

# State of Arizona Workforce Report





JANET NAPOLITANO  
Governor

WILLIAM BELL  
Director

## ARIZONA DEPARTMENT OF ADMINISTRATION

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September 2007

The Honorable Janet Napolitano  
Governor, State of Arizona  
The Honorable Tim Bee  
President, Arizona State Senate  
The Honorable James Weiers  
Speaker, Arizona House of Representatives  
1700 West Washington  
Phoenix, Arizona 85007

Dear Governor Napolitano, President Bee and Speaker Weiers:

In compliance with the Arizona Revised Statutes section 41-763.01, I respectfully submit this report for your review.

The format of this year's Workforce Report is very similar to that produced in prior years. We have provided meaningful data regarding the status of the State's workforce and the operations of the Arizona Department of Administration's personnel system.

This report contains over 34 tables and illustrations describing the workforce of the state. Some of the key facts contained herein include:

- There were 37,306 active employees at the end of FY2007 (page 2)
- Over 81% of the workforce is covered by the merit system (page 4)
- Our workforce is more diverse than the labor market (page 11)
- Nearly 56% of the active workforce is comprised of women (page 14)
- The state experienced a separation rate of over 17% of covered employees (page 18)
- In the next five years, over 21% of the workforce will be eligible to retire (page 28)
- The average age of a state employee is 45.7 years (page 35)
- The average length of service is 9.5 years (page 36)

I hope the information provided in this report will assist you when making decisions regarding Arizona State government and its employees. Please call me if you have any questions regarding this report.

Sincerely,

William Bell  
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 an annual 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 the 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 18 agencies that are not included in this personnel system. Agencies that are not within the ADOA Human Resources System have the latitude and authority to develop their own employment, compensation, attendance/leave, and employee relations policies and procedures. Table A identifies the agencies (excluding the universities) within Arizona State Government and the number of active employees.

**Table A – Fiscal Year 2007 Active Employee Headcount**

Agency	Active Employees
ADOA Human Resources Personnel System	37,306
Arizona Schools for the Deaf And Blind	369
Auditor General's Office	207
Court Of Appeals Div I (Phoenix)	106
Court Of Appeals Div II (Tucson)	40
Gaming, Dept of	109
Government Information Technology Agency	21
Governor's Office	154
Governor's Office of Equal Opportunity	4
House Of Representatives	227
Joint Legislative Budget Committee	28
Law Enforcement Merit System Council	1
Legislative Council	46
Library, Archives & Public Records	116
Public Safety, Dept of	2,088
Regents, Board of	31
Senate	150
Supreme Court	612
Tourism, Office of	34

Source: The state's Human Resources Information Solution. Data includes covered and uncovered, regular, active employees at fiscal year end (June 30).

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 all 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 remainder of this report addresses the ADOA Human Resources System. The report is comprised of four major sections.

The introduction 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 15<sup>th</sup> Avenue, Phoenix, Arizona 85007. This section describes the customers of the ADOA Human Resources Division, the services provided, the organization of the division, and functional highlights of each major work area.

**Section One** 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, total state payroll in relation to state population, and the percentage of employees working in each county.

**Section Two** provides statistical information about the employees within the ADOA Human Resources System by ethnic group, gender and occupational group as defined by the U.S. Equal Employment Opportunity Commission. The statistical information includes distribution of employees by ethnic group compared to the Arizona Labor Force, distribution of employees by occupational group, trends in employment by ethnicity and gender, trends in employment of minorities, minority representation by agency, and gender representation by agency.

**Section Three** 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, classes with the highest separation rates, separation rates by ethnic group, separation rates by occupational code, separation rates by age distribution, separation rates by length of service, a comparison of the newly hired employees with those separation regarding age and ethnic distribution, the relative percentage of separations due to retirement, future projections of retirement eligibility, and the estimated cost of turnover by agency for covered employees.

**Section Four** provides information on employment characteristics. The majority of the information is presented by agency with five 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 information regarding employee satisfaction.

The main source of the information presented in this report 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 and accurate manner. Maintenance and reporting functions of the system reside within the authority of ADOA. The HRIS system captures information from approximately 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 active employees 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 during the pay period that included the 12<sup>th</sup> of June, 2007.

This year's report is intended to focus management's attention on the majority of the state's workforce which is comprised of regular, permanent, full-time employees. Therefore employees that were in positions identified as limited, seasonal, or working part-time of less than 0.25 full time equivalent have been excluded. These exclusions were applied to the data reported for 2005 and 2006 as well, so there may be some slight discrepancies between data reported this year and that which was previously reported.

## 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<sup>th</sup> Avenue, Phoenix, Arizona

**Employees:** 130 full-time positions

**FY 2007 Budget:** \$17,024,100 Personnel Division Fund (ProRata)

**Mission:** ...provide efficient, timely, customer-driven professional human resources services...

The Division consists of the following:

**Human Resources Director** - Kathy Peckardt

**Staffing and Recruitment** – Jackie Mass

**Classification/Compensation** – Karen Battilana

**Satellite Offices/Work-Life** – Laura Krause

**Planning and Quality Assurance** – Greg Carmichael

**Employee Relations** – Christine Bronson

**Human Resources Information Solution** – Matthew Timberlake

*Additional areas include: **Human Resources Consulting, Marketing/Communications and Administrative Services***

**Customer Base** includes about 38,000 active employees from over 100 state agencies, boards and commissions. Customer agencies can generally be grouped into the following segments...

- 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, 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)

## Staffing & Recruitment

The section assists agencies with their staffing needs including such activities as posting announcements; screening resumes; generating lists of qualified applicants; processing inter-agency transfers; conducting employment verifications. Special needs of agencies are addressed through a variety of strategies including authorization of direct hire requests, mobility and special detail assignments; counter offers; and managing a clerical pool for temporary services. The section assists agencies with testing and screening of applicants and developing interview questions for the selection of qualified candidates. It also provides employee survey services including design and analysis of survey results.

This area also assists agencies with Executive Recruitments and offers a full complement of executive search services including ad development; resume screening, flight and travel reservations and consultative services. The unit is also responsible for sponsoring the annual State Job Fair and other community outreach programs, local job fairs and community events. The consolidated newspaper recruitment advertisement for all State agencies is also managed through this unit.

Diversity is exemplified by our commitment of fostering an environment that is all-inclusive and encourages individuals to maximize their potential in providing quality service to our customers. The staffing unit continues to advocate diversity in all our recruiting efforts.

## Classification & Compensation

The Classification and Compensation Section assists agencies with a variety of organizational needs. The services provided include position evaluation to ensure appropriate classification and compensation levels; establishment of new and reclassification of existing positions; conduct and/or participate in various salary surveys, providing relevant market information to requesting agencies, the Governor's Office, and the Legislature; review of various stipend requests and other special salary actions (administrative adjustments).

The Classification and Compensation Section also assists agencies with various organization issues such as reorganizations, conducts various classification/compensation studies; establishment of new or revision of existing job code specifications, and the review and oversight of appropriate alternative salary plans/practices.

## Satellite Offices

This section includes the 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 offices dedicated to the agency. The remaining agencies are provided human resources services through Central Office Human Resources.

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

## 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.

## Planning & Quality Assurance

This section assists State agencies in reviewing their policies, practices and procedures to ensure human resources practices throughout Arizona State Government are in compliance with personnel rules and federal and state laws. The section also provides data analysis of key human resources information and focuses on strategic planning and best practices research which assist the Division in becoming proactive partners with its customers.

## Work-Life

The Work-Life Unit promotes greater organizational effectiveness through policies, programs and organizational change efforts. The unit is specifically charged with developing programs that respond to current employee and organizational needs, fostering flexibility and inclusiveness, and administering employee programs. The unit currently administers the group auto and home insurance program, the computer purchase program and the employee discount program. In addition, Work-Life staff work across all HR functions and other employee programs to increase employee awareness and use of existing programs in order to positively impact employee retention.

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## Human Resources Information Solution (HRIS)

A team of functional and technical staff manages the state's integrated payroll, personnel, and benefits system called the Human Resources Information Solution. HRIS serves as the state's central system of record for employee information.

The system processes payroll, allows employees to enroll in the state's benefit plans, and provides management with reporting capabilities to manage the state's workforce. Most of the information contained in this report is compiled directly from the information stored in HRIS.

## Employee Relations

The Employee Relations Section assists state agencies by providing guidance to human resources professionals, management and employees on employee relations issues, Personnel Rule interpretations, and policy development. The section also conducts or assists with investigations regarding alleged discrimination, retaliation or violations/non-compliance with Personnel Rules, investigates and prepares responses to grievances submitted to the ADOA Director, assists in administering reductions in force, and makes recommendations to the ADOA Director regarding requests for carry-over of excess annual leave.

In addition to the above services, which are provided to all state agencies, this section provides additional services in-house to ADOA management and employees, including approving and monitoring Family and Medical Leave Act (FMLA) usage, and reviewing and approving requests for Donated Annual Leave for ADOA employees.

This section also monitors human resources-related federal legislation, closely tracks pending and/or changes to state legislation, drafts and revises ADOA Personnel Rules, policies and procedures, and conducts training in partnership with Arizona Government University.



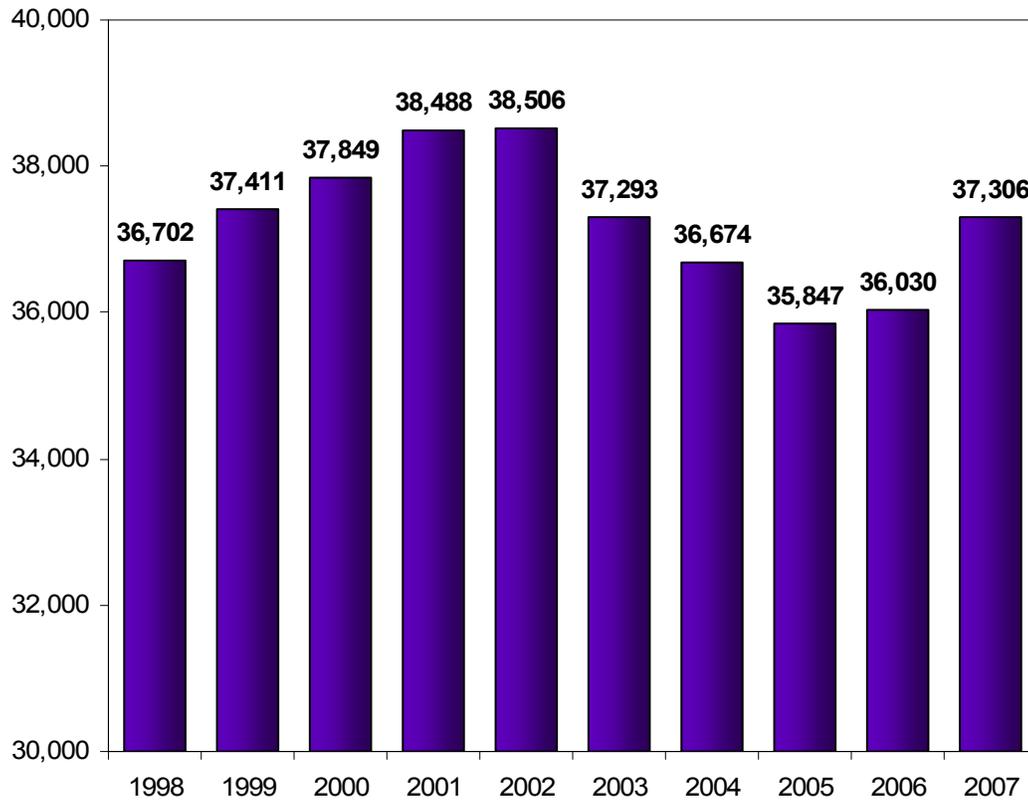
# I General Employment Trends

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- Employee Headcount
- Employees by Agency
- Covered/Uncovered Employees by Agency
- Rank of All States by FTEs to Population
- Ratio of State FTEs to Population
- Rank of All States by Payroll to Population
- Ratio of State Payroll to Population
- State Employees by County

. . . the total number of state employees increased to 37,306– returning to workforce levels similar to the 10-year average . . .

**Table 1-1 – Employee Headcount  
1998 - 2007**



Source: The state's Human Resources Management System for years 1998 through 2003. Data for 2004 through 2007 was extracted from the state's Human Resources Information Solution. Data from 1997 to 1999 represents calendar year-end (December 31); 2000 through 2007 data represents fiscal year-end (June 30). Data includes covered and uncovered active employees.

**Analysis:** The total number of employees increased in 2007, returning to a staffing level similar to the average over the past ten years. The increase in the number of active employees was 3.5% (compared to last year's 0.5% increase).

