



ARIZONA BOARD OF FINGERPRINTING

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FINAL Minutes for Public Meeting

Held August 24, 2018, at 9:00 a.m.
4205 North 7th Avenue, Suite 206
Phoenix, Arizona

Board Members

Garnett Winders, Department of Education, Chairperson
Mark Koch, Administrative Office of the Courts, Vice Chairperson
Kim Pipersburgh, Department of Health Services
Shamiran Warda, Department of Juvenile Corrections
John Piccarreta, Department of Child Safety
Elanie Estrada, Department of Economic Security

Executive Director

Matthew A. Scheller

I. CALL TO ORDER AND ROLL CALL

Ms. Winders called the meeting to order at 9:01 a.m. The following Board members were present: Garnett Winders (Telephonically), Mark Koch, Kim Pipersburgh, Shamiran Warda, Elanie Estrada, and Jennifer Wydra (alternate member for Department of Child Safety). The following Board member was absent: None.

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

II. CALL TO THE PUBLIC

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

III. APPROVAL OF MINUTES FROM JUNE 29, 2018

Mr. Koch made a motion to approve the draft minutes from June 29, 2018, and Ms. Warda seconded. The motion passed 6–0.

IV. EXECUTIVE DIRECTOR'S REPORT

Ms. Winders 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) 2018 budget report memo dated August 10, 2018 (see Attachment 1) and the FY 2018 strategic-plan performance memo dated August 10, 2018 (see Attachment 2).

Mr. Scheller spoke about the positive financial position of the Board and that the current fund balance increased in FY 2018 because of the large number of applications received by the Department of Public Safety (DPS). DPS received a record number of applications, 162,191, which translates into \$1,135,337.00 in revenues for the Board. Along with the increase in applications, the Board realized significant cost savings in several areas that were enumerated by Mr. Scheller.

Ms. Pipersburgh asked a question about the email migration to the new Google platform. Mr. Scheller explained that the Board staff were in Phase 1 of this new process and the Board was one of the first agencies introduced to the new email system. While it has taken some time for the staff to adjust from Microsoft Outlook, everyone is becoming more proficient with the passage of time.

On the strategic-plan performance, Mr. Scheller commented on the quality of the recommendations of the Board's investigator, as reflected in the percentage of recommendations adopted by the Board. On Goal 1¹, the Board exceeded the goal of 96% with an average over the fiscal year of 99.59%. There were only 16 cases in FY 2018 in which the Board modified the original recommendation of the investigator at an expedited review consideration. In addition, there were slightly more approvals coming from the area of expedited reviews vs. administrative hearings. This fiscal year there were eleven (11) fewer cases referred to Administrative Hearing from FY 2017. (157 in FY 2018 vs. 168 in FY 2017).

Mr. Scheller pointed out that on Goal 2² the Board has made progress in reducing the average time to process applications in all areas. The Board received 4,008 applications and disposed of 4007 cases this year (1,134 more cases disposed of than FY 2017 which is a 39.5% increase) a new record high for the Board. Even with the increase in applications, the average number of days to dispose of a case and the average number of days spent processing applications decreased over last fiscal year.

¹ To Make Fair and Consistent Determinations On Good-Cause Exceptions.

² To Provide Applicants with Timely Decisions On Their Good-Cause-Exception Applications.

The numbers are well below the estimates for both of these areas (over 10 days and 6 days, respectively). The Board continues to improve on the average number of days spent processing applications from receipt to expedited review which is 8.32 days for applicants. This is almost 4 full days below the estimate and nearing 12 days below the statutory time frame of 20 days.

The Board saw improvement on the new Performance Measure that was added last year – “Average days from scheduled hearing to hearing decision/completion.” This number gives the Board an indication of the average number of days that the Administrative Law Judge spends processing a case before the Board makes a final determination. The FY 2018 estimate was 55 days based upon the prior 2 fiscal years. This fiscal year the average ALJ processing time was down 13 days from FY 2017 and this is more than 34 days below the statutorily required 80 days. This shows the Board how efficient the ALJs are with processing cases that are assigned to them.

