

Arizona Department of Administration

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	551.1	551.1	551.1 ^{1/}
Personal Services	27,589,300	29,477,000	29,477,000
Employee Related Expenditures	9,777,800	10,577,200	10,577,200
Professional and Outside Services	4,877,200	6,068,600	5,968,600
Travel - In State	208,300	220,400	220,400
Travel - Out of State	0	16,200	16,200
Other Operating Expenditures	38,619,800	40,515,900	40,515,900
Equipment	2,184,100	329,500	329,500
OPERATING SUBTOTAL	83,256,500	87,204,800	87,104,800 ^{D/}
SPECIAL LINE ITEMS			
Facilities Management			
Hoteling Pilot Program	0	375,900	0
Enduring Freedom Memorial Repair	0	21,500	0
Utilities	4,319,100	7,649,900	7,649,900
Financial Services			
Arizona Financial Information System	8,483,400	11,423,800	12,923,800 ^{2/}
Named Claimants	49,900	0	0
Information Technology Services			
Statewide Information Security and Privacy Operations and Controls	6,186,600	6,366,700	6,366,700
Information Technology Project Management and Oversight	1,368,800	1,504,400	1,504,400
Risk Management			
Federal Transfer Payment	2,801,500 ^{3/}	0	0
Risk Management Administrative Expenses	10,234,800	9,294,300	9,294,300
Risk Management Losses and Premiums	37,117,300	48,396,100	48,396,100
Workers' Compensation Losses and Premiums	22,157,000	31,171,600	31,171,600
Support Services			
Government Transformation Office	1,496,400	2,016,900	2,016,900
State Surplus Property Sales Agency Proceeds	1,353,400	1,810,000	1,810,000 ^{4/}
Other			
Transwestern Pipeline Litigation	17,043,300	0	0
K-12 Transportation Grants	0	10,000,000	20,000,000
Southwest Defense Contracts	25,000	25,000	25,000 ^{5/}
AGENCY TOTAL	195,893,000	217,260,900	228,263,500 ^{6/}
FUND SOURCES			
General Fund	24,035,300	18,255,000	28,155,000
Other Appropriated Funds			
Air Quality Fund	142,300	928,200	928,200 ^{7/}
Arizona Financial Information System Collections Fund	8,483,400	11,423,800	12,923,800
Automation Operations Fund	27,105,100	31,127,700	31,127,700 ^{8/}
Capital Outlay Stabilization Fund	16,065,300	18,395,100	18,395,100
Capitol Mall Consolidation Fund	0	375,900	0
Corrections Fund	593,000	575,000	575,000
Federal Surplus Materials Revolving Fund	0	466,900	466,900
Information Technology Fund	8,125,300	8,467,900	8,467,900
Motor Vehicle Pool Revolving Fund	5,371,100	0	0
Personnel Division Fund	12,145,500	12,764,900	12,764,900
Risk Management Revolving Fund	78,361,800	96,714,500	96,714,500

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 BASELINE
Special Employee Health Insurance Trust Fund	4,956,200	5,330,100	5,330,100
Special Services Revolving Fund	492,200	1,170,700	1,170,700
State Monument and Memorial Repair Fund	0	21,500	0
State Surplus Materials Revolving Fund	2,331,400	2,979,800	2,979,800
State Web Portal Fund	5,996,900	6,612,200	6,612,200
Telecommunications Fund	1,688,200	1,651,700	1,651,700
SUBTOTAL - Other Appropriated Funds	171,857,700	199,005,900	200,108,500
SUBTOTAL - Appropriated Funds	195,893,000	217,260,900	228,263,500
Other Non-Appropriated Funds	1,096,292,200	1,069,078,400	1,069,078,400
Federal Funds	6,614,600	30,920,200	2,920,200
TOTAL - ALL SOURCES	1,298,799,800	1,317,259,500	1,300,262,100

AGENCY DESCRIPTION — The Arizona Department of Administration (ADOA) provides centralized general support services to state agencies, including accounting, financial, purchasing, building and grounds maintenance, personnel, information technology, motor pool, travel reduction, and risk management services.