**Table 1-2 – Employees by Agency  
Fiscal Year 2003 - 2007**

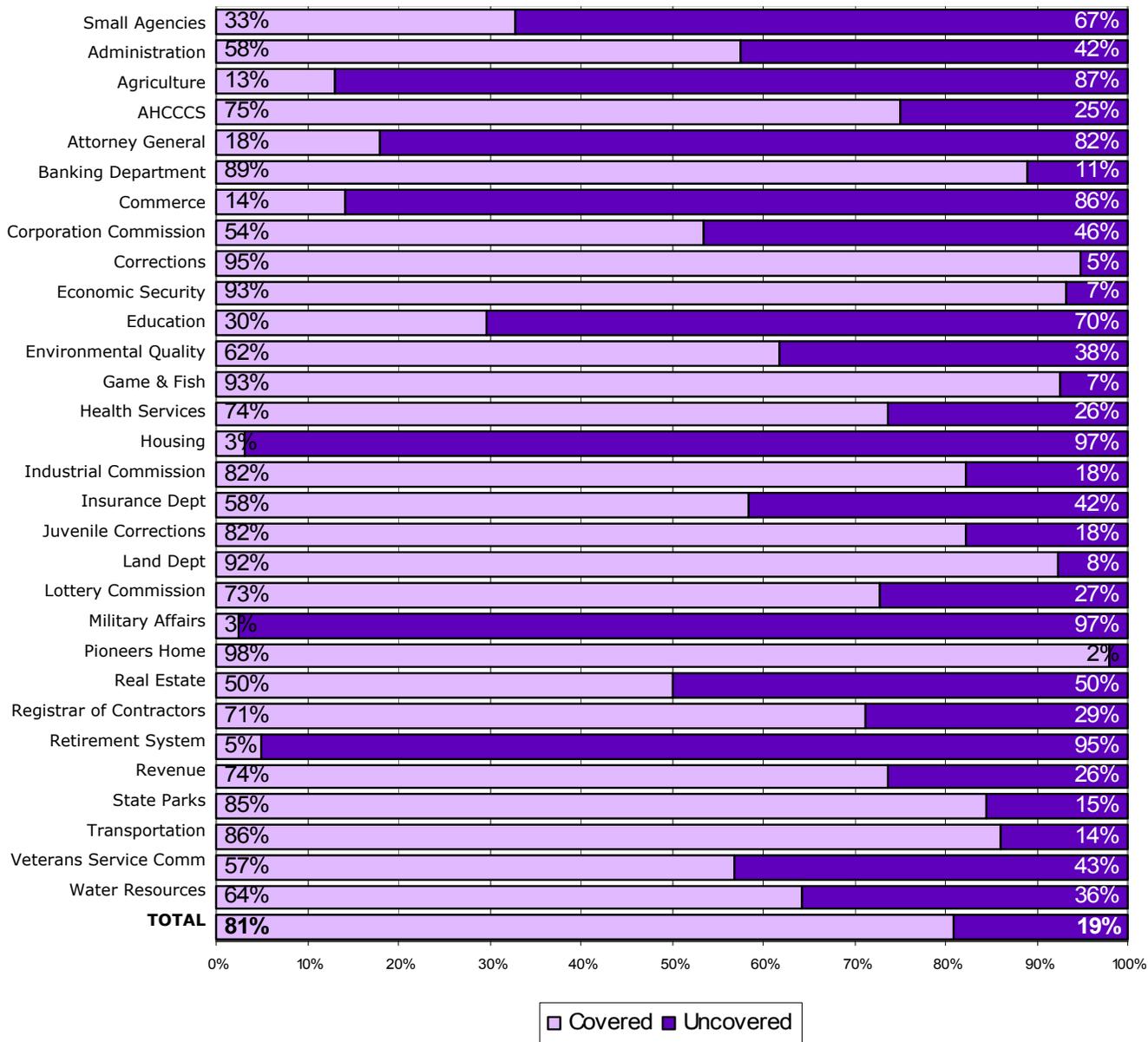
<b>Agency Name</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Small Agencies	1,309	1,143	893	912	960
Administration	899	856	798	780	807
Agriculture	350	316	318	336	347
AHCCCS	1,282	1,233	1,324	1,321	1,359
Attorney General	638	694	687	672	678
Banking Department	50	51	54	63	63
Commerce	89	88	96	91	92
Corporation Commission	298	291	280	287	293
Corrections	9,426	9,813	9,119	8,967	9,357
Economic Security	9,799	9,555	9,841	10,004	10,312
Education	405	443	495	533	576
Environmental Quality	734	681	670	634	656
Game & Fish	680	641	548	569	574
Health Services	1,900	1,836	1,810	1,855	1,998
Housing Dept	N/A	N/A	60	63	64
Industrial Commission	289	283	281	276	270
Insurance Dept	145	137	141	137	132
Juvenile Corrections	1,105	1,025	1,036	1,039	1,083
Land Dept	218	129	182	193	195
Lottery Commission	116	109	101	101	99
Military Affairs	517	489	505	500	505
Pioneers Home	132	133	104	103	103
Real Estate	57	58	58	63	60
Registrar of Contractors	143	136	142	123	129
Retirement System	175	181	182	210	221
Revenue	1,050	1,044	1,019	995	959
State Parks	333	331	279	289	285
Transportation	4,643	4,463	4,342	4,411	4,579
Veterans Service	291	296	266	277	317
Water Resources	220	219	216	226	233
<b>Totals</b>	<b>37,293</b>	<b>36,674</b>	<b>35,847</b>	<b>36,030</b>	<b>37,306</b>

Source: The state's Human Resources Management System for 2003. Data for 2004 through 2007 was extracted from the state's Human Resources Information Solution. Data includes covered and uncovered active employees at fiscal year-end (June 30).

**Analysis:** Nearly three out of four (72%) of the larger state agencies experienced an increase in the number of employees; however six agencies (21%) experienced a decrease. Four agencies experienced an increase of greater than 5%, one of whom increased staff by over 10%. No agencies experienced decreases of more than 5%.

... over 81% of employees in the ADOA Human Resources System are covered by the state merit system ...

**Table 1-3 – Covered/Uncovered Employees by Agency  
Fiscal Year 2007**



Source: The state’s Human Resources Information Solution. Table includes covered and uncovered active employees at fiscal year-end (June 30).

**Analysis:** This table illustrates the distinction between “covered” employees (employees in positions covered by the ADOA personnel rules, sometimes referred to as “merit” employees) and “uncovered” employees (employees in positions not covered by the ADOA personnel rules, sometimes referred to as “at will” employees). Over 81% of the workforce in the ADOA Human Resources System is covered by the merit system. Twenty-one out of the twenty-nine larger agencies (72%) have the majority of their employees covered by the merit system.

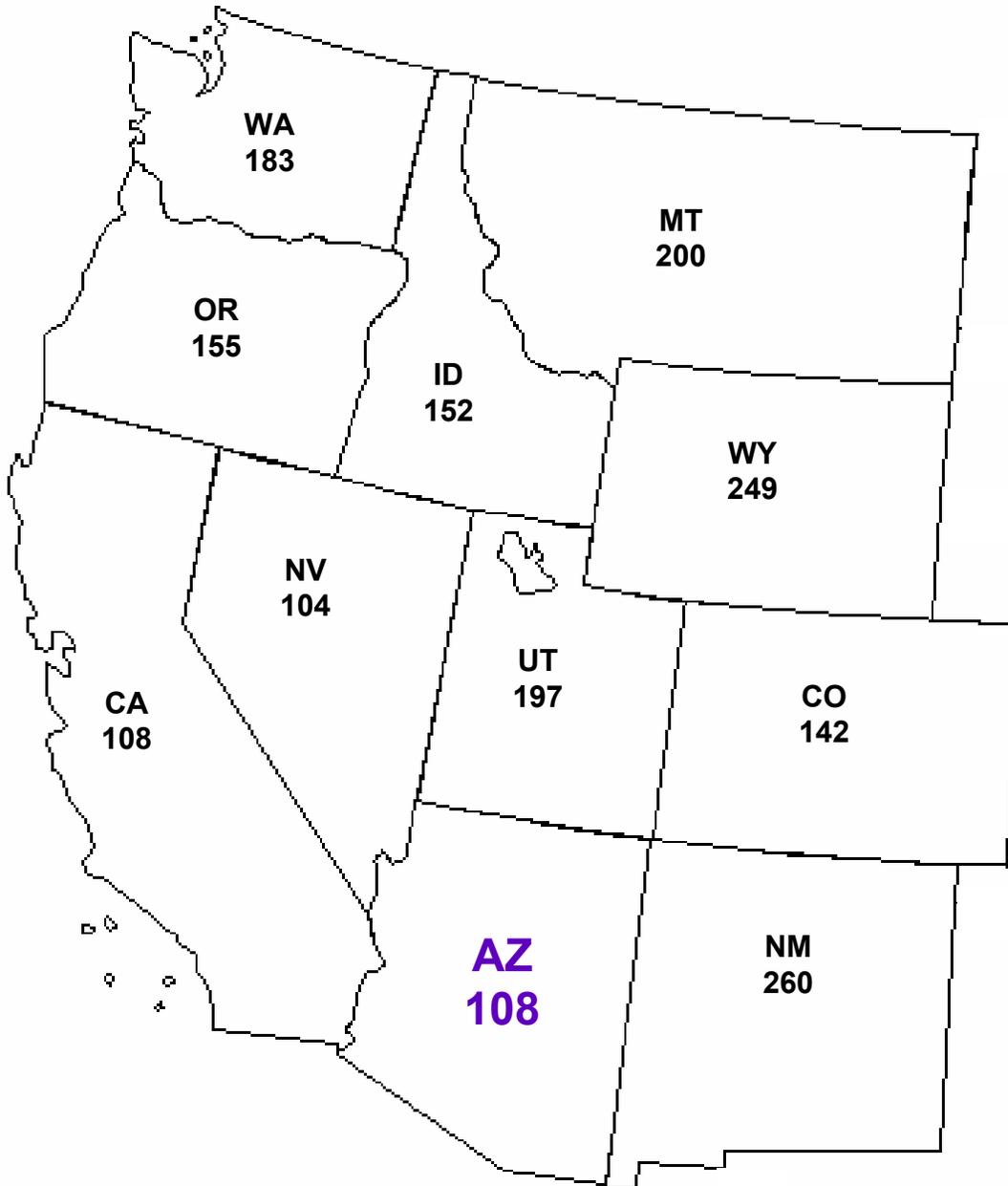
**Table 1-4 - Rank Order of All States by Ratio of State FTEs to State Population  
2006**

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

Source: U.S. Census Bureau, Governments Division, March 2006. Population data estimate for July 2006.

**Analysis:** Arizona remained 46<sup>th</sup> in the nation in the ratio of full-time equivalent state employees compared to the overall population of the state. In 2004, Arizona also ranked 46<sup>th</sup>, however in 2002, Arizona ranked 45<sup>th</sup>, and in 2000, Arizona ranked 43<sup>rd</sup>. Of the Western States, only California and Nevada have fewer state FTEs compared to the overall population of the state.

**Table 1-5 - Ratio of State FTEs to State Population  
2006  
Employees per 10,000 Population**



Source: U.S. Census Bureau, Governments Division. March 2006. Population data estimate for July 2006.

**Analysis:** Arizona remained 9<sup>th</sup> out of the 11 Western states (the same ranking as in 2002 and 2004) in the ratio of full-time equivalent state employees compared to the overall population of the state. Arizona's ratio of FTEs per 10,000 population decreased by 11.1% since 2002, compared to the national average decrease of 3.2%.

**Table 1-6 - Rank Order of All States by Ratio of Total State Payroll to State Population  
2006**

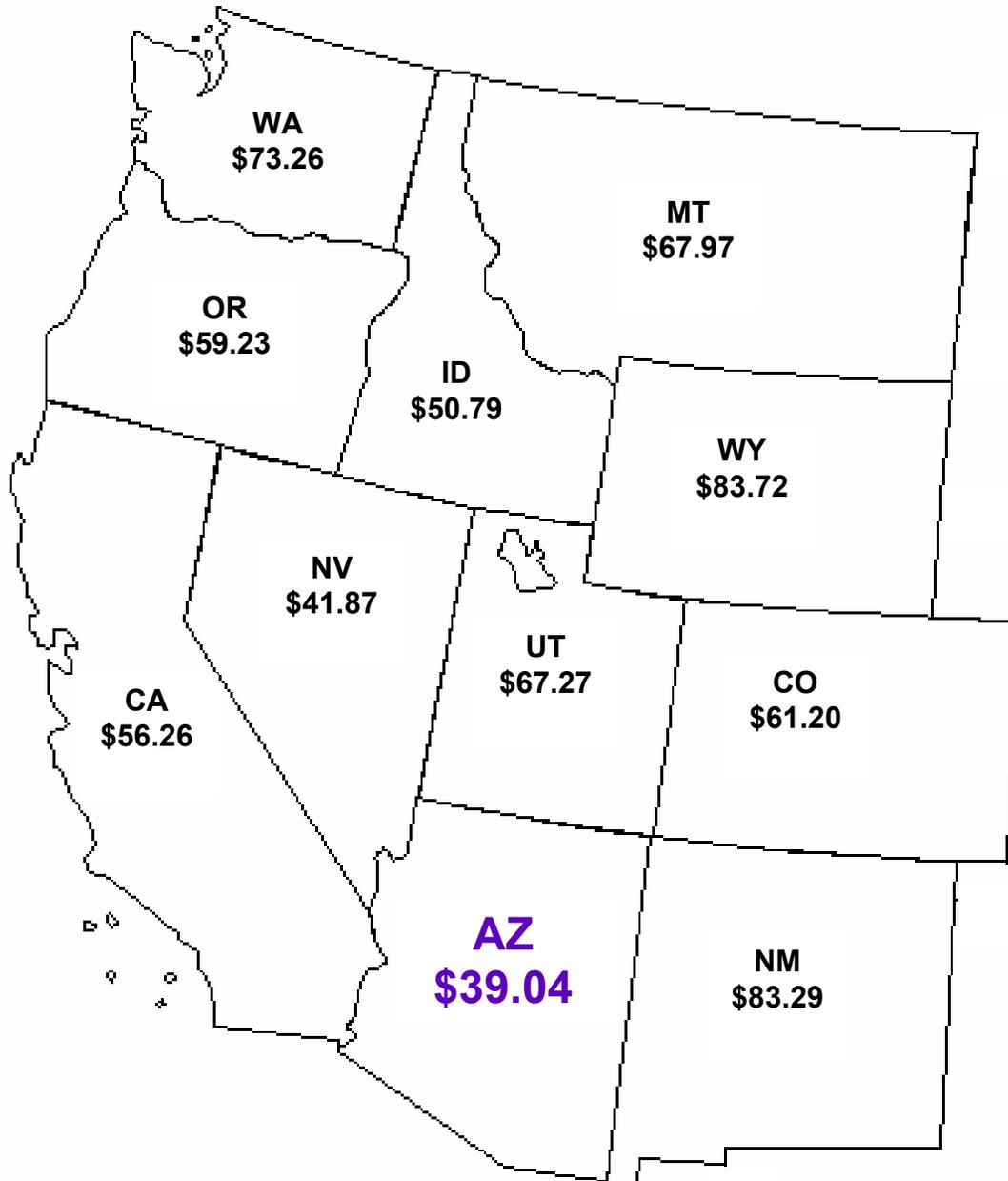
1.....Hawaii	27.....Virginia
2.....Alaska	28.....Oregon
3.....Delaware	29.....Mississippi
4.....Vermont	30.....Nebraska
5.....North Dakota	31.....South Carolina
6.....New Jersey	32.....South Dakota
7.....Rhode Island	33.....California
8.....Connecticut	<b>United States Average</b>
9.....Wyoming	34.....North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

Source: U.S. Census Bureau, Governments Division. March 2006. Population data estimate for July 2006.

**Analysis:** Arizona remained 49<sup>th</sup> in the nation in 2006 when comparing total payroll to the state's population. In 2004 and 2002, Arizona ranked 49<sup>th</sup>, and in 2000, Arizona ranked 47<sup>th</sup>. Arizona's ratio of total state payroll compared to the overall population of the state was 26% lower than the nationwide average in 2002 and is currently 30% lower in the 2006 census data.

