

State of Arizona

Janet Napolitano

Governor of Arizona

Betsey Bayless

Director, Department of Administration

Arizona Department of Administration HUMAN RESOURCES SYSTEM

2004

ANNUAL REPORT



BETSEY BAYLESS
DIRECTOR
ARIZONA DEPARTMENT OF ADMINISTRATION

September, 2004

The Honorable Janet Napolitano
Governor, State of Arizona
The Honorable Ken Bennett
President, Arizona State Senate
The Honorable Franklin "Jake" Flake
Speaker, Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007



Dear Governor Napolitano, President Bennett and Speaker Flake:

It is my pleasure to share with you the 2004 Annual Report on the Arizona State Service Human Resources System.

The format of this year's report is very similar to that produced the last two years, providing you with meaningful data regarding the status of the State's workforce and the operation of the State's Human Resources System.

This report was prepared in the early stages of what we hope will be an economic recovery. In order to survive the sluggish economy of the past two years, many agencies have suffered through severe financial constraints upon their budgets, and subsequently upon their staffing levels. The State of Arizona continues to face a serious challenge with less money available but a higher demand for state services. The state workforce has continued shrinking, state salaries continue to be significantly below the market, and over 43% of the workforce has four years or less of experience. This is just a glimpse of the information that indicates the difficulty we are facing in attracting and retaining employees.

We hope that the information in this report will assist you when making your decisions regarding Arizona State government and its employees.

Very truly yours,

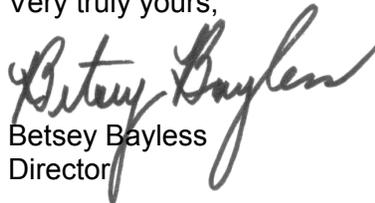

Betsey Bayless
Director

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Overview

Arizona Revised Statutes (ARS) §41-763.01 requires the Director of the Arizona Department of Administration (ADOA) to provide a report to the Governor and the Legislature on the status of the state's human resources and the operation of the state human resources system. The statute requires that the report include information on the following:

- All state employees including employees of all executive, legislative and judicial branch agencies.
- The number of employees affected by and reasons for turnover within state service.
- Overtime pay requirements of all state agencies.
- Other information as determined by the Director.

In Arizona State government the majority of agencies are subject to the jurisdiction of the ADOA Human Resources System. However, there are 24 agencies that are not included in this System. These 24 agencies have been informally grouped into 10 separate human resources systems. Each system develops its own employment, compensation, attendance and leave, and employee relations policies and procedures. Table A identifies all of the human resources systems within Arizona State Government and the number of employees within each of these systems.

Agency	Appropriated Full-Time Equivalent Positions
ADOA Human Resources System	29,499.7
Governor's Office Personnel System	
Governor's Office	N/A
Governor's Office of Equal Opportunity	4.0
Governor's Office of Strategic Planning & Budgeting	22.0
Board of Regents & Universities Personnel System	
Board of Regents	27.9
Arizona State University	7,098.7
Northern Arizona University	2,060.7
University of Arizona	6,341.6
Legislative Personnel System	
Auditor General's Office	176.4
House of Representatives	N/A
Joint Legislative Budget Committee	31.0
Legislative Council	47.8
Library & Archives	112.8
Senate	N/A
Community College Board Personnel System	0
Courts Personnel System	
Court of Appeals	133.3
Superior Court	199.3
Supreme Court	233.1
Department of Gaming Personnel System	105.0
Governmental Information Technology Agency Personnel System	21.0
Department of Public Safety Personnel System	
Law Enforcement Merit System Council	1
Public Safety, Department of	1,858.0
Public Safety Personnel Retirement System	N/A
Arizona Schools for the Deaf and Blind	608.4
Office of Tourism	25.0

Table A Source: The Executive Budget – Fiscal Year 2005 in Detail – Numbers reflect FY04 appropriations.

The largest of the human resources systems within Arizona State Government is the ADOA Human Resources System, also known as the Arizona State Service. The ADOA Human Resources System and the Law Enforcement Merit System Council (the Department of Public Safety's personnel system) are the State's only merit systems established by statute. Merit system employees may only be separated from service for cause. Non-merit employees of the other systems serve at the

pleasure of the appointing authorities and can be separated without the right of appeal. They are considered "at will" employees.

The primary focus of this report is the ADOA Human Resources System. The report is comprised of five sections.

Section One provides an overview of the ADOA Human Resources Operations. The responsibility of the ADOA Human Resources Operations resides with the ADOA, Human Resources Division located at 100 North 15th Avenue, Phoenix, Arizona 85007. This section describes who receives services provided by the ADOA Human Resources Division, the services provided, the organization of the division, and some functional highlights of each work area.

Section Two provides demographic information of the employees within the ADOA Human Resources System. The demographic information includes statewide headcount, headcount of employees by agency, covered and uncovered employees by agency, number of state employees in relation to state population, and total state payroll in relation to state population.

Section Three provides statistical information of the employees within the ADOA Human Resources System by ethnic group, gender and occupational group. The statistical information includes distribution of employees by ethnic group compared to the Arizona Labor Force, distribution of employees by occupational group, trends in salaried employment by ethnicity and gender, trends in salaried employment of minorities, minority representation by agency, and gender representation by agency.

Section Four provides data on the mobility patterns of the employees within the ADOA Human Resources System. The data in this Section includes the trends in the separations (turnover) by covered and uncovered employees, trends in the separations of covered employees by agency, voluntary and involuntary separations by agency, most populous classes and the classes with the highest separation rates.

Section Five provides information on employment characteristics. The majority of the information is presented by agency with six years of historical data. This section includes average covered employee salary, total overtime costs by agency, distribution of overtime costs by agency, average sick leave use and costs per employee, distribution of average age of employees, distribution of average length of service of employees, and percentage of employees by county of residence.

The main source of the information presented in Sections Two through Five is the state's Human Resources Information Solution (HRIS). This is a centralized record-keeping and tracking database, however, the accuracy and integrity of the data in the system is dependent upon the personnel in each of the state agencies to enter information into the system in a timely manner. Maintenance and reporting functions of the system reside within the authority of ADOA. The HRIS system captures information from roughly 100 different agencies, boards, and commissions that are included within the ADOA Human Resources System. Many of these organizations are quite small in size. For many of the tables contained herein, organizations with less than 50 allocated positions (at the end of fiscal year 2002) have been consolidated into one line item at the top of the table, noted as "small agencies". In addition, the charts represent employees that were on the State's payroll as of the date referenced when the reports were generated.

Section One

State Human Resources Operations Profile

State Human Resources Operations Profile

The largest government human resources system in Arizona is managed by the Arizona Department of Administration, Human Resources Division.

Established:	1968 as the Arizona Personnel Commission
Location:	100 North 15 th Avenue, Phoenix, Arizona
Employees:	153.5 full-time positions
Budget for FY 2004:	\$14,943,600 (ProRata), \$5,362,212 (Health Insurance Trust Fund)
Mission:	...provide efficient, timely customer-driven professional human resources services...

The Division consists of six functional areas: Benefits, Classification and Compensation, Staffing and Recruitment, Satellite Offices/Workforce Relations, Planning and Quality Assurance, and Consulting Services.

Human Resources Director - Kathy Peckardt
Benefits/Insurance - Susan Strickler, Manager
Classification/Compensation - Joanne Carew, Manager
Staffing and Recruitment – Jackie Mass, Manager
Satellite Offices/Workforce Relations - Laura Krause, Manager
Planning and Quality Assurance – Greg Carmichael, Manager
Human Resources Consulting – Christine Bronson, Marie Isaacson, Claudia Smith, Clarence Williams

Customer Base includes over 9,000 retirees and over 62,000 employees and their dependents from 100 state agencies, boards and commissions and 3 state universities.

- Health and welfare agencies (e.g. Arizona Health Care Cost Containment System, Economic Security, Health Services)
- Protection and safety agencies (e.g. Adult and Juvenile Corrections)
- Transportation agencies (e.g. Department of Transportation)
- Inspection and regulation agencies (e.g. Board of Accountancy, Real Estate, Insurance and Medical Examiners)
- Education agencies (e.g. Department of Education, State Universities¹, Arizona State Schools for the Deaf and Blind)
- Natural resource agencies (e.g. Game and Fish, State Land, State Parks)
- General government agencies (e.g. Revenue, Commerce)
- State retirees¹

Summary of Services

- A benefits program is offered that includes medical, dental, vision, basic and supplemental life insurance, dependent life insurance, flexible spending accounts, short-term and long-term disability for active, benefit-eligible employees.
- An on-site childcare center located on the capitol mall is available to state employees.
- An Employee Assistance Program is available that offers counseling services and referral services.
- A Wellness Program is available that offers:
 - Health Education classes tailored to each individual worksite.
 - Free or low-cost screening programs.
 - An inter-agency wellness resource center with books, videos and audiotapes.
 - A monthly newsletter full of wellness information and a listing of upcoming events in worksites statewide.
- Human resources professionals are located on-site within the seven largest state agencies.
- A centralized database of applicants is maintained for hiring supervisors to utilize to fill positions.
- A pool of candidates is maintained to fill the temporary staffing needs of state agencies.
- The recruitment strategy includes a variety of methods including coordinating and hosting job fairs and community events and participating in community outreach programs.
- An up-to-date website www.hr.state.az.us is available containing information relating to job opportunities and employee benefits.
- Consulting services are offered to provide human resources expertise in such areas as employment law and Arizona State government rules, policies and practices.
- Market surveys are conducted annually and outside salary surveys are utilized to evaluate market position of state jobs to ensure external competitiveness.
- Jobs are analyzed and evaluated to determine appropriate salary ranges and job classifications to ensure internal equity.

¹ These customers utilize the services of the Benefits Program only.

Benefits

The Benefits section fulfills the statutory responsibility to provide health and welfare benefits to the State of Arizona employees, retirees, long-term disability recipients, COBRA participants and their eligible dependents. This past year marked the beginning of a significant transition from offering a fully insured medical insurance plan to our members (the “Saguaro Program”). Beginning October 1, 2004 the State will be offering a self insured medical plan – providing members a variety of network choices. This change incorporated a new name “Arizona Benefit Options”, a new logo, and a new emphasis on providing value to our members. The Benefit Options Program will still be very comprehensive, consisting of medical, dental, vision, basic life, supplemental life, dependent life, short-term disability, long-term disability, and flexible spending accounts.

The Wellness Program will continue to provide services at no or low cost in order to improve the health

and wellness of state employees. This program is available for employees and families who work for the State of Arizona. Retirees of the State of Arizona (and their spouses) are also welcome to use wellness resources. The program includes publishing an electronic health newsletter (Arizona Healthways), workshops/training, a library of materials, flu shots, and mammography, osteoporosis, and stroke risk assessment screenings. As we move forward into the future, wellness will become a vital function to educate and promote preventative measures to reduce health care claims costs. Diabetes screening, disease prevention classes, and disease management will be necessary to incorporate into the wellness program.

Another component of the Benefits section includes the Employee Assistance Program (EAP). EAP offers counseling services, referral services and management/employee workshops. The types of workshops offered include EAP Service Introductions and Crisis Debriefing.

Classification & Compensation

The Classification & Compensation Section designs, develops, and administers job evaluation and compensation programs for the ADOA Human Resources System. In support of these responsibilities, this section

- conducts salary surveys including the Arizona Compensation Survey (formerly JGSS), the Western States Salary Survey, and the ASDB Salary Survey for education-related positions;
- participates in other salary and benefits studies with other public and private organizations;
- evaluates positions using the whole job classification method and makes FLSA determinations;
- prepares the Annual Advisory Recommendation to the Governor and Legislature regarding changes to the salary plans;
- interprets and administers salary policy.