FOOTNOTES

- 1/ Includes 57 OF FTE Positions funded from Special Line Items in FY 2023.
- 2/ ~~The department may charge state agencies not more than \$10.42 per user per month for the statewide email and calendar service. (General Appropriation Act footnote)~~
- 3/ Of the amount appropriated for the Arizona financial information system line item in fiscal year 2022-2023, \$3,500,000 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024. (General Appropriation Act footnote)
- 4/ The legislature intends that the department of administration not enter into any agreements to pay for any federal reimbursements related to excess balances in the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, unless the proposed agreements have been reviewed by the joint legislative budget committee. (General Appropriation Act footnote)
- 5/ All state surplus materials revolving fund monies received by the department of administration in excess of \$2,979,800 in fiscal year 2022-2023 are appropriated to the department. Before spending state surplus materials revolving fund monies in excess of \$2,979,800 in fiscal year 2022-2023, the department shall report the intended use of the monies to the joint legislative budget committee. (General Appropriation Act footnote)
- 6/ The amount appropriated for southwest defense contracts shall be distributed to a nonprofit organization that advocates for preserving and enhancing critical defense missions and assets in the southwestern United States. (General Appropriation Act footnote)
- 7/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 8/ On or before September 1, 2023, the department shall submit a report ~~for review by~~ TO the joint legislative budget committee on the results of pilot projects implemented in fiscal year 2022-2023 for the state employee public transportation service reimbursements pursuant to section 41-710.01, Arizona Revised Statutes, in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons. (General Appropriation Act footnote)
- 9/ The appropriation from the automation operations fund established by section 41-711, Arizona Revised Statutes, is an estimate representing all monies, including balance forward, revenues and transfers during fiscal year 2022-2023. These monies are appropriated to the department of administration for the purposes established in section 41-711, Arizona Revised Statutes. The appropriation is adjusted as necessary to reflect monies credited to the automation operations fund for automation operation center projects. Before spending any automation operations fund monies in excess of \$31,127,700 in fiscal year 2022-2023, the department shall report the intended use of the monies to the joint legislative budget committee. (General Appropriation Act footnote)

Operating Budget

The Baseline includes \$87,104,800 and 494.1 FTE Positions in FY 2023 for the operating budget. These amounts consist of:

	FY 2023
General Fund	\$8,130,000
Air Quality Fund	928,200
Automation Operations Fund	29,623,300
Capital Outlay Stabilization Fund (COSF)	10,745,200
Corrections Fund	575,000
Federal Surplus Materials Revolving Fund	466,900
Information Technology Fund	2,101,200
Personnel Division Fund	12,764,900
Risk Management Revolving Fund	7,852,500
Special Employee Health Insurance Trust Fund	5,330,100
Special Services Revolving Fund	1,170,700
State Surplus Materials Revolving Fund	1,169,800
State Web Portal Fund	4,595,300
Telecommunications Fund	1,651,700

FY 2023 adjustments are as follows:

Eliminate One-Time Funding

The Baseline includes a decrease of \$(100,000) from the General Fund in FY 2023 to remove one-time Information Technology (IT) costs for the State Permitting Portal.

The Baseline deletes a footnote capping the charge for agency email. This footnote was added as a start-up requirement when the statewide email system went live in FY 2020.

Facilities Management

Hoteling Pilot Program

The Baseline includes no funding in FY 2023 for a hoteling pilot program. FY 2023 adjustments are as follows:

Eliminate One-Time Funding

The Baseline includes a decrease of \$(375,900) from the Capitol Mall Consolidation Fund in FY 2023 to remove one-time funding for a hoteling pilot project at state-owned facilities.

The FY 2022 appropriation for the Hoteling Pilot Program does not lapse until June 30, 2023.

This line item funds costs to develop and design a Hoteling workspace program. Hoteling is a method of providing employees with unassigned and temporary

workspace to utilize for in-office work when not working remotely (at home).

Enduring Freedom Memorial Repair

The Baseline includes no funding in FY 2023 to repair the Enduring Freedom Memorial. FY 2023 adjustments are as follows:

Eliminate One-Time Funding

The Baseline includes a decrease of \$(21,500) from the State Monument and Memorial Repair Fund in FY 2023 to remove one-time renovation costs for the Enduring Freedom Memorial.

Utilities

The Baseline includes \$7,649,900 from the Capital Outlay Stabilization Fund in FY 2023 for Utilities. This amount is unchanged from FY 2022.

This line item funds utility charges, including electric, water, gas, and garbage disposal for state-owned buildings.

Financial Services

Arizona Financial Information System

The Baseline includes \$12,923,800 and 28 FTE Positions from the Arizona Financial Information System Collections Fund in FY 2023 for the Arizona Financial Information System (AFIS). FY 2023 adjustments are as follows:

AFIS Upgrade Expenditure Alignment

The Baseline includes an increase of \$1,500,000 from the AFIS Collections Fund in FY 2023 to upgrade the state's financial accounting system. The project costs will be financed by increased charges to state agencies' AFIS transaction fees. The project is expected to cost a total of \$9,500,000 through FY 2024. Of that amount, \$2,000,000 was funded in the FY 2022, \$3,500,000 would be in FY 2023 and \$4,000,000 would be in FY 2024. The Baseline includes a footnote to make the FY 2023 appropriation available through FY 2024.