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

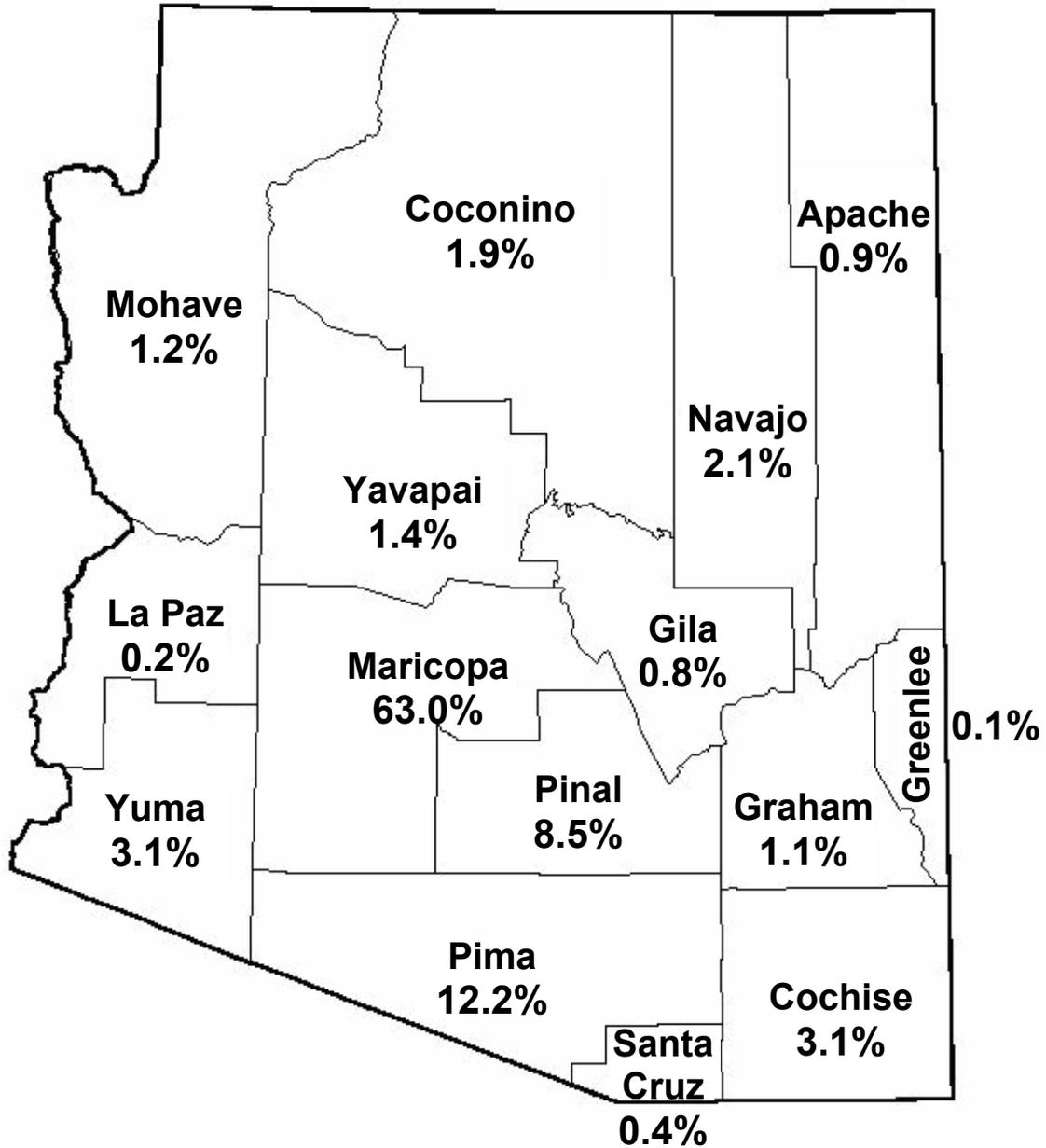
**Table 1-7 - Ratio of Total State Payroll to State Population  
2006  
Payroll Dollars per Citizen**



Source: U.S. Census Bureau, Governments Division. March 2006. Population data estimate for July 2006.

**Analysis:** Of the Western States, Arizona continues to have the lowest ratio of state payroll compared to the overall population of the state. Arizona's payroll ratio increased 2.8% since 2002, compared to the national average which increased by 8.7% and the ten other Western States which increased an average of 11.8%.

**Table 1-8 – State Employees by County  
Fiscal Year 2007**



Source: The state's Human Resources Information Solution. Data represents covered and uncovered active employees at fiscal year-end (June 30).

**Analysis:** The majority of state employees work in Maricopa County, followed by Pima and Pinal counties. These three counties account for nearly 84% of all state employees.



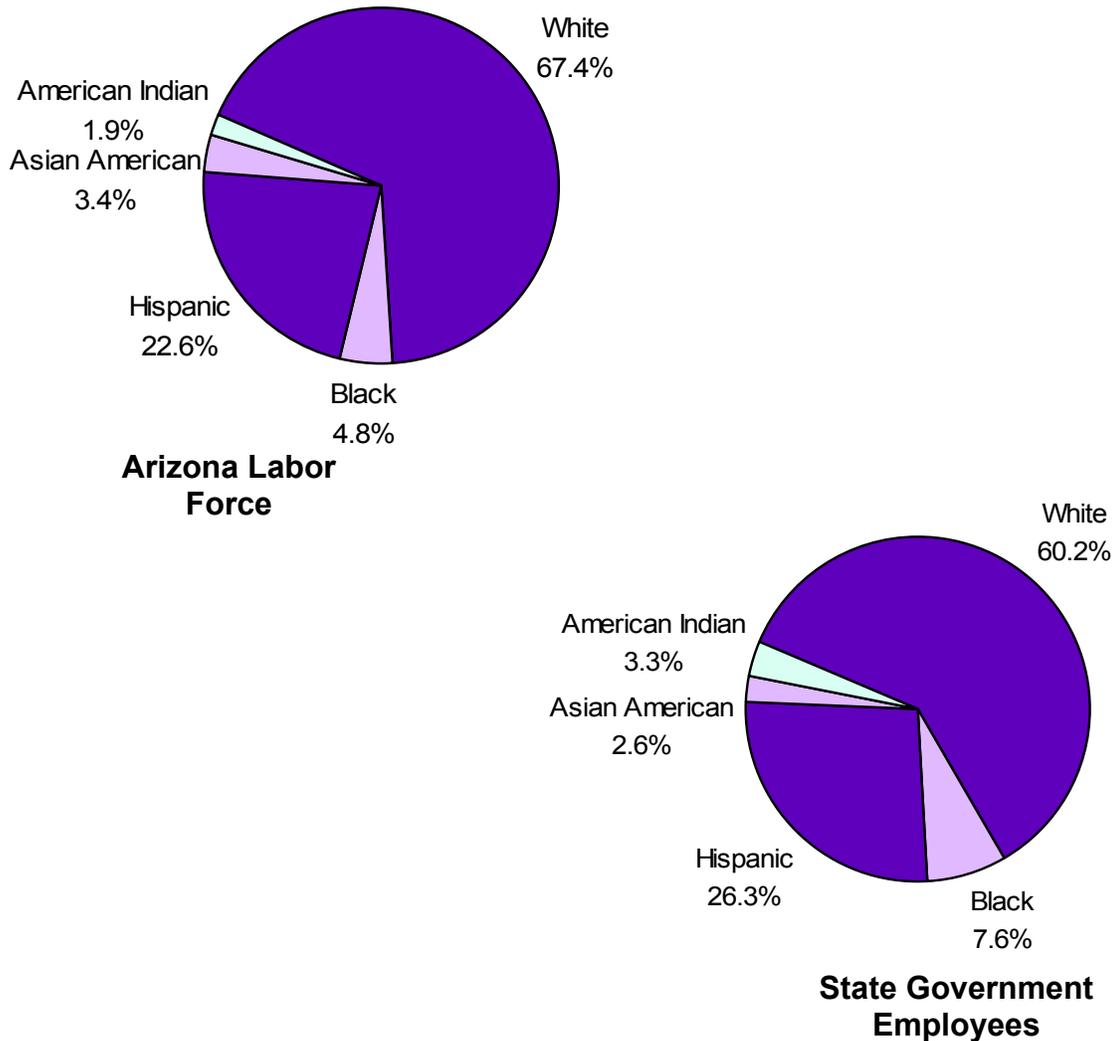
# 2

## Equal Employment

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- Distribution of Employees by Ethnic Group
- Distribution of Employees by Occupation
- Minority Representation by Agency
- Gender Representation by Agency
- Changes in Employment by Ethnicity and Gender

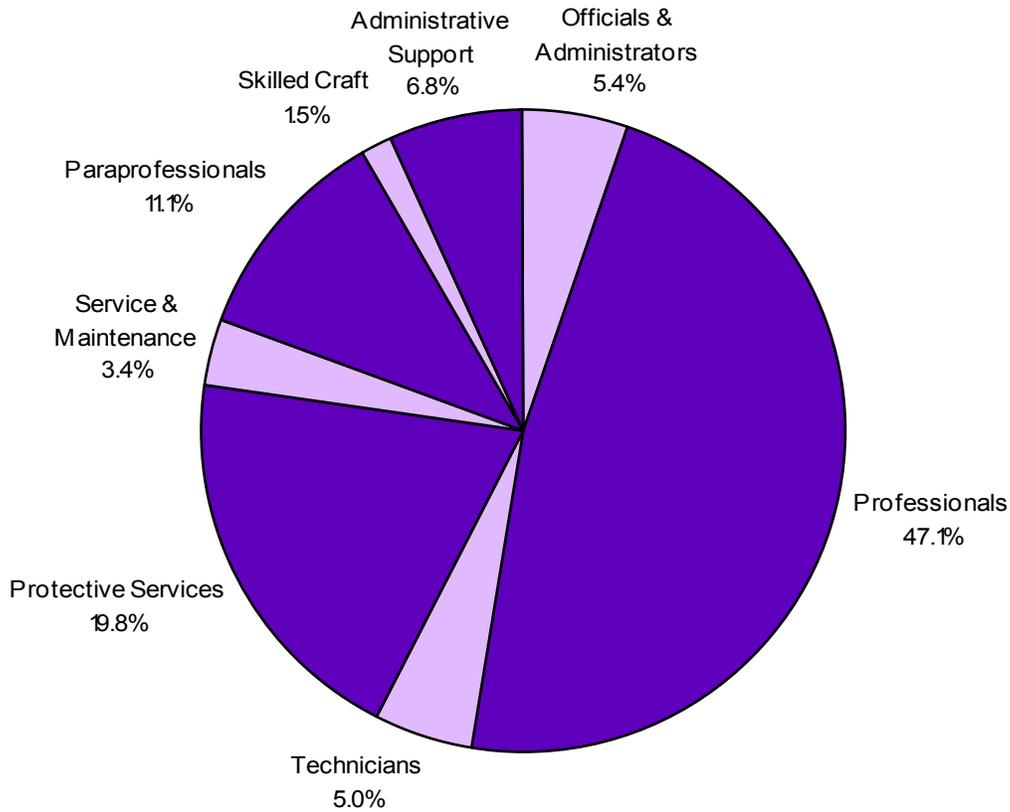
**Table 2-1 – Distribution of State Government Employees by Ethnic Group Fiscal Year 2007**



Source: Arizona Labor Force data from the U.S. Equal Employment Commission 2004 EEO-1 Report; State Government Employees data from the State's Human Resources Information Solution June 2007; includes covered and uncovered employees. Percentages are based upon employees responding – a small percentage of employees choose not to disclose their ethnicity.

**Analysis:** The majority of the state's workforce is comprised of the White and Hispanic ethnic groups. With the single exception of the Asian American ethnic group, the state government's workforce tends to be more diverse than the Arizona Labor Force.

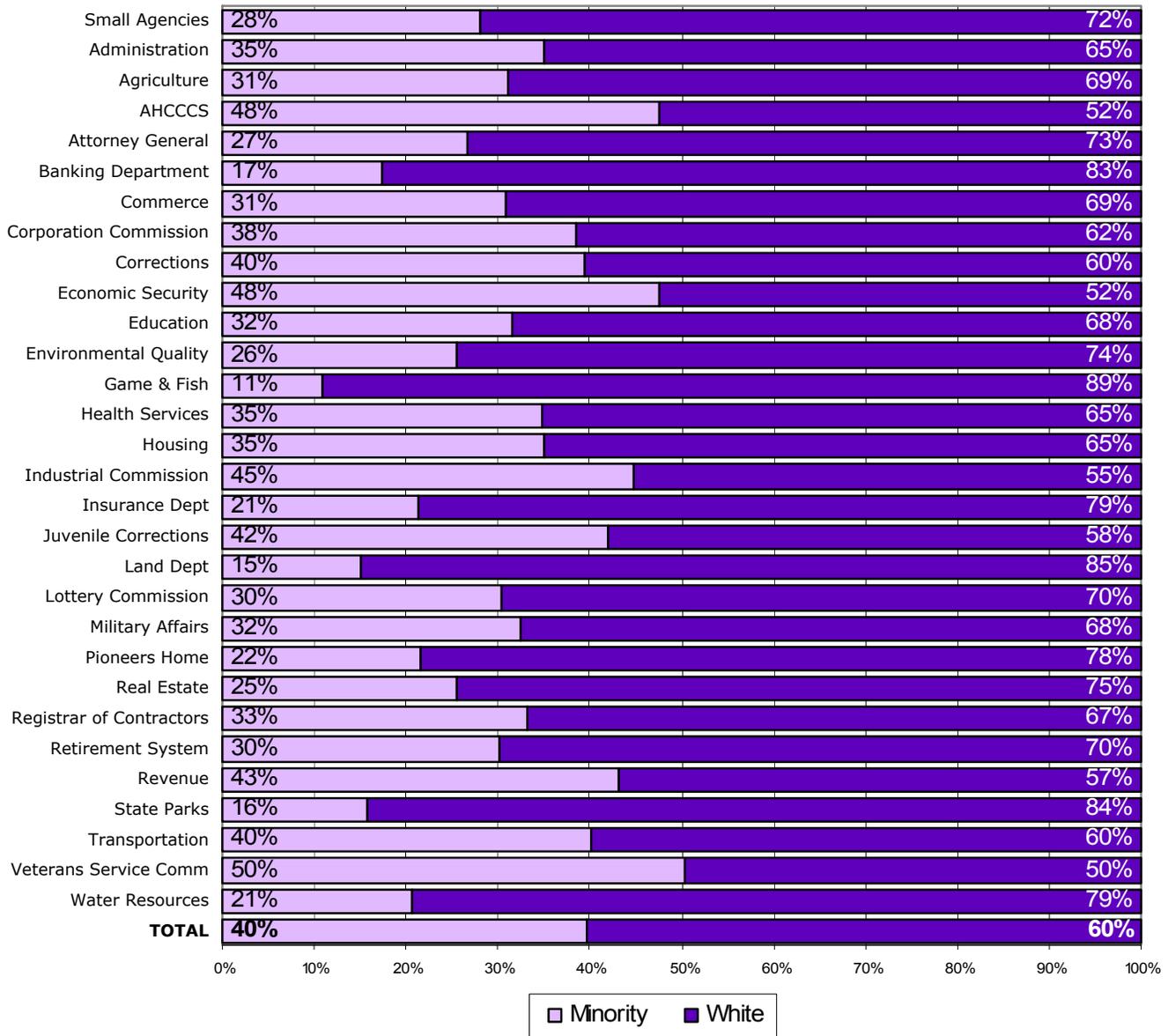
**Table 2-2 – Distribution of State Government Employees by Occupational Group  
Fiscal Year 2007**



Source: The State's Human Resources Information Solution, June 2007; includes covered and uncovered employees. Categories are based upon the Equal Employment Opportunity Commission's Occupational Categories for State and Local Government (EEO-4).