Consulting Services

This area provides both in-house and external services regarding various human resources related issues, such as, pending and/or changes to existing legislation, inquiries from the public, legislature and other state agencies, design, development and oversight of pilot programs and special projects.

Staffing & Recruitment

The Staffing and Recruitment Section maintains the centralized applicant database, and provides training and informational sessions for agency staffing professionals. In an effort to achieve our goal of becoming the “Employer of Choice” for the State of Arizona, the Staffing and Recruitment Section is reviewing advertising and job posting methods to enhance marketplace visibility and be competitive with recent trends toward web based recruitment alternatives. The Office also manages community outreach programs through job fairs and community events.

Additionally, this Section provides a Career Center to assist employees impacted by Reductions in Force. Through a partnership with Maricopa Workforce Connection, State of Arizona Workforce Development Administration and the City of Phoenix a full service Rapid Response program provides a series of workshops and services that prepares and assists displaced employees with the transitional process.

The Office reviews, develops and approves selection systems and validates numerous interview processes and testing tools, and provides development and survey analysis for multiple agencies Statewide.

Satellite Offices

The Division has seven satellite offices that provide professional human resources services to state agencies. The Department of Administration/Tucson Office, Department of Corrections, Department of Economic Security, Department of Health Services, Department of Juvenile Corrections, Department of Revenue, and Department of Transportation have on-site human resources office dedicated to the agency. The remaining agencies are provided dedicated human resources services through Central Office Human Resources.

These offices provide a myriad of services to include: rule interpretation, consistency in human resources practices, compliance with laws, rules, policies and procedures, recruitment/staffing, employee relations, operations, classification/organization consultation and consultation regarding human resources-related issues.

Workforce Relations

This section provides rule interpretation to agency human resources professionals, management and employees, assistance with policy development; guidance on employee relations issues; approves and monitors FMLA usage; approves Annual Leave Carry-over and Donated Annual Leave requests; assists in administering reductions in force; investigates and prepares responses to 4th level grievances submitted by agency employees and 3rd level grievances submitted by ADOA employees, and investigates and prepares recommendations in response to requests for 2nd level classification reviews.

Planning & Quality Assurance

This section was established to assist State agencies in reviewing their policies, practices and procedures to ensure consistent human resources practices are maintained throughout Arizona State Government. The section also provides data analysis of key human resources information and focuses on strategic planning and best practices research which will assist the Division in becoming proactive partners with its customers.

Arizona Government University

This section oversees and coordinates statewide training to ensure statutorily mandated Leadership and Indemnity training is delivered effectively. A key AzGU initiative is leveraging the resources of all state agencies to increase efficiencies and reduce overall training costs. A Shared Services initiative was launched on July 1, 2004 with 33 standardized courses and the expectation that 9 more will be added before the end of the year. This assures training consistency and quality as well as reduces redundancies and rework for both the training units and the employees who move from agency to agency.

AzGU has implemented an electronic statewide training tracking and registration system (STARS) to allow centralized, online access to individual employee training records. This meets a critical need for liability and viability of the State of Arizona workforce. STARS has the capability for complete registration, tracking, measurements, facility management, vendor management and resource management to assure alignment across all agencies.

Key strategic AzGU partners include the following cross agency teams:

- Curriculum committee that provides guidance and development of core training courses
- Training Managers committee that jointly resolves training challenges and leverage opportunities
- Performance Review committee that develops evaluation instruments for training, instructors, and vendors.

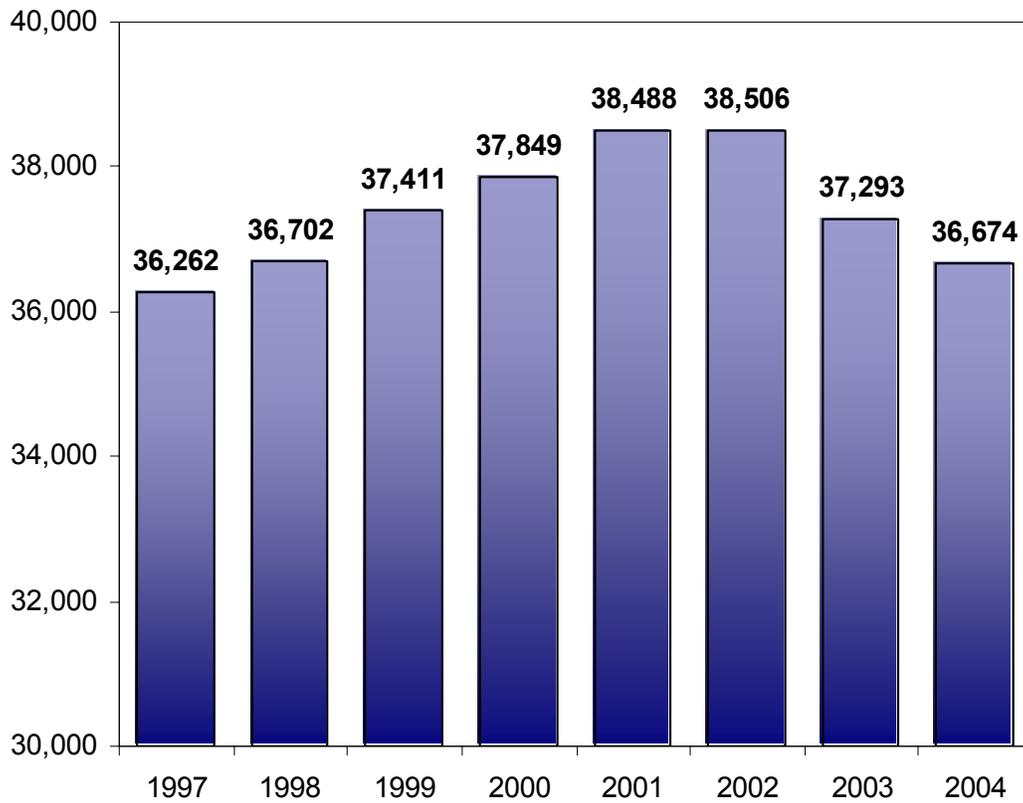
AzGU's Board of Directors is composed of seven agency Directors who provide oversight to AzGU's goals, policies, and procedures.

Section Two

General Employment Trend

.. the total number of state employees dropped to 36,674 – the lowest level since 1997 ...

**Table 1 – Employee Headcount
1997 - 2004**



Source: The state's Human Resources Management System for years 1997 through 2003. Data for 2004 was from the state's Human Resources Information Solution. Data from 1997 to 1999 represents calendar year-end (Jan – Dec); 2000 through 2004 data represents fiscal year-end (July 1 – June 30). Data includes covered and uncovered employees.

Comments: The total number of employees declined again in 2004, continuing the trend from last year. The decrease in number of employees was 1.7% last year and represents a nearly 5% decrease from 2002.

... once again, the majority of state agencies experienced a decline in their workforce ...

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**Table 2 – Employees by Agency
2001 - 2004**

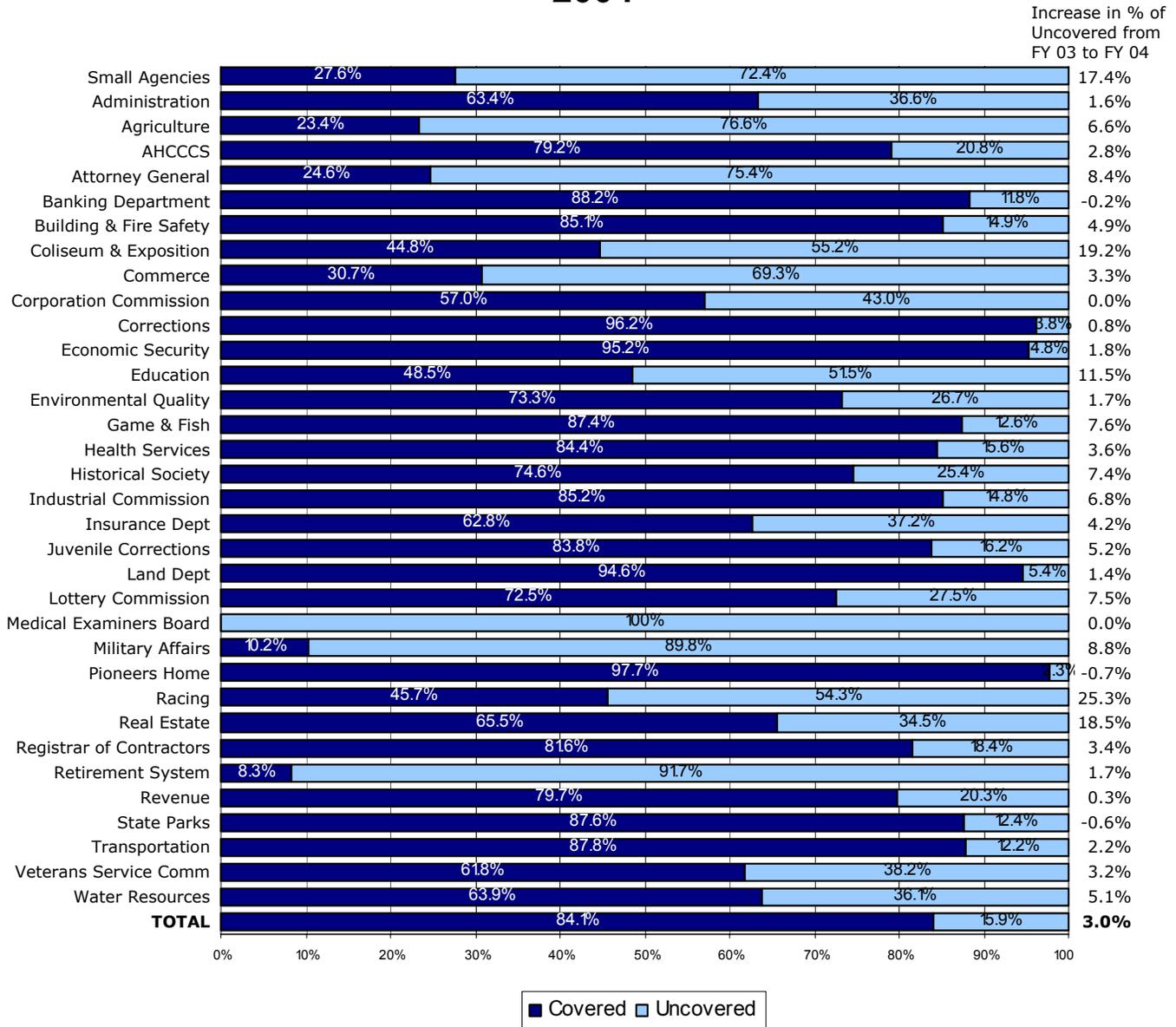
Agency Name	2001	2002	2003	2004
Small Agencies	967	987	1,005	867
Administration	981	962	899	856
Agriculture	369	338	350	316
AHCCCS	1,314	1,386	1,282	1,233
Attorney General	771	775	638	694
Banking Department	51	52	50	51
Building & Fire Safety	70	66	52	47
Coliseum & Exposition	43	41	44	58
Commerce	135	104	89	88
Corporation Commission	286	282	298	291
Corrections	9,849	9,334	9,426	9,813
Economic Security	9,844	10,552	9,799	9,555
Education	385	389	405	443
Environmental Quality	791	750	734	681
Game & Fish	636	655	680	641
Health Services	1,825	1,848	1,900	1,836
Historical Society	91	86	76	63
Industrial Commission	300	291	289	283
Insurance Dept	136	143	145	137
Juvenile Corrections	1,238	1,090	1,105	1,025
Land Dept	220	235	218	129
Lottery Commission	124	117	116	109
Medical Examiners Board	79	75	75	62
Military Affairs	494	507	517	489
Pioneers Home	141	133	132	133
Racing	64	60	57	46
Real Estate	65	65	57	58
Registrar of Contractors	137	134	143	136
Retirement System	161	170	175	181
Revenue	1,023	998	1,050	1,044
State Parks	348	331	333	331
Transportation	4,995	5,000	4,643	4,463
Veterans Service	285	288	291	296
Water Resources	270	262	220	219
Totals	38,488	38,506	37,293	36,674

Source: The state's Human Resources Information Solution. All data represents fiscal year-end (July 1 – June 30).

