ARIZONA BOARD OF FINGERPRINTING

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DRAFT Minutes for Public Meeting

Held August 26, 2016, at 9:15 a.m.
4205 North 7th Avenue, Suite 206
Phoenix, Arizona

Board Members
Courtney Mays, Department of Economic Security, Chairperson
Chad Kewish, Administrative Office of the Courts, Vice Chairperson
Kim Pipersburgh, Department of Health Services
John Crabtree, Department of Juvenile Corrections
William Stuebe, Department of Child Safety
Mark McCall, Department of Education

Executive Director
Matthew A. Scheller

CALL TO ORDER AND ROLL CALL

Ms. Mays called the meeting to order at 9:17 a.m. The following Board members were present: Courtney Mays, Kim Pipersburgh, William Stuebe and Mark McCall. The following Board members were absent: Chad Kewish and John Crabtree.

Also in attendance was Matthew A. Scheller, Executive Director (ED).

CALL TO THE PUBLIC

Ms. Mays made a call to the public. There were no members of the public present who wished to comment.

APPROVAL OF MINUTES JANUARY 15, 2016

Ms. Pipersburgh made a motion to approve the draft minutes from January 15, 2016, and Mr. McCall seconded. The motion passed 4–0.

EXECUTIVE DIRECTOR'S REPORT

Ms. Mays requested that Mr. Scheller provide a summary of the memos that he authored and submitted to the Board for review. Mr. Scheller provided a summary of the fiscal year (FY) 2016 budget report memo dated August 12, 2016 (see Attachment 1) and the FY 2016 strategic-plan performance memo dated August 12, 2016 (see Attachment 2).

Mr. Scheller spoke about the positive financial position of the Board and that the current fund balance increased this FY because of the large number of applications received by the Department of Public Safety (DPS). Along with the increase in applications, the Board realized significant cost savings this FY by "belt tightening" in several areas: eliminating the cell phone for the ED, eliminating eight obsolete tablet devices, reducing office supply expenditures, and finding a new vendor to print the Board envelopes.

Mr. Scheller commended on the quality of the recommendations of the Board's investigator, as reflected in the percentage of recommendations adopted by the Board. On Goal 1[1], the Board exceeded the goal of 96% with an average over the fiscal year of 99.07%. There were only 25 cases in FY 2016 in which the Board modified the original recommendation of the investigator at an expedited review consideration.

Mr. Scheller pointed out that on Goal 2[2] the Board has made progress on reducing the average time to process applications in all areas. Specifically, the average wait time for an applicant decreased by more than 7 full days, and the time that the Board spends processing the application decreased by more than 3 full days. Since FY 2014 the staff has reduced these timeframes by 13 full days and 6 full days, respectively.

In addition, on Goal 3[3] the Board surpassed the intended goal of 85%. Mr. Scheller indicated that the Board should be pleased with this increase as it shows the diligent efforts being made to communicate with applicants about the Board's application process. The Board Administrative Assistant and Board Investigator do an outstanding job communicating with Applicants and this is directly reflected in these results.

Mr. McCall asked about the cell phone bill and if there should be any reimbursement to the ED for the use of his personal cell phone for business purposes. Mr. Scheller explained that reimbursement is not necessary as he has a Board Tablet devise that he uses to access emails and conduct necessary Board business remotely.

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[1] To Make Fair And Consistent Determinations On Good-Cause Exceptions.
[2] To Provide Applicants With Timely Decisions On Their Good-Cause-Exception Applications.
[3] To Develop Fair And Comprehensible Rules, Policies, And Procedures For Determining Good-Cause Exceptions.

