ **Goal 1** To develop, maintain, and continuously evaluate the educational program leading to the M.D. degree.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of students passing Step I of the United States Medical Licensing Exam on the first try	98	97	96	97	97
Percent of students passing Step II of the United States Medical Licensing Exam on the first try	95	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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Regional, national, and international awards, honors, and prizes received by students, alumni, faculty, and staff	57	60	167	175	175
Total Research & Development Expenditures in thousands	11,052	60,000	17,713	90,000	123,000

- ◆ **Goal 3** To attract and maintain a diverse, highly qualified faculty that understands and delivers the complex training necessary for our next generation of physicians in addition to functioning as excellent leaders and collaborators with the diverse and excellent infrastructure of investigative research presently ongoing within the State and region.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Minority employees in administrative, faculty, professional and classified positions (percent)	26	26	24	25	25

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Training programs/ workshops/lectures	270	300	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 enrich and honor Arizona's veterans and their families through education, advocacy, and service.

Description:

The Department of Veterans' Services assists veterans and their dependents obtain federal entitlements, such as claims for disability, pension, and insurance. All other agency services are derived from this central premise.

The Department operates the State Veteran Homes, with homes operating in Phoenix and Tucson. Both homes are self-funded, skilled-nursing facilities that provide long-term care services to veterans and their spouses.

The Department can serve as the guardian or conservator of incapacitated veterans and their dependents. The Department operates a state veteran cemetery in Sierra Vista and will begin operating two additional cemeteries, in Flagstaff and Marana, beginning January 1, 2016. The agency is designated as the State Approving Agency, working with institutions that provide education and training to veterans with educational benefits. It administers the Military Family Relief Fund to support Arizona veterans and their families with financial hardships due to their deployments to combat zones. A dedicated coordinator also monitors statewide services to eliminate homelessness amongst Arizona veterans.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ ADMINISTRATION	3,521.0	3,271.2	3,389.6
➤ VETERANS' CONSERVATORSHIP / GUARDIANSHIP	823.3	1,237.9	1,237.9
➤ VETERANS' SERVICES	3,518.3	4,416.6	4,677.4
➤ STATE VETERANS' HOMES	30,132.7	30,986.6	53,031.1
➤ STATE VETERANS' CEMETERIES	8,547.2	8,186.6	8,478.2
Agency Total:	46,542.5	48,098.9	70,814.2
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,218.2	6,077.8	28,309.8
Other Appropriated Funds	30,792.0	31,889.5	32,565.6
Other Non Appropriated Funds	10,532.3	10,131.6	9,938.8
Total Funding	46,542.5	48,098.9	70,814.2
FTE Positions	500.3	512.3	514.3

Issue 1 Cemeteries operating costs must be paid by the State.

Description Although the Federal Government pays for all costs associated with state veteran cemetery development and construction, cemetery operating costs are the State's responsibility. The Department projects that the Flagstaff and the Marana cemeteries should be ready to open on January 1, 2016. In order to fully fund operations in FY 17 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 scheduled to open and, in that manner, increase the number of no-cost interment spaces available to veterans and their families.

Strategy: Emphasize the need for and seek State funding to operate all State Veterans cemeteries; fully fund Sierra Vista Cemetery and fund operating costs of the new cemeteries in Flagstaff and Marana (scheduled to open on January 1, 2016).

Performance Measures:

Success of the strategy will be evidenced by the State appropriation of General Fund monies to operate all State veterans cemeteries: firstly the two new cemeteries in Flagstaff and Marana and fully fund the Sierra Vista Cemetery.

Issue 2 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. 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; however, the VA will not notify the State if it plans to fund that facility in the upcoming Federal fiscal year until October 2015. 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 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 and the subsequent submission of a VA State Veteran Home Grant application.

Issue 3 Burial benefits are available to veterans, but there are only three (after January 1, 2016, 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 at the State Cemetery in Sierra Vista and, after January 1, 2016, at the State Cemetery in Marana and the State Cemetery in Flagstaff. 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 and the subsequent submission of a VA State Veteran Cemetery Grant

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	512.3	512.3	512.3
General Fund	6,077.8	6,077.8	6,077.8
Other Appropriated Funds	31,889.5	31,889.5	31,889.5
Non-Appropriated Funds	1,703.7	1,703.7	1,703.7
Federal Funds	1,262.1	1,262.1	1,262.1

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,072.0	1,981.7	2,068.5
Other Appropriated Funds	0.0	0.0	31.6
Other Non Appropriated Funds	1,449.0	1,289.5	1,289.5
Total Funding	3,521.0	3,271.2	3,389.6
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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of Program approvals accepted by the VA	100	100	95	100	100

Explanation: Metrics are from the last complete federal FY (Oct 1 - Sept. 30)

The rating achieved on the State Approving Agency self-evaluation and from the Joint Peer Review Group. ("Satisfactory" is the highest possible rating the state can achieve.)

Explanation: Metrics are from the last complete federal FY (Oct 1 - Sept. 30)

◆ **Goal 2** To ensure the availability of appropriated funds to benefit veterans.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
The average expenditure of general funds per veteran living in the state. The measurement is expressed in dollars. The formula used is the total amount of general funds divided by the number of Arizona veterans projected by the US Department of Veterans Affairs (VA) as of 9/30 within the fiscal year.	10.4	10.13	10.22	12.35	12.07
Explanation: Using veteran population numbers from the VA Office of the Actuary.					
Expenditures of federal dollars in Arizona by the U.S. Department of Veterans Affairs (in millions of dollars)	3,220.9	2,851.2	3,607.0	3,823.42	4,052.83
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)	8650	8142	8,981	9,000	9,013
Explanation: Expressed in terms of actual dollars; no "multiplier effect" has been included in the reported figure.					
Total federal dollars (military retiree pay for veterans residing in Arizona, VA expenditures in Arizona, and Veterans Employment Funding in Arizona from the Department of Labor) entering the Arizona economy. (expressed in BILLIONS of dollars.)	4.56	3.81	4.78	4.90	5.02
Explanation: Reported federal funds are a direct result of veterans living in Arizona.					
Administration as a percentage of total agency budget	2.6	3.2	2.5	3.0	3.0

◆ **Goal 3** To recruit, develop, and retain a capable and responsible staff dedicated to excellent customer service.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of agency staff turnover (covered positions) as reported by the Arizona Department of Administration	24.4	30	29.19	31	33
Explanation: Long-term care staff turnover has historically increased the agency's rate. The actual rate for FY 2015 is a combination of both covered and uncovered positions.					

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.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	164.0	335.0	335.0
Other Appropriated Funds	659.3	902.9	902.9
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	823.3	1,237.9	1,237.9
FTE Positions	20.0	20.0	20.0

◆ **Goal 1** To maximize our clients' quality of life through the delivery of fiduciary services to our clients.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of annual reports of guardian submitted by the due dates	100	100	100	100	100
Number of client visits and contacts	2632	2772	2862	3672	4272

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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Licensed fiduciary to client ratio.	1:33	1:30	1:25	1:28	1:30

Explanation: The division had 6 licensed fiduciaries at fiscal year end.

