



## **ARIZONA BOARD OF FINGERPRINTING**

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

### **DRAFT Minutes for Public Meeting**

Held September 3, 2021, at 9:00 a.m.  
4205 North 7th Avenue, Suite 206  
Phoenix, Arizona

#### **Board Members**

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

#### **Executive Director**

Matthew A. Scheller

### **I. CALL TO ORDER AND ROLL CALL**

Ms. Burns called the meeting to order at 9:00 a.m. The following Board members were present by teleconference: Garnett Burns, Kim Pipersburgh, Shamiran Warda, John Piccarreta, Elanie Estrada and Christina Ralls. The following Board members were absent: NONE

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

### **II. CALL TO THE PUBLIC**

Ms. Burns made a call to the public. There were no members of the public present.

### **III. APPROVAL OF MINUTES FROM APRIL 16, 2021**

Ms. Pipersburgh made a motion to approve the draft minutes from April 16, 2021, and Ms. Warda seconded. The motion passed 6–0.

### **IV. EXECUTIVE DIRECTOR'S REPORT**

#### **A. Report on fiscal year 2021 budget**

Ms. Burns 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) 20201-budget report memo dated August 27, 2021 (see Attachment 1).

Mr. Scheller spoke about the positive financial position of the Board with the current fund balance at the end of FY 2021 being \$1,414,508.62. The Board fund is in a very healthy position moving into the new fiscal year.

Mr. Scheller reported that he Board's revenues in FY 2021 were \$817,448 and expenditure were \$657,403.99. Total actual expenditures were below the budget amount by \$33,232.15. The fund balance at the end of FY 2021 is \$172,887.65 above what was projected at the beginning of the fiscal year.

Mr. Scheller indicated that the Arizona Department of Public Safety received 151,292 Fingerprint Clearance Card applications and transmitted fees to the Board in the amount of \$817,448. The Board received first quarter fees (July – September) at a rate of \$7.00 per fingerprint clearance card applicant and the second, third, and fourth quarter fees (October – June) at the rate \$4.00 per applicant. Even during this pandemic year, DPS received a large number of Fingerprint Clearance Card applications.

The Board had higher than usual spending in categories of "6000 – Personal Services" and "6299 – Other Professional and Outside Services" because of hiring outside legal counsel for one case. In addition, the Board had higher spending in the area of "8581 – Purchased or licensed software/website." The expenditure was significantly above the budget in this area by \$24,338.58 to purchase software called Salesforce Lightning UI. The Board held a public meeting on April 16, 2021 and unanimously approved moving forward with a new database for good cause exception and central registry exception applications. MST Solutions, Inc. is the vendor who is designing and building the new database on the Salesforce program. Although this expenditure was not anticipate at the beginning of the year, the Board approved the amount during the fiscal year.

#### **B. Report on fiscal year 20201 strategic plan**

Mr. Scheller provided a summary of the FY 2021 strategic-plan performance memo dated August 27, 2021 (see Attachment 2). 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 1<sup>1</sup>, the Board exceeded the goal of 96% with an average over the fiscal year of 99.76%. There were only eight cases in FY 2021 in which the Board modified the original recommendation of the investigator at an expedited review consideration.

Mr. Scheller pointed out that on Goal 2<sup>2</sup> the Board has made progress in reducing the average time to process applications. The Board received 3,435 applications and disposed of 3,529 cases this year. The average number of days to dispose of a case was slightly above last year's number and the average number of days spent processing applications was slightly above last fiscal year. The numbers are well below the estimates for both of these areas (9.50 days below the estimate and 5.81 days below the estimate, respectively). The average number of days spent processing applications from receipt to expedited review is an impressive 7.19 days for all applicants. This is 4.81 days below the Board's estimate and 12.81 days below the statutory time frame of 20 days.

Mr. Scheller indicated that there are three statutory time frames that the Board must comply with and for a second year, the Board is in 100% compliance!

On Goal 3,<sup>3</sup> the Board surpassed the intended goal of 85%. The Board was just below 90% for all cases complete upon original submission – 89.32%. Mr. Scheller indicated that the Board should be pleased with this number as it shows the diligent efforts being made to communicate with applicants about the Board's application process. The Board staff do an outstanding job communicating with Applicants and this is directly reflected in these results.

## **V. ADOPTION OF BUDGET FOR FISCAL YEAR 2022**

Ms. Burns referred the Board members to Mr. Scheller's August 27, 2021 memo proposing a budget for FY 2021 (see Attachment 3). Mr. Scheller indicated that the Board should adopt a budget that includes \$840,000.14 in total expenditures and assumes \$600,000 in revenues. The expenditures are significantly higher than previous fiscal years due to the development of the Board's new database system. The revenue projection assumes that DPS will receive 150,000 fingerprint-clearance-card applications in FY 2022. (DPS received 151,292 applications in FY 2021 for revenues of \$817,448.00) The fingerprint-clearance-card fee was reduced from \$7.00 dollars to \$4.00 dollars per application on October 1, 2020, and FY 2022 will be the first full fiscal year at the lower rate.

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<sup>1</sup> To Make Fair and Consistent Determinations On Good-Cause Exceptions.

<sup>2</sup> To Provide Applicants with Timely Decisions On Their Good-Cause-Exception Applications.

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

Mr. Scheller pointed out that the primary increase in the budget proposal for FY 2022 is in Personal Services (COBJ 6000). The proposed budget increase will cover the cost of programming and implementing the new database project by the Board's vendor MST Solutions. MST Solutions understands the specific project goals, deliverables, features, functions, tasks, and deadlines. Completion of this project in FY 2022 will allow the Board have a fully functional online application process.

Mr. Scheller indicated that he has proposed additional funding in "8531 – Computer Equipment (Non-capital)" which covers computer costs and "8581 – Purchase or license software." With the new database running on software called Salesforce Lightning UI, the Board will have this yearly cost along with the companion software (Nintex, etc).

Mr. Scheller asked if any Board Member had questions regarding the report or recommendation and no Board member had questions. Ms. Burns requested a motion and Ms. Pipersburgh made a motion to adopt the FY 2022 budget as proposed. Ms. Warda seconded. The motion passed, 6–0.

