



ARIZONA BOARD OF FINGERPRINTING

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Final Minutes for Public Meeting

Held August 18, 2006, at 9:00 a.m.

2222 West Encanto Blvd., Suite 350, Phoenix, Arizona

Board Members

Mike LeHew, Department of Economic Security, Chair
Kim Pipersburgh, Department of Health Services, Vice Chair
Alvin Vasicek, Administrative Office of the Courts
Rachell Tucker, Department of Education
Arthur W. Baker, Department of Juvenile Corrections

Executive Director

Dennis Seavers

CALL TO ORDER AND ROLL CALL

Mr. LeHew called the meeting to order at 9:20 a.m. and conducted a roll call. The following Board members were present: Mike LeHew, Lisa Wynn (alternate member for the Department of Health Services), and Rachell Tucker. The following members were absent: Alvin Vasicek and Arthur W. Baker.

CALL TO THE PUBLIC

Mr. LeHew made a call to the public. There were no members of the public present.

APPROVAL OF MINUTES

Mr. LeHew tabled this agenda item until the next meeting.

FISCAL YEAR 2007 BUDGET AMENDMENT

Mr. Seavers referred the Board members to the revised budget proposal for fiscal year 2007 and an accompanying memorandum that explained what had been omitted from the original proposal and how fixing the omission would affect the Board's finances.

Ms. Wynn made a motion to adopt the revised budget proposal, and Ms. Tucker approved. The motion passed, 3-0.

ADJOURNMENT

Ms. Tucker made a motion to adjourn the meeting, and Ms. Wynn seconded. The motion passed, 3-0. Mr. LeHew adjourned the meeting at 9:26 a.m.

Minutes approved on September 22, 2006

Dennis Seavers, Executive Director

Arizona Board of Fingerprinting

Memo

TO: Board members
FROM: Dennis Seavers
C: Office of the Auditor General
Date: August 17, 2006
SUBJECT: **FY07 Budget Amendment**



On August 10, 2006, the Board approved a budget for fiscal year 2007 that included \$347,956.68 in expenditures, which would be covered by an estimated \$360,000 in revenues. As I prepared the budget report to the Governor's Office for Strategic Planning and Budgeting, I realized a significant omission in my budget proposal. This memo describes that omission, identifies the impact that remedying the omission would have on the Board's finances, and lists the options that are available to the Board.

Omission

The most significant increase in spending in the budget proposal was to allow me to hire an additional full-time employee whose primary function would be as a hearing officer. Hiring a hearing officer would address the increasing caseload and wait time between hearings and Board decisions, without relying on the Office of Administrative Hearings. This portion of the budget increase included employee-related expenditures and costs such as purchasing a new computer. However, I omitted personal services (i.e., salary), which would be the bulk of the cost of a new employee.

I am enclosing a revised budget for fiscal year 2007. The revision makes the following changes to the original.

- Adjusts the expenditures for personal services to reflect the addition of a hearing officer
- Adjusts all personal services and employee-related expenditures to reflect the fact that (1) the currently vacant administrative assistant position (formerly held by Rosie Bayardo) will not be filled until about two months after the beginning of the fiscal year, and (2) the new position of hearing officer would not be filled until after the end of the first quarter
- Adjusts employee-expenditures to reflect the newly published rates for employee benefits (health and dental insurance).

Financial Impact

If the Board were to approve the revised budget, it would authorize total expenditures for FY07 2007 of \$378,958.75. This amount would exceed by \$30,996.07 the amount authorized on August 10. This revised budget would represent an increase in expenditures from FY06 of \$123,905.95 (or 49%).

For the first year since FY04, the Board's expenditures would exceed its revenues. However, the Board would still have a substantial fund reserve: \$542,797.55 at the end of FY07. Also, Board members may want to keep the following points in mind.