**Analysis:** State employees in positions categorized as Professional comprise the largest percentage (47%) of the eight occupational groupings. Skilled craft (15%) and service workers (3.4%) encompass the smallest percentage.

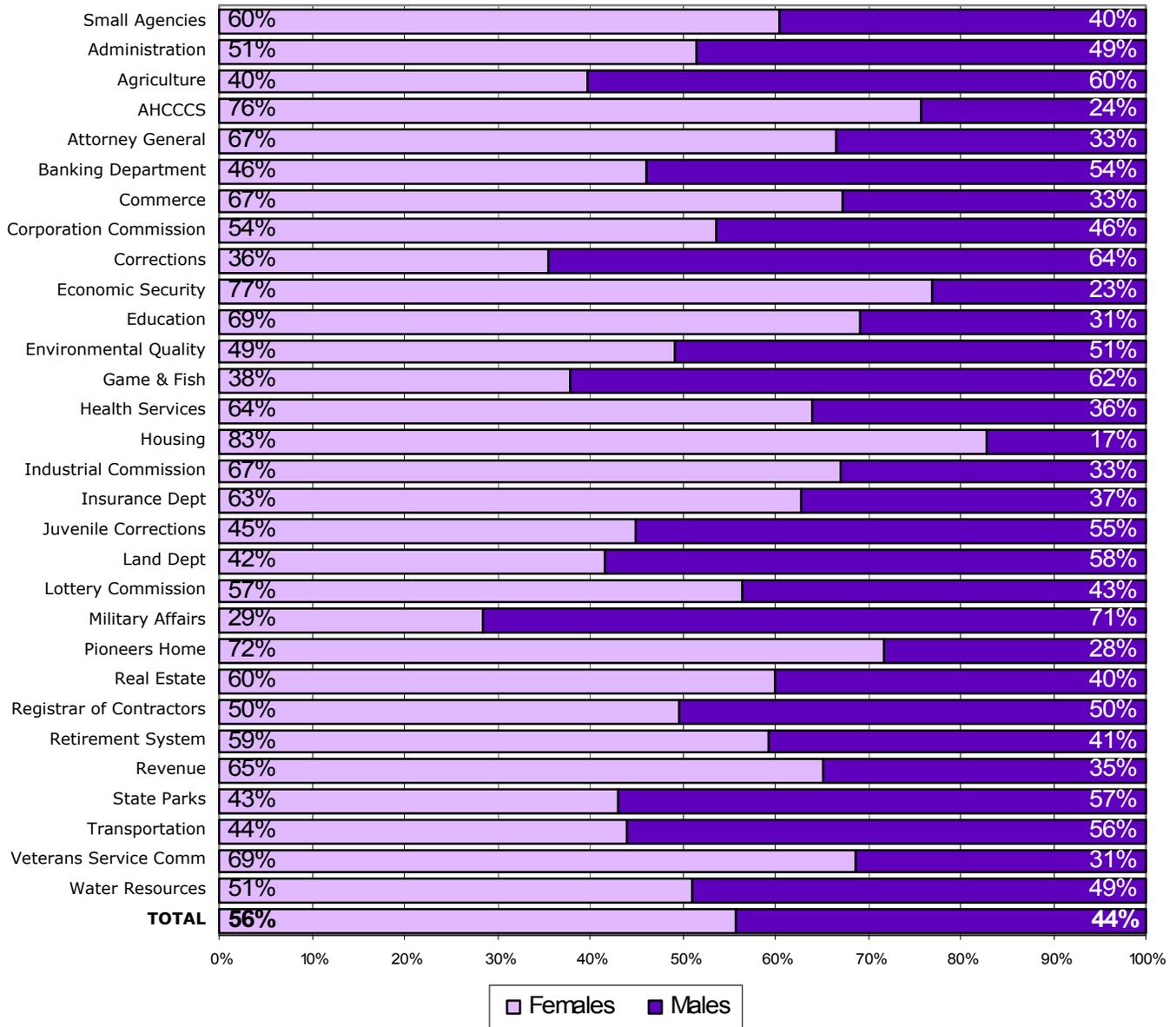
**Table 2-3 – Minority Representation by Agency  
Fiscal Year 2007**



Source: The State's Human Resources Information Solution (HRIS), June 2007. Percentages are based upon covered and uncovered employees that identified their ethnicity – a small percentage of employees choose not to disclose this information.

**Analysis:** The table above shows the proportion of minority employees of each of the larger state agencies. Twenty-three of the larger agencies (79%) increased their minority representation compared with last year's numbers.

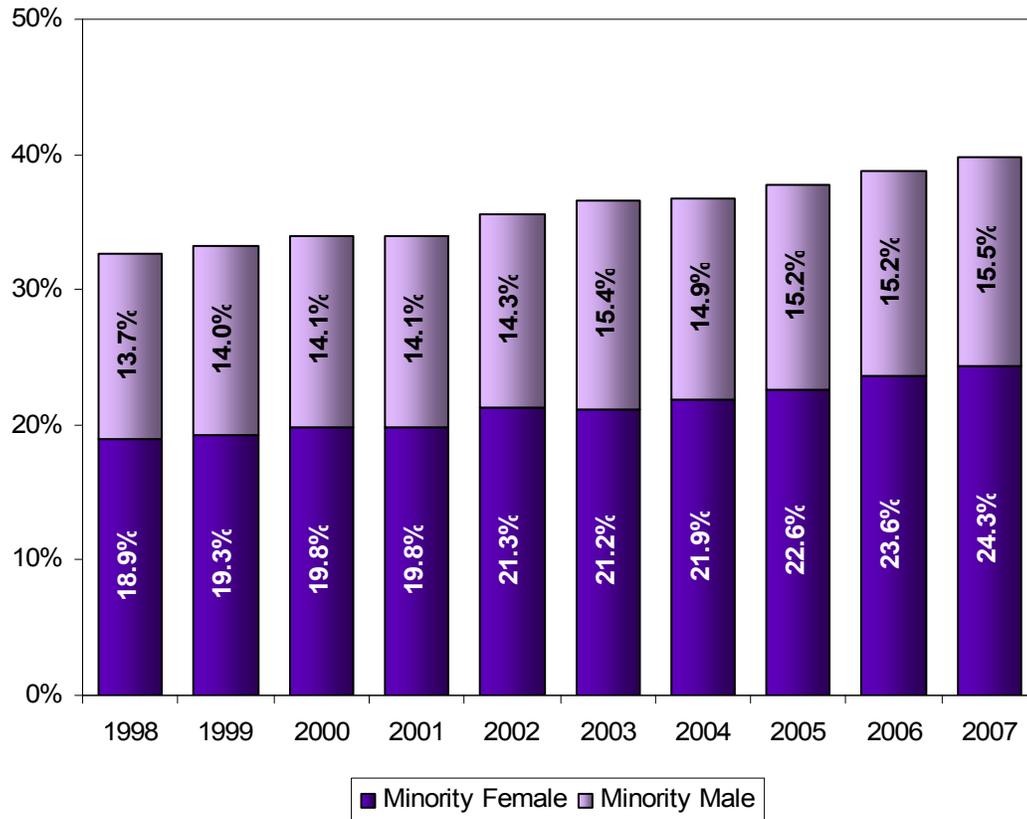
**Table 2-4 – Gender Representation by Agency  
Fiscal Year 2007**



Source: The state's Human Resources Information Solution; June 2007. Includes covered and uncovered employees.

**Analysis:** Eighteen of the twenty-nine larger agencies (62%) have over 50% females representing their workforce. The relative percentage of females in the workforce increased again for the fourth consecutive year (0.5% increase from 2006).

**Table 2-5 – Ten Years of Changes in Employment by Ethnicity and Gender 1998 – 2007**



Source: The state's Human Resources Management System for years 1998 through 2003. Data for 2004 through 2007 was extracted from the state's Human Resources Information Solution. Data from 1997 to 1999 represents calendar year-end (December 31); 2000 through 2007 data represents fiscal year-end (June 30). Percentages are based upon covered and uncovered employees that identified their ethnicity – a small percentage of employees choose not to disclose this information.

**Analysis:** The overall growth in the total percentage of minority employees has averaged 0.84% over the past ten years. This growth is most apparent in the increased percentage of minority females; their average growth is over two and a half times that of minority males.



# 3

## Employee Mobility

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- Changes in Separations by Covered & Uncovered Employees
- Separation Rates of Covered Employees by Agency
- Voluntary and Involuntary Separations by Agency
- Most Populous Covered Classes
- Covered Classes with the Highest Separation Rates
- Separation Rates by Ethnicity
- Separation Rates by Occupation
- Separation Rates by Age Distribution
- Separation Rates by Length of Service
- Percentage of Separations Due to Retirement
- Retirement Eligibility by Agency
- Estimated Cost of Turnover by Agency

**Table 3-1 – Ten Years of Changes in Separations by Covered and Uncovered Employees 1998 - 2007**

Year		Total Employees	Retirements		Resignations		Terminations		Other		Total Separations	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
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%
2005	Covered	29,742	715	2.4%	2,358	7.9%	963	3.2%	2,275	7.6%	6,311	21.2%
	Uncovered	6,105	159	2.6%	433	7.1%	20	0.3%	538	8.8%	1,150	18.8%
2006	Covered	29,488	635	2.2%	2,195	7.4%	830	2.8%	1,605	5.4%	5,265	17.9%
	Uncovered	6,542	160	2.4%	459	7.0%	14	0.2%	635	9.7%	1,268	19.4%
2007	Covered	30,192	684	2.3%	2,072	6.9%	951	3.1%	1,515	5.0%	5,222	17.3%
	Uncovered	7,114	228	3.2%	405	5.7%	24	0.3%	663	9.3%	1,320	18.6%

Source: The state's Human Resources Information Solution. 1998 through 1999 data represents separations from state service during the calendar year (Jan – Dec); 2000 through 2007 data represents separations during the fiscal year (July 1 – June 30). The information reflected herein for separation rates may be different than the data reported previously based on changes in methodology used to gather the information for this report.

**Analysis:** The separation rate for covered employees has decreased significantly from the high experienced two years ago. The average separation rate for both categories combined (covered and uncovered) decreased from 18.1% in 2006 to 17.5% in 2007. Among covered employees, resignations remain the leading category of separations. The percentage of retirements of covered and uncovered employees increased to the highest level in recent history.

**Table 3-2 – Separation Rates of Covered Employees  
by Agency  
Fiscal Year 2003 - 2007**

<b>Agency Name</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Small Agencies	16.0%	10.9%	16.4%	21.3%	23.1%
Administration	15.2%	9.9%	21.1%	22.5%	19.1%
Agriculture	12.9%	8.1%	29.6%	15.0%	13.3%
AHCCCS	15.3%	14.1%	15.2%	21.4%	16.7%
Attorney General	21.1%	25.7%	18.4%	19.7%	21.3%
Banking Department	8.8%	13.3%	14.9%	18.2%	16.1%
Commerce	3.2%	0.0%	14.3%	15.0%	0.0%
Corporation Commission	12.3%	13.3%	23.0%	19.3%	15.3%
Corrections	17.7%	16.5%	31.0%	17.7%	16.4%
Economic Security	13.7%	12.8%	16.6%	17.2%	17.8%
Education	24.1%	20.5%	17.6%	17.3%	26.3%
Environmental Quality	8.0%	6.8%	8.9%	16.6%	10.8%
Game & Fish	6.3%	11.8%	13.9%	11.7%	11.1%
Health Services	19.7%	20.0%	20.8%	23.9%	20.2%
Housing Dept	N/A	N/A	33.3%	0.0%	0.0%
Industrial Commission	11.0%	10.0%	16.3%	22.8%	32.4%
Insurance Dept	14.3%	32.6%	21.2%	18.5%	18.2%
Juvenile Corrections	29.6%	28.2%	30.0%	27.4%	27.0%
Land Dept	14.6%	6.6%	11.0%	11.5%	13.9%
Lottery Commission	9.3%	10.1%	10.5%	3.9%	6.9%
Military Affairs	14.1%	12.0%	18.5%	16.7%	15.4%
Pioneers Home	15.8%	35.4%	35.3%	23.5%	23.8%
Real Estate	20.2%	10.5%	24.3%	35.3%	26.7%
Registrar of Contractors	2.5%	9.0%	20.0%	28.1%	25.0%
Retirement System	6.1%	0.0%	30.0%	0.0%	27.3%
Revenue	10.4%	10.3%	14.2%	15.8%	14.9%
State Parks	9.1%	9.7%	12.1%	11.0%	7.5%
Transportation	12.3%	13.6%	15.8%	15.3%	15.2%
Veterans Service	23.0%	39.3%	31.4%	28.5%	28.3%
Water Resources	14.7%	7.1%	8.2%	9.7%	12.7%
<b>Totals</b>	<b>15.4%</b>	<b>14.9%</b>	<b>21.2%</b>	<b>17.9%</b>	<b>17.3%</b>

Source: The state's Human Resources Information Solution. Data represents separations of covered employees from state service during the fiscal year (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.

**Analysis:** The rate of separations from state service decreased again for the second straight year from the high experienced in 2005. Nineteen of the larger agencies (66%) experienced a decrease in separation rates from 2006. Nevertheless, in 2007 ten agencies experienced separation rates greater than 20% and one agency experienced a separation rate greater than 30%.

