



## **ARIZONA BOARD OF FINGERPRINTING**

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### **Final Minutes for Public Meeting** Held March 14, 2014, at 8:30 a.m. 4205 North 7th Avenue, Suite 206 Phoenix, Arizona

#### **Board Members**

Charles Easaw, Department of Education, Chairperson  
Matthew A. Scheller, Department of Juvenile Corrections, Vice Chairperson  
Chad Campbell, Administrative Office of the Courts  
Michael Ashley, Department of Economic Security  
Kim Pipersburgh, Department of Health Services

#### **Executive Director**

Dennis Seavers

### **CALL TO ORDER AND ROLL CALL**

Mr. Easaw called the meeting to order at 8:48 a.m. The following Board members were present: Charles Easaw, Matthew A. Scheller, Chad Campbell, Michael Ashley, and Kim Pipersburgh.

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. Scheller made a motion to approve the draft minutes from September 13, 2013, and Ms. Pipersburgh seconded. The motion passed 5–0.

Mr. Scheller made a motion to approve the draft minutes from November 8, 2013, and Ms. Pipersburgh seconded. The motion passed 5–0.

## **LEGISLATION**

Mr. Easaw referred Board members to Mr. Seavers's March 10, 2014 memo (see Attachment 1) that discussed various bills that would have a notable effect on the Board.

## **BUDGET**

Mr. Easaw referred Board members to Mr. Seavers's March 10, 2014 memo (see Attachment 2) that reported on the Board's fiscal year 2014 performance and proposed changes to the budget. Mr. Seavers reported that an administrative law judge who had left the Board was rehired at a higher rate of pay using the vacancy savings from the time when she was not working for the Board. He noted that the Board could change that salary rate in the following year's budget if the Board did not want to alter personnel expenditures.

Mr. Scheller made a motion to approve the proposed changes to the fiscal year 2014 employee-related expenditures, and Ms. Pipersburgh seconded. The motion passed, 5–0. Mr. Scheller made a motion to approve the proposed changes to the fiscal year 2014 personal services and employee-related expenditures, and Ms. Pipersburgh seconded. The motion passed, 5–0.

## **ADJOURNMENT**

Mr. Scheller made a motion to adjourn, and Ms. Pipersburgh seconded. The motion passed, 5–0. Mr. Easaw adjourned the meeting at 9:03 a.m.

Minutes approved on July 7, 2014

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Dennis Seavers, Executive Director



# Arizona Board of Fingerprinting Memo

TO: Board members  
FROM: Dennis Seavers  
C:  
Date: March 10, 2014  
**SUBJECT Legislative update**

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This memo summarizes the content and disposition of significant legislation that is relevant to the Board of Fingerprinting. This memo doesn't list legislation that is administrative, technical, or minor, nor does it include bills that appear to be dead.

In the list below, the most important bills for the Board to consider are SB 1226 and SB 1391, which I've highlighted.

## **SENATE BILLS**

### **SB 1136 (acupuncture board of examiners)**

The portion of this bill relevant to the Board of Fingerprinting would add the licensees of the Acupuncture Board of Examiners to the fingerprint-clearance-card system beginning July 1, 2016. This board has relatively few applicants (as of February 2014, there are 558 active licensed acupuncturists and 39 active auricular acupuncturists). This number is small enough that the effect on the Board's caseload will be practically unnoticeable.

The bill has cleared the Senate and is awaiting a hearing in the House Committee on Health.

### **SB 1226 (fingerprint clearance cards; human trafficking)**

The Board requested that I propose this bill to the Legislature. It would add the offense of human trafficking for forced labor or services (a class 2 felony) to the list of crimes that absolutely preclude a person from receiving a fingerprint clearance card. A person who commits or is awaiting trial for this crime (or any preparatory crime) would not be eligible to request a good cause exception from the Board.

The bill moved quickly through the Senate and received unanimous approval in committee and on the floor. It is currently awaiting a hearing in the House Committee on Public Safety, Military and Regulatory Affairs.

### **SB 1391 (schools; noncertificated employees; fingerprinting)**

The portion of this bill relevant to the Board would add noncertified employees to the fingerprint-clearance-card system. "Certificated" employees include teachers and administrators, so noncertificated employees would include many of the remaining employees in school districts, such as support staff. These employees currently must be fingerprinted ("regular" fingerprinting, not fingerprint clearance cards), but the bill would shift this population into the card system. There are approximately 60,000 noncertificated employees statewide, representing a significant increase to the population in the card system.

