



## **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 September 25, 2009, at 9:30 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 8:40 a.m. The following Board members were present: Charles Easaw, Kim Pipersburgh, Ellen Kirschbaum, Mike LeHew, 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. Members of the Board of Fingerprinting staff were present but did not offer comments at this portion of the meeting.

## **APPROVAL OF MINUTES**

Mr. LeHew made a motion to approve the draft minutes from September 18, 2009. Ms. Kirschbaum seconded the motion, which passed 5–0.

## **FISCAL YEAR 2010 BUDGET**

Mr. Easaw noted that Mr. Seavers had written memos (see Attachments 1 and 2) that explained the request from the Governor's Office regarding budget cuts and that offered possible areas of spending that could be reduced. Mr. Easaw told the staff members present that the Board wished to limit the impact of budget cuts on the staff, particularly by avoiding layoffs and hour reductions as much as possible. He emphasized that the staff member should offer comments during the meeting on the effect of budget-reducing options.

Mr. Easaw discussed terminating the lease on the Board's conference room. He asked Mr. Seavers how difficult it would be to get the Department of Administration's approval on terminating the lease. Mr. Seavers replied that it should not be too difficult, given the budget circumstances. Mr. Baker suggested that this option be one of the Board's top priorities, since the operational impact would be minimal.

Mr. Easaw referred to the option of having a virtual office for all employees but the executive director and two administrative assistants. Mr. LeHew described how virtual office has worked at his agency. Mr. Seavers noted that the technology needed for virtual office is already in place, since several employees already telecommute certain workdays. Mr. Baker noted that there are obstacles to effectively implementing virtual office, including hidden costs (such as establishing dedicated phone lines at the employees' homes).

The Board recessed at 9:58 a.m. and reconvened at 10:16 a.m.

Mr. Baker suggested that the Board could present the option of raising its fee, along with an option to cut spending. The Governor's Office might prefer a small fee increase rather than deep cuts to the agency. Mr. Seavers noted that he could present that option, but the Board should consider that a fee increase would have an impact on already struggling human-service agencies and on other state agencies.

Mr. Seavers summarized the job responsibilities of the hearing officers, investigators, and administrative assistants and explained the impact of eliminating the positions. The Board discussed the financial and operational impact of various budget-cutting scenarios. The Board asked the investigator to prepare a summary of some of the options the members discussed so that the Board could consider these options at a subsequent meeting.

## **ADJOURNMENT**

Mr. LeHew made a motion to adjourn the meeting. The motion passed, 5-0. Mr. Easaw adjourned the meeting at 11:27 a.m.

Minutes approved on February 5, 2010

---

Dennis Seavers, Executive Director



# Arizona Board of Fingerprinting Memo

TO: Board members  
FROM: Dennis Seavers  
C:  
Date: September 22, 2009  
**SUBJECT FY 2010 budget cuts**

---

On September 18, 2009, the Governor's Office sent a letter to all agency heads requiring agencies to submit plans for reducing expenditures by 15% for FY 2010.<sup>1</sup> The savings from these 15% reductions will be used to offset the shortfall in the General Fund. The Board has until October 9, 2009, to develop plans for a 15% reduction in expenditures, with the assumption that all changes will take effect January 1, 2010. The Board's reductions must be *permanent* changes, not one-time cuts or temporary reductions.

The purpose of this memo is to explain the requirements that the Board must meet in its budget-reduction plan. In addition, the memo identifies possible budget areas where the Board could focus its cuts to meet those reduction requirements. Board members should not see the list of alternatives as exhaustive, particularly since I have had a limited amount of time to consider possible cuts. One purpose of the September 25 meeting is to consider all possible ways of achieving the 15% reduction. Nonetheless, I believe the list represents the most reasonable reductions that the Board should consider.

Board members should note that I will spend the next week poring through the budget to find ways to limit FTE cuts. However, primarily because the cuts are midyear, I do not believe that it is possible to meet the 15% reduction without terminating two employees, and it may be necessary to eliminate three. Currently, the Board has seven employees, so the 15% reduction will significantly affect Board operations and performance.