In addition, on Goal 3³ the Board surpassed the intended goal of 85%. The Board is now nearing 90% of all cases that are complete upon original submission. 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.

Ms. Pipersburgh remarked about the outstanding statistics for the year and suggested that consideration be given to bringing in additional help with processing applications and investigations due to the record number of cases received this year.

V. ADOPTION OF BUDGET FOR FISCAL YEAR 2018

Ms. Winders referred the Board members to Mr. Scheller’s August 10, 2018 memo proposing a budget for FY 2019 (see Attachment 3). Mr. Scheller indicated that the proposed budget includes \$626,807.95 in expenditures and assumes \$910,000 in revenues. Mr. Scheller pointed out that the primary increase in the budget proposal for FY 2019 is in Personal Services (COBJ 6000). The three main areas are: (1) allow the Executive Director to hire another administrative assistant on a part time basis to assist with the significant increase in the Board’s caseload., (2) merit based employee incentive payments by no more than 2% of the total personal services base (excluding ERE) in accordance with the Compensation Plan and criteria established by the Arizona Department of Administration, and (3) base salary increases for some of the Board staff within the guidelines established by the Arizona Department of Administration and will not exceed 5% of an employee’s current salary.

The next area of focus is the enhancement to the Board database management system. Mr. Scheller specifically referred the Board members to item 6299 – Other Professional

³ To Develop Fair and Comprehensible Rules, Policies, And Procedures for Determining Good-Cause Exceptions.

& Outside Services. He provided a breakdown which includes the cost of the off-duty police officers for security, document destruction, language interpreters and database programming. The proposed budget would decrease spending from the previous fiscal year by \$1,844.25. The primary reason for the decrease is that the Board is getting closer to the full implementation and transition from Microsoft Access database to Microsoft SQL Server Express. Continuing with the database programming enhancements made in FY 2018 will make Board processing more “lean,” fortify the data security and make a smoother transition to a web-based user interface in FY 2020.

Mr. Scheller indicated that he has proposed additional funding in 8531 – Computer Equipment (Non-capital) which covers computer costs. He stated that the Board will upgrade three new desktop computers and two monitors to replace existing units which have not been replaced since 2012.

Mr. Koch made a motion to adopt the FY 2019 budget as proposed, and Ms. Warda seconded. The motion passed, 6–0.

VI. ELECTIONS

Ms. Winders explained that the annual election for the Chairperson position and Vice Chairperson positions will be held today. Ms. Winders referred the Board members to Mr. Scheller’s September 8, 2017 memo regarding election procedures (see Attachment 4).

Ms. Winders requested nominations for the Chairperson position. Mr. Koch made a motion to re-elect Ms. Winders as Chairperson of the Arizona Board of Fingerprinting, and Ms. Warda seconded. Ms. Winders accepted the nomination. The motion passed unanimous, 6–0.

Ms. Winders requested a nomination for the Vice Chairperson position. Ms. Pipersburgh made a motion to re-elect Mr. Koch as Vice Chairperson of the Arizona Board of Fingerprinting, and Ms. Warda seconded. Mr. Koch accepted the nomination. The motion passed unanimous, 6–0.

VII. ADJOURNMENT

Ms. Winders adjourned the meeting at 9:25 a.m.

Minutes approved on December 28, 2018

Matthew A. Scheller, Executive Director



Arizona Board of Fingerprinting Memo

TO: Board Members
 FROM: Matthew A. Scheller
 Date: August 10, 2018
SUBJECT FY 2018 Budget Report

The agenda for the Board's August 24, 2018 meeting includes a report from the Executive Director on our fiscal year FY 2018 budget performance. To help expedite the meeting, I have prepared this memo, which summarizes the Board's budget performance in FY 2018. Attachment 1 details the Board's expenditures and revenues, with a comparison to the approved FY 2018 budget.