Human service specialist to client ratio	1:67	1:42	1:68	1:52	1:50
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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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of annual accountings submitted by the due dates	100	100	100	100	100
Percent of annual accountings approved on first submission	95	100	100	100	100

◆ **Goal 4** To meet clients' needs.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Active caseload at end of fiscal year	210	252	198	275	320
Decedent caseload at end of fiscal year	36	16	44	27	25

◆ **Goal 5** To manage and protect clients' assets held by ADVS.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Aggregate amount of protected clients' assets at end of fiscal year (in millions).	23.88	22.78	23.2	25.0	27.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,707.6	2,833.1	3,093.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	810.7	1,583.5	1,583.5
Total Funding	3,518.3	4,416.6	4,677.4
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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Monetary awards reported on claims and appeals filed by the state veterans' benefits counselors on behalf of Arizona veterans (expressed in millions of dollars for award the Department expects to receive)	302.8	312.5	312.64	322.8	333.29

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- ◆ **Goal 2** To achieve the highest level of customer satisfaction in regards to services being offered and how those services are delivered.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of customers rating the overall delivery of service as 1 to 3, using a 1-5 scale where 1 represents "Extremely Satisfied" and 5 represents "Extremely Dissatisfied."	90	90	90	90	90

Explanation: The survey has been redesigned with a numeric score.

Program Summary

STATE VETERANS' HOMES

Robert Barnes, Deputy Director
 Phone: (602) 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 is a newly opened facility, which provides 120 additional skilled nursing care beds to veterans in southern Arizona. The final critically needed approval by the U.S. Department of Veterans Affairs (VA) for the Tucson Home was received June 12, 2012.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	21,400.0
Other Appropriated Funds	30,132.7	30,986.6	31,631.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	30,132.7	30,986.6	53,031.1
FTE Positions	380.0	380.0	380.0

◆ **Goal 1** To achieve recognition for excellence in long term care.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
The Centers for Medicare & Medicaid Service (CMS) created the Five-Star Quality Rating System to help consumers, their families, and caregivers compare nursing homes more easily. The star rating provided is the Quality Measures Indicator for the Home, which considers information on 9 different physical and clinical measures for residents. It is an industry standard for assessing of how well it is caring for the residents. Phoenix Home for Veterans	3	4	3	3	3
JUSTIFICATION: The letter grade system is no longer available for every department within a skilled nursing facility and is not available in Tucson. The CMS Quality Rating is available to all facilities nationwide.					
The Centers for Medicare and Medicaid Service (CMS) created the Five-Star Quality Rating System to help consumers, their families and caregivers compare nursing homes more easily. Tucson Home for Veterans	5	5	3	4	4

◆ **Goal 2** To maintain financial self-sufficiency, operating the facility without the use of Arizona taxpayer funds.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Average annual occupancy rate (in percent)	85	80	82	80	80
Average cost per patient day (in dollars) for the Phoenix veteran home.	273.96	281.34	307.81	311.49	315.67

Explanation: Ancillary and salary costs for ASVH divided by the total census days.

Average cost per patient day for the Tucson Home.	378.93	383.15	306.47	311.24	311.24
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Explanation: Average cost per patient day (in dollars) for the Tucson Home.

Average annual occupancy rate (in percent)	90	97	91	94	94
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Explanation: Average annual occupancy rate (in percent) for the Tucson Veteran's Home

◆ **Goal 3** To achieve recognition for excellence in customer satisfaction.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of customers rating the overall satisfaction as 4 or 5 using a scale of 2 to 5 where 5 represents extremely satisfied and 2 represents extremely dissatisfied. (Phoenix Home)	0	0	90	91	92
Percentage of customers rating the overall satisfaction as 4 or 5 using a scale of 2 to 5 where 5 represents extremely satisfied and 2 represents extremely dissatisfied. (Tucson Home)	0	0	92	91	93

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) opened in December 2002 and was designed to meet the needs of southern Arizona veterans for the next 40 years. The Arizona Department of Veterans' Services (ADVS) received approval and began construction of two additional cemeteries; one in Flagstaff and one in Marana. ADVS continues to actively work with the U.S. Department of Veterans Affairs (VA) to determine the most beneficial placements of future state veterans cemeteries.

Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	274.6	928.0	1,412.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	8,272.6	7,258.6	7,065.8
Total Funding	8,547.2	8,186.6	8,478.2
FTE Positions	7.0	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	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of casketed burials for both veterans and dependents (expressed as vets/dependents)	124/55	135/50	109/54	62/25	54/25
Number of columbarium inurnments (expressed as veterans/dependents)	223/55	225/70	233/75	112/35	115/40

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	526.8	545.2	655.1
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	526.8	545.2	655.1
FTE Positions	5.0	5.5	5.5

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/mailling 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 began steps in FY13 to launch an online license renewal system. Because of budget constraints, the project has been divided into stages. Stage 1, to complete a system design document, has been completed and a project plan for the implementation has been developed. The final stage in FY17 will include the programming, testing, and implementation of the new system.

The new system will allow licensees to renew online, which would include processing their credit card payments, automatically updating our database with address/email/employment changes, and electronically recording their continuing education documentation. Licensees will also be able to print their own renewal license instead of the agency printing/mailling 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 features to effectively record and report some critical data items. License renewal notices are printed via the database. To conform with recently revised rules/statutes, the text on these notices must be modified; modifications must be done by IT experts.

Description Our current database does not capture all the fields/data that we need to best analyze and report all information, nor allow the capability to efficiently track due dates of premise inspections and other time-sensitive actions. As well, data captured across the types of licenses is not consistent and changes to make them consistent are needed.

The database also generates license renewal applications. The text on these forms needs to be modified to be up-to-date with current Administrative Rules. These changes can only be made by an IT professional. During the last renewal cycle in 2015, issues were identified that indicate that some license types will not correctly update in 2016 and beyond. Those corrections are an essential step that must be completed prior to the FY17 renewal period.

Solutions:

A short-term IT project can be initiated and completed within approximately 3 months to correct functions and enhance our database system functionalities. It would involve (1) adding fields to some types of licenses (for example, email fields) to make them consistent across the types of licenses, (2) adding a field to the premise license section to record date of last inspection so that reports can be generated to identify scheduling inspection needs, (3) modifying text on the renewal applications to reflect current Administrative Rules, and (4) adding the new Veterinary Faculty License option to the database.

Issue 3 Business needs of agency require reorganization of staffing positions.

Description Four of the agency's six positions have not been reviewed for proper classification in many years. Most are still tied to position descriptions that were adopted before 2000. Staff duties have changed over time but the classifications and related salaries have not. There is a great need to reorganize responsibilities and workloads to maximize the agency's resources and potential, while offering the ability to attract and retain highly qualified employees. As more efficient procedures are implemented, including the use of technology solutions, some staff members will be free to address other agency needs. As well, the need to modernize and implement strategic initiatives must be addressed by qualified individuals who can address current needs while planning for the future.

Solutions:

Efforts to engage ADOA Human Resources in strategies to correctly classify positions has begun. Reclassification requests will occur in FY16 with planned implementation at the beginning of FY17. Depending on funding availability, at least two positions will be modified in FY16, with the others following in early FY17. Hiring may occur from outside the current staff if appropriate.

Issue 4 Licensees need more online tools and information to manage their license requirements and be provided with pertinent news.

Description One of the agency's goals is to increase communication frequency and methods to support our mission by providing pertinent news and information as needed to our licensees.

Adding web-based capabilities for licensees to track their continuing education credits, notify the Board of address and employment changes, request license verifications, etc. would significantly improve customer satisfaction and save funds and staff resources. As more of our licensees embrace online activities, the Board wants to be able to address their needs with the most time-efficient and cost effective methods available.

Currently, paper newsletters are mailed 1-2 times per year to licensees, then posted on the website, where many types of information can be found as well.