Comments: The majority (over 70%) of state agencies (excluding the small agencies) remained the same or experienced a decrease in the number of employees. Twelve agencies experienced decreases of over 5%, including four agencies that had double-digit reductions. Overall the state experienced a 1.7% reduction in workforce.

... over 84% of employees in the ADOA Human Resources System are covered by the state merit system ...

Table 3 – Covered/Uncovered Employees by Agency 2004



Source: The state's Human Resources Information Solution. Table includes all employees that were paid in June 2004.

Comments: This table illustrates the distinction between “covered” employees (employees in positions covered by the ADOA personnel rules) and “uncovered” employees (employees in positions not covered by the ADOA personnel rules). Over 84% of the workforce in the ADOA Human Resources System is covered by the merit system. Twenty-four out of the thirty-three larger agencies (73%) have the majority of their employees covered by the merit system.

... Arizona ranks 45th in the nation in the ratio of state employees to total population ...

**Table 4 - Rank Order of All States by Ratio of State Employees to State Population
2002**

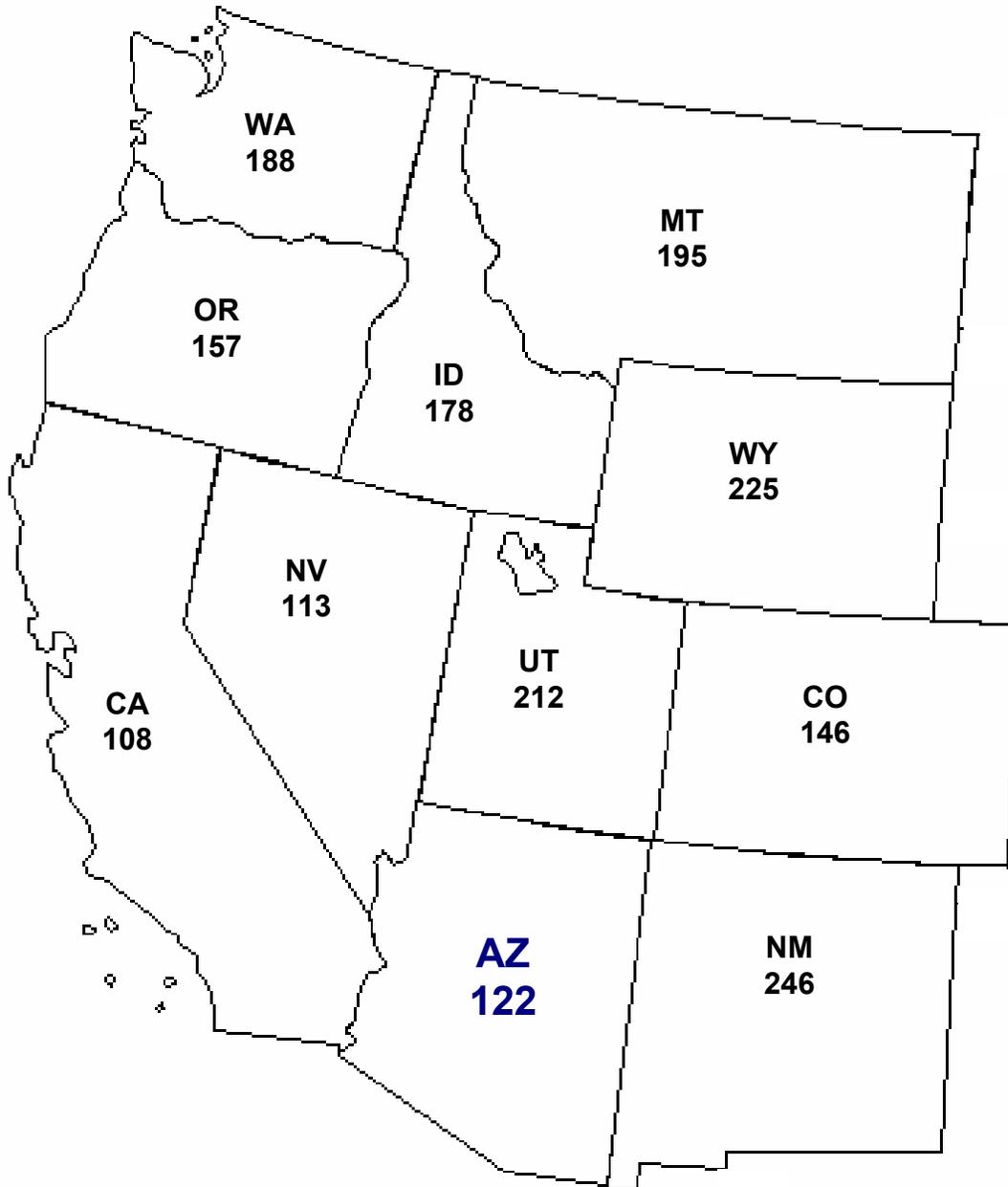
1.....Hawaii	26.....Maryland
2.....Alaska	27.....Maine
3.....Delaware	28.....Virginia
4.....North Dakota	29.....Kansas
5.....New Mexico	30.....North Carolina
6.....Wyoming	31.....Missouri
7.....Vermont	32.....Oregon
8.....Utah	33.....New Hampshire
9.....Louisiana	34.....Minnesota
10.....Mississippi	35.....Massachusetts
11.....Arkansas	United States Average
12.....Montana	36.....Indiana
13.....Connecticut	37.....Colorado
14.....Nebraska	38.....Tennessee
15.....Alabama	39.....Georgia
16.....Kentucky	40.....Michigan
17.....South Carolina	41.....New York
18.....Oklahoma	42.....Wisconsin
19.....West Virginia	43.....Pennsylvania
20.....Washington	44.....Texas
21.....Rhode Island	45..... Arizona
22.....Iowa	46.....Ohio
23.....Idaho	47.....Illinois
24.....South Dakota	48.....Nevada
25.....New Jersey	49.....Florida
	50.....California

Source: State Employment data from U.S. Census Bureau, Governments Division. March 2002. Population data from U.S. Census Bureau, Population Division, estimates for July 1, 2002.

Comments: Arizona dropped to 45th in the nation (previously ranked 43rd) in the ratio of state employees as compared to the overall population of the state. Of the Western States, only California and Nevada have fewer state employees as compared to the overall population of the state.

... of the Western states, only California and Nevada have fewer employees than Arizona for the population served. . .

**Table 5 - Ratio of All State Employees to State Population
2002
Employees per 10,000 Population**



Source: State Employment data from U.S. Census Bureau, Governments Division. March 2002. Population data from U.S. Census Bureau, Population Division, estimates for July 1, 2002.

Comments: Arizona ranks 9th out of the 11 Western states in the ratio of state employees as compared to the overall population of the state. Arizona dropped to 122 employees (from 126), whereas California and Nevada both increased since 2000.

... Arizona ranks 49th in the nation when comparing total payroll to the state's population. ...

**Table 6 - Rank Order of All States by Ratio of Total State Payroll to State Population
2002**

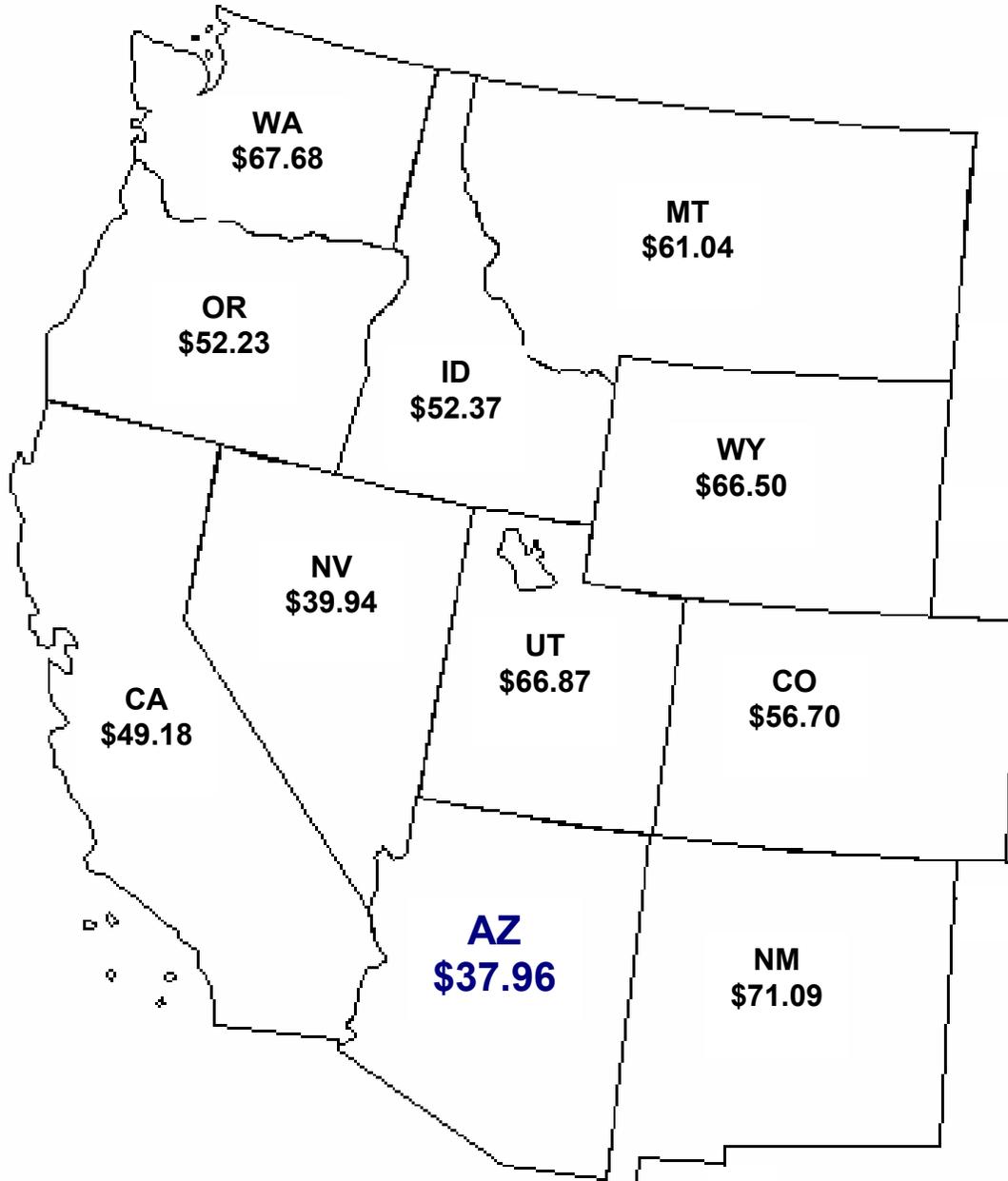
1.....Alaska	26.....Maine
2.....Hawaii	27.....Virginia
3.....Delaware	28.....West Virginia
4.....Connecticut	29.....Mississippi
5.....Vermont	30.....Michigan
6.....New Jersey	31.....Nebraska
7.....North Dakota	32.....Kansas
8.....Rhode Island	33.....Idaho
9.....New Mexico	34.....Oregon
10.....Washington	35.....North Carolina
11.....Utah	United States Average
12.....Wyoming	36.....New Hampshire
13.....Iowa	37.....South Dakota
14.....Maryland	38.....California
15.....Montana	39.....Wisconsin
16.....Alabama	40.....Pennsylvania
17.....Louisiana	41.....Missouri
18.....Minnesota	42.....Indiana
19.....Kentucky	43.....Georgia
20.....Massachusetts	44.....Illinois
21.....Oklahoma	45.....Tennessee
22.....Colorado	46.....Ohio
23.....Arkansas	47.....Texas
24.....New York	48.....Nevada
25.....South Carolina	49..... Arizona
	50.....Florida

Source: State Payroll data from U.S. Census Bureau, Governments Division. March 2002. Population data from U.S. Census Bureau, Population Division, estimates for July 1, 2002.