SUMMARY

- The fund balance at the beginning of FY 2018 was \$2,363,165.15.
- The Board had \$1,135,337.00 in revenues.
- The Board had \$589,109.12 in expenditures.
- Total actual expenditures were below the budget amount by \$46,555.55.
- The fund balance at the end of FY 2018 was \$2,909,393.03.

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 2014 to the present.

- End of FY 2014: \$1,508,978.30
- End of FY 2015: \$1,626,106.87
- End of FY 2016: \$1,923,004.84
- End of FY 2017: \$2,363,165.15
- End of FY 2018: \$2,909,393.03

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 2018 were \$103,628 higher than in FY 2017, and \$256,459 higher than in FY 2016. There have been many changes over the past decade to the number of programs in the fingerprint clearance card system; therefore, it is difficult to draw reliable comparisons of the number of fingerprint-clearance-card applications (which is the basis for the Board's revenues) among fiscal years. What is evident is that the additions to the fingerprint clearance card system have had a significant increase in the number of applications being received by the Department of Public Safety. To account for this increase DPS has added additional managers and investigators. In FY 2018, based upon the Board revenues, DPS received 162,191 applications. This is an increase of 14,804 applications from FY 2017 and 36,637 more applications than FY 2016.

The Board should continue to see an increase with the number of new professions being required to obtain a fingerprint clearance card. In FY 2015, the legislature added Dentist Licensure (ARS §32-1232), Dental Hygienist Licensure (ARS §32-1284) and Denturist Certification (ARS §32-1297.01). In FY 2016, Pharmacist Licensure (ARS §32-1904) was added, and FY 2017, added: Physical Therapists and Physical Therapist Assistants (ARS §32-2022), Alarm Installers (ARS §32-121), and School Bus Drivers (ARS §28-3228). This past legislative session (FY 2018) added Industrial Hemp Licenses (ARS §3-314), Home Inspector Certification (ARS §32-122.02), Department of Economic Security Employees who have access to federal tax information (ARS § 41-1969), and Dental Therapist Licensure (ARS § 32-1276.01).

The electronic fingerprint application process implemented by DPS (Arizona Automated Fingerprint Identification System (AZAFIS)), has been very successful. DPS informed the Board that it just surpassed 50% of its applications received through electronic processing. The Board is seeing an increased caseload resulting from denials through the electronic application process. The Board should see an increased caseload in FY 2019 and revenues should still exceed expenditures. The Board has a significant fund balance to cover any decreases in applications.

Specific areas of difference between expenditures and budget

Attachment 1 provides a comparison of actual expenditures and revenues with the FY 2018 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.

- 6000 – Personal Services. This category refers to costs for employee salaries. Spending in this category was \$20,837.02 lower than the budgeted expenditures. We were below budget because of the retirement of one of the Administrative Law Judges (ALJ). The ALJ returned to work as a part time employee. The Board did not experience any other staff changes during the fiscal year.
- 6100 – Employee-Related Expenditures (ERE). This category refers to costs for benefits, FICA, and pro-rata charges. ERE was 8,994.19 below the budgeted

amount. It was projected that there would be a greater increase in costs in this area, and even with the increase, ERE expenditures were lower than the budgeted amount. This will be accounted for in the FY 2019 budget proposal with a slightly lower calculation.

