



## **ARIZONA BOARD OF FINGERPRINTING**

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

### **Notice of Public Meeting**

April 20, 2007, at 9:00 a.m.

3839 North 3rd Street, Suite 101, Phoenix, Arizona

#### **Board Members**

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

#### **Executive Director**

Dennis Seavers

Pursuant to Arizona Revised Statutes ("A.R.S.") § 38-431.02, notice is hereby given to the members of the Arizona Board of Fingerprinting ("board") and to the general public that the board will hold a meeting open to the public as specified below. The board reserves the right to change the order of the agenda.

Individuals who wish to acquire background material provided to board members (with the exception of material relating to possible or previous executive sessions) may request them by contacting Dennis Seavers at (602) 265-0135.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter by contacting Dennis Seavers at (602) 265-0135. Requests should be made as early as possible to allow time to arrange the accommodation.

DATED AND POSTED THIS 13th day of April 2007 at 1:30 p.m.

Arizona Board of Fingerprinting

By \_\_\_\_\_  
Dennis Seavers, Executive Director

**AGENDA**

I. CALL TO ORDER AND ROLL CALL Mr. LeHew

II. CALL TO THE PUBLIC Mr. LeHew

At this portion of the meeting, the public is invited to make comments. Arizona law prohibits board members from discussing items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to scheduling the matter for further consideration and decision at a later date.

III. MINUTES Mr. LeHew

- A. Minutes from February 9, 2007, meeting (including executive sessions)
- B. Minutes from April 10, 2007, meeting

IV. EXECUTIVE DIRECTOR'S REPORT Mr. Seavers

- A. Fiscal year 2007 budget update
- B. Fiscal year 2007 strategic-plan update
- C. Legislation

V. ESTABLISHMENT OF NEW STAFF POSITIONS AND AUTHORIZATION OF RELATED EXPENDITURES Mr. LeHew

At this portion of the meeting, the Board will determine whether to establish new staff positions and authorize additional expenses to respond to the time-frames requirement of House Bill 2021.

VI. ADJOURNMENT Mr. LeHew

# Arizona Board of Fingerprinting

## Memo

TO: Board members and alternates  
FROM: Dennis Seavers  
C:  
Date: April 17, 2006  
**SUBJECT: Impact of HB 2021 on Board's operations and budget**



This memo describes the provisions of House Bill (“HB”) 2021 that would affect the Board’s operations and budget. The memo also recommends that the Board, at its upcoming April 20, 2007, business meeting, approve establishing two new staff positions and various expenditures associated with the staff increase, unless the bill is vetoed by the governor. The memo explains that the Board’s budget would increase by about \$130,801.99, or 34.45%, and there would be approximately \$24,860.40 in one-time costs.

### Summary

To comply with the time-frame requirements of HB 2021, I recommend that the Board immediately establish two new positions—an additional investigator and an additional hearing officer. Creating the new staff positions would increase the Board’s budget by about \$130,801.99, or 34.45%, and there would be approximately \$24,860.40 in one-time costs. The increased budget would require the Board to increase its fee by \$1.00, although the increase would not need to take place immediately.

### Provisions of HB 2021

A strike-everything amendment to HB 2021 would add to the fingerprint-clearance-card system students at a postsecondary institution who are required to attend clinical training in health-care facilities. Estimates for the number of new fingerprint-clearance-card applicants have ranged from 175 to 3,000 applicants. Even with the higher estimate, the newly added population should not have a significant impact on the Board operations.

However, a floor amendment adopted by the Senate Committee of the Whole would impose time frames on the Board. For further explanation of the time frames, Board members should refer to the August 6, 2007, meeting minutes, which are available at [www.azbof.gov/meetings.htm](http://www.azbof.gov/meetings.htm).

### Impact of time-frame provisions on Board operations and budget

In order to comply with the time frames, I anticipate that the Board will need to hire two new employees—an additional investigator to ensure compliance with the expedited-review time frame and an additional hearing officer to ensure compliance with the administrative-hearing time frames, particularly the period of time from hearing to Board decision.

Establishing two new positions would require the Board to incur various expenditures, including ongoing costs. Table 1 below summarizes the estimated annual costs for hiring the two new employees. A one-time cost is an expenditure that is not incurred each fiscal year, such as equipment purchases. Ongoing costs are expenses that must be incurred in each fiscal year, such as salaries or rent. Details about the expenditures appear after Table 1.