---

<sup>1</sup> Please note that this request from the Governor's Office was different from a previous request that agencies report on possible budget scenarios if there were 15%–20% budget reductions. The Board was exempt from this previous reporting requirement but *is not* exempt from the requirement to reduce expenditures by 15%.

To help the Board in its deliberations, I have included a copy of the FY 2010 budget proposal that the Board adopted at its August 21, 2009 meeting (see Attachment 1). This attachment shows all areas of budgeted spending so that the Board may review possible areas for cuts.

## REQUIREMENTS

- The Board must meet a goal of reducing its FY 2010 budget expenditures by about 15%. OSPB will contact me with the Board's precise target for reductions. However, I anticipate our target will be \$83,970. This amount does not include the \$67,100 in transfers to the General Fund required by the Legislature's July 1, 2009 budget.
- Reductions must be permanent; the Board cannot rely on one-time cuts. (For example, furloughs would not count toward the 15% reduction because they are temporary. Similarly, delaying certain purchases until FY 2011 would represent a one-time reduction and would not meet the reduction requirement.) Thus, the reductions must reflect a fundamental rethinking of what services the Board provides. The Board should not simply make reductions that are obviously not sustainable on a long-term basis.
- The Board should not limit its deliberations to the current requirements of law. The Board may also consider any reductions that would only be possible with changes enacted by the Legislature or governor.
- The Board should propose multiple options, if possible, and indicate its priorities for achieving reductions.

## POSSIBLE AREAS OF REDUCTION

This section lists possible targets for budget reductions, along with a discussion of the impact of the cuts and possible legislative or gubernatorial action required to achieve the reduction. (I have provided paragraph numbers below for ease of identification during the Board's discussion on September 25; the numbers do not necessarily reflect recommended priorities.)

### **1. Terminate lease for conference room. Expected savings: \$10,936.14.**

Under certain terms, including instances when there is insufficient funding, the Board may terminate its lease. The Board could terminate its lease for the conference room. Over a six-month period, the Board would save \$10,936.14. This option requires approval from ADOA, and the savings projection is based on an assumption that ADOA will approve the lease termination by January 1, 2010. If the Board also were to conduct a reduction in force (see sections 3–6 below), it could use its former conference room, which currently houses two investigators, to conduct meetings and hearings.

**2. Virtual office. Expected savings: \$19,487.55.**

Under this option, the Board would terminate its leases for both the conference room and the current office. The Board would acquire a vacant office in the same office building that could house the executive director and two administrative assistants. The remaining staff members would not have office space but instead would work from home. The Board would rent space by the day for hearings and Board meetings as needed.

This option would require approval from ADOA, and the savings projection is based on an assumption that ADOA will approve the lease changes by January 1, 2010. In addition, the landlord might not agree to the lease change.

**3. Eliminate one investigator. Expected savings: \$25,028.97 (estimate).**

The Board could conduct a reduction in force that eliminates one investigator's position. One investigator would remain to prepare summaries. In its proposal to the Governor's Office, the Board would request that the statutory time frames for conducting expedited reviews (20 days from receiving an application) be rescinded.

Even if time frames were rescinded, the Board should remain concerned about timeliness for expedited reviews so that a backlog doesn't develop. Therefore, the Board should expect certain summaries—namely, those with minor offenses that occurred a long time ago—to include fewer details than the summaries currently contain, although the staff would focus on crucial issues of concern to the Board. The Board should also consider other time-saving strategies, such as loosening application requirements for certain applicants, and balance those strategies against the Board's interest in protecting vulnerable citizens.

A reduction in force would require ADOA approval and must follow applicable personnel rules.

**4. Eliminate one administrative law judge. Expected savings: \$26,325–\$35,100 (estimate).**

The Board could conduct a reduction in force that eliminates one hearing officer's position. One hearing officer, along with the executive director, would remain to conduct hearings. In its proposal to the Governor's Office, the Board would request that the statutory time frames for holding hearings (45 days from expedited review) and rendering decisions (80 days from hearing) be rescinded.

Even if time frames were rescinded, the Board should remain concerned about timeliness for rendering decisions so that a backlog doesn't develop. I do not believe that the hearing officers should present recommendations in a less detailed format. If the Board loosens application requirements (see option 3 above for eliminating an investigator), it may refer fewer applicants to hearings.