- 6299 – Other Professional and 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 Board authorized 14,376.00 which included database development in FY 2018. The spending in this category was \$2,451.75 below the budgeted amount. The Board is making 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 2019 budget proposal.
- 7153 - Internal Service Computer Processing - PC / LAN. This category includes costs associated with internal service data processing – including maintenance, processing, and support computer equipment. This area was modified in FY 2018 and can now be found in 7151. The Board overall in these two categories was \$1,316.52 below the budgeted amount. The numbering will be updated for FY 2019.
- 7179 - Other External Communication. This category was inactivated in FY 2018 and was renumbered as “7172 - External Telecommunications.” This area covers all telecommunications, phone and internet charges. The actual expenditures were \$1,048.37 below the budget amount. We continue to see savings in this area.
- 7221 – Rental of Land and Buildings. The category is for leasing our office space. The actual expenditures were \$1.38 below the budget.
- 7321 - Office Supplies. This category covers all office supplies that the office needs to run our day to day operations. The actual expenditures were \$554.42 over the budgeted amount from the purchase of needed supplies to cover the large increase in applications received over the course of the Fiscal Year.
- 7472 - External Printing. This category covers external printing of envelopes and stationary. The expenditures were \$70.61 below the budgeted amount.
- 8521 – Furniture (Non-capital). This category covers non-capital furniture purchases. The actual expenditures were \$964.50 below the budgeted amount.
- 8531 – Computer Equipment (Non-capital). This category covers computer costs. The expenditures show that we were over budget in this area by \$984.85. The overage was due to the purchase of 4 new computers and an “emergency purchase” of new uninterruptible power source (UPS) which provides emergency

power when the main power fails. The Board's old UPS failed and a new one was needed to protect the computers and server at the Board office from damage if there as a power outage.

- 8581 – Purchase or License Software. This category covers software purchases. The expenditures were over budget by 998.17 due to the fact that the Board purchased Microsoft licenses for every machine. The state migrated to a new software provider in FY 2018, but the Board requires Microsoft licenses since our Database runs on Access which is a Microsoft product.

Attachment 1 - FY 2018 Budget Report

	FY18 Actual	FY18 Budget	Difference	Perc. of Budget
REVENUES				
4900 - Operating Transfers In				
Prior FY Carryover	\$ 2,363,165.15	\$ 2,363,165.15	\$ -	100.00%
4901 - Oper. Transfers In	\$ 1,135,337.00	\$ 910,000.00	\$ 225,337.00	124.76%
Total 4900 - Oper. Trans. In	\$ 3,498,502.15	\$ 3,273,165.15	\$ 225,337.00	106.88%
TOTAL REVENUES	\$ 3,498,502.15	\$ 3,273,165.15	\$ 225,337.00	106.88%
EXPENDITURES				
6000 - Personal Services				
	\$ 336,122.16	\$ 356,959.18	\$ (20,837.02)	94.16%
6100 - Employee-related exp.				
	\$ 144,498.26	\$ 153,492.45	\$ (8,994.19)	94.14%
6200 - Prof. & Outside Svcs.				
6299 - Other Prof. & Out. Svcs.	\$ 11,924.25	\$ 14,376.00	\$ (2,451.75)	82.95%
Total 6200 - Prof. & Outside Svcs.	\$ 11,924.25	\$ 14,376.00	\$ (2,451.75)	82.95%
7000 - Other Operating				
7111 - Insurance & Related Chgs	\$ 1,900.00	\$ 2,000.00	\$ (100.00)	95.00%
7151 - Internal Svc. Data Proc. - AFIS	\$ 10,366.51	\$ 1,500.00	\$ 8,866.51	691.10%
7153 - Internal Svc. Data Proc. - Pc/Lan	\$ 816.97	\$ 11,000.00	\$ (10,183.03)	7.43%
7161 - AFIS Development & Usage	\$ 579.00	\$ -	\$ -	
7172 - External Telecommunications	\$ 11,442.36	\$ -	\$ -	
7179 - Other External Comm.	\$ 1,509.27	\$ 14,000.00	\$ (12,490.73)	10.78%
7221 - Rental of Land & Bldgs.	\$ 37,974.30	\$ 37,975.68	\$ (1.38)	100.00%
7241 - Int Acctg, Budg, Fin Svc.	\$ 3,840.00	\$ 3,840.00	\$ -	100.00%
7266 - Repair/Maint-Other Equip	\$ 953.98	\$ 1,400.00	\$ (446.02)	68.14%
7321 - Office Supplies	\$ 6,054.42	\$ 5,500.00	\$ 554.42	110.08%
7381 - Office Operating Supplies	\$ -	\$ 100.00	\$ (100.00)	---
7472 - External Printing	\$ 929.39	\$ 1,000.00	\$ (70.61)	92.94%
7481 - Postage & Delivery	\$ 10,500.73	\$ 11,000.00	\$ (499.27)	95.46%
7541 - Books, Subscr., & Pubs.	\$ 179.00	\$ 400.00	\$ (221.00)	44.75%
7599 - Other Misc. Operating	\$ -	\$ 600.00	\$ (600.00)	0.00%
Total 7000 - Other Operating	\$ 87,045.93	\$ 90,315.68	\$ (15,291.11)	96.38%
8500 - Non-capital Equipment				
8521 - Furniture Non-capital	\$ 535.50	\$ 1,500.00	\$ (964.50)	35.70%
8531 - Computer Equip. Non-cap.	\$ 6,984.85	\$ 6,000.00	\$ 984.85	116.41%
8581 - Purch. or lic. software	\$ 1,998.17	\$ 1,000.00	\$ 998.17	199.82%
Total 8500 - Non-capital Equip.	\$ 9,518.52	\$ 8,500.00	\$ 1,018.52	111.98%
9100 - Transfers Out				
9101 - Op Trans Out: Fund Sweeps	\$ -	\$ -	\$ -	
Total 9100 - Oper. Trans. Out	\$ -	\$ -	\$ -	
TOTAL EXPENDITURES	\$ 589,109.12	\$ 623,643.31	\$ (46,555.55)	94.46%
NET INCOME	\$ 2,909,393.03	\$ 2,649,521.84	\$ 271,892.55	109.81%