ADOPTION OF BUDGET FOR FISCAL YEAR 2017

Ms. Mays referred the Board members to Mr. Scheller's August 12, 2016 memo proposing a budget for FY 2017 (see Attachment 3). Mr. Scheller pointed out that the primary focus on the increase in the budget proposal for FY 2017 is the enhancement to the Board database management system. He specifically referred the Board members to item 6299 – Other Professional & Outside Services. Mr. Scheller provided a breakdown which includes the cost of the off duty police officers for security, document destruction, language interpreters and database programming. Continuing with the database programming enhancements made in FY 2016 will make Board processing more "lean," fortify the data security and make a smoother transition to a web-based user interface in FY 2018.

Mr. Stuebe asked if there was a need to add another Board Investigator with the increased case load and the available funds to support an added position. Mr. Scheller stated that Board staff members are able to keep up with the added case load at the present time. He also indicated that cross training has been provided to staff in order to provide coverage when other staff members are on leave. Mr. Scheller noted that he will monitor this going forward and keep the Board informed if the caseload becomes necessary to add another position.

Ms. Mays asked if Board staff have an ability to get Criminal History Records (CHRs) electronically. Mr. Scheller expressed that this is not a possibility at the present time, but the processing has become much smother and efficient with DPS faxing the CHRs within a day or two of the initial request. Mr. Scheller expressed that he would be taking the Board Administrative Assistant and Investigator to DPS for a visit in the next two weeks and will continue the dialogue with them to expedite processing of applications.

Mr. Scheller indicated that he has proposed additional funding in the area of 8531 – Computer Equipment (Non-capital) which covers computer costs. He stated that the Board will upgrade several computers and add double monitors for the Administrative Assistant and Investigator. Several Board members expressed agreement with the addition of double monitors for staff as they find that it helps them to be more efficient and productive.

Ms. Pipersburgh made a motion to adopt the FY 2017 budget as proposed, and Mr. McCall seconded. The motion passed, 4–0.

ADJOURNMENT

Ms. Mays adjourned the meeting at 9:39 a.m.

Minutes approved on _____, 2016

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Matthew A. Scheller, Executive Director

Arizona Board of Fingerprinting
Memo

TO: Board Members

FROM: Matthew A. Scheller

Date: August 12, 2016

SUBJECT FY 2016 Budget Report

The agenda for the Board's August 26, 2016 meeting includes a report from the Executive Director (ED) on our fiscal year FY 2016 budget performance. To help expedite the meeting, I have prepared this memo, which summarizes the Board's budget performance in FY 2016. Attachment 1 details the Board's expenditures and revenues, with a comparison to the approved FY 2016 budget.

SUMMARY

- The fund balance at the beginning of FY 2016 was $1,626,106.87.
- The Board had $878,878.00 in revenues.
- The Board had $581,980.03 in expenditures.
- Total actual expenditures were below the budget amount by $11,587.74.
- The fund balance at the end of FY 2016 was $1,923,004.84.

DISCUSSION

Balance of the Board of Fingerprinting Fund continues to increase

The list below shows the end-of-FY balances for the Board of Fingerprinting Fund since the end of FY 2011.

- End of FY 2011: $558,765.84
- End of FY 2012: $900,242.66
- End of FY 2013: $1,283,787.71
- End of FY 2014: $1,508,978.30
- End of FY 2015: $1,626,106.87
- End of FY 2016: $1,923,004.84

Revenues were up significantly, because of the large number of Fingerprint Clearance Card applications received by the Arizona Department of Public Safety (DPS).

The Board's revenues in FY 2016 were $213,728.78 higher than in FY 2015, and $141,592.50 higher than in FY 2014, but $4,963 lower than in FY 2013. There have been many changes over the past decade to the number of programs in the fingerprint clearance card system; therefore, it is not possible to a draw reliable comparison of the number of fingerprint-clearance-card applications (which is the basis for the Board's revenues) among fiscal years. With the many fluctuations in the number of applications it is a difficult area to assess.