## **VI. ADOPTION OF ANNUAL MEETINGS POLICY**

Ms. Burns referred the Board members to Mr. Scheller's August 27, 2021 memo proposing the adoption of an Annual Board Meeting Policy (see Attachment 4). Mr. Scheller discussed the memo and the reasons for the adoption of Draft Policy - Annual Board Meeting Policy #104. Mr. Scheller indicated that there would be four agenda items that the Board must consider at the Board's Annual Meeting (last regularly scheduled Board Meeting in August or the first regularly scheduled Board Meeting in September). The agenda would include the following:

1. Annual election of the Board Chairperson and Vice-Chairperson (see A.R.S. § 41–619.52(B),
2. Review of the Fiscal Year Budget Report and Strategic Plan Report,
3. Review and adoption of a budget for the new Fiscal Year,
4. Review the appropriateness of the Board's Fee (see A.R.S. § 41–619.53(A)(5)).

Mr. Scheller asked if any Board Member had questions regarding the report or recommendation and no Board member had questions. Ms. Burns requested a motion and Ms. Pipersburgh made a motion to adopt Annual Board Meeting Policy #104. Ms. Warda seconded. The motion passed, 6–0.

## **VII. ANNUAL REVIEW OF THE FINGERPRINT-CLEARANCE-CARD FEE**

Ms. Burns referred the Board members to Mr. Scheller's August 27, 2021 memo regarding the Annual Review of the Board's Fee (see Attachment 5). Mr. Scheller discussed the memo and the reasons for the recommendation to keep the current fee at \$4.00 per application. Mr. Scheller indicated that if the projections stay consistent, the

Board fund would gradually decrease by 60 percent of its current value, while maintaining a positive balance at the end of FY 2026. In addition, since the Board just adopted an Annual Board Meeting Policy, the Board will review its user fee each year to ensure it is properly aligned with program costs.

Mr. Scheller asked if any Board Member had questions regarding the fee review or recommendation and no Board member had questions. Ms. Burns requested a motion and Ms. Pipersburgh made a motion to keep the current fee at \$4.00 per application. Ms. Warda seconded. The motion passed, 6–0.

## **VIII. ELECTION**

Ms. Burns explained that the annual election for the Chairperson position and Vice Chairperson positions will be held today. Ms. Burns explained that she would be stepping away from the Board and her last meeting would be the September 17, 2021; therefore, she would not entertain a nomination for the Chairperson or Vice Chairperson positions. She thanked everyone on the Board.

Ms. Burns referred the Board members to Mr. Scheller’s August 27, 2020 memo regarding election procedures (see Attachment 6). Ms. Burns requested nominations for the Chairperson position. Ms. Estrada made a motion to elect Ms. Pipersburgh as Chairperson of the Arizona Board of Fingerprinting, and Ms. Warda seconded. Ms. Pipersburgh accepted the nomination. The motion passed unanimous, 6–0.

Ms. Burns requested a nomination for the Vice Chairperson position. Ms. Pipersburgh made a motion to elect Ms. Ralls as Vice Chairperson of the Arizona Board of Fingerprinting, and Ms. Warda seconded. Ms. Ralls indicated that she would only be serving as a Board member until the end of December 2021, but she was willing to serve as the Vice Chairperson until that time. The motion passed unanimous, 6–0.

Mr. Scheller indicated that Ms. Pipersburgh and Ms. Ralls would start in their new positions at the next Board meeting scheduled for Friday, September 17, 2021.

## **IX. ADJOURNMENT**

Ms. Burns adjourned the meeting at 9:24 AM.

Minutes approved on \_\_\_\_\_, 2021

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Matthew A. Scheller, Executive Director



# Arizona Board of Fingerprinting Memo

TO: Board Members  
 FROM: Matthew A. Scheller  
 Date: August 27, 2021  
**SUBJECT FY 2021 Budget Report**

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The agenda for the September 3, 2021 meeting includes a report from the Executive Director on the Board's fiscal year FY 2021 budget performance. To help expedite the meeting, I have prepared this memo, which summarizes the Board's budget performance in FY 2021. Attachment 1 details the Board's expenditures and revenues, with a comparison to the approved FY 2021 budget.

## SUMMARY

- The fund balance at the beginning of FY 2021 was \$1,254,464.61.
- The Board had \$817,448.00 in revenues.
- The Board had \$657,403.99 in expenditures.
- Total actual expenditures were below the budget amount by \$33,232.15.
- The fund balance at the end of FY 2021 was \$1,414,508.62.
- The fund balance at the end of FY 2021 is \$172,887.65 above what was projected at the beginning of the fiscal year

## 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 2017 to the present.

- End of FY 2017: \$2,363,165.15
- End of FY 2018: \$2,909,393.03
- End of FY 2019 \$3,554,920.00
- End of FY 2020 \$1,254,464.61
- End of FY 2021 \$1,414,508.62

*Revenues were below FY 2020 because the Board lowered its Fee from \$7.00 per application to \$4.00 per application beginning in October 2020.*

The Board's revenues in FY 2021 were \$157,036 lower than in FY 2020. The Arizona Department of Public Safety ("DPS") received 151,292 Fingerprint Clearance Card applications and transmitted fees to the Board in the amount of \$817,448. The Board received first quarter fees (July – September) at a rate of \$7.00 per fingerprint clearance card applicant and the second, third, and fourth quarter fees (October – June) at the rate \$4.00 per applicant. Even during this pandemic year, DPS received a large number of Fingerprint Clearance Card applications. In FY 2021, the 151,292 Fingerprint Clearance Card applications DPS received was an increase of 12,080 applications from FY 2020 (139,212), and a decrease of 19,379 applications from FY 2019 (170,671).

The decrease in revenue this year can also be attributed to the global pandemic that began in early in 2020 and the effects are still being felt today. The pandemic has had a significant impact on the local economy, but the outlook for Arizona looks strong in future fiscal years. Even with the decrease in revenue, the Board fund is in a very healthy position moving into the new fiscal year.