*7151 Modified this year

*7153 Inactivated - became 7151

*7161 New Addition

*7172 Modified this year

*7179 Inactivated - became 7172



Arizona Board of Fingerprinting Memo

TO: Board Members
FROM: Matthew A. Scheller
Date: August 10, 2018
SUBJECT FY 2018 Strategic-Plan Report

The agenda for the Board's August 24, 2018 meeting includes a report from the Executive Director on the Board's strategic-plan performance during Fiscal Year (FY) 2018. 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 2017 and FY 2018.

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 received a record increase (45.69%) in applications this Fiscal Year.
- The Board processes applications very efficiently even with the high number of applications received this Fiscal Year.
- Overall wait times for applicants continues to decline.
- The Board is in near 100% compliance with all statutory time frames.
- 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 99.59%. There were only 16 cases in FY 2018 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 just over 2% and the approvals by administrative hearing decreasing by this same amount. This means that slightly more approvals are coming from the area of expedited reviews vs. administrative hearings. This fiscal year there were eleven (11) fewer cases referred to Administrative Hearing from FY 2017. (157 in FY 2018 vs. 168 in FY 2017) 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 is above projection and Board disposed of more cases than last Fiscal Year

The Board's caseload has been substantially above the estimated amount over the past two fiscal years 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. The Board received 4,008 applications and disposed of 4007 cases this year (1,134 more cases disposed of than FY 2017 which is a 39.5% increase) a new record high for the Board.

Processing time continues to be impressive

In the past two fiscal years the Board has made significant progress in reducing the average time to process applications in all areas. 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. Even with the increase in applications, the average number of days to dispose of a case and the average number of days spent processing applications decreased over last fiscal year. The numbers are well below the estimates for both of these areas (over 10 days and 6 days, respectively). The Board continues to improve on the average number of days spent processing applications from receipt to expedited review which is 8.32 days for applicants. This is almost 4 full days below the estimate and nearing 12 days below the statutory time frame of 20 days.

The Board saw improvement on the new Performance Measure that was added last year – "Average days from scheduled hearing to hearing decision/completion." This number gives the Board an indication of the average number of days that the Administrative Law Judge ("ALJ") spends processing a case before the Board makes a final determination. The FY 2018 estimate was 55 days based upon the prior 2 fiscal years. This fiscal year the average ALJ processing time was down 13 days from FY 2017 and this is more than 34 days below the statutorily required 80 days. This shows the Board how efficient the ALJs are with processing cases that are assigned to them.