**Table 1. Annual Costs Entailed by Establishing Two New Staff Positions  
 (Investigator and Hearing Officer)**

Expenditure Description	Category	Cost
Personal services	Ongoing	\$ 81,397.15
Employee-related expenditures	Ongoing	\$ 26,208.84
Furniture	One-time	\$ 13,860.40
Information technology	Ongoing	\$ 2,000.00
Computer-related	One-time	\$ 11,000.00
Risk management	Ongoing	\$ 1,000.00
Rent	Ongoing	\$ 20,196.00
<b>Total</b>		<b>\$ 155,662.39</b>
<b>Total less one-time costs</b>		<b>\$ 130,801.99</b>

*Personal services and employee-related expenditures*

The estimates for personal services (salary) and employee-related expenditures (benefits) are predicated on the following proposed salaries for the two new positions.

- Hearing officer .....\$43,500
- Investigator .....\$36,000

*Furniture*

Furniture costs include the conference table approved at the Board's April 6, 2007, business meeting. They also include two cubicle workstations for the investigators; a desk and bookcase for the new hearing officer; and chairs. All furniture expenditures would be one-time costs.

For additional information about the layout of the office and the location for the new furniture, please see the comments in the "Rent" section below.

*Information technology*

At the time I wrote this memo, I was waiting on cost estimates for information technology from AzNET, the state's IT provider. Based on the costs for moving to the Board's new location, I provided an estimate that should be a worst-case cost. The costs would include installation of two new telephone systems and providing network connections for three new locations.

For additional information about the where the additional telephone and network connections will be put, please see the comments in the "Rent" section below.

### *Computer-related*

Computer-related expenditures would be one-time costs and would include the following: new desktop computer for the investigator and hearing officer, a new laptop computer for the hearing officer, and new printers for the employees.

### *Risk management*

The estimate for the risk-management cost is based on current assessments.

### *Rent*

If the Board hires two new employees, it will need to provide space in the office for workstations. Below, I describe two options the Board has, and I recommend the second option.

- **Option 1.** The current conference room would be used as space for two cubicles for the two investigators. The Board could rent, at the cost of \$60 per day, a room available on the third floor. This room would be rented as needed for Board meetings and hearings. The advantage of this option is that it would cost much less than leasing addition space, as described in Option 2 below. However, there are two prominent disadvantages. First, there would not be telecommunications available in the conference room. Without telephone systems, the Board could not allow applicants to participate in a hearing by telephone. Second, the availability of the space may not be reliable. Other tenants are allowed to rent the space, and the landlord may decide to lease the space full time instead of making it available to current tenants on a rent-by-the-day basis.
- **Option 2.** The Board would lease space available in the building to use as a conference room. This leased space would be incorporated into the Board's current lease contract and would be available at the same rate and under the same terms and conditions. The building only has 1,000-square-foot suites available. One suite is on the same floor as the Board office. Although it is larger than the current conference room, it would work very well as a conference room. Despite the considerable cost, I would recommend that the Board lease the space, which would be used for Board meetings and hearings.

### **Effect of increased expenditures on the Board's fund balance**

At the end of the current fiscal year, the Board will have an estimated fund balance of \$542,797.55. This balance will shield the Board from the immediate effects of the increased expenditures. However, at the current rate of revenue, the Board will have a deficit in the ratio of expenditures to revenues. To address this deficit, the Board will need to take steps over the course of the next or following fiscal year to increase its portion of the fingerprint-clearance-card fee. The Board would not need to take action on a fee increase at the April 20, 2007, meeting.

However, when considering whether it should establish two new staff positions, the Board should take into consideration the likelihood of an increase in the Board's fee.