Comments: Arizona dropped from 47th in 2000 to 49th in 2002. The ratio of total state payroll as compared to overall population of the state in Arizona is 26% lower than the nationwide average.

... no other Western state has a lower payroll than Arizona when compared to the state's population...

**Table 7 - Ratio of Total State Payroll to State Population
2002
Payroll Dollars per Citizen**



Source: State Payroll data from U.S. Census Bureau, Governments Division, March 2002. Population data from U.S. Census Bureau, Population Division, estimates for July 1, 2002.

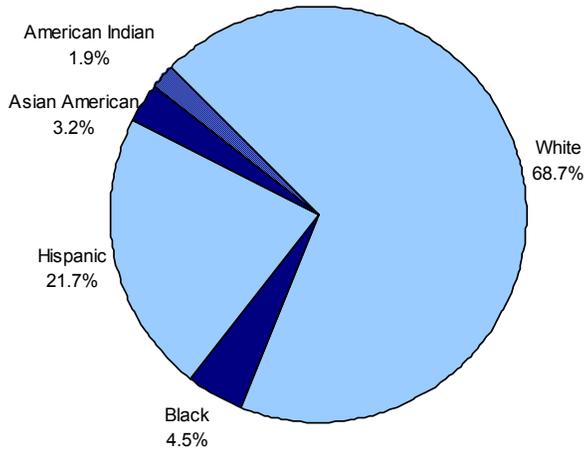
Comments: Of the Western States, Arizona has the lowest ratio of state payroll compared to the overall population of the state. Arizona's payroll ratio increased 2.9% since 2000, whereas other Western States increased an average of 6.7%.

Section Three

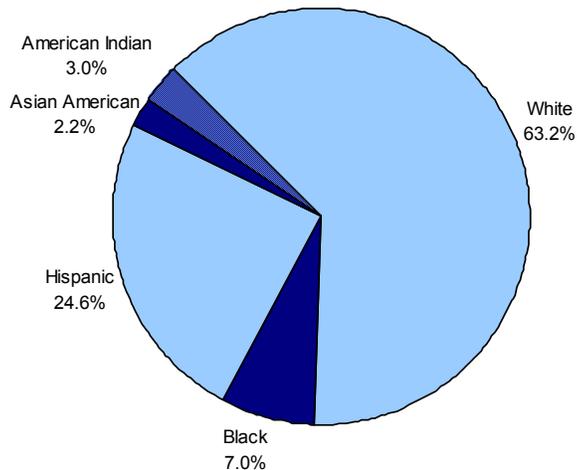
Equal Employment

... the state's workforce continues to be more diverse than the available labor force within Arizona ...

Table 8 – Distribution of State Government Employees by Ethnic Group 2004



Arizona Labor Force



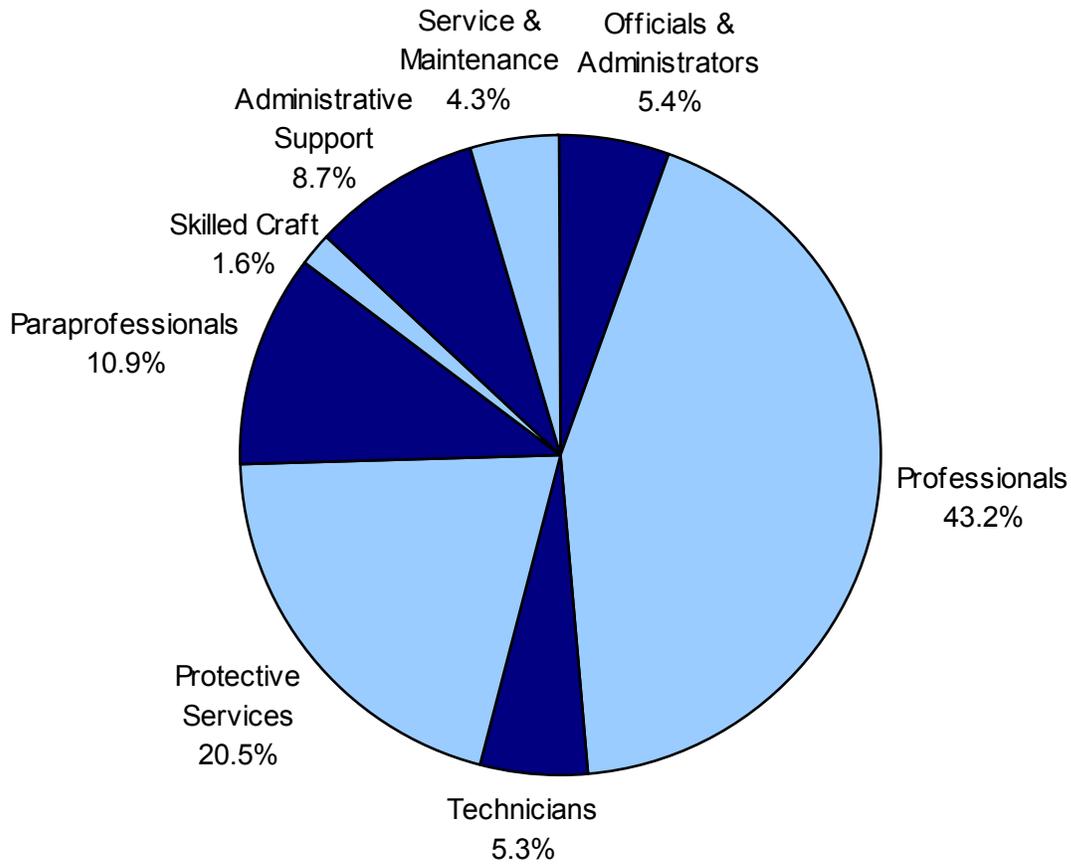
State Government Employees

Source: Arizona Labor Force data from the Arizona Department of Economic Security, Research Administration, August 2004.; State Government Employees data from the State's Human Resources Information Solution.

Comments: The majority of the state's workforce is comprised of the White and Hispanic ethnic groups. Overall, the state government's workforce tends to be more diverse than the Arizona Labor Force.

... the professional occupational group accounts for the largest portion of the workforce, followed by protective services, and paraprofessionals ...

Table 9 – Distribution of State Government Employees by Occupational Group 2004



Source: The State's Human Resources Information Solution. Categories are based upon the Equal Employment Opportunity Commission's Occupational Categories for State and Local Government (EEO-4).

Comments: State employees in positions categorized as Professional comprise the largest percentage (43%) of the eight occupational groupings. Skilled craft (2%) and service workers (4%) encompass the smallest percentage.

... the percentage of minorities has steadily increased over the years ...

**Table 10 - Changes in Employment
by Ethnicity and Gender
1997 - 2004**

Year	Non-Minority				Minority				Total			
	Male		Female		Male		Female		Male		Female	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1997	11,801	34.9%	11,409	33.7%	4,450	13.2%	6,178	18.3%	16,251	48.0%	17,587	52.0%
1998	11,731	34.3%	11,349	33.2%	4,679	13.7%	6,454	18.9%	16,410	48.0%	17,803	52.0%
1999	11,868	34.0%	11,439	32.7%	4,885	14.0%	6,758	19.3%	16,753	47.9%	18,197	52.1%
2000	11,732	33.4%	11,447	32.6%	4,962	14.1%	6,942	19.8%	16,694	47.6%	18,389	52.4%
2001	11,732	33.4%	11,447	32.6%	4,962	14.1%	6,942	19.8%	16,694	47.6%	18,389	52.4%
2002	11,483	32.0%	11,660	32.4%	5,147	14.3%	7,645	21.3%	16,630	46.3%	19,305	53.7%
2003	11,187	31.5%	11,322	31.9%	5,447	15.4%	7,505	21.2%	16,634	46.9%	18,827	53.1%
2004	11,242	31.4%	11,399	31.8%	5,346	14.9%	7,845	21.9%	16,588	46.3%	19,244	53.7%

Source: The state's Human Resources Information Solution. Percentages are based upon employees responding – a small percentage of employees choose not to disclose their ethnicity. 1997 through 1999 data compiled in December; 2000 through 2004 data compiled in July.

Comments: The percentage of minority male employees declined slightly, while the number of minority female employees showed an increase. Non-minority employees remained essentially unchanged.

**Table 11 - Changes in Employment of Minorities
1997 - 2004**

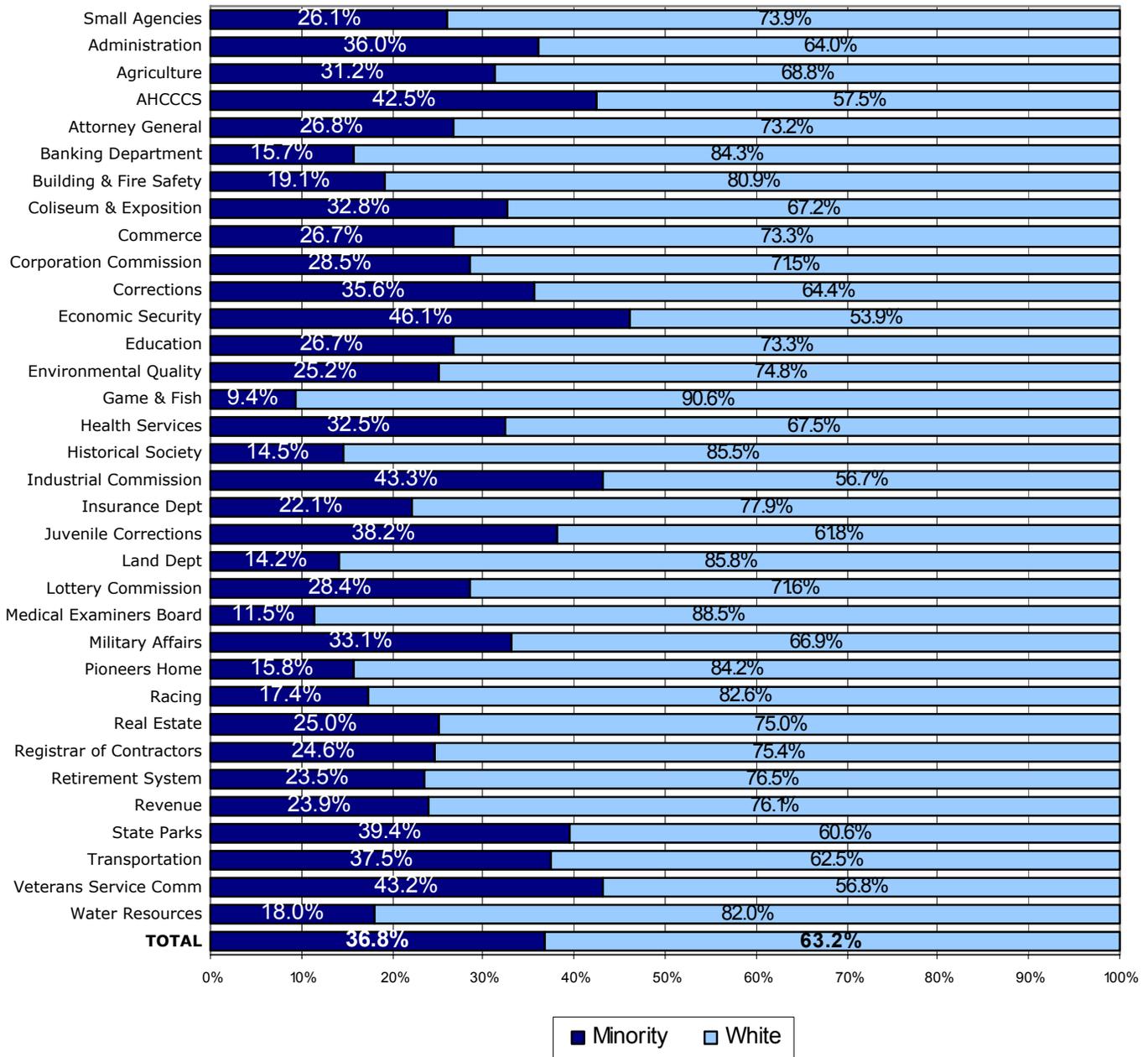
Year	African-American				Hispanic				Others			
	Male		Female		Male		Female		Male		Female	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1997	866	2.6%	1,339	4.0%	3,020	8.9%	3,939	11.6%	564	1.7%	900	2.7%
1998	914	2.7%	1,388	4.1%	3,168	9.3%	4,139	12.1%	597	1.7%	927	2.7%
1999	935	2.7%	1,422	4.1%	3,310	9.5%	4,355	12.5%	640	1.8%	981	2.8%
2000	938	2.7%	1,441	4.1%	3,376	9.6%	4,501	12.8%	648	1.8%	1,000	2.8%
2001	938	2.7%	1,441	4.1%	3,376	9.6%	4,501	12.8%	648	1.8%	1,000	2.8%
2002	950	2.6%	1,517	4.2%	3,525	9.8%	5,036	14.0%	672	1.9%	1,092	3.0%
2003	1,279	3.6%	1,493	4.2%	3,475	9.8%	4,941	13.9%	693	2.0%	1,071	3.0%
2004	992	2.8%	1,527	4.3%	3,628	10.1%	5,191	14.5%	726	2.0%	1,127	3.1%