#### *Specific areas of difference between expenditures and budget*

Attachment 1 provides a comparison of actual expenditures and revenues with the FY 2021 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 \$36,552.06 lower than the budgeted expenditures. We were below budget because an Administrative Law Judges (ALJ) resigned his position in the spring of 2019 and the position has not been filled for the past two fiscal years. The two ALJs for the Board have done an outstanding job with the current caseload. There is a plan to fill the open full time position in the near future and this is included in the FY 2022 budget proposal.
- 6100 – Employee-Related Expenditures (ERE). This category refers to costs for benefits, FICA, and pro-rata charges. ERE was \$14,738.91 below the budgeted amount. This difference resulted for the same reasons stated above. This will be accounted for in the FY 2022 budget proposal.
- 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 \$27,180.00 in FY 2021. The spending in this category was significantly above the budgeted

amount. The Board had to seek outside legal counsel for lawsuit against the Board that was litigated in superior court. The Arizona Attorney General's Office was conflicted out of this case, which left the Board to seek representation from an outside law firm. The lawsuit ended with a dismissal of the case and there is no anticipated external legal fees in FY 2022. Our external IT consultant, Gould Intelligent, was needed for less hours than anticipated. The Board will need the assistance of Mr. Gould in FY 2021-2022 as we move forward with the next phase of the database conversion. This will be accounted for in the FY 2022 budget proposal.

- 7111 – Insurance & Related Charges. This category includes our Risk Management cost allocation. This was same as anticipated.
- 7151 - Internal Service Computer Processing - PC / LAN. This category includes costs associated with internal service data processing – including maintenance, processing, and support computer equipment. The Board overall in these two categories was \$3,423.79 below the budgeted amount.
- 7172 - Other External Communication. This area covers all telecommunications, phone and internet charges. The actual expenditures were \$2,326.16 below the budget amount. This is a decrease from the past several years, but the demand remains high for phone and internet services under the current conditions.
- 7221 – Rental of Land and Buildings. This category is for leasing our office space. The actual expenditures were slightly below (\$89.18) the budgeted amount.
- 7321 - Office Supplies. This category covers all office supplies that the office needs to run our day-to-day operations. The actual expenditures were \$1,965.54 below the budgeted amount.
- 7481 – Postage & Delivery. This category covers all postage and billing from the ADOA Mailroom. There was a significant decrease in this area (\$4,121.53) because of the lower volume and will be accounted for in the FY 2022 Budget Proposal.
- 7565 - Security, Off Duty Police. This category was previously listed in COBJ 6299 and covers off duty police coverage for Board Meetings. There was no spending in this area due to the fact that the Board held its meetings by teleconference. There has been no in person off duty police security since March 2020. It is suggested that this area not be funded in the FY 2022 Budget Proposal.
- 8531 – Computer Equipment (Non-capital). This category covers computer costs. The expenditures show that we were under budget in this area by \$3,124.15. The Board did replace two computers this fiscal year. The purchase

of computer equipment, specifically new laptop computers and video monitors, will be addressed in the FY 2022 budget proposal.

- 8581 – Purchased or licensed software/website. This category covers the cost of purchasing or licensing software/website to be expensed. The expenditures were significantly above the budget in this area by \$24,338.58. The Board held a public meeting on April 16, 2021 and unanimously approved moving forward with a new database for good cause exception and central registry exception applications. MST Solutions, Inc. is the vendor who is designing and building the new database on software called Salesforce Lightning UI. The Board purchased the Salesforce program in FY 2021 in order for our vendor to begin the process of building the new database. Although this expenditure was not anticipated at the beginning of the year, the amount was approved by the Board during the fiscal year. Continuation of all licensing products for our new database will be addressed in the FY 2022 budget proposal.
- 9101 – Operating Transfers Out – Fund Sweeps. This area covers Legislative Transfers. Although the Board had a legislated sweep in FY 2020 for the construction of a DPS radio communication tower and DPS remote housing replacement, there was no legislative sweep in FY 2021. There is no anticipated sweep in the FY 2022 budget proposal.

## Attachment 1 - FY 2021 Budget Report

	FY21 Actual	FY21 Budget	Difference	Perc. of Budget
<b>REVENUES</b>				
<b>4900 - Operating Transfers In</b>				
Prior FY Carryover	\$ 1,254,464.61	\$ 1,254,464.61	\$ -	100.00%
4901 - Oper. Transfers In	\$ 817,448.00	\$ 720,000.00	\$ 97,448.00	113.53%
<b>Total 4900 - Oper. Trans. In</b>	<b>\$ 2,071,912.61</b>	<b>\$ 1,974,464.61</b>	<b>\$ 97,448.00</b>	<b>104.94%</b>
<b>TOTAL REVENUES</b>	<b>\$ 2,071,912.61</b>	<b>\$ 1,974,464.61</b>	<b>\$ 97,448.00</b>	<b>104.94%</b>
<b>EXPENDITURES</b>				
<b>6000 - Personal Services</b>	\$ 353,297.22	\$ 389,849.28	\$ (36,552.06)	90.62%
<b>6100 - Employee-related exp.</b>	\$ 148,997.79	\$ 163,736.70	\$ (14,738.91)	91.00%
<b>6200 - Prof. &amp; Outside Svcs.</b>				
6222 - External Legal Services	\$ 41,762.00	\$ -	\$ 41,762.00	
6241 - Temporary Agency Services	\$ 445.50	\$ -	\$ 445.50	
6299 - Other Prof. & Out. Svcs.	\$ 652.25	\$ 27,180.00	\$ (26,527.75)	2.40%
<b>Total 6200 - Prof. &amp; Outside Svcs.</b>	<b>\$ 42,859.75</b>	<b>\$ 27,180.00</b>	<b>\$ (26,527.75)</b>	<b>157.69%</b>
<b>7000 - Other Operating</b>				
7111 - Insurance & Related Chgs	\$ 2,600.00	\$ 2,600.00	\$ -	100.00%
7151 - Internal Svc. Data Proc. - AFIS	\$ 7,576.21	\$ 11,000.00	\$ (3,423.79)	68.87%
7161 - AFIS Development & Usage	\$ 506.75	\$ 1,500.00	\$ (993.25)	33.78%
7172 - External Telecommunications	\$ 12,673.84	\$ 15,000.00	\$ (2,326.16)	84.49%
7221 - Rental of Land & Bldgs.	\$ 37,880.98	\$ 37,970.16	\$ (89.18)	99.77%
7241 - Int Acctg, Budg, Fin Svc.	\$ 4,000.00	\$ 4,000.00	\$ -	100.00%
7266 - Repair/Maint-Other Equip	\$ 956.27	\$ 1,400.00	\$ (443.73)	68.31%
7321 - Office Supplies	\$ 5,034.46	\$ 7,000.00	\$ (1,965.54)	71.92%
7341 - Houskeeping Supplies	\$ 86.37	\$ -	\$ 86.37	
7472 - External Printing	\$ -	\$ 1,000.00	\$ (1,000.00)	0.00%
7481 - Postage & Delivery	\$ 11,878.47	\$ 16,000.00	\$ (4,121.53)	74.24%
7482 - Document Shredding/Destruction	\$ 216.00	\$ 400.00	\$ (184.00)	54.00%
7541 - Books, Subscr., & Pubs.	\$ -	\$ 400.00	\$ (400.00)	0.00%
7565 - Security, Off Duty Police (New)	\$ -	\$ 2,600.00	\$ (2,600.00)	0.00%
7599 - Other Misc. Operating	\$ 225.45	\$ 600.00	\$ (374.55)	37.58%
<b>Total 7000 - Other Operating</b>	<b>\$ 83,634.80</b>	<b>\$ 101,470.16</b>	<b>\$ (17,835.36)</b>	<b>82.42%</b>
<b>8500 - Non-capital Equipment</b>				
8521 - Furniture Non-capital	\$ -	\$ 1,000.00	\$ (1,000.00)	0.00%
8531 - Computer Equip. Non-cap.	\$ 3,275.85	\$ 6,400.00	\$ (3,124.15)	51.19%
8581 - Purch. or lic. software	\$ 25,338.58	\$ 1,000.00	\$ 24,338.58	2533.86%
<b>Total 8500 - Non-capital Equip.</b>	<b>\$ 28,614.43</b>	<b>\$ 8,400.00</b>	<b>\$ 20,214.43</b>	<b>340.65%</b>
<b>9100 - Transfers Out</b>				
9101 - Op Trans Out: Fund Sweeps	\$ -	\$ -	\$ -	
<b>Total 9100 - Oper. Trans. Out</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 657,403.99</b>	<b>\$ 690,636.14</b>	<b>\$ (75,439.65)</b>	<b>95.19%</b>
<b>NET INCOME</b>	<b>\$ 1,414,508.62</b>	<b>\$ 1,283,828.47</b>	<b>\$ 172,887.65</b>	<b>110.18%</b>