Licensees are required to submit written address/employment changes within 20 days of the change. Staff receives those changes and must manually input the information into our database. Enhancements to our website/database would allow licensees to create an account online and make those changes themselves, thus ensuring that it is done in the required timeframe and saving staff resources to complete the task.

The agency does not have the capability to send mass emails. If this capability existed, news could be disseminated as needed and could include electronic newsletters and license renewal notices. Simply having the ability to mass email newsletters and renewal notices would translate into significant postage costs and staff preparation times.

Solutions:

Research will be conducted in FY16 to determine the most cost-effective and streamlined approach to providing news and information to our licensees via email, website and/or social media. This will likely involve IT solutions/modifications to our website and database as well as procuring and maintaining an email-blast type system. Implementation is expected in FY18-19, 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 is planned to solve the issues noted and enhance the agency's capability to more quickly respond to public record and Board requests. As most organizations move to electronic documents as the norm, we expect that additional uses would follow in the next few years as well.

Options were researched in FY14-FY15. As technology continues to improve and changes are expected to the agency's database by mid-FY17, this document imaging/management system project is expected to be developed in FY17-19. Part of the research prior to procuring a vendor involves study of state laws and best practices pertaining to digital records.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	6.0	6.0	6.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	610.0	610.0	615.0
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 2014	FY 2015	FY 2015	FY 2016	FY 2017
	Actual	Estimate	Actual	Estimate	Estimate
Premises licensed	141	100	262	185	185
Veterinary applications processed	143	150	170	185	185
Veterinary technicians certified	65	60	72	65	65
Administration as a % of total cost	9	9	8.9	9	9
Total number of premise renewals	0	700	801	0	725
Total number of veterinarians licensed annually, including renewals	2226	2000	2,192	2,350	2,200

Explanation: number of licensed veterinarians at end of FY

Total number of veterinary renewals in biennial renewal process. Reinstatements included.	0	1,855	2094	0	2200
Total number of technician renewals in biennial process. Reinstatements included.	0	875	925	0	900
Total certified technicians	990	850	947	1020	950

- ◆ **Goal 2** To rapidly investigate complaints and provide enforcement to protect the public from incompetent service and unprofessional and unethical conduct.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of complaints docketed	100	110	107	110	110
Number of complaints resolved	122	100	109	100	100
Disciplinary actions	16	20	36	20	20
Average number of calendar days from receipt of complaint to resolution	109	125	92	115	115
Number of annual investigations conducted	109	110	109	110	110
Number of investigations resulting in enforcement action	16	20	42	20	25

- ◆ **Goal 3** To ensure that licenses are granted to competent professionals with high standards of professional and ethical conduct.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of Disciplinary actions to number of licensed veterinarians	1	1	1.4	1	1
Percent of customers responding excellent or good on customer satisfaction survey	99	98	98	98	98

- ◆ **Goal 4** To ensure that the rules developed to license pet crematory facilities are met when licensing and thereafter.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of licenses issued for pet crematory facilities	0	1	3	0	1

Agency Summary

WATER INFRASTRUCTURE FINANCE AUTHORITY

Sandy Sutton, Director
 Phone: (602) 364-1310
 A.R.S. §§ 49-1201 to 49-1269

Mission:

To maintain and improve water quality in Arizona by providing financial and technical assistance for basic water infrastructure as well as to provide technical assistance and low-cost financing solutions to Arizona communities and tribal governments.

Description:

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent entity authorized to finance the construction, rehabilitation and/or improvement of drinking water, waste water, waste water reclamation, and other water quality facilities/projects. As a "Bond Bank", WIFA is authorized to issue water quality bonds on behalf of communities for basic water infrastructure. Generally, WIFA offers borrowers below market interest rates on loans for 100% of eligible project costs. The Greater Arizona Development Authority assists local communities and tribal governments in developing and financing public infrastructure projects.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ WATER INFRASTRUCTURE FINANCE AUTHORITY	180,082.3	275,745.4	275,745.4
➤ GREATER ARIZONA DEVELOPMENT AUTHORITY	111.6	213.2	213.2
Agency Total:	180,194.0	275,958.6	275,958.6
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	180,194.0	275,958.6	275,958.6
Total Funding	180,194.0	275,958.6	275,958.6
FTE Positions	19.0	19.0	19.0

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:

WIFA’s main strategy is to work with Congressional Staff to change the formula. Senator Kyle’s office and now Senator McCain’s office have worked tirelessly on this issue but changing the act would need to be a part of a reauthorization.

In May 2014 Congress amended Section 601(A) of the Federal Water Pollution Control Act (Title V Water Infrastructure Financing, Subtitle A State Water Pollution Control Revolving Funds). Section 5008, Report on the Allotment of Funds Reads, in part, “The Administrator of the Environmental Protection Agency shall conduct a review of the allotment formula in effect on the date of enactment of this Act for allocation of funds authorized under title VI of the Federal Water Pollution Control Act to determine whether that formula adequately addresses the water quality needs of eligible State, territories and Indian Tribes...”

EPA is required not later than 18 months after the date of enactment of the Act (October 1, 2014) to make a presentation to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

WIFA will continue to work with Senator McCain and EPA to provide input concerning the formula change.

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:

WIFA has significantly increased marketing efforts in the following ways:

Launched WIFA's new and improved online application system. The new system provides a great marketing tool for WIFA's programs, delivers a better user-experience for WIFA applicants, and has improved the quality of the applications we receive.

Arizona Public Works Association New Member Spotlight – Susan Craig, Communications Director, was featured in the March 2015 APWA AZ Newsletter. In the spotlight, WIFA was able to convey a message to all APWA members regarding the cost of deferred maintenance, the need for capital improvements, encouraging utilities to invest with WIFA now while interest rates are still low.

Promotion of the Arizona Water and Wastewater Rates Dashboard – Expanded our partners to include the University of Arizona's Water Resources Research Center. The enhanced version of the dashboard this year received lots of positive feedback from utility managers, elected officials, consultants and more. A webinar hosted by EFC and WIFA was attended by nearly 100 participants.

Attended 16 conferences and numerous outreach events. Reached nearly 750 people, including a presentation for a national webinar (Council of Development Finance Agencies). Presented at ASU's Sustainable Cities Network attended by all the major cities in the valley and made connections with Mesa and Avondale for potential projects.

Arizona Rural Water Infrastructure Committee (RWIC) 4th Annual Funding Expo (attended by ~50 people) - Coordinated through WIFA, the session was titled "Making your water infrastructure project happen," and provided information on how to select the best engineer for a project, and how to incorporate alternative project delivery methods (e.g. job order contracting, design-build). During the afternoon of the Expo, RWIC partner agencies set up informational booths and met with communities one-on-one to discuss funding and technical assistance opportunities.

Developed WIFA new webpages:

The scoop: projects completed, on deck & in the pipeline – This new webpage was created to more clearly define what we do, when we do it and how. It provides a big picture look at WIFA, which includes an introduction about WIFA and takes you through WIFA's processes, and, as the name suggests, shows completed projects, projects on deck and projects in the pipeline.

Public Notices – We expanded this page to include all public notices, including hyperlinks to all environmental review decisions and public hearings.

Stay Informed – This new webpage offers a sign up option so anyone interested can sign up to be added to WIFA's e-mail distributions lists. One option is WIFA's General Distribution list designed for those who would like to receive information about upcoming events, trainings, resources and funding opportunities. The other is WIFA's new Public Notices distribution list utilized when a public notice is issued.