- The budget includes \$25,000 in costs for hearing services by the Office of Administrative Hearings. The \$25,000 is called for by the interagency services agreement between the Board and OAH. However, OAH will refund the Board the unused portion of the \$25,000 at the end of the year. In FY06, the Board was refunded \$2,843.73. In FY07, I anticipate that the Board will use OAH for few or no cases, so most or all of the \$25,000 will be refunded. Therefore, the Board's actual expenditures will be closer to \$353,958.75, and the Board's revenues might ultimately exceed its expenditures.
- The FY07 expenditures include one-time costs for information technology upgrades. Specifically, the budget includes \$15,000 for database programming. This cost would not carry forward to the FY08 budget.

With the above points in mind, the worst-care financial scenario is that the Board, in the short term, will spend more than it collects in revenue. However, the Board has a substantial reserve of funds. In the long term (FY08 and beyond), the Board will return to a budget structure where revenues exceed expenditures.

Options

The Board could:

- Adopt the revised budget proposal
- Reject the revision and revert to the currently adopted proposal. In effect, this option would keep the Board staff to four employees.
- Keep its current budget and revisit the topic of hiring another employee at a later Board meeting.

**Arizona Board of Fingerprinting
Proposed Budget
Fiscal Year 2007**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL FY 07
Income					
4900 - Transfers In					
4901 - Operating Transfers In	90,000.00	90,000.00	90,000.00	90,000.00	360,000.00
Total 4900 - Transfers In	90,000.00	90,000.00	90,000.00	90,000.00	360,000.00
 FY06 Carryover	 561,750.30				 561,750.30
Total Income	651,750.30	90,000.00	90,000.00	90,000.00	921,750.30
Expense					
6000 - Personal Services					
6010 - Basic Compensation					
6011 - Regular Base Salary	35,602.89	45,384.91	52,949.06	45,384.91	179,321.77
Total 6010 - Basic Compensation	35,602.89	45,384.91	52,949.06	45,384.91	179,321.77
 6020 - Performance Pay					
6028 - 2.5% Performance Pay	1,014.72	869.76	1,014.72	869.76	3,768.96
Total 6020 - Performance Pay	1,014.72	869.76	1,014.72	869.76	3,768.96
 Total 6000 - Personal Services	 36,617.61	 46,254.67	 53,963.78	 46,254.67	 183,090.73
6100 - ERE					
6110 - Insurance					
6111 - FICA	2,670.22	3,403.87	3,971.18	3,403.87	13,449.14
6113 - Medical Insurance	5,985.00	10,476.00	10,476.00	10,476.00	37,413.00
6114 - Basic Life	32.43	42.30	49.35	42.30	166.38
6116 - Long-term Disability	178.01	226.92	264.75	226.92	896.60
6117 - Unemployment Insurance	53.40	68.08	79.42	68.08	268.98
6118 - Dental Insurance	316.17	471.42	471.42	471.42	1,730.43
6119 - Worker's Compensation	178.01	226.92	264.75	226.92	896.60
Total 6110 - Insurance	9,413.24	14,915.51	15,576.87	14,915.51	54,821.13
 6150 - Retirement Plan Payments					
6155 - ASRS	3,061.85	3,903.10	4,553.62	3,903.10	15,421.67
Total 6150 - Retirement Plan Payments	3,061.85	3,903.10	4,553.62	3,903.10	15,421.67