This line item funds the operation of AFIS including staffing and support, software licensing and maintenance, hosted production and disaster recovery.

Named Claimants

The Baseline includes no funding in FY 2023 for Named Claimants. This amount is unchanged from FY 2022.

The state must annually settle unpaid claims against received goods and services. Vendors providing goods and services to the state can make claims against the receiving agencies if invoices are not paid in full. Up to 1 year following receipt, state agencies have the financial authority to pay such claims through administrative adjustments. However, the Legislature must grant special appropriation authority to pay claims older than 1 year.

Monies in this line item are not included in the General Appropriation Act. A separate legislative act usually makes this appropriation. Laws 2021, Chapter 82 appropriated \$49,733.26 in FY 2021 for prior year unpaid claims.

Information Technology Services

Statewide Information Security and Privacy Operations and Controls

The Baseline includes \$6,366,700 and 14 FTE Positions from the Information Technology (IT) Fund in FY 2023 for Statewide Information Security and Privacy Operations and Controls. These amounts are unchanged from FY 2022.

As part of the Arizona Strategic Enterprise Technology (ASET) Office, the office performs strategic planning, policy development, and risk assessment to protect the state's information resources. The IT Fund receives revenue from a 0.43% pro-rata charge on agency payroll.

Information Technology Project Management and Oversight

The Baseline includes \$1,504,400 and 15 FTE Positions from the Automation Operations Fund in FY 2023 for IT Project Management and Oversight. These amounts are unchanged from FY 2022.

This line item funds staffing costs for statewide project, management and oversight at the ADOA Arizona Strategic Enterprise Technology Office. A.R.S § 18-104 requires ADOA to approve all IT projects over \$25,000.

Risk Management

Federal Transfer Payment

The Baseline includes no funding in FY 2023 for one-time payments to the federal government. This amount is unchanged from FY 2022.

The FY 2022 General Appropriation Act included an FY 2021 supplemental appropriation of \$2,801,500 from the Risk Management Revolving Fund for one-time payments to the federal government for disallowed costs and for fund transfers in FY 2020. In addition, the FY 2022 General Appropriation Act also specifies that it is the intent of the Legislature that ADOA shall not enter into any agreements to pay for any federal reimbursements related to excess retained earnings in HITF, unless the proposed agreements are reviewed by the JLBC.

In order to receive Federal Funds, the state enters into a contractual obligation with the federal government, which restricts the use of these Federal Funds. If the state then uses these funds in restricted ways, the federal government requires that the state pay back a proportional share of these funds. Examples of restricted use include fund transfers from one ADOA fund to another fund, using an ADOA fund for a federally disallowed operating purpose, or retaining an excess fund balance.

Amounts owed for FY 2021 will be paid in FY 2022 through a supplemental appropriation. The final appropriated amount will be determined once ADOA reaches agreement with the federal government. *(Please see the [FY 2022 Supplemental section](#) in Other Issues for more information.)*

Risk Management Administrative Expenses

The Baseline includes \$9,294,300 from the Risk Management Revolving Fund in FY 2023 for Risk Management Administrative Expenses. This amount is unchanged from FY 2022.

This line item funds financial and actuarial analyses, relevant investigations, and related travel. This line item also funds legal representation from outside the Office of the Attorney General.

Risk Management Losses and Premiums

The Baseline includes \$48,396,100 from the Risk Management Revolving Fund in FY 2023 for Risk

Management Losses and Premiums. This amount is unchanged from FY 2022.

This line item represents estimated payments for liability and property settlements, medical expenses, and supplemental insurance premiums. An actuarial study annually updates the projected loss exposures.

Workers' Compensation Losses and Premiums

The Baseline includes \$31,171,600 from the Risk Management Revolving Fund in FY 2023 for Workers' Compensation Losses and Premiums. This amount is unchanged from FY 2022.

This line item accounts for the state's liability in workplace injuries. The funding represents payments for workers' compensation beneficiaries, hospital and medical expenses, and supplemental insurance premiums. An actuarial study annually updates the projected loss exposures.

Support Services

Government Transformation Office

The Baseline includes \$2,016,900 from the State Web Portal Fund in FY 2023 for the Government Transformation Office (GTO). This amount is unchanged from FY 2022.

The GTO assists state agencies in designing and implementing process improvements.

State Surplus Property Sales Agency Proceeds

The Baseline includes \$1,810,000 from the State Surplus Materials Revolving Fund in FY 2023 for State Surplus Property Sales Agency Proceeds. This amount is unchanged from FY 2022.

