



ARIZONA BOARD OF FINGERPRINTING

Mail Code 185 • Post Office Box 6129 • Phoenix, Arizona 85005-6129
Telephone (602) 265-0135 • Fax (602) 265-6240

Final Minutes for Public Meeting

Held February 20, 2009, at 9:00 a.m.
3839 North 3rd Street, Suite 107, Phoenix, Arizona

Board Members

Charles Easaw, Department of Education, Chair
Kim Pipersburgh, Department of Health Services, Vice Chair
Ellen Kirschbaum, Administrative Office of the Courts
Mike LeHew, Department of Economic Security
Arthur W. Baker, Department of Juvenile Corrections

Executive Director

Dennis Seavers

CALL TO ORDER AND ROLL CALL

Mr. Easaw called the meeting to order at 9:05 a.m. The following Board members were present: Charles Easaw, Kim Pipersburgh, Ellen Kirschbaum, Brad Willis (alternate Board member for the Department of Economic Security), and Arthur W. Baker. No Board members were absent.

Also in attendance was Dennis Seavers, Executive Director.

CALL TO THE PUBLIC

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

APPROVAL OF MINUTES

Mr. Baker made a motion to approve the draft minutes from February 6, 2009. Ms. Pipersburgh seconded the motion, which passed 5-0.

ADJUSTMENTS TO FISCAL YEAR 2009 BUDGET

Mr. Easaw referred Board members to Mr. Seavers's February 17, 2009 memo on the fiscal year ("FY") 2009 budget-reconciliation bills and their impact on the Board of Fingerprinting Fund ("BOFF"). (See Attachment 1.)

The Board discussed options for reducing expenditures. After discussion, the Board requested (without a motion) that Mr. Seavers work with the Department of Administration to renegotiate the Board's facility lease.

The Board discussed whether it needed to take action to reduce payroll costs. Board members expressed concerns about the fund balance. However, the Board determined that personnel actions should not be taken at this point so that the Board could avoid negatively affecting its operations and jeopardizing its ability to comply with statutory time frames.

Mr. Baker made a motion that the Board transfer the remaining \$15,800 in fund sweeps from the Board's fund without taking further action to reduce payroll. Ms. Pipersburgh seconded the motion, which passed 5-0. Mr. Seavers told Board members that he would provide monthly revenue updates.

EXECUTIVE DIRECTOR'S REPORT

Mr. Seavers referred Board members to the report on the FY 2009 strategic-plan performance through the second quarter. (See Attachment 2.)

Mr. Seavers reported that HB 2609 appeared to be moving forward. This bill would mandate that school districts require contractors, subcontractors, or vendors or employees of contractors, subcontractors or vendors to have a fingerprint clearance card. He noted that the bill would require an increase in the Board's resources in order to absorb the increased caseload.

ADJOURNMENT

Ms. Pipersburgh made a motion to adjourn the meeting. The motion passed, 5-0. Mr. Easaw adjourned the meeting at 9:53 a.m.

Minutes approved on June 26, 2009

Dennis Seavers, Executive Director



Arizona Board of Fingerprinting Memo

TO: Board members
FROM: Dennis Seavers, Executive Director
C: Board alternates
Date: February 17, 2009
SUBJECT FY09 legislative budget; impact on Board of Fingerprinting Fund

On January 31, 2009, the Arizona State Legislature passed a series of bills to eliminate the state's budget shortfall for FY09. I sent Board members a February 3, 2009 memo that identified the impact of the budget-reconciliation bill on the Board of Fingerprinting Fund ("BOFF"), described actions that Board was required to take, and outlined actions the Board could take to mitigate the impact of fund sweeps.

This memo offers an update on revenue data and identifies possible savings from furloughs, which the Board discussed at its February 6, 2009 meeting.

SUMMARY

- January revenues were \$39,172, which was about 20% lower than anticipated.
- Although Board revenues have been erratic and significantly lower than expected, the revenues are generally increasing.
- The BOFF has steadily decreased over the course of FY09. Although this decrease was anticipated, revenues have not met expectations, and the end-of-fiscal-year fund balance will be significantly lower than projected when the Board adopted the FY09 budget.
- The Board should still consider at least \$16,656 (and up to \$30,551) in spending cuts to avoid potential cash-flow issues.
- The Board does not need to take personnel actions, such as furloughs. However, the Board may need to take personnel actions if it determines that the projected fund balance is not sufficiently healthy or if projections are too unreliable. The Board has options, unavailable to many other agencies, for implementing furloughs.