**Table 2. Fund Balance over Five Fiscal Years According to Fees Collected**

Fee	Budget	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
<b>\$3.00</b>	Revenues	\$ 375,000.00	\$ 375,000.00	\$ 375,000.00	\$ 375,000.00	\$ 375,000.00
	Prev. FY Balance	\$ 542,797.55	\$ 407,328.73	\$ 271,859.92	\$ 136,391.10	\$ 922.28
	Expenditures	\$ 510,468.82	\$ 510,468.82	\$ 510,468.82	\$ 510,468.82	\$ 510,468.82
	Net Income	\$ 407,328.73	\$ 271,859.92	\$ 136,391.10	\$ 922.28	\$ (134,546.54)
<b>\$4.00</b>	Revenues	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
	Prev. FY Balance	\$ 542,797.55	\$ 532,328.73	\$ 521,859.92	\$ 511,391.10	\$ 500,922.28
	Expenditures	\$ 510,468.82	\$ 510,468.82	\$ 510,468.82	\$ 510,468.82	\$ 510,468.82
	Net Income	\$ 532,328.73	\$ 521,859.92	\$ 511,391.10	\$ 500,922.28	\$ 490,453.46
<b>\$5.00</b>	Revenues	\$ 625,000.00	\$ 625,000.00	\$ 625,000.00	\$ 625,000.00	\$ 625,000.00
	Prev. FY Balance	\$ 542,797.55	\$ 657,328.73	\$ 771,859.92	\$ 886,391.10	\$ 1,000,922.28
	Expenditures	\$ 510,468.82	\$ 510,468.82	\$ 510,468.82	\$ 510,468.82	\$ 510,468.82
	Net Income	\$ 657,328.73	\$ 771,859.92	\$ 886,391.10	\$ 1,000,922.28	\$ 1,115,453.46

**Chart 1. End-of-Fiscal-Year Fund Balances by Fee**

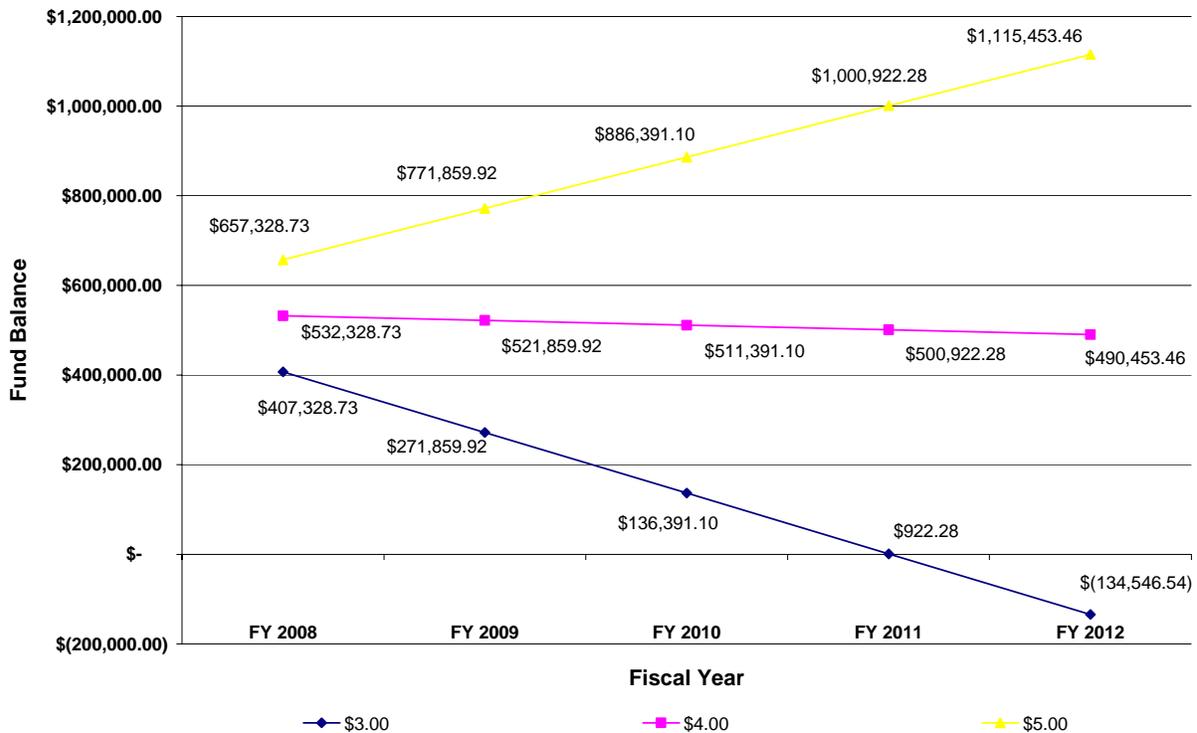


Table 2 and Chart 1 above demonstrate that the Board's current fee will yield revenues that are insufficient to cover the proposed increase to the annual budget. If the Board adopts my

recommendation to establish two new positions, its fund balance will be exhausted within four fiscal years. Board members should note that the information above makes several assumptions, including a steady number of fingerprint-clearance-card applicants and, most importantly, a budget that remains unchanged between fiscal years.