Sent out numerous e-mails throughout the year to WIFA's listserv (~400 people), containing information about upcoming events, trainings, resources and grant opportunities. Numerous meetings with consulting and engineering firms to discuss WIFA's programs, including an emphasis on the non-traditional projects WIFA can fund and is trying to market (stormwater, green infrastructure, flood control, watershed protection, reuse, energy efficiency and recharge).

Coordinated with state partners (RWAA, RCAC, ADEQ, USDA-RD) and shared notes (key messages and answers to interview questions) with other State Revolving Fund programs in preparation for the U.S. Government Accountability Office's interview/report on asset management.

Wrote an article titled Raise the Grade with WIFA, which was distributed to WIFA's listserv (over 400 people) and published in AZ Water Association's Kachina News. As a result, awareness was raised about the condition of Arizona's infrastructure and the financing WIFA offers for water and wastewater infrastructure projects. Many partners utilized the information for their awareness campaigns as well, including RWAA who printed copies of the article for handouts.

Presented for 200 people on a national Rural Development Finance Training Series: Building Rural Infrastructure webinar hosted by the Council of Development Finance Agencies (CDFA) for U.S. Department of Agriculture (USDA) field staff and leadership. WIFA received accolades from the CDFA President for coordination efforts with Arizona's Rural Water Infrastructure Committee and USDA, and for being a model for other State Revolving Fund programs around the U.S.

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:

The GADA Board of Directors is discussing hiring a Lobbyist who will assess the need for the continuation of GADA.

GADA is moving forward with an effort to revitalize the fund by:

- 1) Continuing with the outreach program to inform small, rural and tribal communities about GADA's economic development mission and how to utilize the fund; and
- 2) Providing informational support to the League of Arizona Cities and Town.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 Estimate
Full-Time Equivalent Positions	19.0	19.0	19.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	86,409.6	85,930.1	83,987.2
Federal Funds	25,448.0	25,448.0	25,448.0

Program Summary

WATER INFRASTRUCTURE FINANCE AUTHORITY

Sandy Sutton, Director
 Phone: (602) 364-1310
 A.R.S. §§ 49-1201 to 49-1269

Mission:

To maintain and protect water quality and to ensure the affordability of basic community infrastructure.

Description:

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent entity authorized to finance the construction, rehabilitation and/or improvement of drinking water, waste water, waste water reclamation, and other water quality facilities/projects. As a "Bond Bank", WIFA is authorized to issue water quality bonds on behalf of communities for basic water infrastructure. Generally, WIFA offers borrowers below market interest on loans for 100% of eligible project costs.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	180,082.3	275,745.4	275,745.4
Total Funding	180,082.3	275,745.4	275,745.4
FTE Positions	17.8	17.6	17.6

◆ **Goal 1** To award WIFA's resources in accordance with the needs of Arizona's Citizens.

Performance Measures

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of projects that have corrected or prevented public health or environmental problems (including projects which address non-compliance and maintenance of compliance).	4.0	2.0	9	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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of total available funds invested.	95.94	95.0	96.6	95.0	95.0

- ◆ **Goal 3** To effectively and efficiently deliver financial and technical assistance.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of weeks from Board action to circulate draft loan documents.	.83	1.5	.68	1.5	1.5
Average number of days for WIFA to process a disbursement request.	0	0	6.85	14	14

- ◆ **Goal 4** To market agency programs and advocate the importance of safe, reliable water through presentations, networking and outreach.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of conferences/outreach events attended/presented at per year.	5.0	4.0	5.0	4.0	4.0
Number of RWIC meetings attended or coordinated per year.	0	0	3	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	111.6	213.2	213.2
Total Funding	111.6	213.2	213.2
FTE Positions	1.2	1.4	1.4

◆ **Goal 1** To increase development of public infrastructure projects.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 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.	940.0	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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ AGENCY SUPPORT	4,079.1	4,766.6	4,804.8
➤ WATER RESOURCES AND STATEWIDE PLANNING	149.6	500.0	500.0
➤ DAM SAFETY AND FLOOD WARNING	1,443.5	1,903.0	1,903.0
Agency Total:	5,672.2	7,169.6	7,207.8
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	5,012.1	4,352.0	4,390.2
Other Appropriated Funds	2.1	2,089.7	2,089.7
Other Non Appropriated Funds	658.0	727.9	727.9
Total Funding	5,672.2	7,169.6	7,207.8
FTE Positions	35.1	39.0	39.0

Issue 1 Colorado River and Adjudication Issues

Description ADWR is experiencing increasing interest and need in statewide water supply planning as a result of factors including, but not limited to, the following:

- Drought conditions that have persisted across the State and the Colorado River Basin over the last decade;
- Completion of the Strategic Vision for Water Supply Sustainability, prepared in partial response to the legislatively-created Water Resource Development Commission (WRDC), which projected imbalances between supplies and demands of between 1 and 2 million acre-feet (MAF) by the year 2110;
- Publication of the Basin Study by the US Bureau of Reclamation (BOR), which projected imbalances between supplies and demands averaging 2.3 MAF in the Colorado River Basin by 2060;
- Publication of the 24 Month Outlook by the BOR, which will result in reductions in releases between Lake Powell and Lake Mead from 8.23 to 7.48 MAF this year and which projects a 23 and 60% probability of shortage on the Colorado River in 2016 and 2017, respectively;
- Drought Contingency negotiations with the US and Basin States;
- Follow up to the execution of Minute 319 to the Treaty between the United States and Mexico governing use of the Colorado River. Minute 319 is a five-year agreement that establishes a cooperative framework between US parties, including the State of Arizona, and Mexico for shortage sharing, revised reservoir operations, and environmental restoration. The work to be conducted under Minute 319 is envisioned to provide a basis for longer term, mutually beneficial arrangements between the US and Mexico. Review of the actions taken under Minute 319 and consideration of future actions that may be taken with Mexico and the US are underway ;
- American River's declaration of the Colorado River as America's Most Endangered River in 2013;
- Long-Term Environmental Monitoring Program (LTEMP) in the Grand Canyon, the accompanying EIS, is under negotiations;
- ADWR's development of the 4th Management Plans in the five Active management Areas, including determinations of progress toward meeting the legislatively established Management Goals;
- Increased interest in water transfers throughout the State, including transfer of Big Chino Basin groundwater to the Prescott AMA, and CAP's efforts to increase its supplies by transfer of water from the main stem of the Colorado River;
- Continued recovery of Arizona's economy, including the real estate sector throughout the State;
- Reduction in the Federal funds that have historically been available for data collection and assistance to rural communities in water supply planning;
- Declining water levels (and associated land subsidence and earth fissuring) in groundwater basins throughout the State;
- Increased legal challenges to ADWR's administrative decisions; and
- The pace of progress in the General Adjudications of the Gila and Little Colorado River Watersheds, resulting in water supply uncertainty for both surface water and groundwater users within these river systems, which encompass over 70% of the land mass and 95% of the population within the State.

Adjudication support activities require extensive training and specialized skills and experience. Examples of the necessary knowledge, training and skills are listed below:

- Data entry and management;
- Field reconnaissance, survey and data collection;
- Geographical positioning and information systems (GPS & GIS) analysis;
- Agricultural practices, past and present;
- Stock watering and other water use practices, past and present;
- Geographical, geologic, hydrologic and engineering analysis;
- Understanding of history and relevance of prior court proceedings;
- Understanding of procedures for filing, amending and assigning SOC's;
- Project management;
- Graphical design and report preparation; and
- Other case specific knowledge, skills or abilities as required.