This line item separates surplus sales proceeds returned to agencies from the division's operating budget. The surplus property yard returns 90% of sales proceeds to the agency from which the property originated. The yard retains 10% of the proceeds to fund its operations.

Other

K-12 Transportation Grants

The Baseline includes \$20,000,000 from the General Fund in FY 2023 for K-12 Transportation Grants. FY 2023 adjustments are as follows:

K-12 Transportation Grants

The Baseline includes an increase of \$10,000,000 from the General Fund in FY 2023 for K-12 Transportation Grants. The 3-year spending plan associated with the enacted FY 2022 budget designates funding for K-12 Transportation Grants as one-time in FY 2022 (at a level of \$10,000,000) and FY 2023 (at a level of \$20,000,000).

The FY 2022 K-12 BRB established the Public School Transportation Modernization Grants program within ADOA for distribution of grants to school districts, charter schools, and other entities for public transportation projects, such as improving access for students who attend school through open enrollment or through a charter school.

ADOA is required to select a nonprofit organization that would administer the program and report on its results. The nonprofit may use up to 5% of program monies for administrative expenses. The nonprofit A for Arizona was selected to administer the program.

Southwest Defense Contracts

The Baseline includes \$25,000 from the General Fund in FY 2023 for Southwest Defense Contracts. This amount is unchanged from FY 2022.

This line item is for the distribution to a nonprofit organization that advocates for the preservation and enhancement of critical defense missions and assets in the southwestern United States.

Other Issues

FY 2022 Supplemental

The Baseline includes an FY 2022 supplemental appropriation of \$1,110,600 from the Risk Management Revolving Fund for one-time payments to the federal government for disallowed costs and fund transfers in FY 2021. This amount consists of:

- \$368,300 related to fund transfers from the Risk Management Revolving Fund in FY 2021.

Table 1			
Health Insurance Trust Fund			
	(\$ in M)		
	FY 21	FY 22	FY 23
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Beginning Balance	\$ 82.2	\$ 56.9	\$ 47.5
Baseline Premiums	803.0	784.6	828.0
1/21 Employee/Retiree Premium	4.7	4.7	0.0
Coronavirus Relief Fund Reimbursement	0.0	28.0	0.0
Ongoing Employer Increase	0.0	36.9	0.0
One-time Employer Increase	<u>58.4</u>	<u>0.0</u>	<u>0.0</u>
<i>Net Revenues</i>	<i>\$948.3</i>	<i>\$911.1</i>	<i>\$875.5</i>
<u>Expenses</u>			
Baseline Medical Expenses	\$895.4	\$862.0	\$883.8
PY 21 Plan Changes	\$(9.5)	\$(3.7)	0.0
Administration	<u>5.3</u>	<u>5.3</u>	<u>5.3</u>
<i>Net Expenses</i>	<i>\$891.4</i>	<i>\$863.6</i>	<i>\$889.1</i>
Cash Balance	\$ 56.9	\$ 47.5	\$ (13.6)
Ongoing Balance ^{1/}	\$ (83.7)	\$ (37.4)	\$ (61.1)

^{1/} Reflects ongoing revenues vs. ongoing expenses

- \$423,000 related to excess retained earnings in the IT Fund and the Records Services Fund.
- \$211,600 related to payments made from the Risk Management Revolving Fund which has federal financial participation.
- \$107,700 related to interest on fund transfers, disallowed costs, and payments. This amount also includes a negotiation cushion estimated by ADOA.

(Please see the [Federal Transfer Payment](#) line item above for information.)

Health Insurance Trust Fund

The Health Insurance Trust Fund (HITF) is used to administer state employee health insurance benefit plans. Funding consists of employer and employee medical and dental insurance contributions.

HITF has experienced financial issues for several years. The FY 2022 budget included \$11,213,700 from the

General Fund and an estimated \$36,820,100 in total funds for the ongoing employer premium increase (see Table 1).

ADOA implemented no changes to employee premiums, deductibles, copays, or plan structure for Plan Year 2022.

For FY 2022, the fund is projected to have an ongoing shortfall of approximately \$(37,400,000) but a cash balance of \$47,500,000. With the ongoing employer premium contribution increase HITF has a projected ongoing shortfall of about \$(13,600,000) in FY 2023 and an ending cash shortfall of \$(61,100,000).

As a self-insured fund, the state assumes the direct risk for payment of claims and should therefore retain a sufficient balance to ensure claims can be paid in the event of fluctuations in cash flow or catastrophic expenses. The recommended reserve is between \$50,000,000 to \$100,000,000, equal to approximately 1 month's claim expenses.