# Arizona Board of Fingerprinting Memo

TO: Board Members  
FROM: Matthew A. Scheller  
Date: August 27, 2021  
**SUBJECT FY 20201 Strategic-Plan Report**

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The agenda for the Board's September 3, 2021 meeting includes a report from the Executive Director on the Board's strategic-plan performance during Fiscal Year (FY) 2021. To help expedite the meeting, I have 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 2020 and FY 2021.

## **SUMMARY**

- The Board Investigator has exceeded the Board's goal (96%) for the percentage of recommendations accepted at an expedited review. The very high acceptance rate (99.76%) makes Board meetings more efficient.
- The Board received 3,435 applications. This represents a 22.9% decrease in applications from FY 2020 (4,460), which was an all-time high for the Board.
- The Board continues to process applications very efficiently.
- Overall wait times for applicants continues to decline.
- The average number of days spent processing applications from receipt to expedited review decreased by more than one full day (7.19 days total), which represents a 15% decrease.
- For the second year straight year, the Board is in 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 (89.32%)

## **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 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 99.76%. There were only eight (8) cases in FY 2021 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 by expedited review and by administrative hearing were very close to the FY 2021 estimate of 95% and 5%. There were slightly more approvals from the area of expedited reviews vs. administrative hearings. Even though the Board received over a thousand fewer cases this fiscal year, there were only three (3) fewer cases referred to Administrative Hearing from FY 2020 (159 in FY 2021 vs. 162 in FY 2020). The rate of approval does not include cases that are decided administratively (e.g., DPS issues cards 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 the Board disposed of more cases than it received*

The Board's caseload continues to be 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 3,435 applications and disposed of 3,529 cases this year (1,025 fewer cases were received than in FY 2020, which is a 22.9% decrease). Both of these numbers remain above the Board's prediction (3,400).

*Processing time continues to be impressive*

In the past four 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. The average number of days to dispose of a case is slightly above last year's number and the average number of days spent processing applications is slightly above last fiscal year. The numbers are well below the estimates for both of these areas (9.50 days below the estimate and 5.81 days below the estimate, respectively). The average number of days spent processing applications from receipt to expedited review is an impressive 7.19 days for all applicants. This is 4.81 days below the Board's estimate and 12.81 days below the statutory time frame of 20 days.

In FY 2017, the Board added a new performance measure – "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 2021 estimate was 65 days based upon the prior fiscal years. This fiscal year the average ALJ processing time was a total of 61.90 days. While this an improvement over FY 2020 (69.71) and the estimate (65.00), it is significantly below (18.1 days) the statutorily required 80 days. This number remains very impressive, as the Board did not replace the ALJ that left the employment of the Board for the Arizona Court of Appeals in 2019. The Board has been operating efficiently and effectively with two ALJs for the past two fiscal years.

*For the second consecutive year, the Board has achieved full compliance with all statutory 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 2021, there were no cases that failed to meet this time frame. Once again, the staff has been laser-focused to ensure that each case goes before the Board within the statutorily prescribed timeframe. The Board has developed and implemented a checklist for staff use to ensure that all required application materials are received, reviewed and retained in a timely manner.
- **Hearing:** 45 days from expedited review to hearing (unless the applicant requests that a hearing be rescheduled). In FY 2021, 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 the prescribed timeframes.
- **Board decision:** 80 days from a scheduled hearing to Board decision (unless the applicant requests that a hearing be rescheduled). No cases 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 continues to build on the very impressive numbers from FY 2019 and FY 2020. Once again, the Board surpassed the estimated goal of 85%, and the percentage of completed applications upon original submission was 89.32% in FY 2021.

The Board should be encouraged with this high percentage as it shows the diligent efforts made to communicate with applicants about the Board's application process. Board staff members do an outstanding job communicating with Applicants and it is reflected in these results. The Board website (<https://fingerprint.az.gov/>) redesign in FY 2020 has also helped to facilitate clear, concise communication with Applicants. It is our hope to improve upon these numbers in FY 2022 when the Board's new database will be operational allowing for electronic submission of applications and digital communication with applicants for the first time.