Because of the complicated and specialized nature of these proceedings and the varied set of skills required to perform the work, hiring and training additional staff requires significant time and resources.

As technical and administrative advisor to the Superior Court in the General Adjudication proceedings for the Gila River

and the Little Colorado River (LCR) watersheds, ADWR seeks to accomplish three mission statements:

1. Establish and maintain accurate, useful information registries and databases.
2. Produce high quality, timely work products as directed by Court or Special Master.
3. Provide technically sound advice as requested by Court or Special Master.

Solutions:

The complexity of the issues and the planning necessary to adequately represent the State's water interests has increased. Issues that historically have been isolated in geographic scope are now interwoven across the State and across ADWR's regulatory and planning units.

Restructuring of the Department following the RIFs in 2010 reduced ADWR's planning staff from over 40 employees in six operational units to less than three FTEs in a single unit. Data management is currently largely conducted by the individual operational units and results in inconsistency across the Department's internal functions, which limits access to, and the utility of, this data to the regulated community and the public. Consolidation of data management and planning into a single operational unit will increase the interconnectivity of these functions across the agency. This will, in turn, increase efficiency, improve the quality and capacity of planning and the level of protection provided to water users and water supplies throughout the State. Additional IT and program resources are required to properly staff this effort.

There are "Next Steps" processes that have been established following both the publication of the Basin Study and the execution of Minute 319 for further study and implementation. The scope of these efforts, and the appropriate level of participation required to coordinate and protect Arizona's interests, are unprecedented in recent times. ADWR is diverting management and program staff to support these vital efforts and requires additional staff and resources to ensure appropriate coverage and advocacy in these proceedings, to coordinate these efforts with Arizona's leadership, water users, and ADWR's other functional units, while ensuring appropriate resources are available to other mission critical matters.

Some of the activities performed in support of the adjudication proceedings are fairly routine administrative functions completed on a daily basis. Other activities involve small to moderately sized projects with part to full-time involvement of four or fewer staff, while some activities are large projects requiring mobilization of significant Department resources. An example of a large project was the publication of the Preliminary Hopi HSR involving 15 or more employees working full-time during an extended period circa 2005-2008. ADWR completed several extensive large projects during the 1980's, when as many as 66 (on average about 40) full-time employees worked on the adjudications.

It is important to note that ADWR is now able to do more with fewer resources than in the past due to advances in technology. ADWR has continually upgraded its electronic communication, database management and GIS capabilities. Integration of Information Technology directly into its regulatory programs and other work efforts has greatly improved efficiency and allows results to be achieved with fewer resources than have historically been available.

Currently available resources allow ADWR to effectively make progress on one large court-directed project at a time, while completing one to three small to moderate projects a year and performing routine functions of administrative support. ADWR just completed a revised subflow zone delineation report for the San Pedro River watershed, which is expected to lead to more technical work after the court considers objections filed by the parties. ADWR also just finished a factual analysis and technical assessment for the White Mountain Apache Tribe settlement agreement, which may also lead to additional work for ADWR in the next few months. At the request of the adjudication court, ADWR must file a report in October with suggestions for moving the adjudication forward. In addition, before the end of the year, ADWR must submit reports to the adjudication court related to implementation of the Gila River Indian Community settlement agreement. By September 2015, ADWR must complete the Final Hydrographic Survey Report for the Hopi Reservation, which is a major undertaking. Although some preliminary work could be started on a number of different project needs, major progress on other large projects will likely await completion of the Final Hopi HSR.

Additional resources allocated to ADWR for supporting the adjudications would increase ADWR's work output, less at first and then more over time. Upon attracting and hiring qualified job candidates and providing training and on the job experience over a period of one to three years, a direct increase in work productivity for the size of the increase in funding would be expected. In other words, if, for example, resources were doubled, following a training period of one to three years, the overall work output would expect to be doubled as well and contribute to more timely resolution of the adjudications.

Many of the adjudication skills and resources are applicable to the other agency functions. Given increased funding, and depending on the needs and status of court proceedings, ADWR could increase its ability to make major progress on more than one

large project at a time, complete additional numbers of small to moderate projects each year, or provide other additional support as necessary. In order for increased funding to be truly effective in advancing the progress of these proceedings towards their resolution, it must be sustained for the long-term foreseeable future. Should the courts not consistently task the Department with multiple large projects, this staff will be deployed to provide assistance to the statewide planning function and support the water resource planning efforts of communities throughout Arizona.

Planned expenditures include:

- 5.0 additional FTE. We anticipate hiring an additional attorney due to increased caseload, as well as a combination of Water Resource Specialists, Hydrologists, Environmental Planners and IT staff as we prepare additional information that will be required by the Courts for both the normal adjudication process and the additional work that will be required to mitigate any consequences to the State of Arizona due to the Declaration of Shortage for Colorado River Water. Due to the complexity of the issues involved, these employees will probably be grade 23 and above.
- Professional & Outside Services will include costs of Court Transcripts and other incidental legal expenses, to include research costs. It will also include the cost of subcontractors hired to augment ADWR staff for field work required for short-term studies instead of hiring additional employees. We will also incur costs for IGA's with other State and local governments for water-related studies.
- Travel In- and Out-Of-State – Numerous trips are expected both to Washington, DC and to the other Basin States for negotiations on Colorado River Water issues. Most will have extremely short notice and advance bookings will not always be possible, raising the cost of both airfare and accommodations. Travel required for investigations and hearings would increase significantly, as would limited travel to Mexico.
- Other Operating Expenditures – This would include additional postage costs for greatly increased mailings (certified, return receipt), basic office furniture (chairs, calculators, desk accessories) for new staff, increased need for office supplies for both new and existing staff, basic training classes for new staff as well as advanced classes for existing staff and greatly increased copying, printing and advertising costs.
- Equipment includes the cost of new modular furniture as well as computer equipment and specialized software required for those positions. Additional printing/copying capability will also be required, as well as digital storage space.

Resource Assumptions

	FY2018 Estimate	FY2019 Estimate	FY2020 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

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	4,073.4	2,533.9	2,572.1
Other Appropriated Funds	2.1	2,089.7	2,089.7
Other Non Appropriated Funds	3.6	143.0	143.0
Total Funding	4,079.1	4,766.6	4,804.8
FTE Positions	22.5	23.0	23.0

◆ **Goal 1** To provide the Department with timely financial reports that comply with state and federal regulations.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of financial reports distributed to users within two weeks after month-end close.	0	0	-	70	100

◆ **Goal 2** 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of business hours to resolve reported bugs or problems	0	0	24	8	6

◆ **Goal 3** 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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of time servers are available.	99	99	99	99.9	99.95

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	149.6	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	149.6	500.0	500.0
FTE Positions	1.0	1.0	1.0

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,279.7	1,612.9	1,612.9
Other Appropriated Funds	3.5	0.0	0.0
Other Non Appropriated Funds	1,590.3	1,448.7	1,448.7
Total Funding	2,873.5	3,061.6	3,061.6
FTE Positions	17.8	21.5	21.5

- ◆ **Goal 1** To conduct special investigations of critical groundwater areas to ensure that management decisions have a sound technical justification.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percentage of applications reviewed and permits issued for assured and adequate water supply within statutory deadlines.	0	0	100	100	100

- ◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percentage of annual storage reports and long-term storage accounts available online to the public.	0	0	100	100	100
Number of stakeholder advisory groups provided technical assistance.	0	0	33	35	40

- ◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of annual withdrawal and use reports available for online filing.	0	0	69	87	90
Percent of notice of intent to drill or modify well applications reviewed and processed within statutory deadlines.	0	0	100	100	100

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,633.2	2,090.0	2,090.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	11.9	12.0	12.0
Total Funding	1,645.1	2,102.0	2,102.0
FTE Positions	18.9	24.0	24.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of applications processed to appropriate surface water within the licensing timeframe.	0	0	85	90	100
Percentage of public and intra-agency information requests met within agency time frames.	0	0	85	90	100

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of adjudication court assigned reports completed by established deadlines.	100	100	100	100	100
Percentage of applications, amendments and assignments processed within Agency time frames.	0	0	85	90	100
Percent of public and intra-agency information requests met within Agency time frames.	0	0	85	90	100

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	755.0	1,055.3	1,055.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12.7	17.0	17.0
Total Funding	767.7	1,072.3	1,072.3
FTE Positions	6.0	8.0	8.0

◆ **Goal 1** To effectively represent Arizona in discussions and negotiations regarding the State's rights to the Colorado River.