The bill was amended on the Senate floor to require school districts to break up the total population over the next five years. The bill now would require 20% of the noncertificated personnel to get a fingerprint clearance card each year for the next five years. This amendment mitigates the impact of the bill by spreading the workload out over the next five years. If the school districts comply with this requirement, I estimate that the Board will see a 13% caseload increase for each of the next five years as a result of this bill. (Other bills may separately increase the caseload.)

Although a 13% caseload is not negligible, I believe it is manageable without increasing staffing or jeopardizing time-frame compliance. Therefore, I recommend that the Board remain neutral on the bill.

Although there was some minor public opposition to the bill from associations, the bill passed the Senate almost unanimously. That opposition may materialize again (and more forcefully) in the House; otherwise, the Board should expect this bill to pass.

The bill has cleared the Senate and is awaiting a hearing in the House Committee on Education.

## **HOUSE BILLS**

### **HB 2239 (board of appraisal; NOW: state board of appraisal)**

The portion of this bill relevant to the Board of Fingerprinting would add the board of appraisal licensees to the fingerprint-clearance-card system. The Board of Appraisal currently requires "regular" fingerprinting but wishes to switch to the card system for administrative reasons.

In fiscal year 2015, the Board of Appraisal expects that it will have about 2,000 new and existing licensees. This bill's impact on the Board's caseload will be minimal.

The Board has cleared the House and is awaiting committee assignments in the Senate.

**HB 2306 (fingerprint clearance cards; periodic checks)**

The file stop program for fingerprint clearance cards allows DPS to suspend cards when it learns of new arrests for precluding offenses. However, the file stop program is only for arrests in Arizona; any arrest outside of Arizona would have to be discovered when the card is renewed. This bill was requested by DPS to prepare for the new FBI Rap Back program, which would allow subscribers to receive notification of new arrests outside of Arizona and thus allow suspensions for new arrests in other states.

The bill has cleared the House, as well as the Senate Committee on Public Safety. Once it clears the Senate Committee on Rules, it will go to caucuses and the Senate floor.



# Arizona Board of Fingerprinting Memo

TO: Board members  
FROM: Dennis Seavers  
C:  
Date: March 10, 2014  
**SUBJECT Budget**

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At its March 14, 2014 meeting, the Board will discuss the fiscal year ("FY") 2014 budget and possibly make changes to the approved budget. This memo summarizes some of the issues the Board will consider at that meeting and requests an increase in the current budget.

## OVERVIEW

I previously provided a report on the FY 2014 budget when the Board had a meeting scheduled for February 28, 2014, but I've updated the report (Attachment 1) to include financial information from February.

- The fund balance at the beginning of FY 2014 was \$1,283,787.71
- The Board had \$417,536 in revenues
- The Board had \$333,480.11 in expenditures, representing about 65% of the total budgeted expenditures for FY 2014.
- The fund balance at the end of February 2014 was \$1,367,843.60

## DISCUSSION

*Revenues are lower than anticipated*

Projecting the number of fingerprint clearance cards is difficult because there is no baseline data or long-term data to detect trends. (The difficulty of projecting the number of applications, and the uncertainty of revenue projections, was discussed when the Board adopted the current budget.) This year, compared to DPS, the Board made a conservative estimate of revenues. DPS estimated that it would receive 120,000 fingerprint-clearance-card applications; the Board estimates that DPS would receive

115,000 applications. However, DPS has received fewer applications than either agency projected.

At the current rate, DPS will receive about 98,000 applications by the end of FY 2014, a difference of about 17,000 applications from the Board's estimate. That difference amounts to about \$119,000 less in revenues. Nonetheless, the Board will have a significant surplus (revenues greater than expenditures) by the end of the FY, and the Board should not be concerned about the decline in revenues.

*Specific areas of difference between budgeted and actual revenues and expenditures*

Attachment 1 details the Board's expenditures and revenues through February 28, 2014, with a comparison to the approved budget for all of FY 2014.

- Figures in the "Difference" column, which shows the difference between actual and budgeted revenues and expenditures will be negative (in parentheses) if the amount is less than the amount budgeted and positive if the amount is more than the amount budgeted. For expenditures, this means that negative amounts show underspending and positive amounts show overspending.
- The "Perc. of Budget" column shows the percentage spent of collected out of the entire budget. (The end of February marked 66.67% of the fiscal year.)