**Table 3-3 – Voluntary and Involuntary Separations of Covered Employees by Agency  
Fiscal Year 2007**

Agency	Voluntary		Involuntary		Total	
	Number	Percent	Number	Percent	Number	Percent
Small Agency Administration	65	20.6%	8	2.5%	73	23.1%
Agriculture	6	13.3%	0	0.0%	6	13.3%
AHCCCS	145	14.2%	25	2.5%	170	16.7%
Attorney General	25	20.5%	1	0.8%	26	21.3%
Banking	8	14.3%	1	1.8%	9	16.1%
Commerce	0	0.0%	0	0.0%	0	0.0%
Corporation Commission	18	11.5%	6	3.8%	24	15.3%
Corrections	1269	14.3%	191	2.2%	1460	16.4%
Economic Security	1466	15.2%	245	2.5%	1711	17.8%
Education	44	25.7%	1	0.6%	45	26.3%
Environmental Quality	43	10.6%	1	0.2%	44	10.8%
Game & Fish	46	8.6%	13	2.4%	59	11.1%
Health Services	246	16.7%	51	3.5%	297	20.2%
Housing	0	0.0%	0	0.0%	0	0.0%
Industrial Commission	60	27.0%	12	5.4%	72	32.4%
Insurance	12	15.6%	2	2.6%	14	18.2%
Juvenile Corrections	184	20.7%	57	6.4%	241	27.0%
Land Dept	22	12.2%	3	1.7%	25	13.9%
Lottery Commission	5	6.9%	0	0.0%	5	6.9%
Military Affairs	2	15.4%	0	0.0%	2	15.4%
Pioneers Home	19	18.8%	5	5.0%	24	23.8%
Real Estate	6	20.0%	2	6.7%	8	26.7%
Registrar Of Contractors	19	20.7%	4	4.3%	23	25.0%
Retirement System	3	27.3%	0	0.0%	3	27.3%
Revenue	84	11.9%	21	3.0%	105	14.9%
State Parks	17	7.1%	1	0.4%	18	7.5%
Transportation	487	12.3%	112	2.8%	599	15.2%
Veterans Service	36	20.0%	15	8.3%	51	28.3%
Water Resources	17	11.3%	2	1.3%	19	12.7%
<b>Total</b>	<b>4,421</b>	<b>14.6%</b>	<b>801</b>	<b>2.7%</b>	<b>5,222</b>	<b>17.3%</b>

Source: The state's Human Resources Information Solution. Data represents separations of employees in covered positions from state service during the fiscal year (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.

**Analysis:** Voluntary separations are the most common type of separation from state service, accounting for nearly 85% of separations of covered employees this past year.

**Table 3-4 – Most Populous Covered Class Titles  
Fiscal Year 2007**

Class Title	Number
Corrections Officer (I, II, III, IV)	5,932
Program Services Evaluator (I, II, III, IV, V)	2,543
Administrative Assistant (I, II, III)	1,249
Customer Services Representative (I, II, III)	1,040
Child Protective Services Specialist (I, II, III)	1,032
Human Services Specialist (I, II, III)	948
Information Technology Specialist (1, 2, 3, 4, 5)	897
Motor Vehicle Division Customer Services Rep	621
Corrections Sergeant	586
Highway Operations Technician (1, 2, 3, 4)	546
Program and Project Specialist (I, II)	528
Child Support Enforcement Officer (I, II)	441

Source: The state's Human Resources Information Solution. Data represents active employees in covered positions (June 2007).

**Analysis:** The title of Corrections Officer is by far the most populated class series in the state, followed by Program Services Evaluator, and Administrative Assistant.

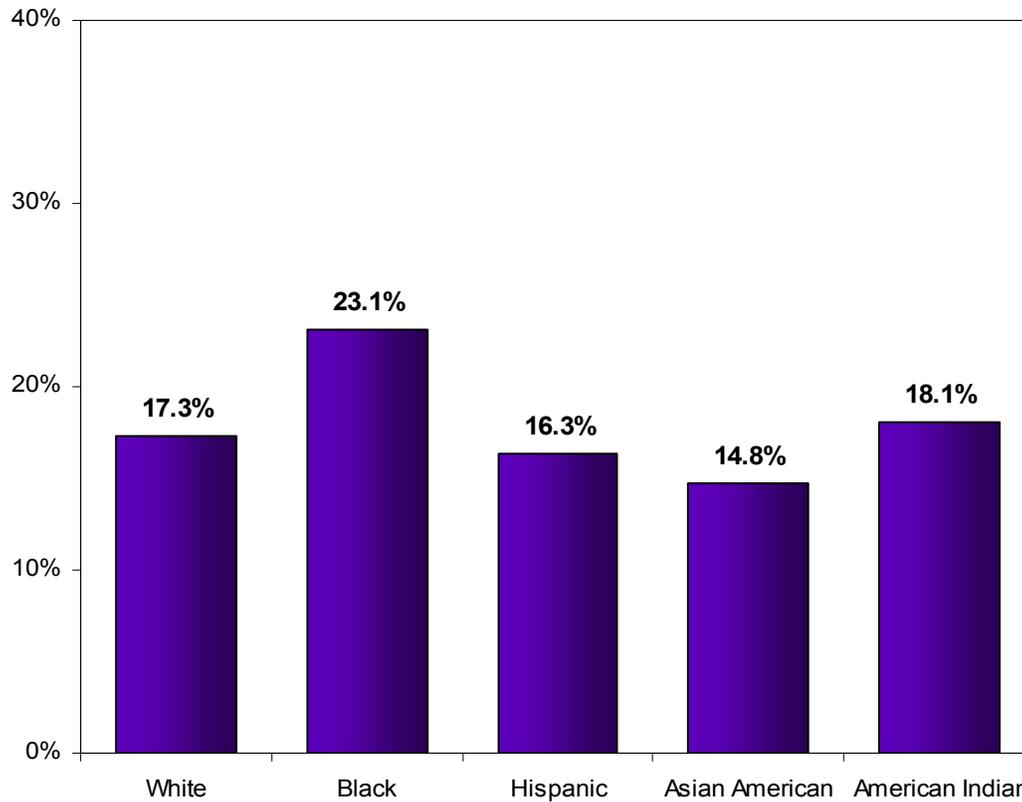
**Table 3-5 – Covered Classes With The  
Highest Separation Rates  
Fiscal Year 2007**

Class Title	Separation Rate
Correctional Registered Nurse	57.9%
Program Services Evaluator I	52.8%
Motor Vehicle Division Customer Services Associate	52.4%
Youth Correctional Officer I	48.3%
Habitation Technician II	46.6%
Child Protective Services Specialist I	44.9%
Federal/State Licg Surveyer	36.5%
Education Program Specialist	33.3%
Psychiatric Nurse II	31.5%
Arizona State Hospital Security Officer I	30.1%
DJC Education Program Teacher	30.0%
Mental Health Program Specialist II	29.9%

Source: The state's Human Resources Information Solution. Classes considered in this table include those with 50 or more active covered employees in the respective class. Data represents separations of covered employees from state service during the fiscal year (July 1 – June 30).

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

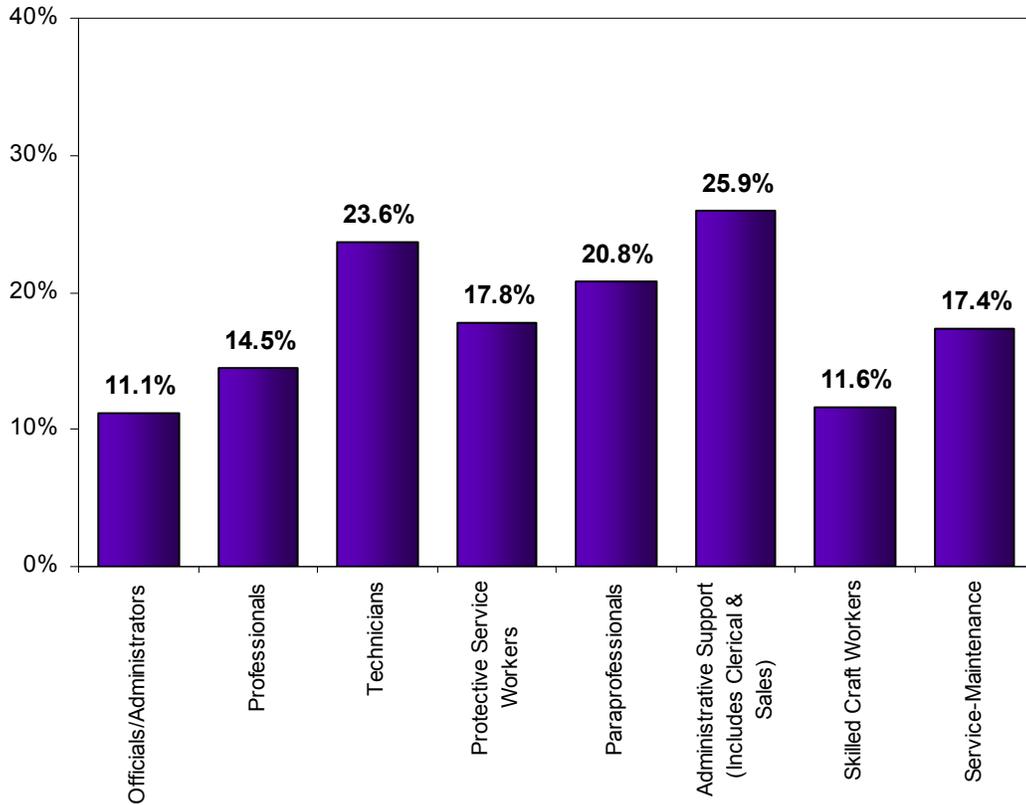
**Table 3-6 – Separation Rates by Ethnic Group  
Fiscal Year 2007**



Source: The state's Human Resources Information Solution. Percentages are based upon covered and uncovered employees responding – a small percentage of employees choose not to disclose their ethnicity. Data represents separations from state service during the fiscal year (July 1 – June 30).

**Analysis:** The highest rate of separations was in the Black and American Indian ethnic groups. Separation rates were lowest among Asian American employees.

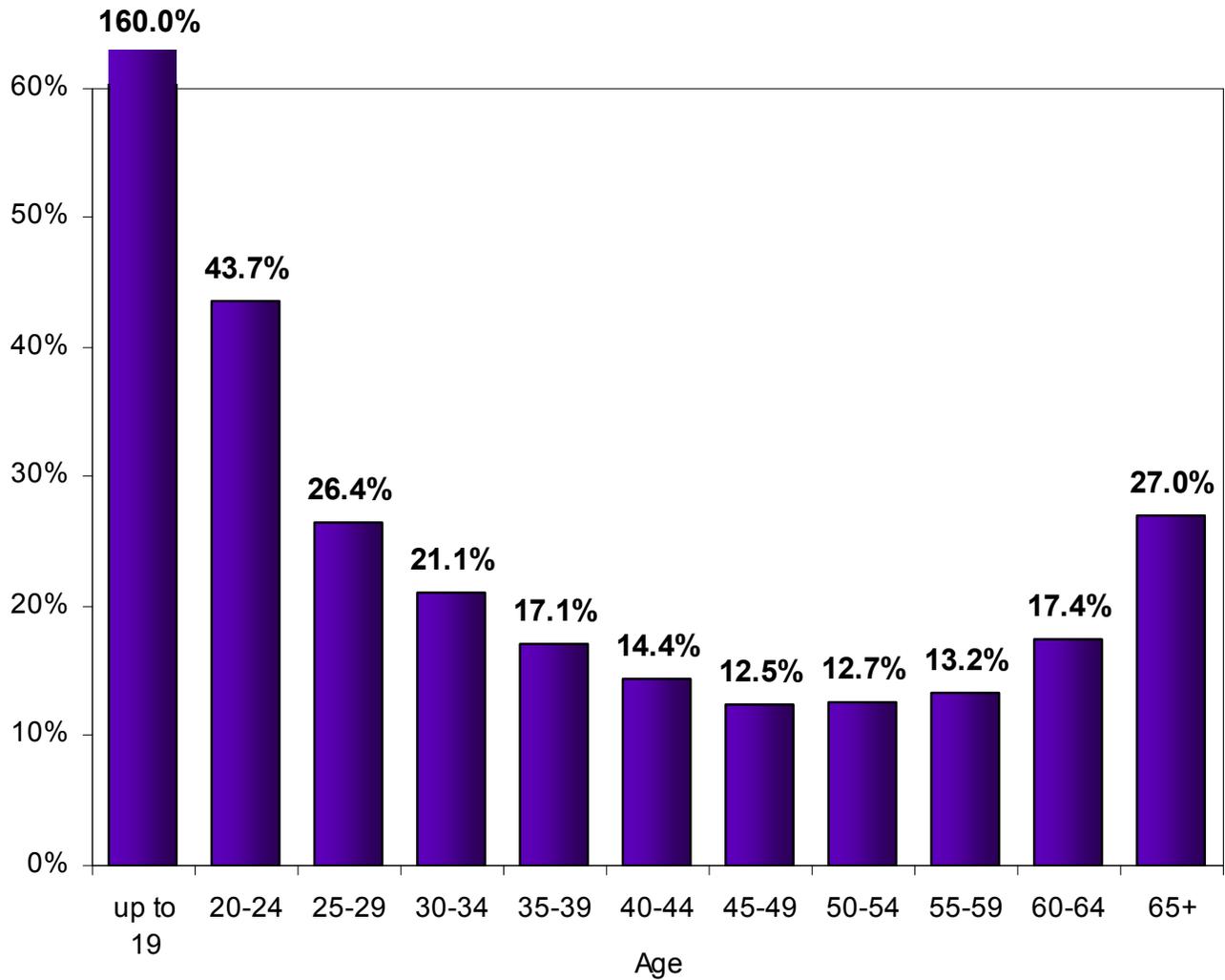
**Table 3-7 – Separation Rates by Occupational Code  
Fiscal Year 2007**



Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees.

**Analysis:** The highest rate of separations was in the Administrative Support, Technicians, and Paraprofessional occupational groups. Separation rates were lowest among employees assigned to Officials/Administrators, Professionals, and Skilled Craft positions.