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of unused entitlement recharged	95	95	95	95	95
Percentage of Colorado River Basin and bi-national meetings in which ADWR participated to represent the interest of Arizona water users.	0	0	100	100	100

◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percentage of contract actions recommended in a timely manner to the US Department of Interior.	0	0	100	100	100

◆ **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 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Percent of Arizona's annual entitlement to Colorado River water beneficially used	100	100	100	100	100
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).	0	0	100	100	100
Percentage of instances in which the Colorado River Conditions dashboard was updated within two business days of receiving new information.	0	0	100	100	100

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	2,982.3	3,380.8	3,380.8
Other Appropriated Funds	52.4	266.6	266.6
Other Non Appropriated Funds	8,727.4	8,733.2	8,733.2
Total Funding	11,762.1	12,380.6	12,380.6
FTE Positions	39.9	44.5	44.5

◆ **Goal 1** To assess and report information on statewide water resource supply and demand.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of annual water use reporting summaries issued per year for the Community Water System Program.	0	0	0	3	3

◆ **Goal 2** To develop strategies that address statewide water resource issues.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of projects that provided technical assistance in support of quantifying and improving resource management outside active management areas.	0	0	100	100	100
Number of rural water partnership groups in which ADWR participated.	0	0	6	6	6

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
The amount of water delivered for storage in implementation of the Arizona Water Banking Authorities Annual Plan of Operation.	0	0	84,450	40,400	40,400
Monthly updates made available to the public online within three business days of data verification.	0	0	100	100	100

◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New projects funded and contracts written.	4	4	2	4	4
Percentage of grants that achieve the stated objectives of the Water Protection Fund Commission	100	100	100	100	100

Subprogram Summary

HYDROLOGY

Frank Corkhill, Assistant Director

Phone: (602) 771-8500

A.R.S. §§ 45-104, 45-105

Mission:

To provide the Agency and 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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	147.0	312.1	312.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	73.9	16.3	16.3
Total Funding	220.9	328.4	328.4
FTE Positions	1.5	3.0	3.0

◆ **Goal 1** To ensure the collection and analysis of hydrologic data for the Agency and other users of hydrologic data.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Groundwater Site Index well sites with manual water level measurements.	0	0	1575	1575	1575
Groundwater Site Index well sites with automated water level measurements.	0	0	129	131	133
Number of manual stream flow measurements.	0	0	3	3	4

- ◆ **Goal 2** To ensure wide-spread access to collected annual hydrologic and geophysical data and groundwater modeling reports and analysis.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Interferometric Synthetic Aperture Radar Subsidence Maps published and available on the Agency's website.	0	0	57	41	41
Number of active management area groundwater models developed, updated or revised.	0	0	6	6	6
Number of non-active management area groundwater models developed, updated or maintained.	0	0	1	2	1

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.

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 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	789.1	1,318.1	1,318.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	654.4	584.9	584.9
Total Funding	1,443.5	1,903.0	1,903.0
FTE Positions	11.6	15.0	15.0

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of community assistance contact visits completed.	3	5	3	5	5

- ◆ **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 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of dams classified in a non-emergency unsafe condition	13	13	15	15	14
Percentage of dam safety applications reviewed within regulatory timeframes.	0	0	100	100	100

Agency Summary

DEPARTMENT OF WEIGHTS AND MEASURES

Andy Tobin, Director
Phone: (602) 771-4922
A.R.S. § 41-2051

Mission:

To protect the integrity of Arizona's marketplace by ensuring that equity and accuracy are preserved in commerce through fair and equitable regulation and the effective public communication of weight and measurement standards.

Description:

The Department of Weights and Measures ensures that every commercial device used for the sale of commodities by either weight, measure or count is licensed and accurate for its intended use. Random inspections ensure that such commodities are properly labeled and priced in conformance with state rules and regulations. The Department maintains custody of the state's primary standards and keeps an accurate record of all standards and equipment; collects samples of motor fuel that is stored, sold, exposed or offered for sale to determine if such motor fuel meets the required standards; and inspects all mandated Stage I and Stage II vapor recovery systems in the state to determine if such systems are in compliance with the law.

Agency Summary: (\$ Thousands)

Program	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
➤ GENERAL SERVICES	1,635.4	1,728.4	0.0
➤ AIR QUALITY OXYGENATED FUEL	772.0	787.8	0.0
➤ VAPOR RECOVERY	529.8	652.0	0.0
Agency Total:	2,937.2	3,168.2	0.0
Funding:	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,362.1	1,399.0	0.0
Other Appropriated Funds	1,575.1	1,769.2	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	2,937.2	3,168.2	0.0
FTE Positions	38.4	38.4	0.0

Issue 1 Better Efficiency

Description This Agency supported and worked to pass legislation to transition the department to the AZAG, DPS and ADOT.

The effect has been to fully involve our staff in LEAN serves to reduce cost and unnecessary regulation and process in order to better serve and protect the consumer.

While the agency now shows savings it also shows an increase in inspections over each of the last two fiscal years and a reduction in the private sector in time as we moved all of our Vehicle for Hire (VFH) program to an on-line process.

ADOT will now receive four staff members and serve all VFH more efficiently.

DPS will receive one staff member and expand consumer protections with the Moving Company Task Force.

Meteorology will now expand to Echelon 1 status to better avail services to the private sector, improving on knowledge and support of our in-field service inspectors.

Solutions:

Issue 2 Ensure Quality Fuel for Arizona

Description Our department continues to expand inspections of Arizona Fuels.

Solutions:

Issue 3 Consumer Protection

Description The AZDWM began the LEAN process in early February. The idea was to reduce cost to business and increase staff time to assist business understand compliance and allow our staff to spend more time do more consumer protection inspections.

The department has completed the process of accommodating a new industry, TNC. Transportation Network Companies have now expanded in Arizona under the new agreement to license them that passed the Arizona legislature and was signed into law earlier this year 2015. Almost simultaneously this agency moved all of our "Vehicle for Hire" program to an on-line system saving business hundreds if not thousands of hours in time and effort to stand in line waiting for a compliance officer.

Our Moving Company Task Force was reinforced this year with the support of the Governor. The Director of the DWM travelled to Washington DC and negotiated an MOU for the State of Arizona with the USDOT, that was recently signed by the AZ Attorney General and the Governor. As part of the new agreement the USDOT has provided law enforcement training and will continue to do so. The program also allows Arizona to now fine and keep the fines in Arizona to support expansion of the task force effort. The Director of DPS has joined in and supports the effort.