UPDATE FROM FEBRUARY 3, 2009 MEMO

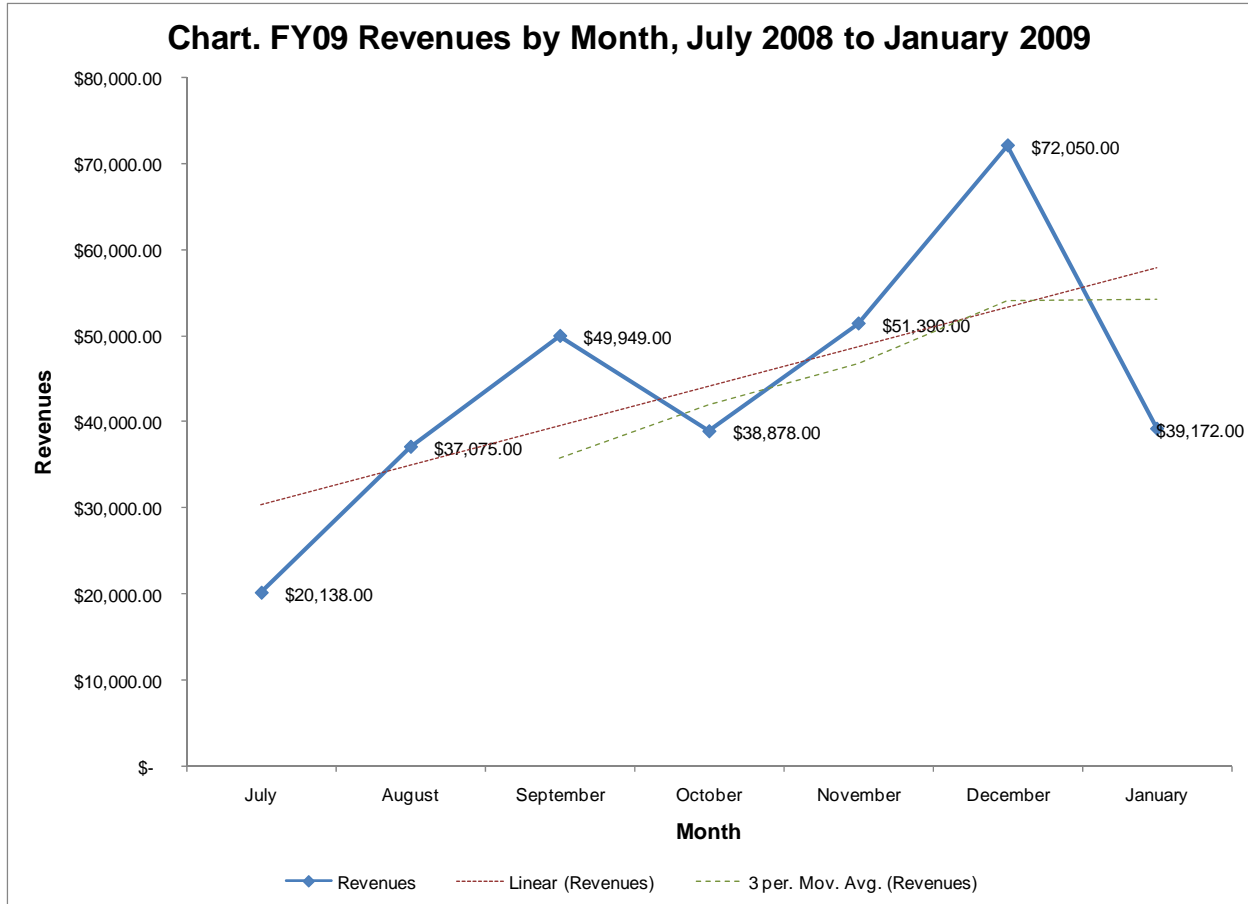
Board of Fingerprinting Fund

- As of January 31, 2008—the last date when there was an end-of-month reconciliation with AFIS (the state accounting system) data—the BOFF balance was \$65,942.95, a decrease of \$176.99 from the December 31, 2008 fund balance.
- As of February 17, 2009, the BOFF balance was \$120,028.60, with \$39,172.00 in pending deposits and \$30,837.05 in pending expenditures, including the \$30,000 fund sweep.
- As of February 3, 2009, the Board's annual-leave liability was \$22,542.60.