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 2018, there was only 1 case that failed to meet this time frame to give an average of 99.97%. This is an improvement as a percentage basis over FY 2017, and the staff continues to monitor every case 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 2018 there were no cases that failed to meet the time frame. This area achieved 100% compliance and

measures are in place to ensure that cases are always set within prescribed timeframes.

- Board decision: 80 days from a scheduled 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 100% 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 over the impressive number from FY 2017 and again surpassed the intended goal of 85%. The Board is now nearing 90% of all cases that are complete upon original submission.

The Board should be encouraged with the 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 2018 Performance Measures

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

Performance Measure	FY 17 Actual	FY 18 Estimate	FY 18 Actual
Percent of investigator recommendations for expedited reviews accepted	99.04%	96.00%	99.59%
Percent of applications approved	99.15%	96.00%	98.96%
Percent of approvals by expedited review	93.73%	95.00%	95.86%
Percent of approvals by administrative hearing	6.27%	5.00%	4.14%

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

Performance Measure	FY 17 Actual	FY 18 Estimate	FY 18 Actual
Number of applications received	2,751	3,000	4,008
Number of applications disposed	2,873	3,000	4,007
Ratio of cases opened to cases closed	1:1.04	1:1	1:.99
Average number of days to dispose	21.50	30.00	19.32
Average number of days spent processing applications	14.72	20.00	13.35
Average number of days spent processing applications from receipt to expedited review	8.63	12.00	8.32
Average days from expedited review to hearing	34.12	35.00	34.95
Average days from scheduled hearing to hearing decision/completion	58.71	55.00	45.56
Percent of applications with an expedited review within 20 days of receipt of a complete application	99.96%	100.00%	99.97%
Percent of applications with a hearing within 45 days of an expedited review	100.00%	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 17 Actual	FY 18 Estimate	FY 18 Actual
Percent of applications complete on initial submission	86.53%	85.00%	89.80%



Arizona Board of Fingerprinting Memo

TO: Board Members
 FROM: Matthew A. Scheller
 Date: August 10, 2018
SUBJECT FY 2019 Budget Proposal

This memo discusses a proposed budget for Fiscal Year (“FY”) 2019 for the Arizona Board of Fingerprinting (“Board”) to adopt at its August 24, 2018 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 \$618,745.97 in expenditures.
- The proposed budget projects \$910,000 in revenues. This projection assumes that DPS will receive 130,000 fingerprint clearance card applications in FY 2019. (DPS received 162,191 applications in FY 2018 for revenues of \$1,135,337)
- If the revenues match projections, the Board’s fund balance at the end of FY 2019 will be \$3,200,647.06, an increase from the previous fiscal year of \$294,732.67.

FUND BALANCE

- At the end of FY 2018 (as of June 30, 2018), the Board’s fund balance was \$2,909,393.03. This is an increase of \$546,227.88 from FY 2017 (\$2,363,165.15).
- The Board is beginning FY 2019 on solid financial footing.

BUDGET PROPOSAL FOR FY 2019

Attachment 1 proposes a budget that includes \$626,807.95 in expenditures and assumes \$910,000 in revenues.

Attachment 1 also provides a comparison of FY 2018 actual expenditures and revenues with the FY 2019 budget proposal. The list below explains areas where there are

notable differences in spending between FY 2018 and the proposed FY 2019 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 \$22,575.23 from the FY 2018 actual spending. This increase is due to three factors:
 - To allow the Executive Director to hire another administrative assistant on a part time basis to assist with the significant increase in the Board's caseload. The proposal is to hire a part time employee through a temporary agency or a part time state employee. The proposed budget reflects an increase of \$15,000. This may increase to a full time position as the need arises and the Board would have to approve this expenditure at a separate Board meeting.
 - To allow the Executive Director to provide merit based employee incentive payments (except to the Executive Director who is 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 \$6,424.34 over the course of the fiscal year, and any incentive payments cannot exceed 10% of an employee's annual base salary. 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.
 - To allow the Executive Director to provide base salary increases for some of the Board staff within the guidelines established by the Arizona Department of Administration. (Prior to personnel reform the Board was prevented from being able to make these increases.) ADOA has provided some options that would allow agencies to request justifiable increases. These increases must be approved by ADOA and any base salary increases will not exceed 5% of an employee's current salary.