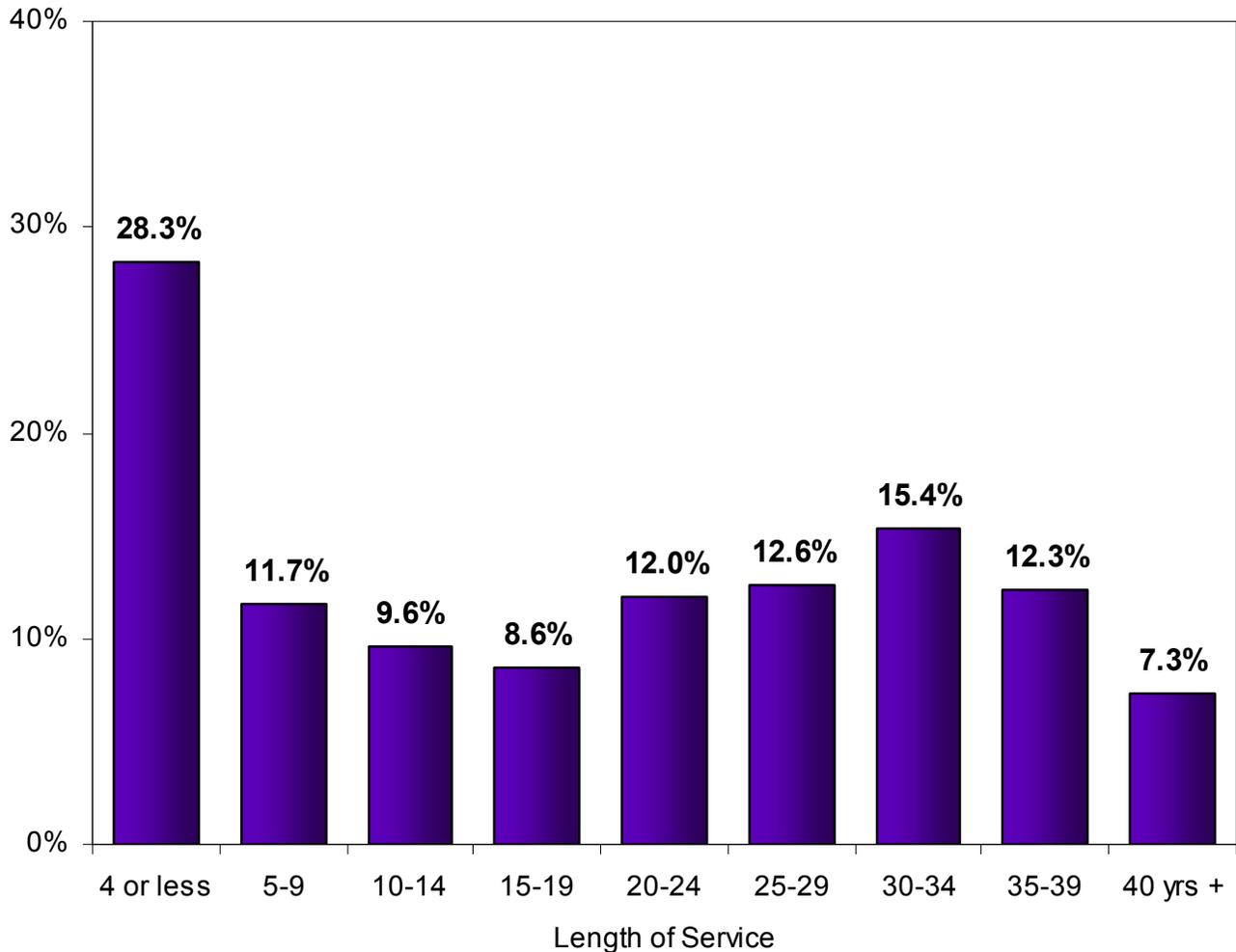
**Table 3-8 – Separation Rates by Age Distribution  
Fiscal Year 2007**



Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees.

**Analysis:** The above chart shows the separation rates by age group for all employees. In 2007, employees less than 20 years of age experienced a separation rate of 160%. The separation rate gradually decreases as the average age increases until employees reach the age of 50, when the separation rate begins to climb again.

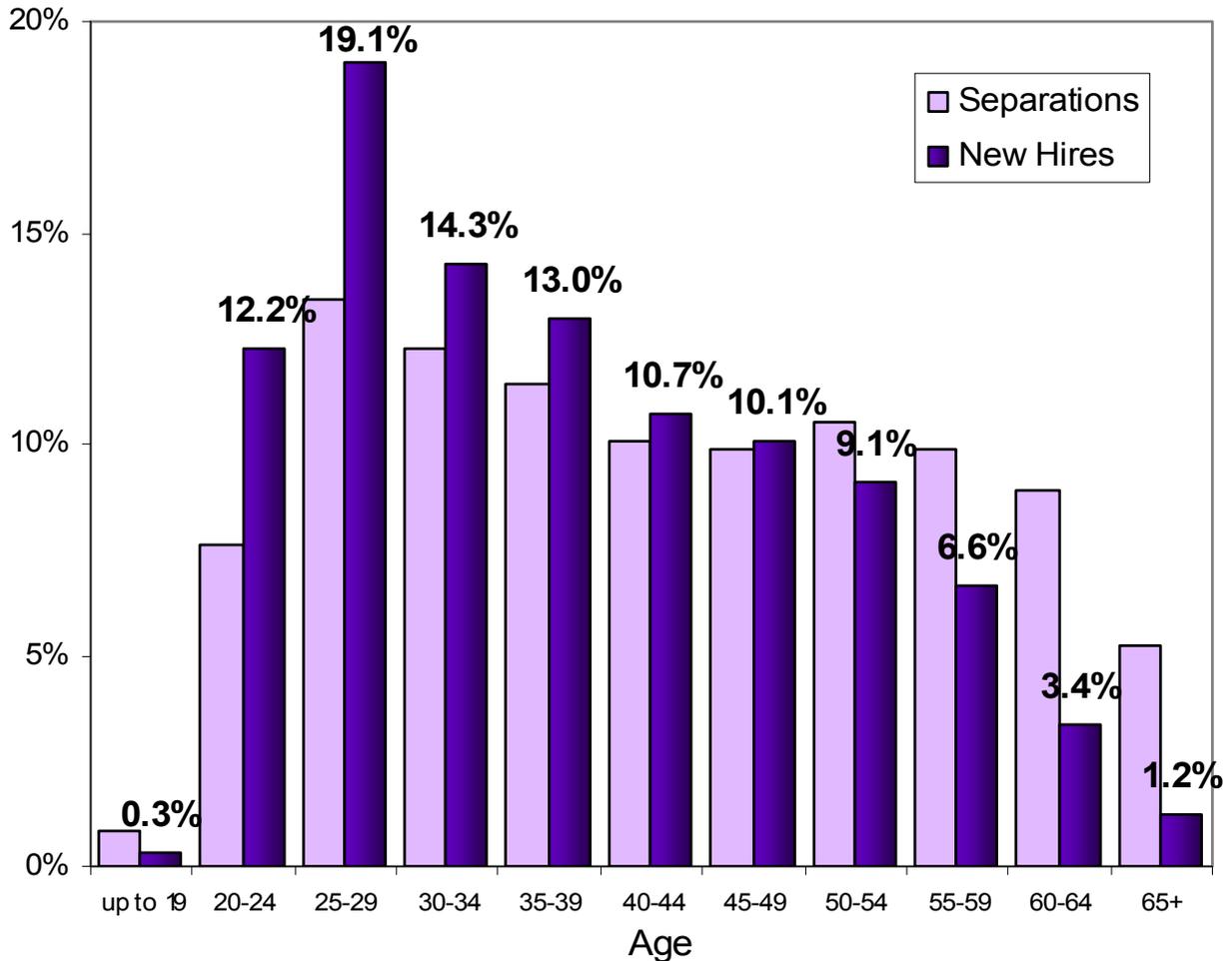
**Table 3-9 – Separation Rates by Length of Service  
Fiscal Year 2007**



Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees.

**Analysis:** The above chart shows the relative separation rates for the length of service distributions of all employees. In 2007, employees with 4 years of service or less experienced a separation rate of over 28%. The separation rate was lowest for employees with fifteen to nineteen years of service.

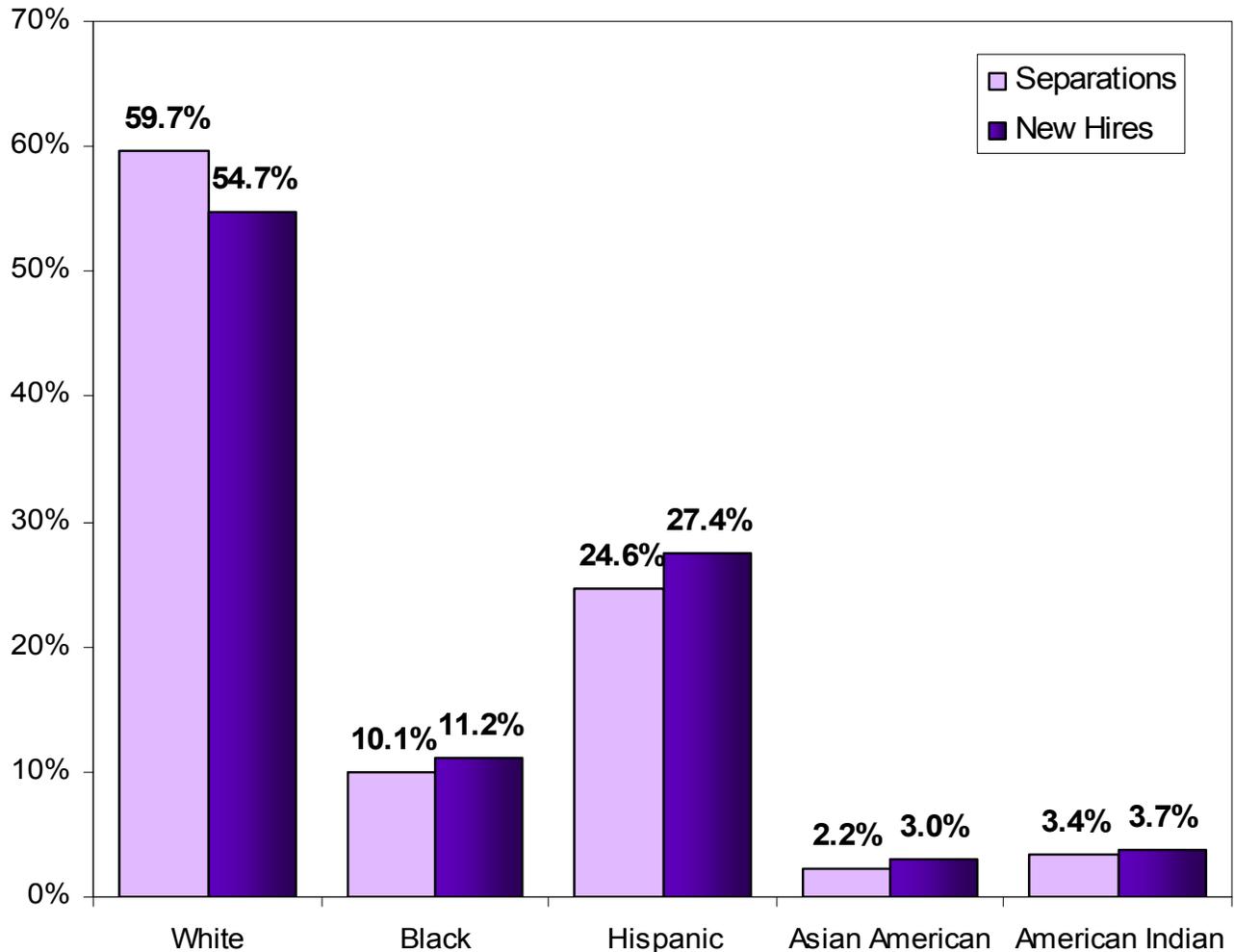
**Table 3-10 – Difference in Age Distribution between New Hires and Separations Fiscal Year 2007**



Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year and employees newly hired into state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees.

**Analysis:** The above chart shows the relative difference in age distribution between those employees that separated from state service and those that were newly hired into state service. The average age of a separating employee was 43.1, while the average age of a newly hired employee was 38.4. There was a higher percentage of new hires than separations in all age groups below 50 years of age; above 50 years of age, the trend reverses and there is a higher percentage of separations. The largest difference between the two groups occurs in the 25-29 age group, and the 60-64 age group.

**Table 3-11 – Difference in Ethnic Distribution between New Hires and Separations Fiscal Year 2007**

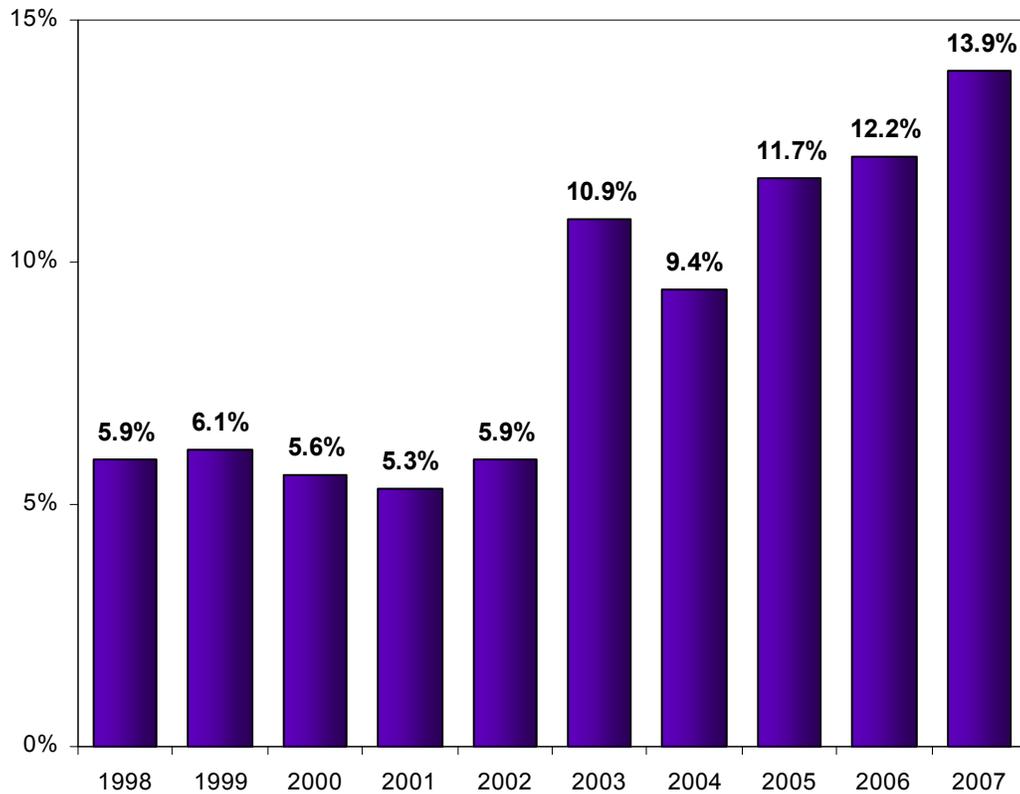


Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year and employees newly hired into state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees that voluntarily disclosed their ethnicity – a small percentage of employees choose not to disclose this information.

**Analysis:** The above chart shows the relative difference in ethnic distribution between those employees that separated from state service and those that were newly hired into state service. In 2007, there was a relatively higher percentage of minorities among the new hires when compared to the separations.

*. . . the percentage of separations as a result of retirement increased to the highest level in recent history – nearly 14% . . .*

**Table 3-12 – Percentage of Separations Due to Retirement  
1998 - 2007**



Source: The state's Human Resources Information Solution. 1998 through 1999 data represents separations from state service during the calendar year (Jan – Dec); 2000 through 2007 data represents separations during the fiscal year (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. Data includes covered and uncovered employees.