Revenues

For January 2009 fee collections, DPS transferred \$39,172.00 to the Board—about 20% lower than anticipated.

In the February 3, 2009 memo, I included revenue data that showed amounts based on when the transfers took place. On the next page are data that show the amounts by month when the fees were collected rather than when the transaction occurred. These data should give a clearer picture of the Board's revenue trends.



The blue line labeled “Revenues” shows revenue collections by month. For July and August, many of the fingerprint-clearance-card fees were at the Board’s old rate.¹ The dotted and dashed lines indicate revenue trends, showing that the Board’s revenues are generally increasing.

- The red, dotted line labeled “Linear (Revenues)” shows a linear trend for revenue collections.
- The green, dashed line labeled “3 per. Mov. Avg. (Revenues)” shows a moving-average trend for revenue collections that incorporates the average revenues for the preceding three-month period.

Although the revenue trend appears to be increasing, the Board should note that monthly revenues have been erratic. If the BOFF is low, the Board could face cash-flow problems. In addition, the BOFF balance has steadily decreased over the course of FY09. The Board was aware that this decrease would happen. However, revenues have been much lower than anticipated, and the revised projected end-of-fiscal-year fund balance is significantly lower than the projection at the beginning of FY09.

¹ On July 1, 2009, the Board’s portion of the fee increase from \$3 to \$7. However, there was a grace period for accepting applications at the old rate, and DPS staffing shortages affected the amount of time before applications were processed. Therefore, several months in FY09 include fee collections at the old rate.

Based on revised projections that include the fund transfers required by the budget-reconciliation bills, the BOFF would be \$86,394.24 at the end of FY09. This projection *does not* include spending reductions that the Board might adopt at the February 20, 2009 meeting.

REQUIRED ACTIONS

- On February 17, 2009, the Board's executive director transferred \$30,000 from the BOFF to the General Fund.
- The Board must transfer \$15,800 in personnel reductions.² The Board is not required to reduce personnel costs *if* the BOFF has sufficient monies to cover the \$15,800 transfer, in addition to the \$30,000 fund sweep. If the Board reduces actual personnel costs, the Board is authorized to achieve the reductions through salary cuts, furloughs, or a RIF. I recommend that the Board not reduce actual personnel costs because there should be sufficient monies in the BOFF to cover the transfers, but the Board should be aware of the possibility of a relatively low fund balance.

RECOMMENDED ACTIONS

- The Board should reduce estimated budgeted expenditures by \$16,656, as indicated in Attachment 1. These reductions would increase the projected fiscal-year-end balance from \$86,394.24 to \$103,050.24.³
- The Board should consider additional spending cuts of up to \$13,895, as indicated in Attachment 1.
- The Board should review expenditures in March 2009 to make additional spending cuts if revenues do not match projections.

POSSIBLE PERSONNEL ACTIONS

The Board discussed the possibility of furloughs at its February 6, 2009 meeting. Attachment 2 shows the savings that furloughs would generate for the agency, assuming that all Board employees took an equal number of furlough days.

There are nine pay periods remaining in 2009. However, the BOFF is nonappropriated, and the Board is thus not constrained by the number of days remaining in the fiscal year. Unlike many other agencies, the Board's end-of-fiscal-year fund balance carries over to the next fiscal year. Therefore, the Board does not need to fit furlough days into the remainder of the fiscal year.

² The date of the transfer has not been established, though it probably will be in April or May.

³ The Board should note that some of these expenditure reductions may require authorization from other agencies and ultimately may not be possible. If the reductions are not possible, the executive director would immediately submit a report to the Board.