Source: The state's Human Resources Information Solution. Percentages are based upon employees responding – a small percentage of employees choose not to disclose their ethnicity. 1997 through 1999 data compiled in December; 2000 through 2004 data compiled in July.

Comments: Over the past seven years, the number of minority employees in all ethnic groups has increased or remained relatively stable. This past year, there was a slight decrease in the percentage of male African-Americans, and an increase in male and female hispanics.

... minorities comprise nearly 37% of the employees in the ADOA Human Resources system ...

Table 12 – Minority Representation by Agency 2004

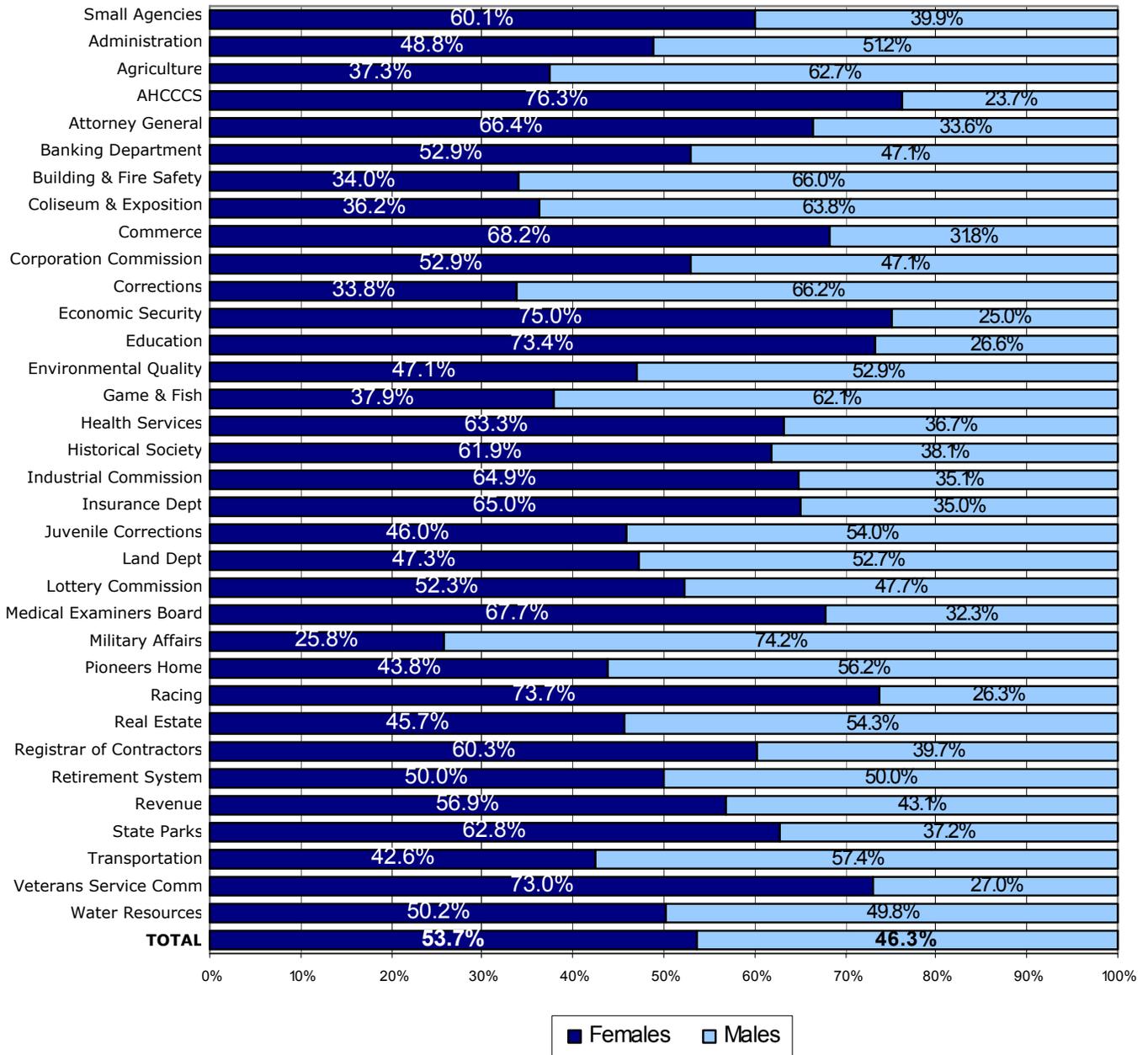


Source: The State's Human Resources Information Solution (HRIS). Percentages are based upon employees that identified their ethnicity – a small percentage of employees choose not to disclose this information.

Comments: The table above shows the proportion of minority employees of each of the larger state agencies. Two-thirds of the agencies increased their minority representation compared with last year's numbers.

... females comprise nearly 54% of the workforce in the ADOA Human Resources system ...

**Table 13 – Gender Representation by Agency
2004**



Source: The state's Human Resources Information Solution.

Comments: Nineteen of the thirty-three agencies (58%) have over 50% females representing their workforce.

Section Four

Employee Mobility

... the separation rate for covered employees (14.9%) was down slightly from last year, but remains consistent with historic levels ...

Table 14 - Changes in Separations from State Service by Covered and Uncovered Employees 1997 - 2004

Year		Total Employees	Retirements		Resignations		Terminations		Other		Total Separations	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1997	Covered	31,942	334	1.0%	3,301	10.3%	732	2.3%	342	1.1%	4,709	14.7%
	Uncovered	1,960	20	1.0%	318	16.2%	45	2.3%	59	3.0%	442	22.6%
1998	Covered	32,261	273	0.8%	3,332	10.3%	712	2.2%	282	0.9%	4,599	14.3%
	Uncovered	2,193	16	0.7%	197	9.0%	23	1.0%	44	2.0%	280	12.8%
1999	Covered	32,306	323	1.0%	3,692	11.4%	835	2.6%	298	0.9%	5,148	15.9%
	Uncovered	2,761	20	0.7%	273	9.9%	52	1.9%	86	3.1%	431	15.6%
2000	Covered	32,072	309	1.0%	3,904	12.2%	838	2.6%	244	0.8%	5,295	16.5%
	Uncovered	3,469	18	0.5%	397	11.4%	63	1.8%	72	2.1%	550	15.9%
2001	Covered	31,957	267	0.8%	3,647	11.4%	717	2.2%	233	0.7%	4,864	15.2%
	Uncovered	4,058	24	0.6%	434	10.7%	69	1.7%	57	1.4%	584	14.4%
2002	Covered	31,986	249	0.8%	2,897	9.1%	638	2.0%	292	0.9%	4,076	12.7%
	Uncovered	4,360	19	0.4%	284	6.5%	67	1.5%	63	1.4%	433	9.9%
2003	Covered	31,828	523	1.6%	3,323	10.4%	629	2.0%	423	1.3%	4,898	15.4%
	Uncovered	4,589	92	2.0%	412	9.0%	109	2.4%	142	3.1%	755	16.5%
2004	Covered	30,831	420	1.4%	1,886	6.1%	766	2.5%	1516	4.9%	4,588	14.9%
	Uncovered	5,843	114	2.0%	314	5.4%	20	0.3%	632	10.8%	1,080	18.5%

Source: The state's Human Resources Information Solution. 1997 through 1999 data represents calendar year-end (Jan – Dec); 2000 through 2004 data represents fiscal year-end (July 1 – June 30). The information reflected herein for separation rates may be different than the data reported previously based on a change in methodology used to gather the information for this report.

Comments: In both categories (covered and uncovered) separation rates were not significantly different from last year and remain relatively consistent. The average separation rate for both categories combined was 15.5% last year. Among covered employees, resignations remain the leading category of separations. Last year the relative percentage of retirements of covered and uncovered employees increased to the highest levels experienced in the past seven years – that trend continued again this year.

... the majority of state agencies experienced a slight decrease in separation rates of covered employees ...