The Board should see a continued increase with the number new professions being required to obtain a fingerprint clearance cards. In FY 2015, the legislature added Dentist Licensure (ARS §32-1232), Dental Hygienist Licensure (ARS §32-1284) and Denturist Certification (ARS §32-1297.01). This past legislative session (FY 2016), Pharmacist Licensure (ARS §32-1904) was added to this growing list. In addition, the new electronic fingerprint application process implemented by DPS (Arizona Automated Fingerprint Identification System (AZAFIS)), has been very successful. The Board is now seeing several cases resulting from denials through the electronic application.

Unless there is a drastic reduction in fingerprint clearance card applications, revenues will still exceed expenditures. Even if there were a significant drop in applications, the Board has a substantial fund balance to cover the difference. The Board should not be concerned about a decrease in revenues. I will continue to monitor the application process closely as the fiscal year progresses.

Specific areas of difference between expenditures and budget

Attachment 1 provides a comparison of actual expenditures and revenues with the FY 2016 budget. The list below explains areas where there are notable differences in spending. The Board members are welcome to contact me with questions about any areas of spending not discussed below.

- <u>6000 – Personal Services.</u> This category refers to costs for employee salaries. Spending in this category was $374.95 lower than the budged expenditures. We stayed below budget even with the fact that we did not experience any staff changes during the fiscal year.

- <u>6100 – Employee-Related Expenditures (ERE).</u> This category refers to costs for benefits, FICA, and pro-rata charges. With the increase costs in this area, ERE expenditures were higher than the budgeted amount. The total personnel costs (personal services, other professional/outside services, and ERE) were $5,776.95 more than budgeted. This will be accounted for in the FY 2017 budget proposal.

- <u>6299 – Other Professional and Outside Services.</u> The Board authorized $17,000 in expenditures for professional consultations and outside services which included database development in FY 2016. The spending in this category was $1,590.50 below the budgeted amount, and the Board made significant progress

in converting our Microsoft Access database to Microsoft SQL Server Express. I will address the next phase of the database conversion in the FY 2017 budget proposal.

- 6521 - Motor Pool Charges. The Board did not have any travel costs or motor pool charges FY 2016, so none of the budgeted amount of $500.00 was used. This area is suggested for removal in the FY 2017 budget proposal.

- 7179 - Other External Communication. This category covers all telecommunications, phone and internet charges. The actual expenditures were $4,476.26 below the budget amount. This was realized by significant "belt tightening." The cell phone bill for the Executive Director was eliminated and the mobile bill for eight obsolete tablet devices were eliminated (6 T-Mobile devices and 2 AT&T devices removed from service). This eliminated our T-Mobile account and significantly reduced our AT&T account.

- 7221 – Rental of Land and Buildings. The category is for leasing our office space. The actual expenditures were $2,926.10 below the budget because of the delay in AFIS to pay the June 2016 rent payment. This was paid in July 2017 and will be accounted for in the FY 2017 budget proposal.

- 7321 - Office Supplies. This category covers all office supplies that the office needs to run. The actual expenditures were $1,429.91 below the budgeted amount by being as fiscally responsible as possible in the purchases made in this area.

- 7472 - External Printing. This category covers external printing of envelopes and stationary. The expenditures were $1,264.56 below the budgeted amount. Researching and finding a new vendor to print the Board envelopes resulted in a cost savings of $1,159.29.

- 8521 – Furniture (Non-capital). This category covers non-capital furniture purchases. The actual expenditures were $950.00 below the budget.

- 8531 – Computer Equipment (Non-capital). This category covers computer costs. The expenditures show that we were under budget in this area by $2,767.79. The largest expenditure in this area was the purchase of one new laptop computer and two new monitors. The budget proposal for FY 2017 will provide detail about upgrading our current computers and adding double monitors for staff members.

- 8581 – Purchase or License Software. This category covers software purchases. The Board did purchase an upgraded financial software package (QuickBooks Pro 2016) and remained under budget in this area by the amount of $1,014.38.