This aspect of the BOFF gives the Board some discretion on how to implement furloughs, if the Board chose to require them. The Board could require furloughs only if the BOFF reached a threshold balance to help improve the BOFF. For example, if the end-of-month fund balance were to fall below \$55,000, the Board could require furlough days to improve the BOFF balance.⁴

⁴ The figure \$55,000 is provided here only as an example. However, if the Board's normal operating expenses (excluding fund sweeps or other budget actions by the Legislature) reached the highest they've been in FY09, \$61,274.32, and the revenues dropped as low as \$35,000, then the BOFF balance would be sufficient to cover operating expenses and the Board's entire annual-leave liability.

Attachment 1 - FY09 Spending Reductions: Proposed and Possible

Expenditure	Budgeted	Proposed change	Revised budget	Additional possible cuts
6000 - Personal Services	\$ 310,662.03	\$ -	\$ 310,662.03	\$ -
6100 - Employee-related exp.	\$ 118,051.57	\$ -	\$ 118,051.57	\$ -
6200 - Prof. & Outside Svcs.				
6211 - Bond Issuance Cost	\$ 1,800.00	\$ 300.00	\$ 2,100.00	\$ -
6271 - Education & Training	\$ 100.00	\$ (52.00)	\$ 48.00	\$ -
6299 - Other Prof. & Out. Svcs.	\$ 10,000.00	\$ (700.00)	\$ 9,300.00	\$ (3,375.00)
Total 6200 - Prof. & Outside Svcs.	\$ 11,900.00	\$ (452.00)	\$ 11,448.00	\$ (3,375.00)
7000 - Other Operating				
7153 - Internal Svc. Data Proc.	\$ 8,400.00	\$ 1,200.00	\$ 9,600.00	\$ -
7172 - Ext. Comm. Long Dist.	\$ 13,000.00	\$ -	\$ 13,000.00	\$ -
7179 - Other External Comm.	\$ 2,500.00	\$ -	\$ 2,500.00	\$ (330.00)
7221 - Rental of Land & Bldgs.*	\$ 65,124.60	\$ -	\$ 65,124.60	\$ (5,490.00)
7266 - Repair/Maint-Other Equip	\$ 1,240.00	\$ -	\$ 1,240.00	\$ (100.00)
7269 - Repair & Maint (Other)**	\$ -	\$ 4,500.00	\$ 4,500.00	\$ (4,500.00)
7321 - Office Supplies	\$ 12,000.00	\$ (5,500.00)	\$ 6,500.00	\$ -
7471 - Internal Printing	\$ 100.00	\$ (100.00)	\$ -	\$ -
7481 - Postage & Delivery	\$ 15,000.00	\$ (4,500.00)	\$ 10,500.00	\$ -
7511 - Awards	\$ 200.00	\$ (100.00)	\$ 100.00	\$ (100.00)
7541 - Books, Subscr., & Pubs.	\$ 8,500.00	\$ (2,700.00)	\$ 5,800.00	\$ -
Total 7000 - Other Operating	\$ 126,064.60	\$ (7,200.00)	\$ 118,864.60	\$ (10,520.00)
8500 - Non-capital Equipment				
8551 - EDP Equip. Non-cap.	\$ 8,000.00	\$ (8,000.00)	\$ -	\$ -
8583 - PC/LAN Softw. Non-cap.	\$ 1,000.00	\$ (290.00)	\$ 710.00	\$ -
Total 8500 - Non-capital Equip.	\$ 9,000.00	\$ (8,290.00)	\$ 710.00	\$ -
9100 - Transfers Out				
9101 - Oper. Transfers Out***	\$ 1,714.00	\$ (714.00)	\$ 1,000.00	\$ -
Total 9100 - Oper. Trans. Out	\$ 1,714.00	\$ (714.00)	\$ 1,000.00	\$ -

Total \$ 577,392.20 \$ (16,656.00) \$ 560,736.20 \$ (13,895.00)

* The additional possible cut of \$5,490 would require the Board to break the five-year lease on the conference room and pay a fee by the day for use of a conference room upstairs. Breaking the lease may require approval by ADOA and the Attorney General's Office and may not be allowed. The Board should make this reduction only if necessary.