**Analysis:** The ratio of separations that are due to retirements increased to the highest level in recent history. There has been an increasing trend in retirements the past five years. The average rate from 1998 through 2002 was 5.8%; the rate in 2007 was over 2.4 times greater.

**Table 3-13 – Retirement Eligibility  
2008 - 2012**

<b>Agency Name</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Small Agencies	10.2%	13.0%	16.5%	20.6%	24.8%
Administration	11.0%	14.6%	19.2%	22.7%	25.7%
Agriculture	11.8%	14.7%	16.7%	19.9%	23.1%
AHCCCS	7.4%	9.9%	13.2%	16.5%	20.6%
Attorney General	9.3%	11.4%	15.2%	18.3%	22.1%
Banking Department	22.2%	27.0%	30.2%	34.9%	38.1%
Commerce	6.5%	9.8%	13.0%	17.4%	26.1%
Corporation Commission	9.9%	14.3%	18.4%	20.1%	23.5%
Corrections	6.3%	8.3%	10.5%	13.1%	15.2%
Economic Security	9.5%	12.2%	15.3%	18.8%	22.6%
Education	6.6%	8.7%	12.2%	15.1%	19.3%
Environmental Quality	11.1%	14.8%	18.3%	21.8%	26.5%
Game & Fish	10.8%	15.2%	17.2%	19.7%	22.6%
Health Services	9.1%	12.0%	14.8%	17.9%	21.9%
Housing Dept	3.1%	4.7%	6.3%	12.5%	17.2%
Industrial Commission	14.1%	16.3%	18.5%	21.5%	23.3%
Insurance Dept	15.2%	17.4%	25.0%	27.3%	32.6%
Juvenile Corrections	5.3%	7.0%	8.8%	10.8%	13.5%
Land Dept	19.0%	22.6%	27.7%	30.8%	35.4%
Lottery Commission	15.2%	19.2%	25.3%	29.3%	34.3%
Military Affairs	7.9%	10.5%	13.1%	16.8%	20.2%
Pioneers Home	10.7%	14.6%	18.4%	26.2%	30.1%
Real Estate	21.7%	26.7%	28.3%	30.0%	35.0%
Registrar of Contractors	12.4%	17.1%	20.9%	27.1%	36.4%
Retirement System	5.0%	7.2%	9.0%	12.2%	15.8%
Revenue	14.1%	18.5%	22.6%	27.9%	32.5%
State Parks	15.1%	19.6%	22.8%	28.8%	31.2%
Transportation	11.9%	15.4%	18.8%	22.1%	25.9%
Veterans Service	6.0%	7.6%	9.1%	12.9%	18.9%
Water Resources	13.7%	14.2%	19.3%	24.0%	27.0%
<b>Totals</b>	<b>9.1%</b>	<b>11.8%</b>	<b>14.8%</b>	<b>18.0%</b>	<b>21.4%</b>

Source: The state's Human Resources Information Solution. Projected retirement eligibility is based on years of service and age criteria for the Arizona State Retirement System and Public Safety Personnel Retirement System. Many state employees continue to remain employed with the state after they become eligible to retire, therefore actual retirement rates may differ from the numbers shown above. Data includes covered and uncovered employees.

**Analysis:** Nearly half of the larger agencies (14) are projected to have at least 25% of their active employees eligible for retirement in five years, and nine agencies will have at least 30% of their workforce eligible to retire in 2012. Three agencies are anticipated to have over 35% of their active employees eligible to retire in five years. Only one agency is expected to have less than 15% of their employees eligible to retire in 2012.

**Table 3-14 – Estimated Cost of Turnover by Agency  
For Covered Employees  
Fiscal Year 2007**

<b>Agency</b>	<b>Average Salary</b>	<b>Separation Rate</b>	<b>Estimated Cost of Turnover</b>
Small Agencies	\$34,857	23.1%	\$763,362
Administration	\$36,224	19.1%	\$967,180
Agriculture	\$34,946	13.3%	\$62,904
AHCCCS	\$32,607	16.7%	\$1,662,946
Attorney General	\$38,132	21.3%	\$297,432
Banking Department	\$44,530	16.1%	\$120,230
Commerce	\$43,344	0.0%	\$0
Corporation Commission	\$42,538	15.3%	\$306,277
Corrections	\$39,913	16.4%	\$17,482,021
Economic Security	\$34,497	17.8%	\$17,707,301
Education	\$41,375	26.3%	\$558,563
Environmental Quality	\$40,651	10.8%	\$536,593
Game & Fish	\$45,402	11.1%	\$803,616
Health Services	\$41,319	20.2%	\$3,681,487
Housing Dept	\$47,536	0.0%	\$0
Industrial Commission	\$35,459	32.4%	\$765,907
Insurance Dept	\$38,861	18.2%	\$163,218
Juvenile Corrections	\$38,463	27.0%	\$2,780,894
Land Dept	\$43,434	13.9%	\$325,752
Lottery Commission	\$38,176	6.9%	\$57,263
Military Affairs	\$30,320	15.4%	\$18,192
Pioneers Home	\$29,076	23.8%	\$209,348
Real Estate	\$31,389	26.7%	\$75,334
Registrar of Contractors	\$36,390	25.0%	\$251,088
Retirement System	\$31,669	27.3%	\$28,502
Revenue	\$34,613	14.9%	\$1,090,318
State Parks	\$36,393	7.5%	\$196,522
Transportation	\$35,645	15.2%	\$6,405,364
Veterans Service Comm	\$30,271	28.3%	\$463,147
Water Resources	\$43,821	12.7%	\$249,779
<b>Overall Average</b>	<b>\$37,151</b>	<b>17.3%</b>	<b>\$58,200,757</b>

Source: The state's Human Resources Information Solution. Average salary was calculated from annual salary at fiscal year-end, separations are defined as leaving state service, and estimates for the cost of turnover are conservatively estimated at 30% of annual salary. Some agencies (e.g. Dept of Corrections) may have a much higher cost of turnover due to extensive training or certification programs or more intensive hiring and selection processes. Data includes covered employees only.

**Analysis:** Estimates of the total cost of losing a single person to turnover range from 30% of their yearly salary (Cornell University) to 150% as estimated by the Saratoga Institute, and independently by Hewitt Associates. Costs to the employer may include decreased productivity, costs of hiring a new employee, increased training time, and other indirect costs. Although the average turnover decreased from last year, the average salary increased, resulting in a 4.6% increase in the total cost of turnover.



# 4 Employment Characteristics

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- Average Salary of Covered Employees
- Total Overtime Costs by Agency
- Distribution of Overtime Costs by Agency
- Average Sick Leave Use and Cost
- Age Distribution
- Length of Service Distribution
- Employee Satisfaction

**Table 4-1 – Agency Comparison of Average Salary per Covered Employee 2003 - 2007**

Agency	Average Covered Employee Wages				
	2003	2004	2005	2006	2007
Small Agencies	\$31,814	\$33,913	\$32,835	\$35,331	\$34,857
Administration	\$29,617	\$30,848	\$33,348	\$35,274	\$36,224
Agriculture	\$29,275	\$29,626	\$32,253	\$34,538	\$34,946
AHCCCS	\$24,524	\$27,600	\$29,629	\$31,982	\$32,607
Attorney General	\$34,189	\$33,950	\$36,319	\$39,284	\$38,132
Banking Department	\$34,867	\$37,012	\$38,753	\$42,376	\$44,530
Commerce	\$36,159	\$39,004	\$40,491	\$42,391	\$43,344
Corporation Commission	\$34,941	\$36,665	\$37,662	\$41,284	\$42,538
Corrections	\$30,837	\$30,478	\$32,089	\$36,686	\$39,913
Economic Security	\$25,507	\$28,934	\$31,453	\$33,658	\$34,497
Education	\$32,898	\$33,615	\$40,353	\$41,612	\$41,375
Environmental Quality	\$33,386	\$34,725	\$38,015	\$40,382	\$40,651
Game & Fish	\$35,364	\$35,860	\$36,202	\$42,014	\$45,402
Health Services	\$30,930	\$31,677	\$36,160	\$38,562	\$41,319
Housing Dept	N/A	N/A	\$38,926	\$41,238	\$47,536
Industrial Commission	\$29,548	\$30,967	\$31,646	\$33,323	\$35,459
Insurance Dept	\$29,500	\$32,121	\$34,501	\$36,629	\$38,861
Juvenile Corrections	\$29,849	\$28,705	\$32,001	\$36,279	\$38,463
Land Dept	\$34,676	\$39,210	\$40,177	\$43,311	\$43,434
Lottery Commission	\$31,828	\$31,788	\$35,060	\$37,441	\$38,176
Military Affairs	\$29,776	\$30,554	\$31,246	\$31,540	\$30,320
Pioneers Home	\$23,899	\$24,202	\$27,309	\$30,439	\$29,076
Real Estate	\$26,448	\$29,276	\$30,398	\$31,759	\$31,389
Registrar of Contractors	\$31,100	\$32,036	\$32,905	\$34,586	\$36,390
Retirement System	\$28,456	\$28,516	\$31,630	\$31,234	\$31,669
Revenue	\$27,433	\$28,719	\$31,891	\$34,048	\$34,613
State Parks	\$29,405	\$32,063	\$31,926	\$34,381	\$36,393
Transportation	\$28,973	\$29,971	\$31,918	\$34,309	\$35,645
Veterans Service	\$22,322	\$24,774	\$27,745	\$29,630	\$30,271
Water Resources	\$37,154	\$39,447	\$40,633	\$42,799	\$43,821
<b>Overall Average</b>	<b>\$30,174</b>	<b>\$31,875</b>	<b>\$32,363</b>	<b>\$35,402</b>	<b>\$37,151</b>

Source: The state's Human Resources Management System generated data for 2003 from actual dollars paid from calendar year-end files. The state's Human Resources Information Solution generated data for 2004 through 2007 and was compiled from annual salary from fiscal year-end (June 30). Performance pay is not included.

**Analysis:** The statewide average salary for covered employees increased by 4.9% last year. However, five agencies experienced a decrease in the average salary for their covered employees.

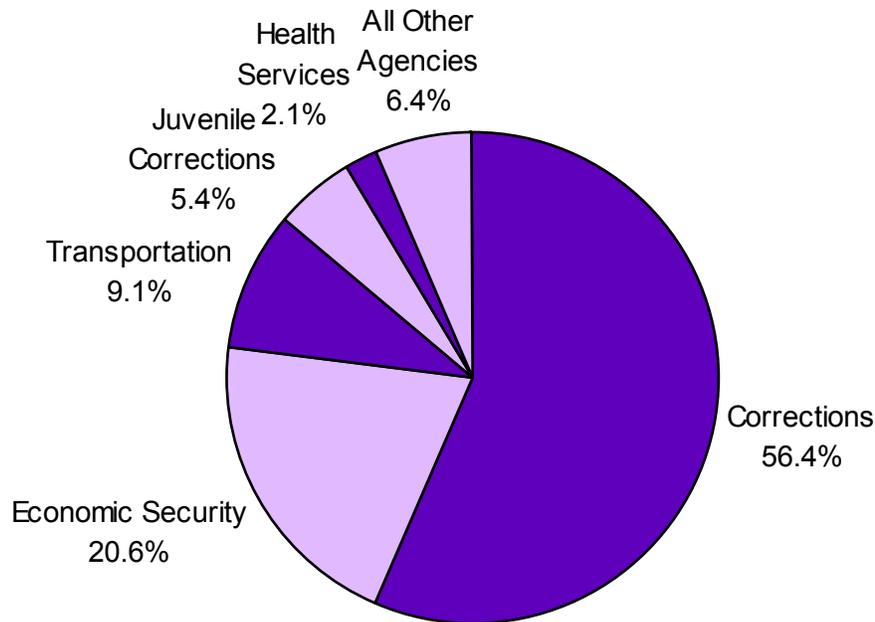
**Table 4-2 – Total Overtime Costs by Agency  
Fiscal Year 2003 - 2007**

<b>Agency</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Small Agencies	\$578,037	\$539,923	\$506,703	\$590,745	\$526,039
Administration	\$393,815	\$485,999	\$528,178	\$523,988	\$391,164
Agriculture	\$239,197	\$190,735	\$221,421	\$326,485	\$361,905
AHCCCS	\$59,761	\$183,797	\$222,911	\$115,845	\$89,634
Attorney General	\$29,184	\$88,232	\$136,598	\$226,758	\$171,527
Banking Department	\$0	\$1,240	\$6,801	\$8,563	\$15,645
Commerce	\$248	\$18	\$167	\$39	\$134
Corporation Commission	\$162,306	\$187,222	\$248,471	\$271,911	\$139,473
Corrections	\$6,174,851	\$7,519,398	\$5,890,566	\$29,039,050	\$34,727,394
Economic Security	\$3,853,731	\$5,555,008	\$9,958,701	\$10,492,305	\$12,675,683
Education	\$61,857	\$92,478	\$51,408	\$55,833	\$107,917
Environmental Quality	\$67,921	\$56,458	\$62,592	\$40,394	\$56,938
Game & Fish	\$85,462	\$115,893	\$155,114	\$188,938	\$220,373
Health Services	\$1,094,577	\$956,477	\$1,032,539	\$1,368,708	\$1,267,574
Housing Dept	\$919	\$0	\$0	\$109	\$0
Industrial Commission	\$498	\$707	\$615	\$45	\$162
Insurance Dept	\$2,889	\$6,217	\$1,843	\$1,319	\$91
Juvenile Corrections	\$1,226,511	\$1,603,737	\$2,332,710	\$3,801,185	\$3,327,468
Land Dept	\$297,099	\$352,227	\$345,024	\$733,569	\$765,460
Lottery Commission	\$22,844	\$16,559	\$19,375	\$13,875	\$14,863
Military Affairs	\$341,902	\$324,961	\$407,042	\$353,525	\$312,590
Pioneers Home	\$6,104	\$4,517	\$8,969	\$9,192	\$12,153
Real Estate	\$427	\$195	\$0	\$25	\$0
Registrar of Contractors	\$1,997	\$543	\$47	\$36,416	\$48,176
Retirement System	\$17,378	\$3,445	\$18,727	\$28,717	\$21,814
Revenue	\$159,997	\$247,177	\$296,882	\$247,623	\$213,985
State Parks	\$70,357	\$41,926	\$18,206	\$24,517	\$38,127
Transportation	\$5,123,179	\$4,631,961	\$5,837,696	\$5,666,270	\$5,578,432
Veterans Service	\$164,980	\$232,626	\$293,208	\$391,549	\$428,341
Water Resources	\$151	\$1,765	\$0	\$5,589	\$8,178
<b>Overall Total</b>	<b>\$20,238,180</b>	<b>\$23,441,441</b>	<b>\$28,602,513</b>	<b>\$54,563,084</b>	<b>\$61,521,238</b>

Source: The state's financial system (Arizona Financial Information System). 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 expenditures for compensatory time earned by employees at the appropriate rate for their overtime hours worked.