## Arizona Board of Fingerprinting Fiscal Year 2021 Performance Measures

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

Performance Measure	FY 20 Actual	FY 21 Estimate	FY 21 Actual
Percent of investigator recommendations for expedited reviews accepted	99.95%	96.00%	99.76%
Percent of applications approved	98.62%	96.00%	98.20%
Percent of approvals by expedited review	96.15%	95.00%	95.06%
Percent of approvals by administrative hearing	3.85%	5.00%	4.94%

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

Performance Measure	FY 20 Actual	FY 21 Estimate	FY 21 Actual
Number of applications received	4,460	3,400	3,435
Number of applications disposed	4,496	3,400	3,529
Ratio of cases opened to cases closed	1:1.01	1:1	1:1.03
Average number of days to dispose	19.20	30.00	20.50
Average number of days spent processing applications	13.68	20.00	14.19
Average number of days spent processing applications from receipt to expedited review	8.45	12.00	7.19
Average days from expedited review to hearing	35.73	35.00	36.66
Average days from scheduled hearing to hearing decision/completion	69.71	65.00	61.90
Percent of applications with an expedited review within 20 days of receipt of a complete application	100.00%	100.00%	100.00%
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%

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

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<b>Performance Measure</b>	<b>FY 20 Actual</b>	<b>FY 21 Estimate</b>	<b>FY 21 Actual</b>
Percent of applications complete on initial submission	91.18%	85.00%	89.32%



# Arizona Board of Fingerprinting Memo

TO: Board Members  
 FROM: Matthew A. Scheller  
 Date: August 27, 2021  
**SUBJECT FY 2022 Budget Proposal**

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This memo discusses a proposed budget for Fiscal Year (“FY”) 2022 for the Arizona Board of Fingerprinting (“Board”) to adopt at its September 3, 2021 Annual 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 \$840,000.14 in total expenditures. This is significantly higher than previous fiscal years due to the development of the Board’s new database system.
- The proposed budget projects \$600,000<sup>1</sup> in revenues. This projection assumes that DPS will receive 150,000 fingerprint clearance card applications in FY 2022. (DPS received 151,292 applications in FY 2021 for revenues of \$817,448.00) The fingerprint clearance card fee was reduced from \$7.00 dollars to \$4.00 dollars per application on October 1, 2020, and FY 2022 will be the first full fiscal year at the lower rate.
- If the revenues match projections, the Board’s fund balance at the end of FY 2022 will be \$1,174,508.48.

## FUND BALANCE

- At the end of FY 2021 (as of June 30, 2021), the Board’s fund balance was \$1,414,508.62. This is an increase of \$460,044.01 from FY 2020 because of the number of applications received by DPS and the fact that the Board received \$7.00 per application for a quarter of the fiscal year.
- The Board is beginning FY 2022 on solid financial footing.
- The projection is for the fund balance to steadily decrease while remaining fiscally sound for the next five fiscal years.

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<sup>1</sup> This projection is the full fiscal year of fees at \$4.00 per application and an estimated 150,000 Fingerprint Clearance Card applications received by DPS.

## BUDGET PROPOSAL FOR FY 2022

Attachment 1 proposes a budget that includes \$840,000.14 in Board expenditures and assumes \$600,000.00 in revenues.

Attachment 1 also provides a comparison of FY 2021 actual expenditures and revenues with the FY 2022 budget proposal. The list below explains areas where there are notable differences in spending between FY 2021 and the proposed FY 2022 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 \$36,552.06 in spending above the FY 2021 actual spending. This increase is due to the following three factors:
  1. A full time Administrative Law Judge left the employment of the Board in the spring of 2019 and the Board had 12 full months of vacancy savings in FY 2020. This position is currently vacant and the intention is to fill this position with another full time staff member in the future.
  2. The Executive Director will 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). ADOA placed a moratorium on employee incentive payments in FY 2020, but this was able to be distributed in FY 2021. These incentive payments directly depend on how well the employees score on the MAP performance appraisals. The amount would be no more than \$7,718.09 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.
  3. The Executive Director will have the ability to provide base salary increases for some of the Board staff within the guidelines established by the Arizona Department of Administration. 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. This would be no more than \$19,295.21 (total) over the course of the fiscal year.
- 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 language interpreters and database programming.<sup>2</sup> The proposed budget increase will cover the cost of programming and implementing the new database project by our vendor MST Solutions. MST Solutions understands the specific project goals, deliverables, features, functions, tasks, and deadlines. Completion of this project in FY 2022 will allow the Board have a fully functional online application process.

The Board has been diligently working to be in alignment with the ADOA-ASET's Digital Government Initiative. The goal of the initiative is to enable Arizona's governmental agencies to provide citizens, businesses, and other government entities, with faster, easier and more intuitive access to all of the State's services. By the end of FY 2022, the Board will be in alignment the state's initiative by having our application processes available for submission online and the ability to communicate electronically with all Board applicants.

- 7172 - External Communication. The spending in the category covers all telecommunications, phone and internet charges. Under current conditions, the demand remains high in this area. The proposal is an increase from last year to account for the increase in telecommunication costs.
- 7221 – Rental of Land and Buildings. This category is for leasing our office space. The current yearly rent for our space at the Agora Building is \$37,970.16. The Board pays \$12.36 per sq./ft., which is well below the average rental cost that agencies pay on an annual basis. The budgeted amount is a slight increase from FY 2021. The Board's current lease ends in February 2022 and a determination will be made at the beginning of 2022 if the Board will be moving to a new location.
- 7266 – Repair/Maintenance – Other Equipment. This category covers the maintenance of our copy machine. The proposal is the same as last fiscal year, but an increase over the actual expenditure from FY 2021 because of the age of the current machine. There is a plan to replace the Board's copy machine and this will be discussed below.
- 7321 – Office Supplies. This category covers all purchases of office supplies throughout the year. The proposed budget is more than the previous fiscal year based upon the caseload and the need to purchase additional paper, envelopes and supplies.

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<sup>2</sup> The breakdown of the proposed amount is \$12,450.00 (\$83.00 x 150 hours) for Gould Intelligent to maintain the Board's current database, and \$120,694 for MST Solutions, Inc.