**Table 15 – Separation Rates of Covered Employees
by Agency
1998 – 2004**

Agency	1998	1999	2000	2001	2002	2003	2004
Small Agencies	18.5%	14.9%	15.2%	14.3%	22.4%	16.0%	10.9%
Administration	12.5%	14.7%	15.8%	17.6%	14.4%	15.2%	9.9%
Agriculture	10.3%	12.2%	18.1%	21.9%	20.2%	12.9%	8.1%
AHCCCS	9.9%	13.4%	12.2%	15.9%	11.5%	15.3%	14.1%
Attorney General	13.8%	13.5%	17.3%	20.4%	13.5%	21.1%	25.7%
Banking Department	4.7%	2.1%	6.5%	13.6%	2.2%	8.8%	13.3%
Building & Fire Safety	13.1%	13.1%	15.6%	15.4%	5.0%	21.0%	15.0%
Commerce	15.6%	19.1%	14.5%	8.6%	2.9%	3.2%	0.0%
Corporation Commission	0.0%	10.3%	14.5%	11.4%	8.7%	12.3%	13.3%
Corrections	16.4%	16.7%	20.4%	17.7%	17.2%	17.7%	16.5%
Economic Security	14.0%	16.1%	13.0%	10.7%	10.7%	13.7%	12.8%
Education	20.7%	20.0%	18.2%	14.3%	14.8%	24.1%	20.5%
Environmental Quality	8.0%	13.1%	15.5%	10.6%	8.1%	8.0%	6.8%
Game & Fish	7.9%	11.4%	9.1%	9.7%	6.4%	6.3%	11.8%
Health Services	17.2%	16.6%	18.4%	21.6%	9.1%	19.7%	20.0%
Historical Society	39.3%	12.7%	23.3%	14.3%	17.2%	17.7%	4.3%
Industrial Commission	9.0%	9.7%	14.6%	15.9%	4.1%	11.0%	10.0%
Insurance Dept	11.8%	11.1%	15.7%	12.4%	11.9%	14.3%	32.6%
Juvenile Corrections	17.3%	36.4%	29.9%	29.3%	24.0%	29.6%	28.2%
Land Dept	10.3%	11.1%	16.5%	13.5%	3.4%	14.6%	6.6%
Lottery Commission	16.9%	15.7%	9.1%	5.6%	7.1%	9.3%	10.1%
Medical Examiners Board	34.6%	46.2%	50.0%	50.0%	400%	150.0%	N/A
Military Affairs	9.0%	14.5%	15.9%	13.7%	7.3%	14.1%	12.0%
Pioneers Home	8.0%	17.6%	25.0%	21.0%	7.8%	15.8%	35.4%
Racing	12.9%	12.1%	3.1%	9.4%	3.4%	19.2%	9.5%
Real Estate	9.6%	7.5%	25.5%	13.0%	3.7%	20.2%	10.5%
Registrar of Contractors	12.6%	8.0%	13.8%	10.7%	6.0%	2.5%	9.0%
Retirement System	15.7%	31.3%	11.1%	8.7%	58.8%	6.1%	0.0%
Revenue	12.1%	9.5%	12.6%	13.5%	4.9%	10.4%	10.3%
State Parks	9.7%	10.7%	13.9%	10.2%	4.5%	9.1%	9.7%
Transportation	11.9%	12.7%	12.9%	13.4%	10.8%	12.3%	13.6%
Veterans Service	48.4%	49.7%	56.5%	49.5%	19.8%	23.0%	39.3%
Water Resources	7.6%	7.9%	15.1%	11.9%	3.1%	14.7%	7.1%
Total	14.3%	15.9%	16.5%	15.2%	12.7%	15.4%	14.9%

Source: The state's Human Resources Information Solution. 1998 and 1999 data represents calendar year-end (Jan – Dec); 2000 through 2004 data represents fiscal year-end (July 1 – June 30). The information reflected herein for separation rates may be different than the data reported previously based on a change in methodology used to gather the information for this report.

Comments: The rate of separations from state service declined slightly from last year and is consistent with the seven-year average. Twenty-one of the thirty-three larger agencies (64%) experienced a decrease in separation rates.

... voluntary resignations were the most common reason for employees leaving state service ...

Table 16 – Voluntary and Involuntary Separations of Covered Employees by Agency 2004

Agency	Voluntary		Involuntary		Other		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Small Agencies	18	7.5%	8	3.3%	0	0.0%	26	10.9%
Administration	40	7.4%	14	2.6%	0	0.0%	54	9.9%
Agriculture	2	2.7%	4	5.4%	0	0.0%	6	8.1%
AHCCCS	116	11.9%	22	2.3%	0	0.0%	138	14.1%
Attorney General	44	25.7%	0	0.0%	0	0.0%	44	25.7%
Banking Department	6	13.3%	0	0.0%	0	0.0%	6	13.3%
Building & Fire Safety	4	10.0%	2	5.0%	0	0.0%	6	15.0%
Commerce	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Corporation Commission	12	7.2%	8	4.8%	2	1.2%	22	13.3%
Corrections	1,320	14.0%	214	2.3%	24	0.3%	1,558	16.5%
Economic Security	982	10.8%	176	1.9%	4	0.0%	1,162	12.8%
Education	30	14.0%	14	6.5%	0	0.0%	44	20.5%
Environmental Quality	32	6.4%	2	0.4%	0	0.0%	34	6.8%
Game & Fish	56	10.0%	10	1.8%	0	0.0%	66	11.8%
Health Services	212	13.7%	92	5.9%	6	0.4%	310	20.0%
Historical Society	2	4.3%	0	0.0%	0	0.0%	2	4.3%
Industrial Commission	18	7.5%	6	2.5%	0	0.0%	24	10.0%
Insurance Dept	18	20.9%	10	11.6%	0	0.0%	28	32.6%
Juvenile Corrections	182	21.2%	58	6.8%	2	0.2%	242	28.2%
Land Dept	6	4.9%	2	1.6%	0	0.0%	8	6.6%
Lottery Commission	8	10.1%	0	0.0%	0	0.0%	8	10.1%
Medical Examiners Board	0	N/A	0	N/A	0	N/A	0	N/A
Military Affairs	6	12.0%	0	0.0%	0	0.0%	6	12.0%
Pioneers Home	38	29.2%	4	3.1%	4	3.1%	46	35.4%
Racing	2	9.5%	0	0.0%	0	0.0%	2	9.5%
Real Estate	4	10.5%	0	0.0%	0	0.0%	4	10.5%
Registrar of Contractors	10	9.0%	0	0.0%	0	0.0%	10	9.0%
Retirement System	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Revenue	62	7.5%	22	2.6%	2	0.2%	86	10.3%
State Parks	20	6.9%	8	2.8%	0	0.0%	28	9.7%
Transportation	418	10.7%	114	2.9%	2	0.1%	534	13.6%
Veterans Service	48	26.2%	18	9.8%	6	3.3%	72	39.3%
Water Resources	10	7.1%	0	0.0%	0	0.0%	10	7.1%
Total	3,726	13.1%	808	2.1%	52	0.3%	4,586	14.9%

Source: The state's Human Resources Information Solution. The information reflected herein for separation rates may be different than the data reported previously based on a change in methodology used to gather the information for this report.

Comments: Voluntary separations are the most common type of separation from state service, accounting for over 81% of separations of covered employees this past year.

... several classes have separation rates well above the average ...

**Table 17 – Most Populous Class Titles
2004**

Class Title	Number
Corrections Officer II	6,374
Program Services Evaluators (I, II, III, IV)	2,706
Coliseum Worker	1,994
National Guard Member	1,045
Dept of Public Safety Officer	877
Customer Service Rep I	800
Motor Vehicle Division Customer Service Rep	719
Human Services Spec II	660
Corrections Sergeant	604
Child Protective Services Spec III	582
Habitation Technician II	533
Administrative Assistant II	518

Source: The state's Human Resources Information Solution. 2004 data represents fiscal year-end (June 30, 2004). The above table includes ALL employees (full-time, part-time, seasonal, limited, covered, uncovered, etc)

Comments: The title of Corrections Officer II is by far the most populated class in the state, followed by Coliseum Worker, Program Services Evaluator, and National Guard Member.

**Table 18 –Classes With The Highest Separation Rates
2003**

Class Title	Separation Rate
Arizona State Hospital Security Officer I	53.1%
Youth Correctional Officer I	42.8%
Habitation Technician II	38.6%
Correctional Registered Nurse	35.1%
Nursing Assistant	34.9%
Clerk Typist II	31.6%
Program Services Evaluator II	27.4%
Clerk Typist III	25.3%
Administrative Secretary I	20.7%
Child Protective Services Specialist II	19.9%
Correctional Officer	19.8%
Highway Maintenance Technician I	18.8%

Source: The state's Human Resources Information Solution. The information reflected herein for separation rates may be different than the data reported previously based on a change in methodology used to gather the information for this report.

Comments: Classes associated with the Correctional and Social Services industries have experienced the highest separation rates relative to the number of employees in their respective classes.

Section Five

Employment Characteristics

... the average annual wages for covered employees increased last year ...

Table 19 – Agency Comparison of Average Salary per Employee 1999 - 2004

Agency	Average Covered Employee Wages					
	1999	2000	2001	2002	2003	2004
Small Agencies	\$28,865	\$29,535	\$31,029	\$31,814	\$33,913	\$33,376
Administration	\$28,638	\$28,892	\$28,331	\$29,617	\$30,848	\$32,817
Agriculture	\$26,522	\$27,793	\$27,285	\$29,275	\$29,626	\$30,883
AHCCCS	\$24,812	\$25,698	\$26,505	\$24,524	\$27,600	\$29,805
Attorney General	\$29,993	\$31,580	\$31,634	\$34,189	\$33,950	\$36,540
Banking Department	\$30,129	\$31,525	\$32,907	\$34,867	\$37,012	\$39,084
Building & Fire Safety	\$24,150	\$25,229	\$26,580	\$26,837	\$28,696	\$31,102
Coliseum & Exposition	\$36,999	\$34,944	\$36,345	\$34,089	\$34,015	\$30,598
Commerce	\$32,992	\$33,162	\$33,929	\$36,159	\$39,004	\$40,487
Corporation Commission	\$30,268	\$30,013	\$32,862	\$34,941	\$36,665	\$38,011
Corrections	\$26,292	\$28,205	\$30,128	\$30,837	\$30,478	\$31,236
Economic Security	\$24,563	\$26,080	\$26,815	\$25,507	\$28,934	\$31,290
Education	\$28,895	\$30,621	\$31,766	\$32,898	\$33,615	\$38,210
Environmental Quality	\$31,489	\$32,869	\$33,466	\$33,386	\$34,725	\$37,637
Game & Fish	\$30,621	\$31,352	\$34,586	\$35,364	\$35,860	\$35,086
Health Services	\$28,326	\$29,389	\$29,292	\$30,930	\$31,677	\$35,459
Historical Society	\$21,943	\$24,501	\$26,305	\$25,330	\$25,444	\$24,835
Industrial Commission	\$26,776	\$27,243	\$27,028	\$29,548	\$30,967	\$31,660
Insurance Dept	\$28,244	\$29,688	\$29,416	\$29,500	\$32,121	\$34,649
Juvenile Corrections	\$22,860	\$25,791	\$27,620	\$29,849	\$28,705	\$32,535
Land Dept	\$34,516	\$32,937	\$33,723	\$34,676	\$39,210	\$40,675
Lottery Commission	\$27,252	\$28,961	\$30,413	\$31,828	\$31,788	\$34,851
Medical Examiners Board	\$23,562	\$16,057	\$23,494	\$22,498	\$25,591	N/A
Military Affairs	\$26,545	\$26,893	\$28,249	\$29,776	\$30,554	\$33,041
Pioneers Home	\$22,215	\$21,353	\$21,793	\$23,899	\$24,202	\$25,690
Racing	\$28,303	\$31,114	\$32,862	\$34,669	\$37,619	\$37,465
Real Estate	\$24,903	\$26,294	\$26,685	\$26,448	\$29,276	\$30,731
Registrar of Contractors	\$28,849	\$25,856	\$29,567	\$31,100	\$32,036	\$33,161
Retirement System	\$28,511	\$28,558	\$28,598	\$28,456	\$28,516	\$29,663
Revenue	\$27,176	\$27,379	\$26,581	\$27,433	\$28,719	\$30,852
State Parks	\$26,661	\$27,065	\$26,263	\$29,405	\$32,063	\$29,425
Transportation	\$29,387	\$28,996	\$28,866	\$28,973	\$29,971	\$31,602
Veterans Service Comm	\$19,035	\$18,219	\$19,492	\$22,322	\$24,774	\$27,733
Water Resources	\$33,163	\$33,804	\$32,986	\$37,154	\$39,447	\$40,015
Overall Average	\$26,608	\$27,820	\$28,725	\$28,791	\$30,174	\$31,875

Source: The state's Human Resources Management System generated data for 1999 through 2003 data and was compiled from actual dollars paid from calendar year-end files. The state's Human Resources Information Solution generated data for 2004 and was compiled from prorated annual salary from fiscal year-end.