Overall, spending is under budget by about \$6,500. In order to account for one area of higher-than-expected spending, I have cut spending in other areas. The items below explain areas where there were notable differences in spending from the FY 2014 budget.

- 6100 – Employee-Related Expenditures. This category ("ERE") refers to costs for benefits, FICA, and pro-rata charges. The budget that I proposed to the Board projected lower costs for ERE than actual costs. Since I do not have control over the benefits options and other ERE charges, I have compensated by cutting other areas of the budget, as discussed below.
- 6241 – Temp Agency Service. This category refers to costs for the services of temporary employees who covered during the vacancy of the Board's administrative assistant. Although not covered in the Board's adopted budget, this category would fall under budgeted expenditures for personal services (6000). The expenditures under 6000 (personal services) would be lower than budgeted, even with the costs for temporary agency service added in.
- 6299 – Other Professional and Outside Services. The Board authorized \$13,000 for database upgrades that would be helpful but were not urgent. In order to cover additional spending for ERE (see above), I have not pursued the database upgrades.
- 7472 – External Printing. As its name suggests, this category covers printing by vendors. In the past, we did not use preprinted envelopes, so the cost of mailing materials was covered under 7321 (office supplies). This year, we began using preprinted materials. Thus, the cost that was budgeted under 7321 was shifted

to this category. The expenditures under 7321 (office supplies) would be lower than budgeted, even with the costs for external printing added in.

- 8521 – Furniture Non-Capital. The Board authorized \$13,000 to replace the old furniture in the office waiting area. In order to cover additional spending for ERE (see above), I have not purchased new furniture.

## **PROPOSED BUDGET CHANGES**

### *Adjustment to employee-related expenditures*

If the Board still wishes to authorize the database upgrade a new furniture, it should authorize an increase of \$20,015 in the budgeted expenditures for ERE. The Board could also defer the database and furniture costs to a future fiscal year, in which case no further action is necessary by the Board.

### *Salary increases*

In the past, the Board has discussed salary increases for Board staff to bring salaries to a more competitive level, especially the salaries of the ALJs. Until now, personnel reform has prevented the Board from being able to make those increases. Recently, ADOA has provided some options that would allow agencies to request justifiable increases. These increases must be approved by ADOA, but they would first have to be authorized by the Board.

I would request that the Board authorize salary increases for the following:

- Administrative law judges. I recommend that the Board authorize me to increase the salary from \$52,000 to \$60,000 for full-time ALJs. Annualized, this would cost the Board an additional \$16,000 in costs for personal services (salary) and about \$4,800 in ERE. (The cost in the current fiscal year would be considerably less, since only a few months remain.)
- Investigator. I recommend that the Board authorize me to increase the salary for the investigator from \$38,933.86 to \$40,880.55 (a 5% increase). Annualized, this would cost the Board an additional \$1,946.69 in personal services and about \$584 in ERE. (As with the ALJs, the cost in the current fiscal year would be less, since only a few months remain.)