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Air Quality Fund (ADA2226/A.R.S. § 49-551)		Appropriated
Source of Revenue: Annual air quality and emissions fees assessed on motor vehicle registrations, as well as legislative appropriations.		
Purpose of Fund: To pay the cost of air quality research, experiments, education, and programs conducted by or for the department.		
Funds Expended	142,300	928,200
Year-End Fund Balance	2,151,900	0

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Arizona Financial Information System Collections Fund (ADA1234/A.R.S. § 41-740.01)		Appropriated
Source of Revenue: Revenues are collected from state agencies to recover pro rata costs of operating AFIS. Pro rata charges are determined by ADOA and allocated to each agency based on AFIS usage.		
Purpose of Fund: Supplements the cost of operating AFIS.		
Funds Expended	8,483,400	11,423,800
Year-End Fund Balance	2,225,400	2,214,600
Automation Operations Fund (ADA4230/A.R.S. § 41-711)		Appropriated
Source of Revenue: Charges to agencies and other political entities for information technology products and services. The fund has continuously appropriated sub-accounts for agreements made with other states and the Arizona Health Care Cost Containment System.		
Purpose of Fund: To provide agencies and other political entities data processing and information technology consulting services and to maintain the integrity and security of state information. Balances reflect a transfer into the Automation Projects Fund. (See the Automation Projects Fund page for more details.)		
Funds Expended	27,105,100	31,127,700
Year-End Fund Balance	10,746,100	1,599,900
Capital Outlay Stabilization Fund (ADA1600/A.R.S. § 41-792.01)		Appropriated
Source of Revenue: Rental and tenant improvement charges to agencies occupying ADOA owned buildings.		
Purpose of Fund: To pay maintenance, utilities, construction, and administrative costs for state-owned buildings.		
Funds Expended	16,065,300	18,395,100
Year-End Fund Balance	21,921,800	4,041,400
Capitol Mall Consolidation Fund (ADA3211/A.R.S. § 41-792.02)		Appropriated
Source of Revenue: Monies appropriated by the Legislature. The FY 2019 Budget Procedures Budget Reconciliation Bill directs the sale proceeds from the properties at 2910 N 44th Street in Phoenix, 2163 Vickey Street in Flagstaff, and the northeast corner of South Horne Street and East Baseline Road in Mesa into the fund.		
Purpose of Fund: For repair and renovations of state-owned buildings. Monies in the fund are for capital expenses and are not displayed in the ADOA operating budget.		
Funds Expended	0	375,900
Year-End Fund Balance	449,200	73,300
Certificate of Participation Fund (ADA5005/A.R.S. § 41-791.02)		Non-Appropriated
Source of Revenue: Rental and tenant improvement charges to agencies occupying buildings under Certificate of Participation (COP) lease-purchase agreements.		
Purpose of Fund: To make COP lease-purchase payments on buildings under such agreements.		
Funds Expended	105,411,700	106,073,600
Year-End Fund Balance	6,906,000	6,906,100
Construction Insurance Fund (ADA4219/A.R.S. § 41-622)		Non-Appropriated
Source of Revenue: Risk management charges to agencies for state construction projects. The construction and design insurance rate is set by ADOA and reviewed by the Joint Committee on Capital Review.		
Purpose of Fund: To self-insure state construction projects against tort losses from design and construction defects.		
Funds Expended	7,538,600	12,402,500
Year-End Fund Balance	1,969,600	10,958,800
Co-Op State Purchasing Agreement Fund (ADA4213/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Annual subscription fees paid by local governments for state purchasing records, fees paid by individuals for copies of public records, and fees paid by vendors participating in the State Contract Show.		
Purpose of Fund: To operate the cooperative purchasing program and support its membership list.		
Funds Expended	4,534,200	6,405,200
Year-End Fund Balance	4,868,700	3,678,000