The Board will need to alter its portion of the fingerprint-clearance-card fee. Currently, the Board receives \$3.00 for each fingerprint-clearance-card application. For the current fiscal year, I have estimated that the Department of Public Safety would receive about 120,000 applicants. The information in Table 2 and Chart 1 assume that from fiscal years 2008 to 2012, there will be 125,000 applicants each fiscal year.

While the current fee structure would exhaust the Board's fund balance, an increase of \$2.00 (making the Board's portion of the card fee \$5.00) would yield an inappropriately high fund balance, which would reach over one million dollars by fiscal year 2011. Based on this information, I would recommend that the Board ultimately increase its fee to \$4.00 (or \$1.00 more than the current fee).

**Arizona Board of Fingerprinting**  
**FY 2007 Budget**  
July 1, 2006, to March 31, 2007

	<b>Q1 - Q3</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
<b>Income</b>				
<b>4900 - Transfers In</b>				
4901 - Operating Transfers In	170,556.00	270,000.00	-99,444.00	63.17%
<b>Total 4900 - Transfers In</b>	<b>170,556.00</b>	<b>270,000.00</b>	<b>-99,444.00</b>	<b>63.17%</b>
<b>FY06 Carryover</b>	<b>561,750.30</b>	<b>561,750.30</b>	<b>0.00</b>	<b>100.0%</b>
<b>Total Income</b>	<b>732,306.30</b>	<b>831,750.30</b>	<b>-99,444.00</b>	<b>88.04%</b>
<b>Expense</b>				
<b>6000 - Personal Services</b>				
6010 - Basic Compensation				
6011 - Regular Base Salary	112,101.22	133,936.86	-21,835.64	83.7%
<b>Total 6010 - Basic Compensation</b>	<b>112,101.22</b>	<b>133,936.86</b>	<b>-21,835.64</b>	<b>83.7%</b>
6030 - Exception Compensation				
6028 - 2.5% Performance Pay	3,085.31	3,348.42	-263.11	92.14%
6031 - Overtime	30.11			
<b>Total 6030 - Exception Compensation</b>	<b>3,115.42</b>	<b>3,348.42</b>	<b>-233.00</b>	<b>93.04%</b>
6040 - Leave Compensation				
6041 - Annual Leave	6,180.85			
6042 - Sick Leave	3,507.55			
6047 - Annual Leave Payout	754.68			
6048 - Holiday Leave Taken	6,183.47			
<b>Total 6040 - Leave Compensation</b>	<b>16,626.55</b>			
<b>Total 6000 - Personal Services</b>	<b>131,843.19</b>	<b>137,285.28</b>	<b>-5,442.09</b>	<b>96.04%</b>
<b>6100 - ERE</b>				
6110 - Insurance				
6111 - FICA	9,958.62	10,045.27	-86.65	99.14%
6113 - Medical Insurance	9,619.56	26,937.00	-17,317.44	35.71%
6114 - Basic Life	121.26	124.08	-2.82	97.73%
6116 - Long-term Disability	655.49	669.68	-14.19	97.88%
6117 - Unemployment Insurance	198.26	200.90	-2.64	98.69%