Comments: The average salary for covered employees increased by 5.6% last year. However, six agencies experienced a decrease in the average salary for their covered employees.

... total costs for overtime expenditures increased slightly last year, but remain significantly less than the prior two years ...

**Table 20 – Total Overtime Costs by Agency
2001 – 2004**

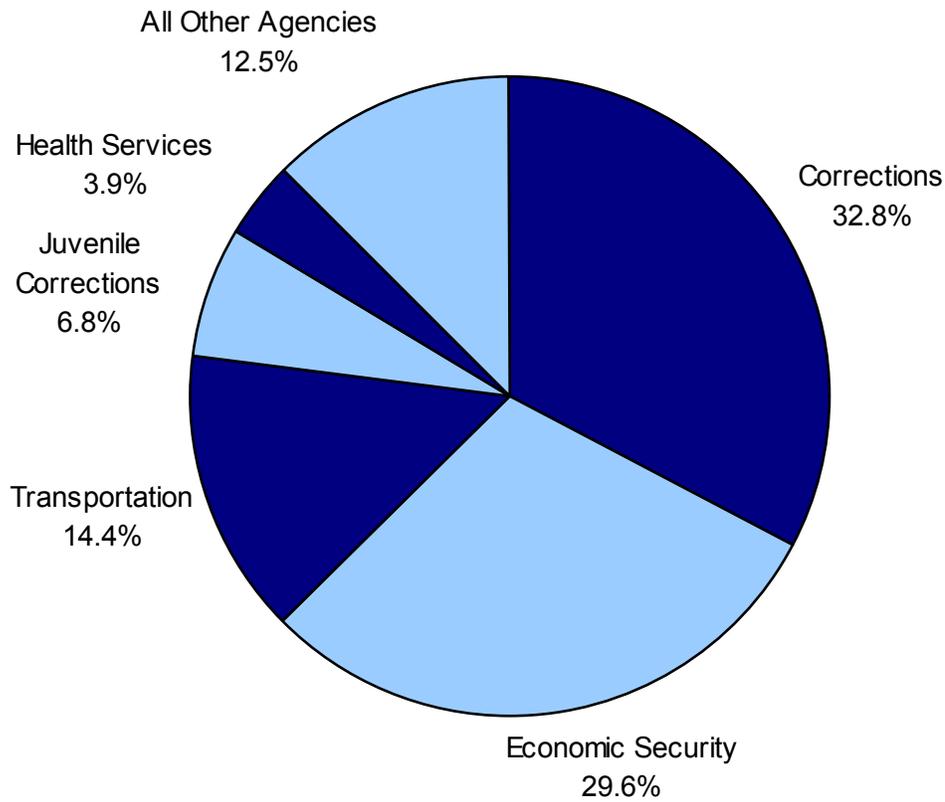
Agency	2001	2002	2003	2004
Small Agencies	\$65,711	\$72,381	\$87,133	\$109,359
Administration	\$248,041	\$285,718	\$393,815	\$467,317
Agriculture	\$222,665	\$190,945	\$239,197	\$245,133
AHCCCS	\$171,390	\$136,330	\$59,761	\$233,004
Attorney General	\$88,037	\$25,917	\$29,184	\$120,340
Banking Department	\$0	\$182	\$0	\$1,843
Building & Fire Safety	\$0	\$0	\$118	\$0
Coliseum & Exposition	\$600,613	\$506,642	\$484,657	\$48,444
Commerce	\$5,002	\$65	\$248	\$35
Corporation Commission	\$209,907	\$192,246	\$162,306	\$213,477
Corrections	\$13,799,385	\$8,491,476	\$6,174,851	\$7,091,383
Economic Security	\$7,273,024	\$6,813,169	\$3,853,731	\$6,387,098
Education	\$188,938	\$104,882	\$61,857	\$64,115
Environmental Quality	\$131,522	\$100,002	\$67,921	\$40,225
Game & Fish	\$82,790	\$76,198	\$85,462	\$167,758
Health Services	\$1,468,332	\$1,392,952	\$1,094,577	\$834,912
Historical Society	\$5,752	\$5,617	\$652	\$0
Industrial Commission	\$0	\$100	\$498	\$846
Insurance Dept	\$17,392	\$328	\$2,889	\$4,497
Juvenile Corrections	\$1,081,562	\$605,062	\$1,226,511	\$1,465,337
Land Dept	\$394,830	\$291,957	\$297,099	\$3,545
Lottery Commission	\$15,440	\$6,799	\$22,844	\$17,712
Medical Examiners Board	\$4,460	\$4,453	\$1,614	\$10,746
Military Affairs	\$315,922	\$267,302	\$341,902	\$296,789
Pioneers Home	\$27,222	\$31,263	\$6,104	\$3,631
Racing	\$3,498	\$4,634	\$4,783	\$1,117
Real Estate	\$0	\$90	\$427	\$390
Registrar of Contractors	\$1,254	\$2,668	\$1,997	\$599
Retirement System	\$16,080	\$65,923	\$17,378	\$6,891
Revenue	\$202,288	\$187,638	\$159,997	\$375,973
State Parks	\$58,007	\$43,635	\$70,357	\$37,274
Transportation	\$6,624,480	\$6,107,385	\$5,123,179	\$3,120,091
Veterans Service	\$487,262	\$260,164	\$164,980	\$225,516
Water Resources	\$3,116	\$0	\$151	\$337
Overall Total	\$33,813,922	\$26,274,123	\$20,238,180	\$21,595,731

Source: The state's financial system (Arizona Financial Information System) provided data for 2001-2003. Data is based on a fiscal year after all corrections have been made at the close of the fiscal year. Expenses may be charged to prior "appropriation years" yet in general are illustrated in the year in which the expense occurred. Data includes all funding sources, but does not include employees (both FLSA exempt and non-exempt) who received compensatory time at the appropriate rate for their additional overtime hours worked. FLSA excluded personnel were not included in the calculations. The state's Human Resources Information Solution provided data for 2004. Numbers in the table reflect actual dollars charged to overtime codes for the last six months and annualized.

Comments: Total overtime expenses increased by less 7% from last year but remain significantly less than the prior two years. Sixteen agencies decreased spending on overtime, while eighteen agencies (plus the combined small agencies) increased their overtime expenditures.

... five agencies account for over 87% of the State's overtime expenses. . .

**Table 21 – Distribution of Overtime Costs by Agency
2004**



Source: The state's Human Resources Information Solution provided data for 2004. Numbers in the table reflect actual dollars charged to overtime codes for the last six months and annualized.

Comments: Five agencies accounted for over 87% of the total overtime expenses last year. These same five agencies have accounted for the majority of overtime over the last four years.

... the average days used and the average cost for sick leave increased slightly last year ...

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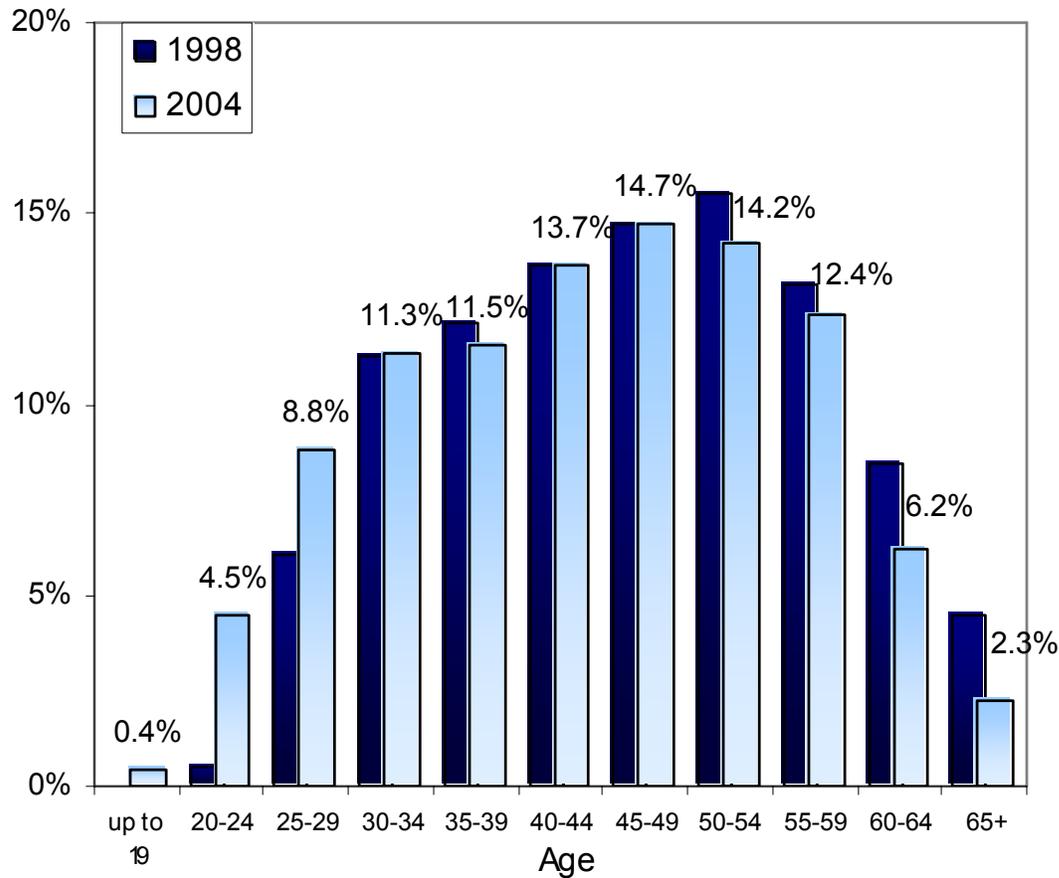
Table 22 – Average Sick Leave Use and Average Costs Per Employee by Agency 1999 – 2004