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Coronavirus Relief Fund (ADA2975/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies received by the state from the federal COVID-19 response legislation. Arizona received \$1.86 billion from the Coronavirus Relief Fund established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act based on the state's share of the population.		
Purpose of Fund: Monies are allocated by the Governor to supplement costs of the state's COVID-19 response, including necessary expenditures incurred by the state due to the public health emergency from March 1, 2020 to December 30, 2020.		
Funds Expended	4,673,700	28,000,000
Year-End Fund Balance	0	0
Corrections Fund (ADA2088/A.R.S. § 41-1641)		Appropriated
Source of Revenue: Luxury taxes on alcohol and tobacco products.		
Purpose of Fund: To pay for construction, major maintenance, lease, purchase, renovation, or conversion of Arizona Department of Corrections (ADC) and Department of Juvenile Corrections (DJC) facilities. ADOA uses these monies to oversee construction projects benefiting ADC or DJC.		
Funds Expended	593,000	575,000
Year-End Fund Balance	(856,500)	(1,431,500)
Crisis Contingency and Safety Net Fund (ADA3240/A.R.S. § 41-110)		Non-Appropriated
Source of Revenue: Legislative appropriations, public or private gifts, grants and donations.		
Purpose of Fund: Monies in the fund may only be distributed by the Governor for the following forms of economic assistance during a state of emergency: 1) housing assistance; 2) services for homeless persons; 3) economic assistance to small businesses with less than 50 employees, non-profit organizations, and health care providers; and 4) monies for food bank operations. Expenditures are not displayed to avoid double counting the General Fund.		
Funds Expended	1,307,100	0
Year-End Fund Balance	0	0
Emergency Telecommunication Services Revolving Fund (ADA2176/A.R.S. § 41-704)		Non-Appropriated
Source of Revenue: The telecommunication services excise tax, currently 20¢ per wire or wireless account, levied on monthly telephone bills and remitted by telephone companies, as authorized by A.R.S. § 42-5252. In addition, a tax equal to 0.8% of the gross income derived from the retail sale of prepaid wireless telecommunication services, as authorized by A.R.S. § 42-5402.		
Purpose of Fund: To aid the political subdivisions of the state in implementing and operating emergency telecommunication services (911); to purchase necessary equipment and consulting services (up to 5% of revenue); to pay monthly recurring costs for capital, maintenance, and operations; and to reimburse wireless carriers for the costs of compliance.		
Funds Expended	21,093,600	20,453,000
Year-End Fund Balance	14,950,100	13,665,100
Employee Related Expenditures/Benefits Administration Fund (ITA3035/A.R.S. § 38-651.05)		Non-Appropriated
Source of Revenue: State employer and state employee premium contributions for vision, flexible spending, disability, life, and accident insurance.		
Purpose of Fund: To administer state employee benefit plans and pay non-health insurance premiums.		
Funds Expended	34,459,200	36,755,600
Year-End Fund Balance	2,223,700	2,931,300
Federal Grants (ADA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Federal grants, including pass through grants from several agencies.		
Purpose of Fund: To pay for security related equipment and programs, as well as to administer monies as sub-grantee for federal projects.		
Funds Expended	1,940,900	2,920,200
Year-End Fund Balance	78,600	1,500

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Federal Surplus Materials Revolving Fund (ADA4215/A.R.S. § 41-2606)		Appropriated
Source of Revenue: Federal surplus property service and handling fees.		
Purpose of Fund: To collect, store, and administer the sale of federal surplus property. Federal regulations concerning the disposition of federal surplus property cap the year-end balance of this fund at \$50,000. When the fund exceeds this cap, the department must discount its service and handling charges for federal surplus materials transferred to agencies in the following fiscal year.		
Funds Expended	0	466,900
Year-End Fund Balance	8,800	(458,100)
IGA and ISA Fund (ADA2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Various intergovernmental and interagency service agreements.		
Purpose of Fund: To execute various intergovernmental and interagency service agreements.		
Funds Expended	15,635,800	51,800,100
Year-End Fund Balance	2,463,500	2,218,100
Information Technology Fund (ADA2152/A.R.S. § 18-401)		Appropriated
Source of Revenue: A pro rata share of 0.43% of total payroll, charged to all budget units subject to oversight of information technology projects by ADOA's Arizona Strategic Enterprise Technology (ASET) Office or by the Information Technology Authorization Committee (ITAC).		
Purpose of Fund: Provides personnel funding for statewide information technology planning, coordinating, oversight, and consulting. The Statewide Strategic Information Technology Plan is prepared annually by Information Technology (IT) Fund personnel with input from state agency Chief Information Officers. Additionally, monies from the IT Fund also support the operation of the Statewide Information Security and Privacy Office (SISPO). Balances reflect transfers into the Automation Projects Fund. (See the Automation Projects Fund page for more details.)		
Funds Expended	8,125,300	8,467,900
Year-End Fund Balance	5,746,700	6,434,700
Legislative, Executive, and Judicial Public Buildings Land Fund (ADA3127/A.R.S. § 37-525)		Appropriated
Source of Revenue: State trust land lease revenues.		
Purpose of Fund: To support state Legislative, Executive, and Judicial buildings. Monies appropriated for capital expenses are not displayed in the ADOA operating budget.		
Funds Expended	0	0
Year-End Fund Balance	3,732,400	4,340,700
Motor Vehicle Pool Revolving Fund (ADA4204/A.R.S. § 41-804 [REPEALED])		Appropriated
Source of Revenue: Charges to agencies for the use of motor pool vehicles.		
Purpose of Fund: To operate the motor vehicle pool. The FY 2022 Transportation Budget Reconciliation Bill repealed this fund. The fund balance was transferred to the State Vehicle Replacement Fund in the Arizona Department of Transportation.		
Funds Expended	5,371,100	0
Year-End Fund Balance	2,830,400	0
Payroll Administration Fund (ADA9200/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Collects and pays out all monies associated with the statewide payroll functions. Fund 9200 incorporates several payroll funds (ADA9220, ADA9230, NAU9202, UAA9203, and ASU9221). Fund 9230 collects a one-time \$50 charge for setting up a garnishment, which is granted by the court, a \$5 employee fee for each non-exempt statement that is generated per payday, and a \$1 administrative fee for child and spousal support orders.		
Purpose of Fund: Generally, revenues and expenditures are not used for normal payroll activities. The only balance that accumulates in this fund is for Unemployment Tax. For Fund 9230, monies are used for administrative costs related to garnishments and child support.		
Funds Expended	110,700	152,300
Year-End Fund Balance	106,900	38,600