In addition, the Board could conduct some hearings on its own. I recognize that this option is not palatable to Board members and could lead to staffing difficulties at members' employing state agencies. However, the Board could consider criteria for which hearings are conducted by the Board and which are conducted by the hearing officer. For example, the Board could keep cases with less complex criminal histories for itself and refer only the more complicated cases, which are likely to be more finding-intensive, to the hearing officer.

A reduction in force would require ADOA approval and must follow applicable personnel rules.

**5. Eliminate two administrative law judges. Expected savings: \$61,425 (estimate).**

This option is similar to option 4 above, except that the Board would have to conduct a significant number of hearings itself. The Board could rely on the executive director to conduct the more complex hearings. Under this option, the Board would need to spend a greater amount of time at and preparing for its regular meetings.

**6. Eliminate one administrative assistant. Expected savings: \$22,181.66 (estimate).**

The Board could conduct a reduction in force that eliminates one administrative assistant. Certain operations would need to change to reduce the need for clerical work. Below are some examples of operational changes.

- The Board could eliminate the requirement that applicants submit copies of the denial or suspension letters first, before we send applications. Instead, the Board could make copies of its application available online for anyone who wishes to fill it out. Although this example has administrative difficulties, it would eliminate a substantial amount of data entry.
- The staff could stop scanning administrative files for the Board when it considers hearing-officer recommendations. The staff would only provide a copy of the file at the Board's hearing or if requested by Board members.

**7. Eliminate Westlaw subscription. Expected savings: \$4,092.48.**

The Board is under contract for about one more year with Westlaw, which provides legal-research services. The Board staff, particularly the administrative law judges, have access to this service to research the law, particularly in other states. The Board can do without this service.

However, this option may have some drawbacks. First, the Board is in a contract, and the terms of the contracted negotiated by the State Procurement Office are not particularly favorable to the client (because there are few providers of the legal service). It may not be possible to terminate the contract; in fact, my current attempts to back of

the contract have not been successful. Second, this option may not qualify as the sort of permanent reduction envisioned by the Governor's Office.

**8. Convert full-time employee(s) to part-time. Expected savings: variable.**

The Board could permanently reduce the hours of an employee so that a full-time employee works only part time. The Board could use this option to avoid eliminating a position while still meeting the 15% reduction target.