Attachment 1 - FY 2016 Budget Report

	FY16 Actual	FY16 Budget	Difference	Perc. of Budget
REVENUES				
4900 - Operating Transfers In				
Prior FY Carryover	$ 1,626,106.87	$ 1,626,106.87	$ -	100.00%
4901 - Oper. Transfers In	$ 878,878.00	$ 700,000.00	$ 178,878.00	125.55%
Total 4900 - Oper. Trans. In	$ 2,504,984.87	$ 2,326,106.87	$ 178,878.00	107.69%
TOTAL REVENUES	**$ 2,504,984.87**	**$ 2,326,106.87**	**$ 178,878.00**	**107.69%**
EXPENDITURES				
6000 - Personal Services	$ 336,455.57	$ 336,830.52	$ (374.95)	99.89%
6100 - Employee-related exp.	$ 149,548.05	$ 141,805.65	$ 7,742.40	105.46%
6200 - Prof. & Outside Svcs.				
6299 - Other Prof. & Out. Svcs.	$ 15,409.50	$ 17,000.00	$ (1,590.50)	90.64%
Total 6200 - Prof. & Outside Svcs.	$ 15,409.50	$ 17,000.00	$ (1,590.50)	90.64%
6500 - Travel In-State				
6521 - Motor Pool Charges	$ -	$ 500.00	$ (500.00)	0.00%
Total 6500 - Travel In-State	$ -	$ 500.00	$ (500.00)	0.00%
7000 - Other Operating				
7111 - Insurance & Related Chgs	$ 1,700.00	$ 2,000.00	$ (300.00)	85.00%
7151 - Internal Svc. Data Proc. - AFIS	$ 1,132.78	$ -	$ 1,132.78	
7153 - Internal Svc. Data Proc. - Pc/Lan	$ 9,291.64	$ 11,000.00	$ (1,708.36)	84.47%
7179 - Other External Comm.	$ 11,523.74	$ 16,000.00	$ (4,476.26)	72.02%
7221 - Rental of Land & Bldgs.	$ 33,065.50	$ 35,991.60	$ (2,926.10)	91.87%
7241 - Int Acctg, Budg, Fin Svc.	$ 3,840.00	$ 3,840.00	$ -	100.00%
7266 - Repair/Maint-Other Equip	$ 1,077.49	$ 1,200.00	$ (122.51)	89.79%
7321 - Office Supplies	$ 4,570.09	$ 6,000.00	$ (1,429.91)	76.17%
7472 - External Printing	$ 735.44	$ 2,000.00	$ (1,264.56)	36.77%
7481 - Postage & Delivery	$ 10,013.89	$ 11,000.00	$ (986.11)	91.04%
7511 - Awards	$ -	$ 100.00	$ (100.00)	0.00%
7541 - Books, Subscr., & Pubs.	$ 348.56	$ 400.00	$ (51.44)	87.14%
7599 - Other Misc. Operating	$ 199.95	$ 600.00	$ (400.05)	33.33%
Total 7000 - Other Operating	$ 77,499.08	$ 90,131.60	$ (12,632.52)	85.98%
8500 - Non-capital Equipment				
8521 - Furniture Non-capital	$ 550.00	$ 1,500.00	$ (950.00)	36.67%
8531 - Computer Equip. Non-cap.	$ 2,232.21	$ 5,000.00	$ (2,767.79)	44.64%
8581 - Purch. or lic. software	$ 285.62	$ 1,300.00	$ (1,014.38)	21.97%
Total 8500 - Non-capital Equip.	$ 3,067.83	$ 7,800.00	$ (4,732.17)	39.33%
9100 - Transfers Out				
9101 - Op Trans Out: Fund Sweeps	$ -	$ -	$ -	
Total 9100 - Oper. Trans. Out	$ -	$ -	$ -	
TOTAL EXPENDITURES	$ 581,980.03	$ 594,067.77	$ (11,587.74)	**97.97%**
NET INCOME	**$ 1,923,004.84**	**$ 1,732,039.10**	**$ 190,465.74**	**111.03%**

Arizona Board of Fingerprinting
Memo

TO: Board Members

FROM: Matthew A. Scheller

Date: August 12, 2016

SUBJECT FY 2016 Strategic-Plan Report

The agenda for the Board's August 26, 2016 meeting includes a report from the Executive Director on the Board's strategic-plan performance during Fiscal Year (FY) 2016. To help expedite the meeting, I've prepared this memo, which offers background and analysis on some of the performance measures.