- 7472 - External Printing. This category covers external printing of envelopes and stationary. The proposal is an increase from what was requested last fiscal year due to the increase in the materials costs and paper availability.
- 7481 – Postage & Delivery. This category covers all postage and billing from the ADOA Mailroom. The proposed budget is more than the previous fiscal year based upon the large increase in mailing from the number of applications received and documents mailed.
- 7482 - Document Shredding/Destruction. This category was previously listed in COBJ 6299 and covers document destruction. The proposal is the same as last fiscal year, but an increase over the actual expenditure from FY 2021.
- 7565 - Security, Off Duty Police. This category is new and was previously listed in COBJ 6299 and covers off duty police coverage for Board Meetings. Because of the global pandemic, the Board has not met in person since March 2020. There was no spending in this area during FY 2021. The proposal this year is to eliminate the spending in this area since it is not anticipated that the Board will meet in person in FY 2022.
- 8471 – Furniture (Capital Equipment). This category covers authorized spending of \$5,000 or more for costs involving the purchase of other capital equipment, which includes construction, painting, plumbing, medical/laboratory, carpentry/hardware, and reproduction. The proposed budget amount in this area is to purchase a new copy machine. The Board's current machine was purchase in August 2013, has made over a million copies, and is past its serviceable life. A determination will be made at the beginning of 2022 after the Board finds out if it will be moving to a new location.
- 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 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 new laptop computers to replace existing units. With some staff members having the ability to telework, replacing some of the outdated desktop computers is the recommendation by ADOA-ASET.
- 8581 – Purchase or license software. With the new database running on software called Salesforce Lightning UI, the Board will have this yearly cost along with the companion software (Nintex, etc). If new computer purchases are made (see the previous category), it may be necessary to purchase software licenses.
- 9101 – Operating Transfers Out. No Legislative Sweep is anticipated for this fiscal year and it has been removed from the spreadsheet.

## Attachment 1 - FY 2022 Budget Proposal

	FY21 Actual	FY22 Proposed Budget	Difference
<b>REVENUES</b>			
<b>4900 - Operating Transfers In</b>			
Prior FY Carryover	\$ 1,254,464.61	\$ 1,414,508.62	\$ 160,044.01
4901 - Oper. Transfers In	\$ 817,448.00	\$ 600,000.00	\$ (217,448.00)
<b>Total 4900 - Oper. Trans. In</b>	<b>\$ 2,071,912.61</b>	<b>\$ 2,014,508.62</b>	<b>\$ (57,403.99)</b>
<b>TOTAL REVENUES</b>	<b>\$ 2,071,912.61</b>	<b>\$ 2,014,508.62</b>	<b>\$ (57,403.99)</b>
<b>EXPENDITURES</b>			
<b>6000 - Personal Services</b>			
	\$ 353,297.22	\$ 389,849.28	\$ 36,552.06
<b>6100 - Employee-related exp.</b>			
	\$ 148,997.79	\$ 163,736.70	\$ 14,738.91
<b>6200 - Prof. &amp; Outside Svcs.</b>			
6222 - External Legal Services	\$ 41,762.00	\$ 1,000.00	
6241 - Temporary Agency Services	\$ 445.50		
6299 - Other Prof. & Out. Svcs.	\$ 652.25	\$ 133,144.00	\$ 132,491.75
<b>Total 6200 - Prof. &amp; Outside Svcs.</b>	<b>\$ 42,859.75</b>	<b>\$ 133,144.00</b>	<b>\$ 132,491.75</b>
<b>7000 - Other Operating</b>			
7111 - Insurance & Related Chgs	\$ 2,600.00	\$ 2,600.00	\$ -
7151 - Internal Svc. Data Proc. - Pc/Lan	\$ 7,576.21	\$ 11,000.00	\$ 3,423.79
7161 - AFIS Development & Usage	\$ 506.75	\$ 1,000.00	\$ 493.25
7172 - External Telecommunications	\$ 12,673.84	\$ 15,000.00	\$ 2,326.16
7221 - Rental of Land & Bldgs.	\$ 37,880.98	\$ 37,970.16	\$ 89.18
7241 - Int Acctg, Budg, Fin Svc.	\$ 4,000.00	\$ 4,000.00	\$ -
7266 - Repair/Maint-Other Equip	\$ 956.27	\$ 1,400.00	\$ 443.73
7321 - Office Supplies	\$ 5,034.46	\$ 7,000.00	\$ 1,965.54
7341 - Houskeeping Supplies	\$ 86.37	\$ 100.00	\$ 13.63
7472 - External Printing	\$ -	\$ 1,500.00	\$ 1,500.00
7481 - Postage & Delivery	\$ 11,878.47	\$ 15,000.00	\$ 3,121.53
7482 - Document Shredding/Destruction	\$ 216.00	\$ 400.00	\$ 184.00
7541 - Books, Subscr., & Pubs.	\$ -	\$ 400.00	\$ 400.00
7565 - Security, Off Duty Police (New)	\$ -	\$ -	\$ -
7599 - Other Misc. Operating	\$ 225.45	\$ 500.00	\$ 274.55
<b>Total 7000 - Other Operating</b>	<b>\$ 83,634.80</b>	<b>\$ 97,870.16</b>	<b>\$ 14,235.36</b>
<b>8400 - Capital Equipment</b>			
8471 - Other Equip - Capital Purchase	\$ -	\$ 8,000.00	\$ 8,000.00
<b>Total 8400 - Capital Equipment</b>	<b>\$ -</b>	<b>\$ 8,000.00</b>	<b>\$ 8,000.00</b>
<b>8500 - Non-capital Equipment</b>			
8521 - Furniture Non-capital	\$ -	\$ 1,000.00	\$ 1,000.00
8531 - Computer Equip. Non-cap.	\$ 3,275.85	\$ 6,400.00	\$ 3,124.15
8581 - Purch. or lic. software	\$ 25,338.58	\$ 40,000.00	\$ 14,661.42
<b>Total 8500 - Non-capital Equip.</b>	<b>\$ 28,614.43</b>	<b>\$ 47,400.00</b>	<b>\$ 18,785.57</b>

**Attachment 1 - FY 2022 Budget Proposal**

	<b>FY21 Actual</b>	<b>FY22 Proposed Budget</b>	<b>Difference</b>
<b>TOTAL EXPENDITURES</b>	\$ 657,403.99	\$ 840,000.14	\$ 224,803.65
<b>NET INCOME</b>	\$ 1,414,508.62	\$ 1,174,508.48	\$ (282,207.64)



# Arizona Board of Fingerprinting Memo

TO: Board Members  
 FROM: Matthew A. Scheller  
 Date: August 27, 2021  
**SUBJECT Annual Board Meeting Policy**

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At its September 3, 2021 meeting, the Board will consider whether to adopt an Annual Board Meeting Policy. This memo describes the reasons for implementing the new policy and why it is being recommended at this time.