**Attachment 1 - FY10 Budget Proposal (Compared with FY09)**

	<b>FY09 Actual</b>	<b>FY10 Proposed</b>	<b>Difference</b>
<b>REVENUES</b>			
<b>4900 - Operating Transfers In</b>			
Prior FY Carryover	\$ 213,329.17	\$ 162,934.42	\$ (50,394.75)
4901 - Oper. Transfers In	\$ 560,916.00	\$ 560,000.00	\$ (916.00)
<b>Total 4900 - Oper. Trans. In</b>	<b>\$ 560,916.00</b>	<b>\$ 560,000.00</b>	<b>\$ (916.00)</b>
<b>TOTAL REVENUES</b>	<b>\$ 560,916.00</b>	<b>\$ 560,000.00</b>	<b>\$ (916.00)</b>
<b>EXPENDITURES</b>			
<b>6000 - Personal Services</b>			
	\$ 310,480.84	\$ 316,234.56	\$ 5,753.72
<b>6100 - Employee-related exp.</b>			
	\$ 119,941.12	\$ 117,571.63	\$ (2,369.49)
<b>6200 - Prof. &amp; Outside Svcs.</b>			
6211 - Bond Issuance Cost	\$ 2,353.62	\$ 3,945.98	\$ 1,592.36
6271 - Education & Training	\$ 48.00	\$ 100.00	\$ 52.00
6299 - Other Prof. & Out. Svcs.	\$ 9,426.00	\$ -	\$ (9,426.00)
<b>Total 6200 - Prof. &amp; Outside Svcs.</b>	<b>\$ 11,827.62</b>	<b>\$ 4,045.98</b>	<b>\$ (7,781.64)</b>
<b>7000 - Other Operating</b>			
7110 - Insurance & Related Chgs	\$ -	\$ 2,900.00	\$ 2,900.00
7129 - Property Insurance Prem.	\$ (2,227.64)	\$ -	\$ 2,227.64
7153 - Internal Svc. Data Proc.	\$ 10,491.40	\$ 10,932.33	\$ 440.93
7172 - Ext. Comm. Long Dist.	\$ 12,548.26	\$ 14,554.86	\$ 2,006.60
7179 - Other External Comm.	\$ 2,937.39	\$ 1,879.74	\$ (1,057.65)
7221 - Rental of Land & Bldgs.*	\$ 65,124.60	\$ 65,124.60	\$ -
7266 - Repair/Maint-Other Equip	\$ 1,746.52	\$ 1,449.32	\$ (297.20)
7321 - Office Supplies	\$ 6,181.26	\$ 6,150.00	\$ (31.26)
7481 - Postage & Delivery	\$ 10,413.54	\$ 11,611.74	\$ 1,198.20
7511 - Awards	\$ -	\$ 100.00	\$ 100.00
7531 - Dues	\$ 94.00	\$ 200.00	\$ 106.00
7541 - Books, Subscr., & Pubs.	\$ 8,904.64	\$ 8,810.80	\$ (93.84)
<b>Total 7000 - Other Operating</b>	<b>\$ 116,213.97</b>	<b>\$ 123,713.39</b>	<b>\$ 7,499.42</b>
<b>8500 - Non-capital Equipment</b>			
8551 - EDP Equip. Non-cap.	\$ 138.80	\$ -	\$ (138.80)
8521 - Furniture Non-cap	\$ -	\$ (1,719.02)	\$ (1,719.02)
8583 - PC/LAN Softw. Non-cap.	\$ 708.40	\$ 125.00	\$ (583.40)
<b>Total 8500 - Non-capital Equip.</b>	<b>\$ 847.20</b>	<b>\$ (1,594.02)</b>	<b>\$ (2,441.22)</b>
<b>9100 - Transfers Out</b>			
9101 - Oper. Transfers Out	\$ 1,000.00	\$ -	\$ (1,000.00)
9101 - Op Trans Out: Fund Sweeps	\$ 51,000.00	\$ 67,100.00	\$ 16,100.00
<b>Total 9100 - Oper. Trans. Out</b>	<b>\$ 52,000.00</b>	<b>\$ 67,100.00</b>	<b>\$ 16,100.00</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 611,310.75</b>	<b>\$ 627,071.54</b>	
<b>NET INCOME</b>	<b>\$ (50,394.75)</b>	<b>\$ (67,071.54)</b>	



# Arizona Board of Fingerprinting Memo

TO: Board members  
FROM: Dennis Seavers  
C:  
Date: September 23, 2009  
**SUBJECT FY 2010 budget cuts — ADDENDUM 1**

---

On September 22, 2009, I sent a memo indicating that the Board must develop a plan for a 15% budget reduction. The memo included some options for achieving the reduction. One Board member offered an additional option that could be used together with other options: converting all positions to part-time positions as a way of reducing the number of layoffs. Below is an analysis of the estimated savings generated by reducing hours for the six-month period from January 1 to June 30, 2010.

## SAVINGS ANALYSIS

In this analysis, I have included the savings both if (a) all employees have their hours reduced and (b) all employees but me have their hours reduced. I offer this differentiation not to suggest that my hours should not be reduced but because of my unique status under the Fair Labor Standards Act ("FLSA"). Currently, I am FLSA exempt, so I do not receive overtime compensation if I work more than 40 hours a week. However, if the Board were to reduce my hours, I would become an hourly employee. In a particular week, if the Board were to require longer hours, the Board may be required to pay overtime compensation (which would increase the Board's costs) or provide leave compensation (which would increase the Board's leave liability). The Board should be aware of the effect of reducing my hours when it considers this option.

Number of hours	Savings	Savings if executive director not included
35	\$19,964.96	\$15,252.70
30	\$36,329.68	\$27,754.92
25	\$56,594.24	\$44,156.97

---

## **EFFECT ON BENEFITS**

As long as an employee works at least 20 hours a week, his or her medical, dental, or vision benefits will not be affected. However, the employee's leave will accrue at a reduced rate, and the employer contributions to certain payroll deductions (e.g., FICA and ASRS) will reduce since these deductions are a percentage of payroll.