Attached to this memo is a detailed report on the Board's performance measures for FY 2015 and FY 2016.

SUMMARY

- The Board Investigator has exceeded the Board's goal for the percentage of recommendations accepted. This very high acceptance rate makes Board meetings more efficient.
- The Board reduced the wait time for applicants to get decisions in all areas even with a 15% increase in the number of applications received this fiscal year. Overall wait times have declined dramatically and compliance with statutory time frames approaches full compliance.
- The Board communicates with applicants effectively and efficiently based on the high level of applications completed on initial submission.

DISCUSSION

Below is a discussion of some of the performance measures that merit close attention from the Board.

Goal 1: To Make Fair And Consistent Determinations On Good-Cause Exceptions.

The primary purpose of the measurements under this goal is to determine whether the Board grants applications at a rate consistent with previous years. Since the Board's

criteria for granting applications have not changed significantly over the past few years, the Board's approval rate should remain fairly constant from year to year. (The performance measures for application-approval rate are based on rates from previous fiscal years and should not be understood as the ideal percentage that the Board should necessarily strive for.)

Investigator recommendations adopted at a high rate

For expedited reviews, the Board receives a recommendation from the investigator to approve an application or refer the case to a hearing. The Board exceeded its goal of 96% with an average over the fiscal year of 99.07%. There were only 25 cases in FY 2016 in which the Board modified the original recommendation of the investigator at an expedited review consideration.

The investigator's recommendation is based on what he believes the Board will decide, not necessarily what he believes the Board should decide. (In that respect, his recommendation is different from a hearing officer's recommendation.) However, the recommendation forms the basis of the Board's consent agendas. If the investigator achieves a high rate of accepted recommendations, then the Board's meetings run more efficiently.

Approval rate

This year the Board's approval rate fluctuated slightly with approvals by expedited review increasing by approximately 4% and the approvals by administrative hearing decreasing by this same amount. This means that slightly more approvals are coming from the area of expedited review vs. administrative hearings. Please note that the rate of approval does not include cases that are decided administratively (e.g., DPS issues card based on dismissal or the applicant withdraws) but only includes cases where the Board makes a final decision.

Goal 2: To Provide Applicants With Timely Decisions On Their Good-Cause-Exception Applications.

While Goal 1 above mostly deals with the quality and consistency of the Board's decisions, this goal addresses how quickly the Board makes decisions by measuring caseload and processing time. The Board has continued to build on improvements in the previous fiscal year.

Caseload has increased by 15% (376 cases) and the Board keeps up with its caseload

The Board's caseload increase significantly from FY 2015 to FY 2016 and the Board continues to resolve as many cases as it receives. This measure is important because if the Board were to fall behind in resolving cases, a backlog would develop.

Processing time dropped significantly

The Board has made progress on reducing the average time to process applications in all areas. The average wait time for an applicant decreased by more than 7 full days, and the time that the Board spends processing the application decreased by more than 3 full days. Since FY 2014 the staff has reduced these timeframes by 13 full days and 6 full days respectively. Processing time is the time the Board and its staff spend working on an application; it excludes time spent waiting on applicants (application deficiencies) or other agencies to submit information (criminal records) – wait time which is beyond the Board's control.