The DWM has already moved forward and invested in training to support an expansion of the Arizona Metrology Lab to an Echelon 1 Designation. This program when complete (FY2017) will be able to better provide services to the business community by having an elite designation of certification available here in Arizona rather than sending out of state. Being able to provide services and knowledge in-state supports our efforts to better calibrate for consumer protection within our current budget and service skills.

We have invested in new equipment to assist with our inspectors ability to more quickly determine volume readings directly at gas station locations. This leaves more time for more effective review of other consumer issues by being more efficient with our time on site.

Solutions:

Issue 4 Provide Quality Service

Description The Department already enjoys an outstanding reputation as a state agency known for its strong customer satisfaction; striving to always provide accurate information and quick turnarounds on customer inquiries.

Solutions:

The Department looks to improve on this by offering more educational information to consumers, providing additional training to industry, and creating innovative new online services.

Issue 5 New legislative mandates

Description The Agency supported the Governors initiative to consolidate the AZDWM to the Dept of Agriculture, ADOT and DPS.

The Agency supported the efforts of the Governor to license the TNC industry and passed that critical legislation last session

Solutions:

Issue 6 Shift Inspection Resources

Description The Department is known for regularly inspecting gas stations, grocery stores, taxi cabs, and ensuring retail scales and measuring devices are licensed and certified. As a result, many of the major chains are now maintaining very good and consistent compliance rates.

Solutions:

The department has slightly increased it inspectors FTE to support rural communities in need of this agencies attention to education of the licensing community and consumer protections.

Issue 7 Update all Standard Operating Procedures ("SOP")

Description SOPs are detailed written instructions to achieve uniformity of how the Department investigators perform duties in the field.

Solutions:

SOP's are an ongoing process that will be impacted regualrly and during the transition months in the hope of taking advantage of economies of scales of LEAN and other department efficiencies.

Issue 8 Public/Private Partnership

Description Arizona businesses and retail industry have been supportive of the Department's overall role as regulators because they too want to discourage unfair and dishonest commerce.

Solutions:

The Department will continue efforts to train and test the licensed RSRs and other licensed businesses that install, service, repair, or recondition a commercial measuring device such as gas pumps or scales. By working together directly with the private sector, the marketplace will have more eyes reviewing it for accuracy so Arizona can ensure true equity.

Issue 9 Corporate Education

Description The AZDWM has met with industry in an effort to reduce over burensome and inefficient processes and to assist in a more cooerative effort of information sharing and compliance. This years potential legislative reviews may likely include suggestions from these stake holder meetings.

Solutions:

Issue 10 Media Outreach

Description The Department is first and foremost a consumer-oriented agency working to establish a level playing field in the marketplace. As such, the Department feels consumers need to be aware of pricing, fuel quality, smart shopping, and safety tips.

The media has been helpful in assisting with consumer alerts regarding the many scams that this department has been trying to update and educate ourselves.

Solutions:

Issue 11 Partner with Law Enforcement

Description The transition of our Moving Task Force and the coordination of a USDOT MOU with the Attorney General, Governor and DPS makes it clear of our efforts to better combat consumer fraud.

Solutions:**Resource Assumptions**

	FY2018 Estimate	FY2019 Estimate	FY2020 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

GENERAL SERVICES

Roger Fisk, Executive Secretary II

Phone: (602) 771-4922

A.R.S. §§ 41-2051 et. seq.

Mission:

To protect consumers and businesses alike by ensuring a fair and equitable Arizona marketplace. To help teach both business and consumer how to comply and engage with the Arizona Department of Weights and Measures.

Description:

The Department of Weights and Measures ensures that commercial device used for the sale of commodities by either weight, measure or count, not including "Vehicles for Hire" which was transferred to ADOT/DMV and Moving Van Company oversight, which was transferred to DPS, is licensed and accurate for its intended use. Random inspections ensure that such commodities are properly labeled and priced in conformance with state rules and regulations. The Department maintains custody of the state's primary standards and keeps an accurate record of all standards and equipment; collects samples of motor fuel that is stored, sold, exposed or offered for sale to determine if such motor fuel meets the required standards; and inspects all mandated Stage I and Stage II vapor recovery systems in the state to determine if such systems are in compliance with the law. Stage II is being decommissioned in the state of Arizona in 2016. The Department of Weights and Measures will be a division of the Arizona Department of Agriculture effective July 1, 2016.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	1,362.1	1,399.0	0.0
Other Appropriated Funds	273.3	329.4	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	1,635.4	1,728.4	0.0
FTE Positions	24.1	24.1	0.0

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

Performance Measures	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
Number of Fuel Dispensing device inspections.	17470	28,000	0	28000	0
Number of Fuel Dispensing device in compliance.	80.7	90	0	90	0

- ◆ **Goal 2** To license all retailers who use commercial weighing devices; all companies who install, service, or test weighing and measuring devices.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total Devices.	121519	124,000	0	124000	0
Average number of days to process applications.	5	5	0	5	0

- ◆ **Goal 3** To improve customer service.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of days to respond to consumers that place a complaint with the Department.	10	10	0	10	0

Program Summary

AIR QUALITY OXYGENATED FUEL

Roger Fisk, Executive Secretary II
 Phone: (602) 771-4922
 A.R.S. §§ 41-2065.(A)(14)(15), (D), (E), 41-2082, and 2121

Mission:

To protect consumers and businesses alike by ensuring a fair and equitable Arizona marketplace and to promote clean air by regulating petroleum products and dispensing systems throughout the state.

Description:

The Department of Weights and Measures collects samples of motor fuel that are stored, sold, exposed or offered for sale to determine if such motor fuel meets the required standards.

Funding:

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
General Funds	0.0	0.0	0.0
Other Appropriated Funds	772.0	787.8	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	772.0	787.8	0.0
FTE Positions	7.5	7.5	0.0

- ◆ **Goal 1** To monitor the quality of gasoline and diesel products through the collection and analysis of fuel samples.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Non-CBG samples tested.	391	695	0	695	0
Percent of non-CBG samples in compliance.	93.8	96	0	96	0
AzCBG samples tested.	1049	550	0	1100	0

- ◆ **Goal 2** To expand the use of technology in the fuel sampling and testing process.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of samples sent to the laboratory for analysis.	527	345	0	550	0
Number of samples tested by Zeltex field instrument	1452	1,700	0	1700	0

Explanation: Number of samples tested using Zeltex field instrument

Program Summary

VAPOR RECOVERY

Liz Atkinson Roger Fisk, Admin Secty II

Phone: (602) 771-4922

A.R.S. §§ 41-2065(A)(4), 41-2131 to 41-2134

Mission:

To protect consumers and businesses alike by ensuring a fair and equitable Arizona marketplace, and to promote clean air by regulating petroleum products and dispensing systems throughout the state.

Description:

The Department of Weights and Measures inspects all mandated Stage I and Stage II vapor recovery systems in the state to determine if such systems are in compliance with the law.

Funding:

	<u>FY 2015 Actual</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	529.8	652.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Total Funding	529.8	652.0	0.0
FTE Positions	6.8	6.8	0.0

◆ **Goal 1** To ensure that new vapor recovery systems meet equipment and performance requirements.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
At least 50% of all the vapor recovery annual test will be witnessed by the Department.	50	50	0	50	0

◆ **Goal 2** To ensure that existing vapor recovery systems meet operation and maintenance requirements.

Performance Measures	FY 2014 Actual	FY 2015 Estimate	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent of facilities inspected annually that are in compliance.	93.4	90	90	90	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.