## ANNUAL BOARD MEETING POLICY

In October 2019, the Arizona Auditor General (“AAG”) completed and published a performance audit and sunset review and found the following: “The Board should analyze its current revenues and costs to determine whether the \$7 fee should be adjusted (and document its analysis and determination), and establish and implement a process for periodically reviewing the appropriateness of its fee.” (emphasis added)

At the 18 Month performance audit follow-up in March 2021, the AAG determined the following regarding this recommendation: “**Implementation in process** – Based on its financial analysis, the Board revised its rules to reduce its fee from \$7 to \$4 beginning October 1, 2020. The Board also passed a motion in 2020 to review the fee’s appropriateness annually. According to the Board’s Executive Director, the initial fee review will occur at the Board’s August 2021 budget and strategic planning meeting. We will assess the Board’s planned review of its fee during our 24-month follow-up.”

At the 18 Month follow up with the AAG’s Office, I had several discussions with our assigned Performance Audit Manager, Jeremy Weber. He stated the following regarding a written policy on an Annual Review of the Board’s Fee: “It’s a good idea to have practices documented in writing to ensure they continue despite changes in board members or staff...”

Therefore, attached to this memo (Attachment #1), I have included a draft policy for the Board’s consideration and approval. It is recommended that the Board adopted a policy that directly addresses holding an Annual Board Meeting in late August or early

September, in addition to any other necessary meetings. At the Annual Board Meeting there will be specific items that must be addressed at that meeting. The Policy will be referred to as follows:

***Annual Board Meeting Policy #104***

**PROCEDURES FOR DISCUSSION AND APPROVAL**

The Board's statutes do not prescribe procedures for enacting new policies that it will abide by. However, open-meeting laws prohibit discussing these changes in executive session, unless it would be to discuss it directly with the Board's Legal Counsel, the Arizona Attorney General's Office. The most straightforward procedure would be similar to what the Board has used in previous actions and its elections:

1. The Board has discussion, if necessary make changes to the recommended policy.
2. A member makes a motion to adopt the policy/policies, and the motion is seconded.
3. A vote is taken. If the motion passes by a majority, the policy is enacted.
4. If the policy is enacted, the Executive Director will post the policy on the Board of Fingerprinting website for review and a hardcopy will be placed in Board's Policies and Procedures file.

When the Board has enacted new policies, it has been common practice for the policy to take effect immediately, unless otherwise specified by the Board.

ARIZONA BOARD OF FINGERPRINTING	TOPIC: <b>Annual Board Meeting Policy</b>
POLICIES AND PROCEDURES	POLICY #: 104 EFFECTIVE: 9/03/2021 UPDATED: 9/03/2021

**POLICY:**

This Annual Board Meeting Policy governs the meeting time and agenda items of the Board of Fingerprinting (“Board”). Questions about the policy should be directed to the Executive Director. It is the duty of all Board members and staff to be aware of this policy. Board policies are posted on the Arizona Board of Fingerprinting website for review and a hardcopy will be placed in the Board’s Policies and Procedures file.

**PROCEDURES**

1. The Board shall hold an Annual Meeting on the last regularly scheduled Board Meeting in August or the first regularly scheduled Board Meeting in September of each year as directed by the Board Chairperson in coordination with the Executive Director.
2. The Annual Board Meeting shall be presided over by the Chairperson of the Board. In case the Chairperson of the Board of Directors is on leave or unable to exercise his/her powers for any cause, the Vice Chairperson of the Board shall preside.
3. Board Meetings shall be held at the Board Office and may be attended by Board Members remotely by video and/or teleconference.
4. The following matters listed below shall be listed on the meeting agenda in advance:
  - a. Annual election of the Board Chairperson and Vice-Chairperson (see A.R.S. § 41–619.52(B),
  - b. Review of the Fiscal Year Budget Report and Strategic Plan Report,
  - c. Review and adoption of a budget for the new Fiscal Year,
  - d. Review the appropriateness of the Board’s Fee (see A.R.S. § 41–619.53(A)(5)).



# Arizona Board of Fingerprinting Memo

TO: Board Members  
FROM: Matthew A. Scheller  
Date: August 27, 2021  
**SUBJECT Annual Review of the Board's Fee**

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In October 2019, the Arizona Auditor General completed and published a performance audit and sunset review and recommended that the Board analyze its current revenues and costs to determine whether the current \$7.00 fee should be adjusted (and document its analysis and determination), and establish and implement a process for periodically reviewing the appropriateness of its fee. At a meeting held on February 21, 2020, the Board approved the rules change to decrease its portion of the fingerprint-clearance-card fee from \$7.00 to \$4.00. The Rules change to adopt this fee decrease was published in the Administrative Code with an effective date of September 30, 2020.

In Fiscal Year 2021, the Arizona Department of Public Safety ("DPS") received 151,292 Fingerprint Clearance Card Applications and transmitted fees to the Board in the amount of \$817,448. The Board received first quarter fees (July – September) at a rate of \$7.00 per fingerprint clearance card applicant and the second, third, and fourth quarter fees (October – June) at the rate \$4.00 per applicant.

This memo identifies the Board's obligation to review the appropriateness of its fee rate on an annual basis, and recommends keeping the rate at its current amount of \$4 dollars per applicant.

## **SUMMARY**

- The Board should maintain its current level of the fingerprint-clearance-card fee of \$4.00 with a projected Application rate of 150,000 per year.
- The Board's fund balance at the current fee rate of \$4.00 will meet the needs to maintain its day-to-day operations for next 5 fiscal years.
- The Board is adequately staffed at the current time in order to meet its statutory time frames.
- The Board should adopt a policy to review the appropriateness of its fee on an annual basis.

## **BOARD FUNDING AND BUDGET**

The Board of Fingerprinting Fund (“Board fund”) is established by A.R.S. § 41–619.56. Revenue for the Board fund comes from a portion of the fingerprint-clearance-card fee. The fee for a fingerprint clearance card is \$67.00 for paid employees and teacher certification and \$63.00 for volunteers. The fees for a fingerprint-clearance-card are paid to DPS, and the Board fund receives fund transfers from DPS in the amount \$4.00 for each fingerprint-clearance-card application.