The Board has nearly achieved full compliance with time frames

The Board has three statutory time frames (although there are no penalties for failing to comply with the statute):

- Expedited review: 20 days from receipt of a complete application to an expedited review. In FY 2016, there were 5 cases that failed to meet the time frame. This is an improvement as a percentage basis over FY 2015, but measures are in place to ensure that no cases go even one day beyond the statutorily prescribed timeframe.
- Hearing: 45 days from expedited review to hearing (unless the applicant requests that a hearing be rescheduled). In FY 2016 there were no cases that failed to meet the time frame. This area achieved full compliance and measures are in place to ensure that cases are always set within prescribed timeframes.
- Board decision: 80 days from hearing to Board decision (unless the applicant requests that a hearing be rescheduled). There are no cases that went beyond the 80 day timeframe. The Board is in full compliance with this performance measure.

Goal 3: To Develop Fair And Comprehensible Rules, Policies, And Procedures For Determining Good-Cause Exceptions.

The purpose of this goal is to measure how difficult the Board's application process is for applicants and whether improvements would make the process easier to understand, without sacrificing adherence to Board standards.

There is only one measurement under this goal, but it effectively shows how well the Board communicates with applicants about the good-cause-exception process. The Board measures the percentage of applications that are complete on submission. If the Board is able to communicate its expectations clearly to applicants, then there should be a higher number of applications complete on submission. The Board improved by over 2 full percentage points above FY 2015 and surpassed the intended goal of 85%. The Board should be encouraged with this increase as it shows the diligent efforts being made to communicate with applicants about the Board's application process. The Board Administrative Assistant and Board Investigator do an outstanding job communicating with Applicants and this is directly reflected in these results.

Arizona Board of Fingerprinting
Fiscal Year 2016 Performance Measures

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

Performance Measure	FY 15 Actual	FY 16 Estimate	FY 16 Actual
Percent of investigator recommendations for expedited reviews accepted	98.72%	96.00%	99.07%
Percent of applications approved	98.43%	96.00%	99.13%
Percent of approvals by expedited review	92.38%	95.00%	96.57%
Percent of approvals by administrative hearing	7.62%	5.00%	3.43%

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

Performance Measure	FY 15 Actual	FY 16 Estimate	FY 16 Actual
Number of applications received	2,461	2,600	2,837
Number of applications disposed	2,564	2,600	2,832
Ratio of cases opened to cases closed	1:1.04	1:1	1:.99
Average number of days to dispose	27.80	30.00	20.10
Average number of days spent processing applications	16.47	20.00	13.15
Average number of days spent processing applications from receipt to expedited review	10.48	12.00	9.01
Average days from expedited review to hearing	34.66	35.00	33.82
Percent of applications with an expedited review within 20 days of receipt of a complete application	99.79%	100.00%	99.81%
Percent of applications with a hearing within 45 days of an expedited review	97.84%	100.00%	100.00%
Percent of applications decided within 80 days of a hearing	100.00%	100.00%	100.00%

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

Performance Measure	FY 15 Actual	FY 16 Estimate	FY 16 Actual
Percent of applications complete on initial submission	84.10%	85.00%	86.29%

Arizona Board of Fingerprinting
Memo

TO: Board Members

FROM: Matthew A. Scheller

Date: August 12, 2016

SUBJECT FY 2017 budget proposal

This memo discusses a proposed budget for Fiscal Year ("FY") 2017 for the Arizona Board of Fingerprinting ("Board") to adopt at its August 26, 2016 meeting. This memo also provides financial information to assist the Board in its deliberations about the budget.

SUMMARY

- The Board should adopt a budget that includes $617,315.78 in expenditures.
- The proposed budget projects $700,000 in revenues. This projection assumes that DPS will receive 100,000 fingerprint clearance card applications in FY 2017. (DPS received 125,554 applications in FY 2016 for revenues of $878,878)
- If the revenues match projections, the Board's fund balance at the end of FY 2017 will be $2,005,689.06, an increase from the previous fiscal year of $82,684.22.

FUND BALANCE

- At the end of FY 2016 (as of June 30, 2016), the Board's fund balance was 1,923,004.84. This is an increase of $296,897.97 from FY 2015 ($1,626,106.87).
- The Board is beginning FY 2017 on solid financial footing.