** The proposed additional spending would cover the cost of installing a wheelchair-accessible automatic door for the men's bathroom. The additional possible cut would cancel the proposed new spending, but the executive director recommends the additional spending.

*** Does not include an October 2008 fund transfer of \$5,200 required by Laws 2008, Chapter 285, Section 46, nor does it include the \$45,800 in transfers required by Laws 2009 (1st Reg. Sess.), Chapter 1, Sections 5 and 7.

Attachment 2. Personnel Cost Savings from Furloughs

No. furlough days*	Agency savings			Total
	Wages & salaries	Performance pay	Employee-related expenditures	
1	\$ 1,177.73	\$ 32.39	\$ 247.29	\$ 1,457.41
2	\$ 2,355.46	\$ 64.78	\$ 494.58	\$ 2,914.81
3	\$ 3,533.19	\$ 97.16	\$ 741.86	\$ 4,372.22
4	\$ 4,710.92	\$ 129.55	\$ 989.15	\$ 5,829.62
5	\$ 5,888.65	\$ 161.94	\$ 1,236.44	\$ 7,287.03
6	\$ 7,066.38	\$ 194.33	\$ 1,483.73	\$ 8,744.43
7	\$ 8,244.11	\$ 226.71	\$ 1,731.01	\$ 10,201.84
8	\$ 9,421.84	\$ 259.10	\$ 1,978.30	\$ 11,659.24
9**	\$ 10,599.57	\$ 291.49	\$ 2,225.59	\$ 13,116.65

*Assumes that each employee will take the same number of furlough days.

** Number of pay periods left in FY09.

Arizona Board of Fingerprinting
Fiscal Year 2009 Strategic Plan
July 1 to December 31, 2008

Legend for progress

✓	Progress or consistency in performance since previous quarter
✘	Decline in performance since previous quarter
■ (Green)	Notable progress made since previous quarter (only for outcome measures)
■ (Yellow)	Performance declined since previous quarter, but this decline is not a concern (only for outcome measures)
■ (Red)	Performance declined since previous quarter, and this decline warrants attention (only for outcome measures)

Goal 1. To make fair and consistent determinations on good cause exceptions

Performance Measure	FY09 Estimate	FY09 Estimate					
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Progress	YTD
Percent of investigator recommendations for expedited reviews accepted	93.00%	94.21%	91.16%			✘	92.54%
Percent of applications approved	90.00%	91.32%	91.79%			N/A	91.58%
Percent of approvals by expedited review	75.00%	83.80%	85.20%			N/A	84.58%
Percent of approvals by administrative hearing	25.00%	16.20%	14.80%			N/A	15.42%

Goal 2: To provide applicants with timely decisions on their good-cause-exception applications

Performance Measure	FY09 Estimate	FY09 Estimate					
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Progress	YTD
Number of applications received	2,365	478	408			N/A	886
Number of applications disposed	2,365	445	534			N/A	979
Ratio of cases opened to cases closed	1:1	1:1.93	1:1.30			N/A	1:1.10
Average number of days to dispose	120.00	94.52	100.09			✘	97.62
Average number of days spent processing applications	90.00	46.12	44.83			✓	45.40
Average number of days spent processing application from receipt to expedited review	22.00	19.32	18.99			✓	19.13
Average days from expedited review to hearing	40.00	38.76	41.00			✘	40.10
Percent of applications with an expedited review within 20 days of receipt of a complete application*	100.00%	100.00%	100.00%			✓	100.00%
Percent of applications with an administrative hearing within 45 days of an expedited review*	100.00%	100.00%	100.00%			✓	100.00%
Percent of applications decided within 80 days of an administrative hearing*	100.00%	90.16%	100.00%			✓	95.77%

*Applies only to applications received after September 18, 2007.

Goal 3. To develop fair and comprehensible rules, policies, and procedures for determining good cause exceptions

Performance Measure	FY09 Estimate	FY09 Estimate					
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Progress	YTD
Number of requests received	3,616	815	743			N/A	1,558
Ratio of requests for good cause exceptions to applications submitted	1:60	1:59	1:55			N/A	1:57
Percent of applications complete on initial submission	40.00%	34.48%	30.93%			✘	32.56%