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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL FY 07
6180 - Other ERE					
6183 - Personal Services	356.03	453.85	529.49	453.85	1,793.22
6185 - GITA Charge	53.40	68.08	79.42	68.08	268.98
6186 - Atty. Gen. Pro Rate Chg.	226.08	288.19	336.23	288.19	1,138.69
6189 - Sick Leave Accumulation	142.41	181.54	211.80	181.54	717.29
Total 6180 - Other ERE	<u>777.92</u>	<u>991.66</u>	<u>1,156.94</u>	<u>991.66</u>	<u>3,918.18</u>
Total 6100 - ERE	13,253.01	19,810.27	21,287.43	19,810.27	74,160.98
6200 - Prof. & Outside Services					
6210 - Financial Services					
6211 - Bond Issuance Cost	343.75	343.75	343.75	343.75	1,375.00
Total 6210 - Financial Services	<u>343.75</u>	<u>343.75</u>	<u>343.75</u>	<u>343.75</u>	<u>1,375.00</u>
6270 - Education & Training					
6271 - Education & Training	32.00				32.00
Total 6270 - Education & Training	<u>32.00</u>				<u>32.00</u>
6290 - Other Prof. & Out. Svcs.					
6299 - Other Prof. & Out. Svcs.	15,000.00				15,000.00
Total 6290 - Other Prof. & Out. Svcs.	<u>15,000.00</u>				<u>15,000.00</u>
Total 6200 - Prof. & Outside Services	15,375.75	343.75	343.75	343.75	16,407.00
7000 - Other Operating					
7150 - IT Services					
7153 - Internal Svc. Data Proc.	1,600.00	1,600.00	1,600.00	1,600.00	6,400.00
7172 - External Comm. Long Dist	1,250.00	1,250.00	1,250.00	1,250.00	5,000.00
7179 - Other External Comm.	1,000.00	1,000.00	1,000.00	1,000.00	4,000.00
Total 7150 - IT Services	<u>3,850.00</u>	<u>3,850.00</u>	<u>3,850.00</u>	<u>3,850.00</u>	<u>15,400.00</u>
7200 - Rental Expenditures					
7221 - Rental of Land & Bldgs.	14,030.04		12,500.00	12,500.00	39,030.04
7229 - Miscellaneous Rent	200.00				200.00

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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL FY 07
Total 7200 - Rental Expenditures	14,230.04		12,500.00	12,500.00	39,230.04
7250 - Repair & Maintenance					
7266 - Repair/Maint-Other Equip	90.00	90.00	90.00	90.00	360.00
Total 7250 - Repair & Maintenance	90.00	90.00	90.00	90.00	360.00
7300 - Operating Supplies					
7321 - Office Supplies	1,500.00	1,500.00	1,500.00	1,500.00	6,000.00
Total 7300 - Operating Supplies	1,500.00	1,500.00	1,500.00	1,500.00	6,000.00
7480 - Postage & Delivery					
7481 - Postage & Delivery	2,500.00	2,500.00	2,500.00	2,500.00	10,000.00
Total 7480 - Postage & Delivery	2,500.00	2,500.00	2,500.00	2,500.00	10,000.00
Total 7000 - Other Operating	22,170.04	7,940.00	20,440.00	20,440.00	70,990.04
7500 - Miscellaneous Operating					
7541 - Books, Subscr., & Pubs.	300.00	300.00	300.00	300.00	1,200.00
Total 7500 - Miscellaneous Operating	300.00	300.00	300.00	300.00	1,200.00
8500 - Non-capital Equipment					
8550 - EDP Equip PC/LAN Non-cap					
8551 - EDP Equip. Non-cap Purch	2,500.00				2,500.00
Total 8550 - EDP Equip PC/LAN Non-cap	2,500.00				2,500.00
8580 - Non-capitalized Software					
8583 - PC/LAN Software Non-cap.	1,000.00	200.00	200.00	200.00	1,600.00
Total 8580 - Non-capitalized Software	1,000.00	200.00	200.00	200.00	1,600.00
Total 8500 - Non-capital Equipment	3,500.00	200.00	200.00	200.00	4,100.00
9100 - Transfers out					
9101 - Operating Transfers Out	10,254.00	6,250.00	6,250.00	6,250.00	29,004.00
Total 9100 - Transfers out	10,254.00	6,250.00	6,250.00	6,250.00	29,004.00

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Proposed Budget
 Fiscal Year 2007

	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>	<u>TOTAL</u> <u>FY 07</u>
Total Expense	101,470.41	81,098.69	102,784.96	93,598.69	378,952.75
Net Income	<u>550,279.89</u>	<u>8,901.31</u>	<u>(12,784.96)</u>	<u>(3,598.69)</u>	<u>542,797.55</u>