**Arizona Board of Fingerprinting**  
**FY 2007 Budget**  
 July 1, 2006, to March 31, 2007

	<b>Q1 - Q3</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
6118 - Dental Insurance	841.27	1,259.01	-417.74	66.82%
6119 - Worker's Compensation	655.46	669.68	-14.22	97.88%
<b>Total 6110 - Insurance</b>	<b>22,049.92</b>	<b>39,905.62</b>	<b>-17,855.70</b>	<b>55.26%</b>
6150 - Retirement Plan Payments				
6155 - ASRS	11,166.68	11,518.57	-351.89	96.95%
<b>Total 6150 - Retirement Plan Payments</b>	<b>11,166.68</b>	<b>11,518.57</b>	<b>-351.89</b>	<b>96.95%</b>
6180 - Other ERE				
6183 - Personal Services	1,378.32	1,339.37	38.95	102.91%
6185 - GITA Charge	190.51	200.90	-10.39	94.83%
6186 - Atty. Gen. Pro Rate Chg.	837.19	850.50	-13.31	98.44%
6189 - Sick Leave Accumulation	527.33	535.75	-8.42	98.43%
<b>Total 6180 - Other ERE</b>	<b>2,933.35</b>	<b>2,926.52</b>	<b>6.83</b>	<b>100.23%</b>
<b>Total 6100 - ERE</b>	<b>36,149.95</b>	<b>54,350.71</b>	<b>-18,200.76</b>	<b>66.51%</b>
<b>6200 - Prof. &amp; Outside Services</b>				
6210 - Financial Services				
6211 - Bond Issuance Cost	1,031.25	1,031.25	0.00	100.0%
<b>Total 6210 - Financial Services</b>	<b>1,031.25</b>	<b>1,031.25</b>	<b>0.00</b>	<b>100.0%</b>
6270 - Education & Training				
6271 - Education & Training	32.00	32.00	0.00	100.0%
<b>Total 6270 - Education &amp; Training</b>	<b>32.00</b>	<b>32.00</b>	<b>0.00</b>	<b>100.0%</b>
6290 - Other Prof. & Out. Svcs.				
6299 - Other Prof. & Out. Svcs.	2,231.00	15,000.00	-12,769.00	14.87%
<b>Total 6290 - Other Prof. &amp; Out. Svcs.</b>	<b>2,231.00</b>	<b>15,000.00</b>	<b>-12,769.00</b>	<b>14.87%</b>
<b>Total 6200 - Prof. &amp; Outside Services</b>	<b>3,294.25</b>	<b>16,063.25</b>	<b>-12,769.00</b>	<b>20.51%</b>
<b>7000 - Other Operating</b>				
7150 - IT Services				
7153 - Internal Svc. Data Proc.	3,692.40	4,800.00	-1,107.60	76.93%

**Arizona Board of Fingerprinting**  
**FY 2007 Budget**  
 July 1, 2006, to March 31, 2007

	<b>Q1 - Q3</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
7172 - External Comm. Long Dist	5,841.23	3,750.00	2,091.23	155.77%
7179 - Other External Comm.	1,837.99	3,000.00	-1,162.01	61.27%
<b>Total 7150 - IT Services</b>	<b>11,371.62</b>	<b>11,550.00</b>	<b>-178.38</b>	<b>98.46%</b>
<b>7200 - Rental Expenditures</b>				
7221 - Rental of Land & Bldgs.	9,353.36	26,530.04	-17,176.68	35.26%
7229 - Miscellaneous Rent	144.00	200.00	-56.00	72.0%
<b>Total 7200 - Rental Expenditures</b>	<b>9,497.36</b>	<b>26,730.04</b>	<b>-17,232.68</b>	<b>35.53%</b>
<b>7250 - Repair &amp; Maintenance</b>				
7266 - Repair/Maint-Other Equip	188.41	270.00	-81.59	69.78%
<b>Total 7250 - Repair &amp; Maintenance</b>	<b>188.41</b>	<b>270.00</b>	<b>-81.59</b>	<b>69.78%</b>
<b>7300 - Operating Supplies</b>				
7321 - Office Supplies	8,599.94	4,500.00	4,099.94	191.11%
<b>Total 7300 - Operating Supplies</b>	<b>8,599.94</b>	<b>4,500.00</b>	<b>4,099.94</b>	<b>191.11%</b>
<b>7450 - Conf, Edu, &amp; Training</b>				
7455 - Conf, Edu, & Train Regis	890.25			
<b>Total 7450 - Conf, Edu, &amp; Training</b>	<b>890.25</b>			
<b>7480 - Postage &amp; Delivery</b>				
7481 - Postage & Delivery	7,406.97	7,500.00	-93.03	98.76%
<b>Total 7480 - Postage &amp; Delivery</b>	<b>7,406.97</b>	<b>7,500.00</b>	<b>-93.03</b>	<b>98.76%</b>
<b>7500 - Miscellaneous Operating</b>				
7511 - Awards	201.61			
7541 - Books, Subscr., & Pubs.	1,878.10	900.00	978.10	208.68%
<b>Total 7500 - Miscellaneous Operating</b>	<b>2,079.71</b>	<b>900.00</b>	<b>1,179.71</b>	<b>231.08%</b>
<b>Total 7000 - Other Operating</b>	<b>40,034.26</b>	<b>51,450.04</b>	<b>-11,415.78</b>	<b>77.81%</b>
<b>8500 - Non-capital Equipment</b>				
8550 - EDP Equip PC/LAN Non-cap				
8551 - EDP Equip. Non-cap Purch	4,866.24	2,500.00	2,366.24	194.65%