- 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 decrease spending from the previous fiscal year by \$1,844.25. The primary reason for the decrease is that the Board is getting closer to the full implementation and transition from Microsoft Access database to Microsoft SQL Server Express. The main focus on FY 2019's development will be the following:

- Conversion of associated letters and queries for our GCE application.
- Develop an automated backup routine.
- Developer test and debug time as needed.

I recommend that the Board approve the spending in this area to continue the process of upgrading and enhancing our database management system from Microsoft Access to SQL Server Express. This will 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. There is an initiative from the Governor's Office called the "Digital Government Team" which is focused on modernizing the services Arizona offers to all customers. To this end, the Board will be focused on having our application processes available for submission online in the future fiscal years.

- 7172 - External Communication (7179 Inactivated - became 7172). The spending in the category covers all telecommunications, phone and internet charges. The proposal is the same as last fiscal year.
- 7221 – Rental of Land and Buildings. This category is for leasing our office space. The Board signed a 5-year lease extension in March 2017 that was approved by the Department of Administration. The current yearly rent for our space is \$37,975.68. The Board pays \$12.36 per sq/ft which is well below the average rental cost that agencies pay on an annual basis.
- 7266 – Repair/Maintenance – Other Equipment. This category covers the maintenance of our copy machine. The proposal is the same as last fiscal year.
- 7321 – Office Supplies. This category covers all purchases of office supplies throughout the year. The proposed budget is \$500 more than the previous fiscal year based upon the increased caseload and the need to purchase additional paper and supplies.
- 7472 - External Printing. This category covers external printing of envelopes and stationary. The proposal is the same as last fiscal year.
- 8521 – Furniture (Non-capital). This category covers authorized spending to replace old furniture and improve the Board's public spaces. The proposed budget amount in this area for FY 2019 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 three new desktop computers and two monitors to replace existing units which have not been replaced since 2012.

- 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 during the past 4 fiscal years and the Board is not currently required to transfer any money into other state funds during FY 2019.