For fiscal year (“FY”) 2021, the Board adopted a budget that included \$690,636.14 in total expenditures. With the addition of the new Database, the Board projects that the expenditures will increase by approximately \$150,000 in FY 2022, but level off in subsequent Fiscal Years to total expenditures of \$750,000 per year.

## **REASONS FOR KEEPING THE FEE AT THE CURRENT RATE**

First, there has not been a full year at the current fee rate of \$4.00 per application. The delay by the Governor's Regulatory Review Council (GRRC) in approving the Board's draft rules in the summer of 2020 caused a delay in the effective date of the fee decrease published in the Administrative Code. The effective date of the new fee structure began September 30, 2020. Therefore, FY 2021 Revenues were a combination of 3 months (July-Sept) at \$7 per application and 9 months (Oct-July) at \$4 per application for a total of \$817,448. This amount would have been lower if the full year was calculated at \$4.00 per application.

Second, the number of fingerprint-clearance-card applications during FY 2021 (151,292) has been lower than we have seen in prior fiscal years. Prior to the pandemic year(s), there were increases in applications received above the amount we projected DPS would receive (150,000). Prior fiscal years had record applications and higher Board fees (\$7.00) which caused the overfunding of the Board's account. After the legislative fund sweep in FY 2020, and the reduced revenues in FY 2021, the Board should maintain the current Board fee of \$4.00 in FY 2022 and evaluate any required changes at the annual meeting in August/September 2022.

Third, the Board is in the process of updating its database and the largest expenditures for this project will be disbursed in FY 2022. The spending for this project will subside in subsequent Fiscal Years, but the maintenance and licensing costs for the software will be higher than the Board has seen with its current antiquated database system. Table 1 (below) shows various revenue projections for the Board over multiple fiscal years based on different fee amounts. It also shows the higher amount of expenditures for FY 2022 and leveling off in subsequent years. Because of the number of application DPS received in FY 2021, the projections assume that DPS will receive an equivalent amount of fingerprint-clearance-card applications (150,000) over the next five fiscal years FY 2022 – FY 2026.

<b>Table 1. Fund Balance over the next Five Fiscal Years According to Fees Collected</b>							
<b>Fee</b>	<b>Budget</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>\$7.00</b>	Revenues*	\$ 817,448.00	\$ 1,050,000.00	\$ 1,050,000.00	\$ 1,050,000.00	\$ 1,050,000.00	\$ 1,050,000.00
	Prev. FY Balance	\$ 1,254,464.61	\$ 1,414,508.62	\$ 1,624,508.48	\$ 1,924,508.48	\$ 2,224,508.48	\$ 2,524,508.48
	Expenditures	\$ 657,403.99	\$ 840,000.14	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
	Net Income	\$ 1,414,508.62	\$ 1,624,508.48	\$ 1,924,508.48	\$ 2,224,508.48	\$ 2,524,508.48	\$ 2,824,508.48
<b>\$6.00</b>	Revenues*	\$ 817,448.00	\$ 900,000.00	\$ 900,000.00	\$ 900,000.00	\$ 900,000.00	\$ 900,000.00
	Prev. FY Balance	\$ 1,254,464.61	\$ 1,414,508.62	\$ 1,474,508.48	\$ 1,624,508.48	\$ 1,774,508.48	\$ 1,924,508.48
	Expenditures	\$ 657,403.99	\$ 840,000.14	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
	Net Income	\$ 1,414,508.62	\$ 1,474,508.48	\$ 1,624,508.48	\$ 1,774,508.48	\$ 1,924,508.48	\$ 2,074,508.48
<b>\$5.00</b>	Revenues*	\$ 817,448.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
	Prev. FY Balance	\$ 1,254,464.61	\$ 1,414,508.62	\$ 1,324,508.48	\$ 1,324,508.48	\$ 1,324,508.48	\$ 1,324,508.48
	Expenditures	\$ 657,403.99	\$ 840,000.14	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
	Net Income	\$ 1,414,508.62	\$ 1,324,508.48	\$ 1,324,508.48	\$ 1,324,508.48	\$ 1,324,508.48	\$ 1,324,508.48
<b>\$4.00</b>	Revenues*	\$ 817,448.00	\$ 600,000.00	\$ 600,000.00	\$ 600,000.00	\$ 600,000.00	\$ 600,000.00
	Prev. FY Balance	\$ 1,254,464.61	\$ 1,414,508.62	\$ 1,174,508.48	\$ 1,024,508.48	\$ 874,508.48	\$ 724,508.48
	Expenditures	\$ 657,403.99	\$ 840,000.14	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
	Net Income	\$ 1,414,508.62	\$ 1,174,508.48	\$ 1,024,508.48	\$ 874,508.48	\$ 724,508.48	\$ 574,508.48
<b>\$3.00</b>	Revenues*	\$ 817,448.00	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00
	Prev. FY Balance	\$ 1,254,464.61	\$ 1,414,508.62	\$ 1,024,508.48	\$ 724,508.48	\$ 424,508.48	\$ 124,508.48
	Expenditures	\$ 657,403.99	\$ 840,000.14	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
	Net Income	\$ 1,414,508.62	\$ 1,024,508.48	\$ 724,508.48	\$ 424,508.48	\$ 124,508.48	\$ (175,491.52)

\*FY 2021 Revenue was 3 months (July-Sept) at \$7 per app and 9 months (Oct-July) at \$4 per app

Based on these projections, I recommend that the Board keep the current fee at \$4.00 per application. If the projections stay consistent, the Board fund will gradually decrease by 60 percent of its current value, while maintaining a positive balance at the end of FY 2026. The Board will review its user fee on an annual basis to ensure it is properly aligned with our program costs.<sup>1</sup>

<sup>1</sup> Government fee-setting standards and guidance state that user fees should be determined based on the costs of providing a service and that fees should be reviewed periodically to ensure they are aligned with program costs. (Joint Legislative Committee on Performance Evaluation and Expenditure Review. (2002). State agency fees: FY 2001 collections and potential new fee revenues. Jackson, MS.)



# Arizona Board of Fingerprinting Memo

TO: Board Members  
FROM: Matthew A. Scheller  
Date: August 27, 2021  
**SUBJECT: Chairperson Election**

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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 annual election was held on September 6, 2019 for the chairperson and vice-chairperson position.

At its January 8, 2021 meeting, the Board elected a vice-chairperson due to a vacancy in that position. At its Annual Meeting, which will be held on September 3, 2021, the Board will elect a chairperson and vice-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.