BUDGET PROPOSAL FOR FY 2017

Attachment 1 proposes a budget that includes $617,315.78 in expenditures and assumes $700,000 in revenues.

Attachment 1 also provides a comparison of FY 2016 actual expenditures and revenues with the FY 2017 budget proposal. The list below explains areas where there are notable differences in spending between FY 2016 and the proposed FY 2017 budget. Board members may request additional details about the proposed budget.

- 6000 – Personal Services. This category refers to expenditures from wages and salaries. The proposed budget includes a spending increase of $3,820.06 from the FY 2016 actual spending. This increase is due to two factors:
    - To allow the Board at its discretion to increase the salary of the Executive Director.
    - To allow the Executive Director to provide merit based employee incentive payments (except to the Executive Director who not eligible to receive merit pay) by no more than 2% of the total personal services base (excluding ERE). These incentive payments directly depend on how well the employees score on the MAP performance appraisals. This amounts to no more than $6,604.52 over the course of the fiscal year, and any incentive payments cannot exceed 10% of an employee's annual base salary (this is an increase from 5% from last fiscal year). This approach would give discretion to the Executive Director to reward performance according to the Compensation Plan and criteria established by the Arizona Department of Administration.

- 6100 – Employee-Related Expenditures. This category refers to expenditures from benefits and withholdings, such as medical benefits, retirement, and Social Security. These expenditures are based on benefit choices by employees and include other costs that represent a percentage of personal services. The proposed increase in this category is for the same reasons outlined under the personal-services category above.

- 6299 – Other Professional & Outside Services. This category includes miscellaneous costs from external sources and professional consultations, such as off duty police officers for security, document destruction, language interpreters and database programming. The proposed budget would increase spending from the previous fiscal year by $8,546.50. The primary reason for the increase would be to continue the transition from Microsoft Access database to Microsoft SQL Server Express. The main focus on FY 2017's development will be the following:
    - Converting our existing GCE Visual Basic application to work with a SQL Express database.
    - Conversion of the letters and queries for the GCE application.
    - Conversion of the main form (or screen) with its 4 associated tabs.
    - Develop an automated backup routine.

  I recommend that the Board approve this project to continue upgrading and enhancing our database management system from Microsoft Access to SQL Server Express. This will make our processing more "lean," fortify our data security, improve performance and will have the added benefit of making a smoother transition to a web-based user interface in subsequent fiscal years.

- 6521 - Motor Pool Charges. This category has been eliminated on the Budget Proposal spreadsheet. The Board did not have any travel costs or motor pool charges FY 2016 and I do not anticipate any travel costs in FY 2017.

- 7179 - Other External Communication. The spending in the category covers all telecommunications, phone and internet charges. The proposal is $1,000 lower from previous fiscal years because of significant reductions in our phone bills (T-Mobile and AT&T) over the past fiscal year.

- 7221 – Rental of Land and Buildings. This category is for leasing our office space. The yearly rent for our space is $36,167.28. The amount proposed is a spending increase from last fiscal year since there was an invoice from June 2016 that was not paid in FY 2016 and will be paid in FY 2017 (July 2016).

- 7472 - External Printing. This category covers external printing of envelopes and stationary. The proposal is $1,000 lower from previous fiscal years because of the significant cost savings realized in FY 2016 ($1,159.29) by finding a new vendor to print the Board envelopes.

- 8471 – Other Equipment (Capital). This category has been eliminated on the Budget Proposal spreadsheet. In FY 2013, the Board purchased a new copier/scanner/fax machine. I do not anticipate any capital-equipment needs in FY 2017.

- 8521 – Furniture (Non-capital). In previous fiscal years the Board authorized spending to replace old furniture and improve the Board's public spaces. The change at that time was necessary to accommodate the increased Board membership with the addition of a member from the Arizona Department of Child Safety (DCS). The proposed budget amount in this area for FY 2017 is in the event that any items, such as a desk or desk chairs, need to be replaced.