**Arizona Board of Fingerprinting**  
**FY 2007 Budget**  
July 1, 2006, to March 31, 2007

	<u>Q1 - Q3</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Total 8550 - EDP Equip PC/LAN Non-cap	4,866.24	2,500.00	2,366.24	194.65%
8570 - Other Equip. - Non-cap.				
8571 - Other Equip. - Non-cap.	<u>805.25</u>			
Total 8570 - Other Equip. - Non-cap.	805.25			
8580 - Non-capitalized Software				
8583 - PC/LAN Software Non-cap.	<u>3,178.32</u>	<u>1,400.00</u>	<u>1,778.32</u>	<u>227.02%</u>
Total 8580 - Non-capitalized Software	<u>3,178.32</u>	<u>1,400.00</u>	<u>1,778.32</u>	<u>227.02%</u>
<b>Total 8500 - Non-capital Equipment</b>	8,849.81	3,900.00	4,949.81	226.92%
<b>9100 - Transfers out</b>				
9101 - Operating Transfers Out	<u>10,253.00</u>	<u>22,754.00</u>	<u>-12,501.00</u>	<u>45.06%</u>
<b>Total 9100 - Transfers out</b>	<u>10,253.00</u>	<u>22,754.00</u>	<u>-12,501.00</u>	<u>45.06%</u>
<b>Total Expense</b>	<u>230,424.46</u>	<u>285,803.28</u>	<u>-55,378.82</u>	<u>80.62%</u>
<b>Net Income</b>	<u><u>501,881.84</u></u>	<u><u>545,947.02</u></u>	<u><u>-44,065.18</u></u>	<u><u>91.93%</u></u>

**Arizona Board of Fingerprinting**  
**Fiscal Year 2007 Strategic Plan**  
 July 1 to March 31, 2007

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

Performance Measure	FY05 Actual	FY06 Actual	FY07 Estimate	FY07 Actual				
				Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Percent of investigator recommendations for expedited reviews accepted	85.80%	97.01%	98.00%	97.34%	97.64%	94.46%		96.42%
Percent of applications approved	80.71%	65.29%	70.00%	90.61%	92.64%	93.37%		92.23%
Percent of approvals by expedited review	57.20%	72.85%	70.00%	85.71%	88.70%	81.17%		84.82%
Percent of approvals by administrative hearing	42.80%	27.15%	30.00%	14.29%	11.30%	18.83%		15.18%

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

Performance Measure	FY05 Actual	FY06 Actual	FY07 Estimate	FY07 Actual				
				Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Number of applications received	1,531	1,770	2,046	503	474	473		1,450
Number of applications disposed	1,492	1,769	2,046	337	362	443		1,142
Ratio of cases opened to cases closed	1:.97	1:1	1:1	1:.67	1:.76	1:.94		1:.79
Average number of days to dispose	79.07	81.89	70.00	79.20	97.48	138.62		108.01
Average number of days spent processing applications	54.37	55.31	47.00	50.13	77.90	108.32		81.47

Average number of days spent processing application from receipt to expedited review	17.83	43.50	35.00	18.52	21.29	31.55		24.12
Percent of applications that undergo an expedited review within 20 days (processing time)	73.03%	72.86%	80.00%	61.67%	55.92%	18.01%		43.96%
Average days from expedited review to hearing	52.59	64.22	55.00	57.71	66.71	63.92		62.39
Percent of applications heard within 60 days of expedited review	70.99%	42.42%	60.00%	69.57%	22.22%	45.24%		48.48%
Percent of applications decided within 60 days of hearing	91.08%	67.83%	75.00%	42.03%	52.27%	0.00%		26.40%

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

Performance Measure	FY05 Actual	FY06 Actual	FY07 Estimate	FY07 Actual				
				Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Number of requests received	2,844	3,020	3,207	810	854	718		2,382
Ratio of requests for good cause exceptions to applications submitted	1:.54	1:.59	1:.64	1:.62	1:.56	1:.66		1:.61
Percent of applications complete on initial submission	53.35%	37.42%	45.00%	40.36%	34.39%	42.49%		39.10%