**Attachment 1 - FY14 Budget Report**

	<b>FY14 Actual (through Feb 2014)</b>	<b>FY14 Budget</b>	<b>Difference</b>	<b>Perc. of Budget</b>
<b>REVENUES</b>				
<b>4900 - Operating Transfers In</b>				
Prior FY Carryover	\$ 1,283,787.71	\$ 1,283,787.71	\$ -	100.00%
4901 - Oper. Transfers In	\$ 417,536.00	\$ 805,000.00	\$ (387,464.00)	51.87%
<b>Total 4900 - Oper. Trans. In</b>	<b>\$ 1,701,323.71</b>	<b>\$ 2,088,787.71</b>	<b>\$ (387,464.00)</b>	<b>81.45%</b>
<b>TOTAL REVENUES</b>	<b>\$ 1,701,323.71</b>	<b>\$ 2,088,787.71</b>	<b>\$ (387,464.00)</b>	<b>81.45%</b>
<b>EXPENDITURES</b>				
<b>6000 - Personal Services</b>				
	\$ 182,757.68	\$ 294,674.12	\$ (111,916.44)	62.02%
<b>6100 - Employee-related exp.</b>				
	\$ 75,740.46	\$ 86,433.10	\$ (10,692.64)	87.63%
<b>6200 - Prof. &amp; Outside Svcs.</b>				
6241 - Temp Agency Service	\$ 6,327.72	\$ -	\$ 6,327.72	(Budgeted under 6000)
6299 - Other Prof. & Out. Svcs.	\$ 2,951.25	\$ 16,240.00	\$ (13,288.75)	18.17%
<b>Total 6200 - Prof. &amp; Outside Svcs.</b>	<b>\$ 9,278.97</b>	<b>\$ 16,240.00</b>	<b>\$ (6,961.03)</b>	<b>57.14%</b>
<b>6500 - Travel In-State</b>				
6521 - Motor Pool Charges	\$ 170.81	\$ 200.00	\$ (29.19)	85.41%
<b>Total 6500 - Travel In-State</b>	<b>\$ 170.81</b>	<b>\$ 200.00</b>	<b>\$ (29.19)</b>	<b>85.41%</b>
<b>7000 - Other Operating</b>				
7110 - Insurance & Related Chgs	\$ 2,000.00	\$ 2,000.00	\$ -	100.00%
7153 - Internal Svc. Data Proc.	\$ 6,268.34	\$ 10,682.52	\$ (4,414.18)	58.68%
7179 - Other External Comm.	\$ 7,783.68	\$ 13,328.31	\$ (5,544.63)	58.40%
7221 - Rental of Land & Bldgs.	\$ 20,995.10	\$ 35,991.60	\$ (14,996.50)	58.33%
7241 - Int Acctg, Budg, Fin Svc.	\$ 2,880.00	\$ 3,840.00	\$ (960.00)	75.00%
7266 - Repair/Maint-Other Equip	\$ 982.27	\$ 1,190.00	\$ (207.73)	82.54%
7321 - Office Supplies	\$ 2,766.34	\$ 8,000.00	\$ (5,233.66)	34.58%
7472 - External Printing	\$ 1,875.57	\$ -	\$ 1,875.57	(Budgeted under 7321)
7481 - Postage & Delivery	\$ 5,417.01	\$ 8,000.00	\$ (2,582.99)	67.71%
7511 - Awards	\$ -	\$ 100.00	\$ (100.00)	0.00%
7541 - Books, Subscr., & Pubs.	\$ 149.00	\$ 400.00	\$ (251.00)	37.25%
7598 - Background Checks	\$ -	\$ -	\$ -	0.00%
7599 - Other Misc. Operating	\$ 125.00	\$ 400.00	\$ (275.00)	31.25%
<b>Total 7000 - Other Operating</b>	<b>\$ 51,242.31</b>	<b>\$ 83,932.43</b>	<b>\$ (32,690.12)</b>	<b>61.05%</b>
<b>8400 - Capital Equipment</b>				
8471 - Other Equip. - Capital Purch.	\$ 7,780.71	\$ 7,184.40	\$ 596.31	108.30%
<b>Total 8400 - Capital Equipment</b>	<b>\$ 7,780.71</b>	<b>\$ 7,184.40</b>	<b>\$ 596.31</b>	<b>108.30%</b>
<b>8500 - Non-capital Equipment</b>				
8521 - Furniture Non-capital	\$ -	\$ 13,000.00	\$ (13,000.00)	0.00%
8531 - Computer Equip. Non-cap.	\$ 2,409.17	\$ 1,600.00	\$ 809.17	150.57%
8561 - Tele. Equip. - Non-cap.	\$ -	\$ 1,200.00	\$ (1,200.00)	0.00%
8581 - Purch. or lic. software	\$ -	\$ 1,300.00	\$ (1,300.00)	0.00%
<b>Total 8500 - Non-capital Equip.</b>	<b>\$ 2,409.17</b>	<b>\$ 17,100.00</b>	<b>\$ (14,690.83)</b>	<b>14.09%</b>
<b>9100 - Transfers Out</b>				
9101 - Op Trans Out: Fund Sweeps	\$ 4,100.00	\$ 4,100.00	\$ -	
<b>Total 9100 - Oper. Trans. Out</b>	<b>\$ 4,100.00</b>	<b>\$ 4,100.00</b>	<b>\$ -</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 333,480.11</b>	<b>\$ 509,864.05</b>	<b>\$ (176,951.06)</b>	<b>65.41%</b>
<b>NET INCOME</b>	<b>\$ 1,367,843.60</b>	<b>\$ 1,578,923.66</b>	<b>\$ (210,512.94)</b>	<b>86.63%</b>