- 8531 – Computer Equipment (Non-capital). The proposed increase in spending includes purchasing several new desktop computers with monitors to replace the existing units which have not been replaced since 2012. The proposed increase also includes the ability to purchase a new computer in case one fails.

- 8581 – Purchase or license software. If a new computer purchase is necessary (see the previous category), it may be necessary to purchase new software licenses.

- 9101 – Operating Transfers Out. In FY 2014, state agencies were required to transfer monies into an Automated Projects Fund. This was not the case in FY 2015 or FY 2016 and the Board is not currently required to transfer any money into other state funds during FY 2017.

Attachment 1 - FY 2017 Budget Proposal

		FY16 Actual		FY17 Proposed Budget		Difference
REVENUES						
4900 - Operating Transfers In						
Prior FY Carryover	$	1,626,106.87	$	1,923,004.84	$	296,897.97
4901 - Oper. Transfers In	$	878,878.00	$	700,000.00	$	(178,878.00)
Total 4900 - Oper. Trans. In	$	2,504,984.87	$	2,623,004.84	$	118,019.97
TOTAL REVENUES	**$**	**2,504,984.87**	**$**	**2,623,004.84**	**$**	**118,019.97**
EXPENDITURES						
6000 - Personal Services	$	336,455.57	$	340,275.63	$	3,820.06
6100 - Employee-related exp.	$	149,548.05	$	151,762.93	$	2,214.88
6200 - Prof. & Outside Svcs.						
6299 - Other Prof. & Out. Svcs.	$	15,409.50	$	23,956.00	$	8,546.50
Total 6200 - Prof. & Outside Svcs.	$	15,409.50	$	23,956.00	$	8,546.50
7000 - Other Operating						
7111 - Insurance & Related Chgs	$	1,700.00	$	2,000.00	$	300.00
7151 - Internal Svc. Data Proc. - AFIS	$	1,132.78	$	1,300.00	$	167.22
7153 - Internal Svc. Data Proc. - Pc/Lan	$	9,291.64	$	11,000.00	$	1,708.36
7179 - Other External Comm.	$	11,523.74	$	15,000.00	$	3,476.26
7221 - Rental of Land & Bldgs.	$	33,065.50	$	39,181.22	$	6,115.72
7241 - Int Acctg, Budg, Fin Svc.	$	3,840.00	$	3,840.00	$	-
7266 - Repair/Maint-Other Equip	$	1,077.49	$	1,200.00	$	122.51
7321 - Office Supplies	$	4,570.09	$	6,000.00	$	1,429.91
7472 - External Printing	$	735.44	$	1,000.00	$	264.56
7481 - Postage & Delivery	$	10,013.89	$	11,000.00	$	986.11
7541 - Books, Subscr., & Pubs.	$	348.56	$	400.00	$	51.44
7599 - Other Misc. Operating	$	199.95	$	600.00	$	400.05
Total 7000 - Other Operating	$	77,499.08	$	92,521.22	$	15,022.14
8500 - Non-capital Equipment						
8521 - Furniture Non-capital	$	550.00	$	1,500.00	$	950.00
8531 - Computer Equip. Non-cap.	$	2,232.21	$	6,000.00	$	3,767.79
8581 - Purch. or lic. software	$	285.62	$	1,300.00	$	1,014.38
Total 8500 - Non-capital Equip.	$	3,067.83	$	8,800.00	$	5,732.17
9100 - Transfers Out						
9101 - Op Trans Out: Fund Sweeps	$	-	$	-	$	-
Total 9100 - Oper. Trans. Out	$	-	$	-	$	-
TOTAL EXPENDITURES	$	581,980.03	$	617,315.78	$	35,335.75
NET INCOME	**$**	**1,923,004.84**	**$**	**2,005,689.06**	**$**	**82,684.22**