Attachment 1 - FY 2019 Budget Proposal

	FY18 Actual	FY19 Proposed Budget	Difference
REVENUES			
4900 - Operating Transfers In			
Prior FY Carryover	\$ 2,363,165.15	\$ 2,909,393.03	\$ 546,227.88
4901 - Oper. Transfers In	\$ 1,135,337.00	\$ 910,000.00	\$ (225,337.00)
Total 4900 - Oper. Trans. In	\$ 3,498,502.15	\$ 3,819,393.03	\$ 320,890.88
TOTAL REVENUES	\$ 3,498,502.15	\$ 3,819,393.03	\$ 320,890.88
EXPENDITURES			
6000 - Personal Services	\$ 336,122.16	\$ 358,697.39	\$ 22,575.23
6100 - Employee-related exp.	\$ 144,498.26	\$ 150,652.90	\$ 6,154.64
6200 - Prof. & Outside Svcs.			
6299 - Other Prof. & Out. Svcs.	\$ 11,924.25	\$ 10,080.00	\$ (1,844.25)
Total 6200 - Prof. & Outside Svcs.	\$ 11,924.25	\$ 10,080.00	\$ (1,844.25)
7000 - Other Operating			
7111 - Insurance & Related Chgs	\$ 1,900.00	\$ 2,000.00	\$ 100.00
7151 - Internal Svc. Data Proc. - Pc/Lan	\$ 10,366.51	\$ 11,000.00	\$ 633.49
7153 - Inactivated - became 7151	\$ 816.97	\$ -	\$ (816.97)
7161 - AFIS Development & Usage	\$ 579.00	\$ 1,500.00	
7172 - External Telecommunications	\$ 11,442.36	\$ 14,000.00	
7179 - Inactivated - became 7172	\$ 1,509.27	\$ -	\$ (1,509.27)
7221 - Rental of Land & Bldgs.	\$ 37,974.30	\$ 37,975.68	\$ 1.38
7241 - Int Acctg, Budg, Fin Svc.	\$ 3,840.00	\$ 3,840.00	\$ -
7266 - Repair/Maint-Other Equip	\$ 953.98	\$ 1,400.00	\$ 446.02
7321 - Office Supplies	\$ 6,054.42	\$ 6,000.00	\$ (54.42)
7381 - Office Operating Supplies	\$ -	\$ 100.00	\$ 100.00
7472 - External Printing	\$ 929.39	\$ 1,000.00	\$ 70.61
7481 - Postage & Delivery	\$ 10,500.73	\$ 11,000.00	\$ 499.27
7541 - Books, Subscr., & Pubs.	\$ 179.00	\$ 400.00	\$ 221.00
7599 - Other Misc. Operating	\$ -	\$ 600.00	\$ 600.00
Total 7000 - Other Operating	\$ 87,045.93	\$ 90,815.68	\$ 291.11
8500 - Non-capital Equipment			
8521 - Furniture Non-capital	\$ 535.50	\$ 1,500.00	\$ 964.50
8531 - Computer Equip. Non-cap.	\$ 6,984.85	\$ 6,000.00	\$ (984.85)
8581 - Purch. or lic. software	\$ 1,998.17	\$ 1,000.00	\$ (998.17)
Total 8500 - Non-capital Equip.	\$ 9,518.52	\$ 8,500.00	\$ (1,018.52)
9100 - Transfers Out			
9101 - Op Trans Out: Fund Sweeps	\$ -	\$ -	\$ -
Total 9100 - Oper. Trans. Out	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 589,109.12	\$ 618,745.97	\$ 26,158.21
NET INCOME	\$ 2,909,393.03	\$ 3,200,647.06	\$ 294,732.67



Arizona Board of Fingerprinting Memo

TO: Board Members
 FROM: Matthew A. Scheller
 Date: August 10, 2018
SUBJECT Chairperson Election

Under A.R.S. § 41–619.52(B), the Board must annually elect a chairperson and vice-chairperson from among its members. (The Board may also elect “any other officers that are deemed necessary or advisable,” but the Board has never elected additional officers.) The last election was held on September 22, 2017 for the chairperson and vice-chairperson position. Previous annual elections were held each January, and a vacancy in the chairperson position in August of 2017 shifted this annual election to the August/September timeframe.

At its August 24, 2018 meeting, the Board will elect a chairperson. This memo explains the duties of the officers and discusses how the Board should conduct its election.

DUTIES OF OFFICERS

The chairperson presides over Board meetings and hearings and sets the agendas for Board meetings (often with input from the executive director). In general, the executive director keeps the chairperson informed about issues that could affect the Board. (Board members who may be interested in the office should be aware that the executive director communicates regularly with the chairperson, usually a couple of times a month and sometimes more, especially during legislative sessions.)

The vice-chairperson assumes the chairperson’s duties when the chairperson is absent.

There are no restrictions on how many times a Board member may serve in an office.

PROCEDURES

The Board’s statutes do not prescribe procedures for conducting elections. However, open-meeting laws prohibit secret ballots or elections conducted in executive session. Although the Board has options for conducting its elections, the most straightforward procedure would be the following, which the Board has used in previous elections:

1. The Board has discussion, if necessary.
2. A member makes a motion to elect a specific person as chairperson, and the motion is seconded.
3. A vote is taken. If the motion passes by a majority, the person is elected chairperson.
4. The procedure is repeated for the office of vice-chairperson.

When the Board has elected new officers, it has been common practice for the current officers to continue their role for the remainder of the meeting and for the newly elected officers to preside at the next meeting.