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 individu-

¹ Italicized terms are defined in this Glossary.

als 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 code A four-digit code used within the statewide accounting system to identify the detailed revenue or expenditure account affected by a transaction; the lowest level in the object structure.

continuing appropriation An appropriation that is automatically renewed without further Legislative action, period after period, until altered, revoked or liquidated by expenditure.

current services budget A financial plan that incorporates the *base budget* needs of an agency and the addition of funding to support demographic growth in client caseloads and workload functions.

D

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 (OSP)*. The Joint Legislative Budget Committee Staff is often referred to as the JLBC but should not be confused with the Legislative committee of the

same name. The JLBC Staff prepares an analysis of the Executive Budget as soon as it is presented to the Legislature. The analysis includes the JLBC Staff's recommendations for revisions in expenditures.

Joint Committee on Capital Review (JCCR) Created by Laws 1986, Chapter 85, to establish the Building Renewal Formula, approve the creation of Building Systems, and review the State Capital Improvement Plan. The JCCR is also responsible for reviewing all construction projects before commencement of the project. The JCCR consists of the following 14 members of the Legislature: Chairs of the House and Senate Appropriations Committees, majority and minority leaders from the House and Senate, four members of the House Appropriations Committee, and four members of the Senate Appropriations Committee.

Joint Legislative Budget Committee (JLBC) A Legislative committee consisting of the following 16 members of the Legislature: Majority Leaders of both the House and Senate; Chairs of both the House and Senate Appropriations Committees; Chair of the Senate Finance Committee; Chair of the House Ways and Means Committee; five members of the House Appropriations Committee; and five members of the Senate Appropriations Committee. The JLBC meets as often as is necessary to transact business related to fiscal management of the State's resources.

Joint Substance Abuse Treatment Program (JSAT) Also known as "Arizona Families First," JSAT is a substance abuse program jointly administered by the Department of Child Safety and the Department of Health Services. The program pays for services to parents, guardians or custodians whose substance abuse is a significant barrier to preserving the family. Services can also be provided to federal Temporary Assistance for Needy Families (TANF) Block Grant recipients whose substance abuse is a significant barrier to obtaining or maintaining employment.

L

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 code Refers to the accounting code structure of the Arizona Accounting Manual.

objective A specific and measurable target for accomplishing goals.

one-time adjustment A budget adjustment that must be made because of a one-time circumstance that is not continued through the next *fiscal year*. The end of a project would bring about a one-time decrease the following year.

operating budget A plan of all proposed expenditures other than capital expenditures (SEE *capital outlay*). An operating budget is composed of various objects of expenditure, such as *Personal Services*, *Employee-Related Expenditures*, In-State Travel, etc.

operational plan A practical, action-oriented guide that directs goal-setting to achieve meaningful results with the existing resources through the shorter budget cycle period. The operational plan should provide incremental steps towards achieving the strategic long-range plan. SEE ALSO: *Master List*

OSPB (Office of Strategic Planning and Budgeting) A State agency charged with preparing the Governor's budget guidelines and the Executive Budget recommendation for review by the Governor. The Office also facilitates a strategic planning process for State government and is responsible for implementing many of the provisions of *budget reform legislation*. The OSPB staff is the Executive counterpart to the *JLBC Staff*.

other appropriated funds All amounts, excluding *General Fund* amounts, appropriated by the Legislature for predetermined uses. These include Special Revenue Funds, revolving funds, etc.

other operating expenditure According to the ARIZONA ACCOUNTING MANUAL, everything using an object code of 7000. This refers to operating expenditures necessary to operate a budget unit, e.g., office supplies, utilities, communication, etc.

outcome A *performance measure* that reflects the actual results achieved, as well as the impact or benefit, of a program.

output A *performance measure* that focuses on the level of activity in a particular program or subprogram.

P

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.

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.

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

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. Vacancy savings cannot be expended for any of the following purposes without the approval of the Director of the Department of Administration: merit increases for State employees; funding for reclassified positions; or the creation of new positions.

Glossary

Part 2: Acronyms

A.R.S. Arizona Revised Statutes	AZGS Arizona Geological Survey
AAC Arizona Administrative Code	AZPOST Arizona Peace Officer Standards and Training
ABOR Arizona Board of Regents	BIFO Border Infrastructure Finance Office
ACJC Arizona Criminal Justice Commission	CAE Commission on the Arizona Environment
ACJIS Arizona Criminal Justice Information System	CAP Central Arizona Project
ACW Arizona Center for Women	CAP Child Abuse Prevention
ADA Americans with Disabilities Act	CBHS Children's Behavioral Health Services
ADE Arizona Department of Education	CCDF Child Care Development Fund
ADJC Arizona Department of Juvenile Corrections	CEDC Commerce and Economic Development Commission
ADM Average Daily Membership	CERF Collection Enforcement Revolving Fund
ADMIN Administration	CHC Community Health Center
ADOT Arizona Department of Transportation	CHILDS Children's Information Library and Data Source
ADP Average Daily Population	CIS Client Information System
AERB Agriculture Employment Relations Board	CJEF Criminal Justice Enhancement Fund
AFDC Aid for Families with Dependent Children	CLIA Clinical Lab Inspections Act
AFIS Arizona Financial Information System	CMDP Comprehensive Medical and Dental Plan
AFUND Appropriated Fund	CMR Classification Maintenance Review
AG Attorney General	CMS Centers for Medicare and Medicaid Services
AGFD Arizona Game and Fish Department	COP Certificate of Participation
AHCCCS Arizona Health Care Cost Containment System	COSF Capital Outlay Stabilization Fund
AHS Arizona Historical Society	CPS Child Protective Services
AIDA Arizona International Development Authority	CRIPA Civil Rights of Institutionalized Persons Act
AIMS Adult Inmate Management System	CRS Children's Rehabilitative Services
ALTCS Arizona Long-Term Care System	CSB Central Services Bureau
AMA Active Management Area	CSMS Combined Support Maintenance Shop
ANSAC Arizona Navigable Streams Commission	CSO Correctional Service Officer
AOC Administrative Office of the Courts	CWA Clean Water Act
AOOE All Other-Operating Expenditures	CWRF Clean Water Revolving Fund
APP Aquifer Protection Permit	DAAS Division of Aging and Adult Services
APS Adult Protective Services	DBME Division of Benefits and Medical Eligibility
ARF Automation Revolving Fund	DCS Department of Child Safety
ARRT American Registry of Radiological Technologists	DCYF Division of Children, Youth and Families
ASDB Arizona School for the Deaf and the Blind	DD Dually Diagnosed or Developmentally Disabled
ASET Arizona Strategic Enterprise Technology	DDD Division of Developmental Disabilities
ASH Arizona State Hospital	DDSA Disability Determination Services Administration
ASPC Arizona State Prison Complex	DEA Drug Enforcement Account
ASRS Arizona State Retirement System	DEMA Department of Emergency and Military Affairs
ASU Arizona State University	DEQ Department of Environmental Quality
ATA Automobile Theft Authority	DERS Division of Employment and Rehabilitative Services
ATDA Arizona Technology Development Authority	DES Department of Economic Security
AVSC Arizona Veterans' Service Commission	DHS Department of Health Services
AZAFIS Arizona Automated Fingerprint Identification System	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

PDSO Phoenix Day School for the Deaf

PERIS Public Employee Retirement Information System

POV Privately Owned Vehicle

PRWORA Personal Responsibility and Work Opportunity Reconciliation Act of 1996

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