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Personnel Division Fund (ADA1107/A.R.S. § 41-750)		Appropriated
Source of Revenue: A 0.83% (permanent law) charge on the total payroll of each agency within the ADOA personnel system.		
Purpose of Fund: To operate the ADOA Human Resources Division.		
Funds Expended	12,145,500	12,764,900
Year-End Fund Balance	3,824,400	2,317,400
Retiree Accumulated Sick Leave Fund (ADA3200/A.R.S. § 38-616)		Non-Appropriated
Source of Revenue: A 0.40% charge on the total benefit-eligible payroll of each agency within the ADOA personnel system. By statute, the rate may not exceed 0.55% and is set by ADOA with Joint Legislative Budget Committee review.		
Purpose of Fund: To compensate eligible retiring state employees for accumulated sick leave, to pay insurance premiums, and to administer the program. Payments are calculated as a percentage, tiered according to accrual level of hourly salary. Payments to an individual shall not exceed \$30,000.		
Funds Expended	15,111,400	15,052,500
Year-End Fund Balance	7,188,000	7,331,900
Risk Management Revolving Fund (ADA4216/A.R.S. § 41-622)		Appropriated
Source of Revenue: Actuarial charges assessed to state agencies, boards, and commissions insured under the state's risk management system, as well as recoveries by the state through litigation.		
Purpose of Fund: To pay claim costs, administrative program costs, and to purchase insurance for coverage for losses not covered under the self-insured limits.		
Funds Expended	78,361,800	96,714,500
Year-End Fund Balance	103,379,000	93,350,800
Special Employee Health Insurance Trust Fund (ADA3015/A.R.S. § 38-654)		Appropriated
Source of Revenue: Employer and employee medical and dental insurance contributions.		
Purpose of Fund: To administer and pay premiums and claims for state employee health insurance plans, as well as to operate the Wellness and Communications program. Only administrative expenditures from this fund are subject to legislative appropriation. Please see the Non-Appropriated portion of the fund for additional information.		
Funds Expended	4,956,200	5,330,100
Year-End Fund Balance	56,884,200	60,503,700
Special Employee Health Insurance Trust Fund (ADA3015/A.R.S. § 38-654)		Non-Appropriated
Source of Revenue: Employer and employee medical and dental insurance contributions.		
Purpose of Fund: To administer and pay premiums and claims for state employee health insurance plans, as well as to operate the Wellness and Communications program. The Non-Appropriated expenditures reflect the state's self-insured health care claims costs. Please see the Appropriated portion of the fund for additional information.		
Funds Expended	886,878,700	818,721,600
Year-End Fund Balance	56,884,200	60,503,700
Special Events Fund (ADA2503/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Set-up fees for special events on state property.		
Purpose of Fund: To set up special events on state property.		
Funds Expended	(2,800)	0
Year-End Fund Balance	16,400	298,000