**Analysis:** The State's total overtime expenses increased by 12.8% from last year. Nine agencies experienced an increase of 25% or more, and five agencies experienced an increase of over 50%. However, there were also 5 agencies that reduced their overtime expenditures by 25% or more.

**Table 4-3 – Distribution of Overtime Costs by Agency  
Fiscal Year 2007**



Source: The state's financial system (Arizona Financial Information System). 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 expenditures for compensatory time earned by employees at the appropriate rate for their overtime hours worked.

**Analysis:** Five agencies accounted for over 93% of the State's total overtime expenses last year. These same five agencies have also accounted for the majority of overtime over the last seven years.

*... the average number of sick leave days used decreased from last year, however, the average cost for sick leave increased by 5.2%...*

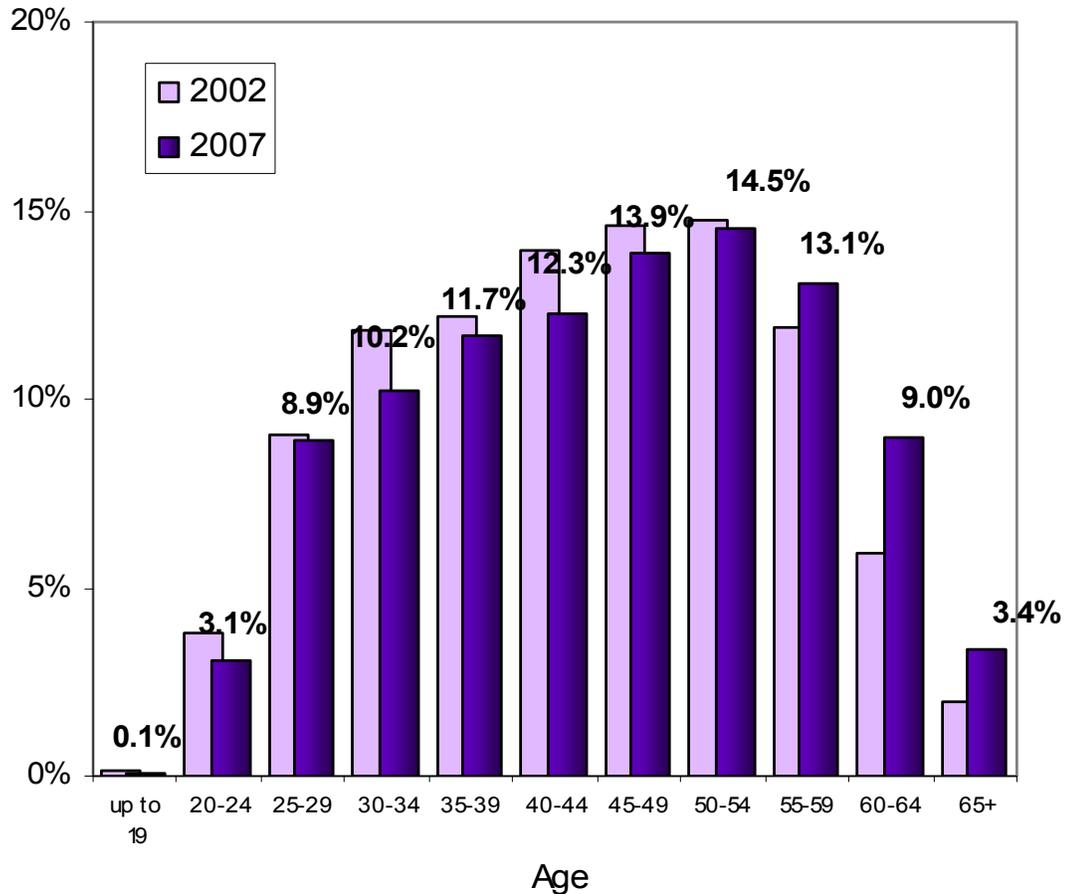
**Table 4-4 – Average Sick Leave Use and Average Costs Per Employee by Agency 2004 - 2007**

Agency	Avg Sick Leave Days				Avg Sick Leave Costs			
	2004	2005	2006	2007	2004	2005	2006	2007
Small Agencies	6.4	8.0	7.7	7.5	\$966	\$1,215	\$1,183	\$1,250
Administration	9.3	9.1	9.2	8.0	\$1,319	\$1,361	\$1,410	\$1,320
Agriculture	6.7	7.1	6.6	7.0	\$818	\$927	\$862	\$960
AHCCCS	9.8	9.3	9.8	9.1	\$1,233	\$1,196	\$1,320	\$1,274
Attorney General	7.3	8.0	8.2	8.1	\$1,280	\$1,384	\$1,485	\$1,601
Banking Department	7.7	7.0	6.5	7.1	\$1,025	\$1,058	\$969	\$1,123
Commerce	8.4	6.1	7.0	6.6	\$1,398	\$1,113	\$1,188	\$1,187
Corporation Commission	8.2	9.5	9.8	9.2	\$1,326	\$1,585	\$1,670	\$1,639
Corrections	9.2	9.8	9.4	9.2	\$1,131	\$1,254	\$1,243	\$1,372
Economic Security	9.9	9.7	10.0	9.8	\$1,189	\$1,204	\$1,251	\$1,295
Education	8.1	7.3	8.0	8.4	\$1,260	\$1,231	\$1,401	\$1,532
Environmental Quality	10.0	10.2	10.9	9.7	\$1,505	\$1,568	\$1,693	\$1,624
Game & Fish	6.2	6.1	6.1	6.6	\$806	\$851	\$810	\$1,037
Health Services	8.0	9.4	8.7	8.4	\$1,128	\$1,357	\$1,307	\$1,378
Housing Dept	N/A	7.6	6.8	6.8	N/A	\$1,343	\$1,228	\$1,280
Industrial Commission	9.6	9.5	9.6	9.4	\$1,221	\$1,213	\$1,252	\$1,262
Insurance Dept	8.2	8.3	9.4	9.1	\$1,220	\$1,274	\$1,465	\$1,480
Juvenile Corrections	9.4	9.7	9.4	9.0	\$1,259	\$1,331	\$1,343	\$1,399
Land Dept	8.3	9.6	8.4	8.5	\$1,204	\$1,424	\$1,342	\$1,397
Lottery Commission	7.5	8.4	7.8	9.1	\$1,016	\$1,211	\$1,166	\$1,449
Military Affairs	7.8	7.9	9.6	8.8	\$1,012	\$1,063	\$1,400	\$1,318
Pioneers Home	8.0	9.4	8.5	10.7	\$767	\$1,025	\$938	\$1,290
Real Estate	11.1	9.7	9.9	8.9	\$1,381	\$1,273	\$1,448	\$1,212
Registrar of Contractors	8.0	7.8	9.2	8.9	\$1,042	\$1,043	\$1,243	\$1,297
Retirement System	7.7	8.8	8.1	8.6	\$1,207	\$1,349	\$1,263	\$1,458
Revenue	10.3	10.1	10.1	10.0	\$1,317	\$1,330	\$1,406	\$1,476
State Parks	6.4	8.1	8.6	8.9	\$807	\$1,075	\$1,166	\$1,263
Transportation	10.1	10.1	9.5	9.5	\$1,271	\$1,303	\$1,301	\$1,332
Veterans Service	8.4	9.9	9.5	8.3	\$1,050	\$1,228	\$1,127	\$1,048
Water Resources	8.3	9.5	7.2	8.4	\$1,386	\$1,598	\$1,224	\$1,683
<b>Overall Average</b>	<b>9.2</b>	<b>9.5</b>	<b>9.4</b>	<b>9.2</b>	<b>\$1,178</b>	<b>\$1,253</b>	<b>\$1,276</b>	<b>\$1,342</b>

Source: The Human Resources Information Solution. The above calculations include donated leave and family leave in addition to sick leave. Data includes covered and uncovered employees.

**Analysis:** The average cost of sick leave increased by 5.2% last year. Eight agencies experienced cost increases of 10% or more and four of those experienced increases in excess of 20%. However, eight agencies were able to decrease their sick leave costs from the prior year.

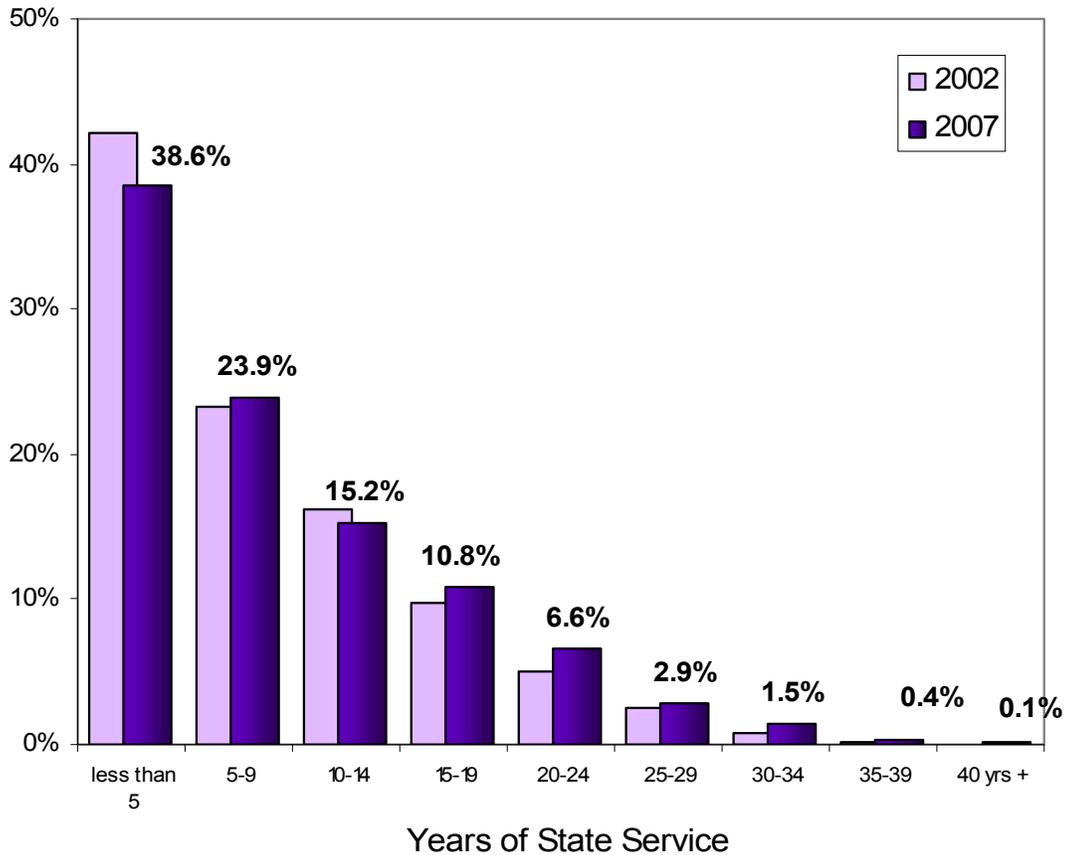
**Table 4-5 – Age Distribution for All Employees  
2002 and 2007**



Source: The state's Human Resources Information Solution. Data includes covered and uncovered employees.

**Analysis:** The above chart shows the age distribution for all employees. In 2007, the average age of a state employee was 45.7 years. More employees were in the 45-49 and 50-54 age groups than any other age group. In 2002, 13% of the workforce was less than 30, whereas in 2007, 12% of the workforce was less than 30 years of age. A more dramatic difference is evident in the older age categories; in 2002, less than 20% of the workforce was over the age of 55; however in 2007 over 25% was over 55 years of age.

**Table 4-6 – Length of Service Distribution for All Employees 2002 and 2007**



Source: The state's Human Resources Information Solution. Data includes covered and uncovered employees.

**Analysis:** The above chart shows the length of service distribution for all state employees and the relative changes from 2002. The average length of service with the state increased to 9.5 years of service. Nearly 39% of state employees have been hired within the last 5 years, and over 62% of employees have less than 10 years of service with the state.

**Table 4-7 – Employee Satisfaction  
2000 – 2007**

Statement	Agree/Strongly Agree				
	FY00	FY01	FY02	FY07	Change
Overall, I am satisfied with my job.	72%	67.8%	65.0%	75.0%	10.0%
I understand clearly what is expected of me at work.	77%	77.6%	76.1%	82.6%	6.5%
I receive adequate feedback on my work.	59%	56.0%	55.7%	62.5%	6.8%
I receive the training I need to do my job well.	No prior history			62.7%	
I feel safe at work.	No prior history			72.4%	
I have the proper tools and equipment to do my work.	60%	56.5%	56.1%	64.5%	8.4%
Overall, I am satisfied with the state benefits offered to me.	No prior history			70.1%	
My immediate supervisor assigns work fairly to all employees	No prior history			70.7%	
I receive recognition for my work when I deserve it.	50%	46.9%	46.8%	55.5%	8.7%
I provide input in my performance plan and evaluation				58.7%	
I have the opportunity to learn and do new things in my job.	65%	61.1%	58.8%	66.5%	7.7%
My agency supports my participation in training opportunities to improve my job skills.	63%	59.0%	54.6%	64.2%	9.6%
My agency supports my participation in education and professional development opportunities.	57%	54.7%	49.0%	59.3%	10.3%
In my agency, promotions are based upon qualifications	No prior history			36.6%	
My agency values my ideas on work-related problems.	48%	44.9%	43.4%	48.9%	5.5%
My agency will not tolerate discrimination.	No prior history			67.0%	
My agency has a good system in place for communicating necessary information to staff.	45%	42.3%	43.5%	51.4%	7.9%
I would recommend my agency to other people as a good place to work	No prior history			58.5	
Senior management in my agency show care and concern for employees.	43%	39.9%	38.0%	48.1%	10.1%
Employee rating of the workplace	No prior history			68.8%	

Source: Survey data from FY2000 through FY2002 was compiled from surveys administered by the Governor's Office of Excellence in Government. Surveys were distributed to agencies and requested provide a representative sampling of ALL employees including covered and uncovered. . Survey data from FY2007 was compiled by the Arizona Dept of Administration.

**Analysis:** The employee survey was initially administered by the Governor's Office of Excellence in Government. Over the three-year span of this survey, there was a general downward trend across all questions. The FY2007 survey included nine new questions that had not been previously surveyed, as well as continuing the history of the original eleven questions. The most recent results indicate a marked increase in all questions to the highest levels ever recorded.