Agency	Avg Sick Leave Days						Avg Sick Leave Costs					
	1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Small Agencies	5.3	5.7	5.6	5.4	5.6	5.1	\$715	\$800	\$821	\$833	\$908	\$782
Administration	5.8	5.8	5.8	5.7	6.0	7.0	\$734	\$758	\$792	\$813	\$899	\$990
Agriculture	5.7	4.8	4.8	5.2	5.2	5.5	\$646	\$559	\$569	\$641	\$660	\$680
AHCCCS	6.4	6.9	7.1	6.6	7.4	7.9	\$723	\$787	\$846	\$820	\$979	\$1,003
Attorney General	6.3	5.6	5.9	5.5	5.6	5.7	\$1,094	\$1,003	\$1,080	\$1,072	\$1,105	\$1,014
Banking Department	6.0	6.7	6.2	6.5	4.3	5.5	\$858	\$980	\$943	\$1,043	\$687	\$755
Building & Fire Safety	6.6	7.0	6.8	7.6	10.5	6.9	\$737	\$800	\$794	\$924	\$1,329	\$867
Coliseum & Exposition	5.1	9.2	9.9	6.6	6.6	5.8	\$685	\$1,266	\$1,420	\$953	\$1,020	\$895
Commerce	5.9	4.6	3.9	4.4	5.3	6.8	\$908	\$737	\$628	\$757	\$985	\$1,227
Corporation Commission	5.1	4.9	5.8	6.3	5.7	6.5	\$743	\$751	\$904	\$1,070	\$988	\$1,059
Corrections	6.0	6.0	6.5	6.9	6.7	6.7	\$662	\$707	\$787	\$849	\$865	\$831
Economic Security	7.1	7.6	7.5	6.7	7.6	7.6	\$737	\$817	\$831	\$779	\$927	\$923
Education	8.4	6.3	5.8	5.1	6.6	6.7	\$1,090	\$851	\$824	\$781	\$1,060	\$1,057
Environmental Quality	6.7	7.6	7.7	7.1	7.7	8.7	\$910	\$1,067	\$1,112	\$1,069	\$1,208	\$1,307
Game & Fish	4.2	4.5	4.4	4.1	4.1	4.2	\$503	\$555	\$615	\$575	\$593	\$564
Health Services	6.9	6.2	6.3	6.3	6.5	6.8	\$841	\$817	\$850	\$881	\$946	\$963
Historical Society	4.3	6.1	6.6	5.5	7.0	6.4	\$485	\$694	\$787	\$661	\$870	\$807
Industrial Commission	7.1	7.0	6.3	5.8	7.1	7.5	\$803	\$821	\$739	\$730	\$938	\$979
Insurance Dept	5.2	5.6	5.3	4.7	5.4	6.3	\$641	\$730	\$740	\$695	\$871	\$953
Juvenile Corrections	4.8	5.3	6.2	6.5	6.8	7.5	\$540	\$623	\$785	\$842	\$914	\$1,009
Land Dept	6.8	6.0	5.6	6.3	6.2	7.7	\$897	\$802	\$788	\$937	\$963	\$1,144
Lottery Commission	5.5	6.5	8.2	5.7	5.7	5.3	\$735	\$866	\$1,130	\$807	\$852	\$730
Medical Examiners Board	5.1	3.2	4.5	4.5	3.3	8.6	\$670	\$449	\$691	\$705	\$560	\$1,439
Military Affairs	6.3	6.4	6.1	6.1	6.6	6.0	\$689	\$718	\$726	\$768	\$888	\$774
Pioneers Home	7.2	6.8	6.9	6.9	7.6	5.9	\$636	\$618	\$666	\$704	\$796	\$572
Racing	6.5	3.4	6.6	9.6	6.9	2.2	\$811	\$439	\$853	\$1,363	\$1,046	\$296
Real Estate	6.2	6.4	9.3	8.4	10.8	6.3	\$743	\$790	\$1,175	\$1,071	\$1,409	\$789
Registrar of Contractors	6.7	6.4	6.8	6.6	6.2	7.3	\$807	\$786	\$858	\$881	\$855	\$921
Retirement System	5.2	5.3	5.4	4.4	4.2	6.7	\$744	\$801	\$860	\$724	\$762	\$1,055
Revenue	6.5	7.1	7.3	7.0	7.2	8.6	\$738	\$845	\$890	\$890	\$975	\$1,104
State Parks	4.4	4.9	5.6	6.3	6.3	5.6	\$472	\$542	\$622	\$788	\$821	\$716
Transportation	6.6	6.7	6.5	6.3	6.7	7.6	\$736	\$757	\$780	\$776	\$864	\$974
Veterans Service Comm	5.4	4.8	4.4	4.4	5.6	6.0	\$501	\$484	\$487	\$502	\$660	\$710
Water Resources	6.3	6.2	6.7	5.7	6.7	6.5	\$910	\$924	\$1,052	\$975	\$1,228	\$1,075
Overall Average	6.4	6.5	6.7	6.5	6.8	7.1	\$723	\$767	\$814	\$821	\$907	\$914

Source: Data from 1999 through 2003 was derived from the state's Human Resources Management System from actual dollars paid for sick leave from calendar year end files. The state's Human Resources Information Solution provided data for 2004. Numbers in the table reflect actual hours and dollars charged to sick leave for the last six months and annualized.

Comments: The average cost of sick leave increased by 1% last year. Since 1999, over 82% of agencies have experienced an increase in their average sick leave costs, averaging nearly 26% during that time period. If “family sick” is also included with the sick leave shown above, the average days used increases to 8.4 and the average cost increases to \$1,072.

**Table 23 – Age Distribution for All Employees
1998 - 2004**



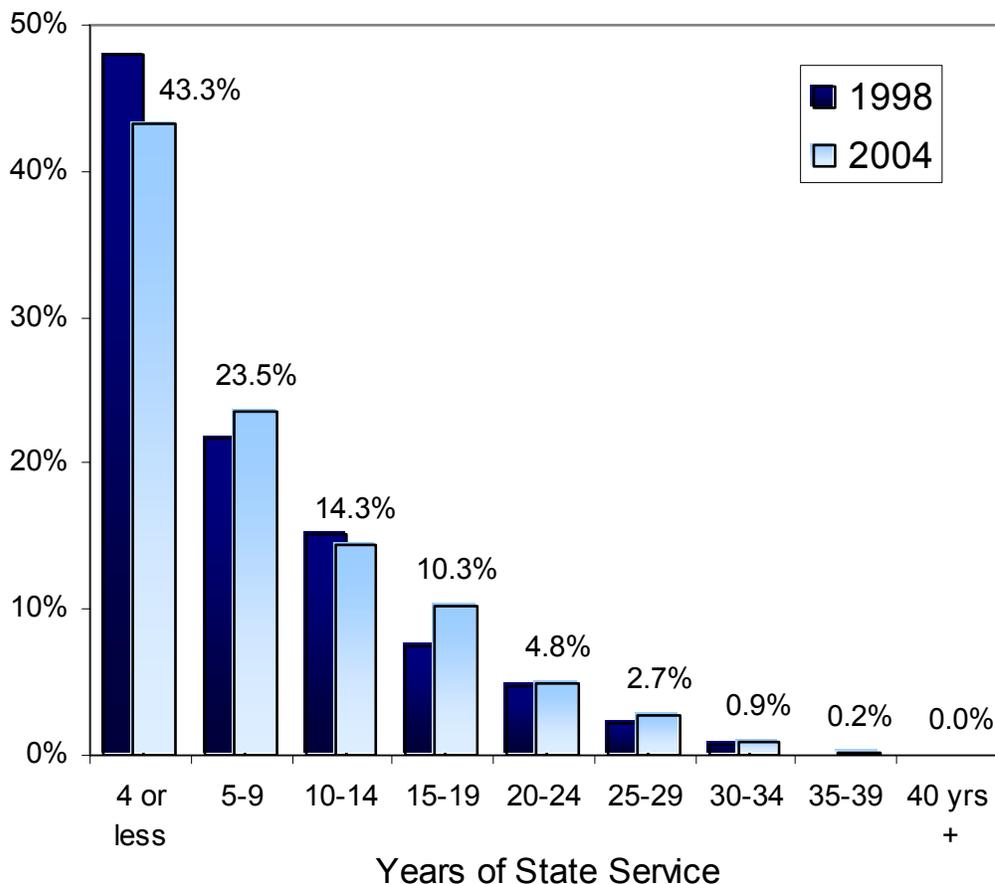
Source: The state's Human Resources Information Solution.

Comments: The above chart shows the age distribution for all employees. In 2004, the average age of a state employee was 44.3 years, and more employees were in the 45-49 and 50-54 age groups than any other age group. In 1998, 42% of the workforce was over 50, whereas in 2004 only 35% of the workforce was over 50 years of age. In 1998, only 18% of the workforce was less than 35 years of age; however in 2003 25% was less than 35 years of age.

The Council of State Governments (October 2002) reported a national average of 44.5 years for state employees, and 21 of the 40 other states reporting have an older workforce than Arizona.

... over 65% of the state's workforce has less than 10 years of experience. . .

**Table 24 – Length of Service Distribution for All Employees
1998 - 2004**

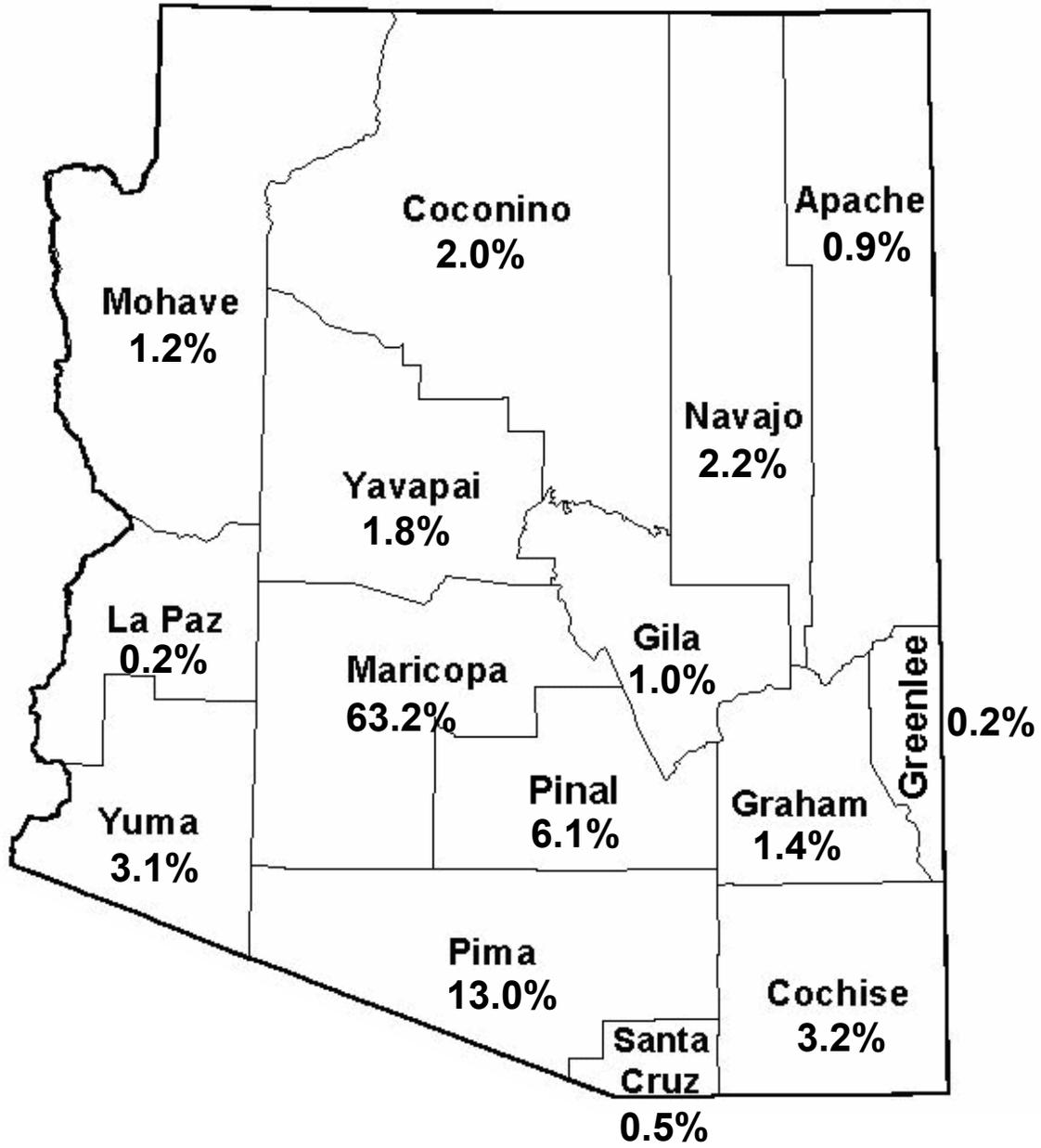


Source: The state's Human Resources Information Solution.

Comments: The above chart shows the length of service distribution for all state employees. The average length of service for the state was 8.4 years of service. Over 43% of state employees have been hired within the last 4 years, and almost 67% of employees have less than 10 years of service with the state.

By way of comparison, the Council of State Governments (October 2002) reported a national average of 11.2 years of service for state employees, and 31 of the 37 other states reporting have more tenured employees than Arizona.

**Table 25 – State Employees by County
2004**



Source: The state's Human Resources Information Solution.

Comments: The majority of state employees reside in Maricopa County, followed by Pima and Pinal counties. These three counties account for over 82% of all state employees.