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Special Services Revolving Fund (ADA4208/A.R.S. § 35-193.02)		Appropriated
Source of Revenue: Payments by agencies using administrative services offered by ADOA.		
Purpose of Fund: Appropriated monies are collected from 11 small regulatory boards residing in the State Boards' Office to provide centralized administrative services. Please see the Non-Appropriated portion of the fund for additional information.		
Funds Expended	492,200	1,170,700
Year-End Fund Balance	237,800	(301,500)
Special Services Revolving Fund (ADA4208/A.R.S. § 35-193)		Non-Appropriated
Source of Revenue: Payments by agencies using administrative services offered by ADOA.		
Purpose of Fund: Non-Appropriated expenditures reflect various centralized printing, copying, and repair services offered by ADOA. Please see the Appropriated portion of the fund for additional information.		
Funds Expended	810,300	700,000
Year-End Fund Balance	237,800	(301,500)
State Employee Travel Reduction Fund (ADA2261/A.R.S. § 41-101.03)		Non-Appropriated
Source of Revenue: Grants by the Maricopa Association of Governments, the State Travel Reduction Planning Office, and the Arizona Department of Environmental Quality.		
Purpose of Fund: To operate and administer a ride-sharing program for the transportation of state employees between home and work.		
Funds Expended	250,900	535,000
Year-End Fund Balance	883,700	883,700
State Monument and Memorial Repair Fund (ADA2338/A.R.S. § 41-1365)		Appropriated
Source of Revenue: Monies derived from fundraising activities, monies that are collected by the proponents of a monument or memorial, grants, donations, and legislative appropriations.		
Purpose of Fund: For the maintenance, repair, reconditioning, or relocation of monuments or memorials and for supporting mechanical equipment in the Governmental Mall.		
Funds Expended	0	21,500
Year-End Fund Balance	237,500	216,000
State Surplus Materials Revolving Fund (ADA4214/A.R.S. § 41-2606)		Appropriated
Source of Revenue: State surplus property sales revenues.		
Purpose of Fund: To collect, store, and administer the sale of state surplus property. The majority of revenues are returned to donor agencies. The department retains a service and handling fee.		
Funds Expended	2,331,400	2,979,800
Year-End Fund Balance	2,286,200	662,200
State Web Portal Fund (ADA2531/A.R.S. § 18-421)		Appropriated
Source of Revenue: Grants, donations, and web portal revenues, including any fees collected from the sale of certain types of motor vehicle records to commercial customers, less revenues deposited into the Highway User Revenue Fund, as stipulated in A.R.S. § 18-421.		
Purpose of Fund: To maintain and upgrade the state's common web portal, including enhancement of existing products and the development of new applications. Monies received from private grants or donations, as well as federal grants, are non-appropriated. Balances reflect transfers into the Automation Projects Fund. (See the Automation Projects Fund page for more details.)		
Funds Expended	5,996,900	6,612,200
Year-End Fund Balance	9,154,900	8,717,800
Statewide Donations Fund (ADA2025/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Employee donations and other miscellaneous deposits.		
Purpose of Fund: Employee donations are used to recognize outstanding employees.		
Funds Expended	3,300	0
Year-End Fund Balance	2,800	2,800

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Telecommunications Fund (ADA4231/A.R.S. § 41-713)		Appropriated
Source of Revenue: Administrative surcharges on telecommunications services for agencies and other political entities.		
Purpose of Fund: To operate the Telecommunications Program Office, which manages and oversees statewide contracts for telecommunications products and services. The state's contractors operate and equip telecommunications voice, data, video, and graphics systems, allowing the collection, storage, interchange, retrieval, and transmission of information.		
Funds Expended	1,688,200	1,651,700
Year-End Fund Balance	1,214,200	1,321,700
Text to 911 Services Fund (ADA2177/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies transferred from the Emergency Telecommunications Service Revolving Fund. In FY 2018, ADOA transferred \$1,362,700 from the fund.		
Purpose of Fund: To provide grants to political subdivisions of the state for text-to-911 services.		
Funds Expended	0	0
Year-End Fund Balance	1,090,600	916,600
Traffic and Parking Control Fund (ADA2453/A.R.S. § 41-796)		Non-Appropriated
Source of Revenue: Penalties and fees collected for traffic and parking violations on state property.		
Purpose of Fund: To post signs, markings, and notices for the regulation of vehicles on state property, as well as to maintain state parking lots and structures.		
Funds Expended	0	0
Year-End Fund Balance	4,100	4,100
Transparency Website Fund (ADA2955/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Charges to local governments that utilize the state's transparency website, Arizona OpenBooks.		
Purpose of Fund: To maintain the transparency website for public use.		
Funds Expended	27,000	27,000
Year-End Fund Balance	37,900	37,900
VW Diesel Emissions Environment Mitigation Trust Fund (ADA3917/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies deposited from the National Volkswagen Lawsuit Settlement. Arizona will receive approximately \$57.0 million over 10 years in settlement monies to support eligible air pollution mitigation activities		
Purpose of Fund: To support eligible air pollution mitigation activities.		
Funds Expended	3,122,500	0
Year-End Fund Balance	119,800	119,800