

State of Arizona Workforce Report



Janet Napolitano
Governor

2008

William Bell
Director, Dept. of Administration



JANET NAPOLITANO
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September 2008

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 36,442 active employees at the end of FY2008 (page 2)
- Nearly 82% of the workforce is covered by the merit system (page 4)
- In general, the 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 14.8% of covered employees (page 18)
- In the next five years, over 22% of the workforce will be eligible to retire (page 28)
- The average age of a state employee increased to 46.0 years (page 35)
- The average length of service is 9.8 years (page 36)

We 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 2008 Active Employee Headcount

Agency	Active Employees
ADOA Human Resources Personnel System	36,442
Arizona Schools for the Deaf And Blind	493
Auditor General's Office	193
Court Of Appeals Div I (Phoenix)	101
Court Of Appeals Div II (Tucson)	36
Gaming, Dept of	107
Government Information Technology Agency	24
Governor's Office	143
Governor's Office of Equal Opportunity	3
House Of Representatives	213
Joint Legislative Budget Committee	24
Law Enforcement Merit System Council	1
Legislative Council	47
Library, Archives & Public Records	106
Public Safety, Dept of	2,170
Regents, Board of	30
Senate	134
Supreme Court	611
Tourism, Office of	36

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 15th Avenue, Phoenix, Arizona 85007. This section identifies key facts about the Human Resources Division.

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, minority representation by agency, gender representation by agency, and trends in employment by ethnicity and gender.

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 separating 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 12th of June, 2008.

This 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.

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:	139 full-time positions
FY 2008 Budget:	\$18,381,800 Personnel Division Fund (ProRata)
Mission:	...provide efficient, timely, customer-driven professional human resources services...

The Division consists of the following:

<i>Human Resources Director</i>	Kathy Peckardt
<i>Staffing and Recruitment</i>	Jackie Mass
<i>Classification/Compensation</i>	Karen Battilana
<i>Satellite Offices/Work-Life</i>	Laura Krause
<i>Planning and Quality Assurance</i>	Greg Carmichael
<i>Employee Relations</i>	Christine Bronson
<i>Human Resources Information Solution</i>	Jody Piper
<i>Arizona Government University</i>	Joellyn Pollock

*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...

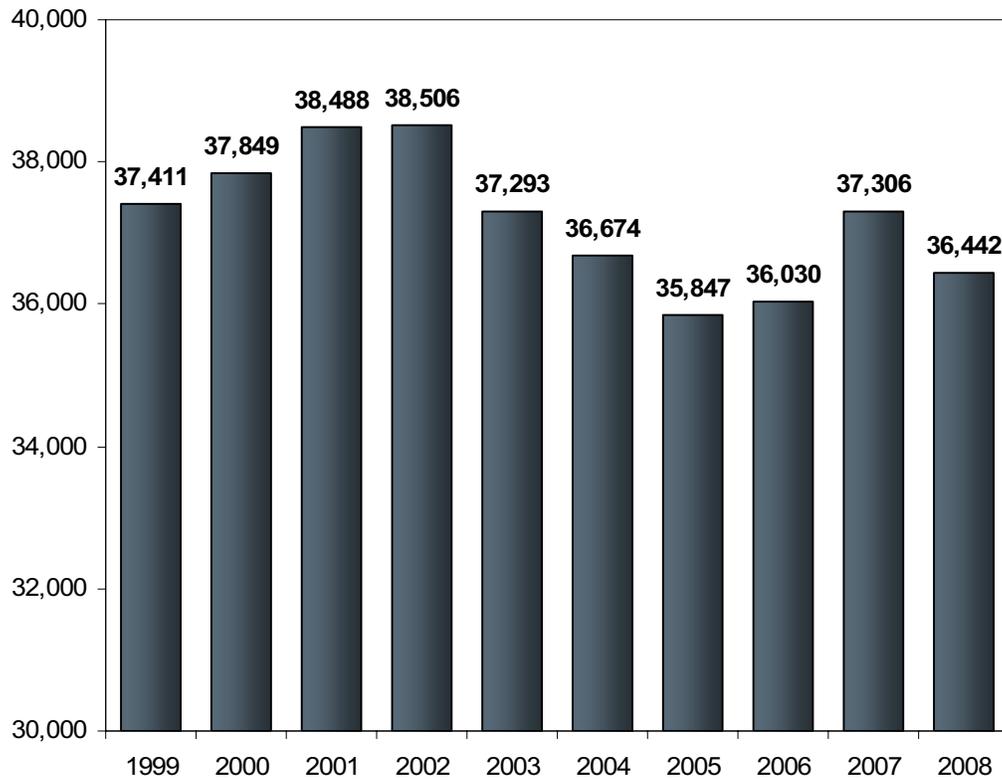
- Health and welfare agencies (e.g. Arizona Health Care Cost Containment System, Economic Security, Health Services)
- Protection and safety agencies (e.g. Adult and Juvenile Corrections)
- Transportation agencies (e.g. Department of Transportation)
- Inspection and regulation agencies (e.g. Board of 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)

1 General Employment Trends

- 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



**Table 1-1 – Employee Headcount
1999 - 2008**



Source: The state's Human Resources Management System for years 1999 through 2003. Data for 2004 through 2008 was extracted from the state's Human Resources Information Solution. Data from 1999 represents calendar year-end (December 31); 2000 through 2008 data represents fiscal year-end (June 30). Data includes covered and uncovered active employees.

Analysis: The total number of employees decreased in 2008, returning to staffing levels similar to the years of 2005 and 2006. The current staffing level is 2.0% less than the ten-year average. The decrease in the number of active employees was 2.3% (compared to last year's 3.5% increase).

**Table 1-2 – Employees by Agency
2004 - 2008**

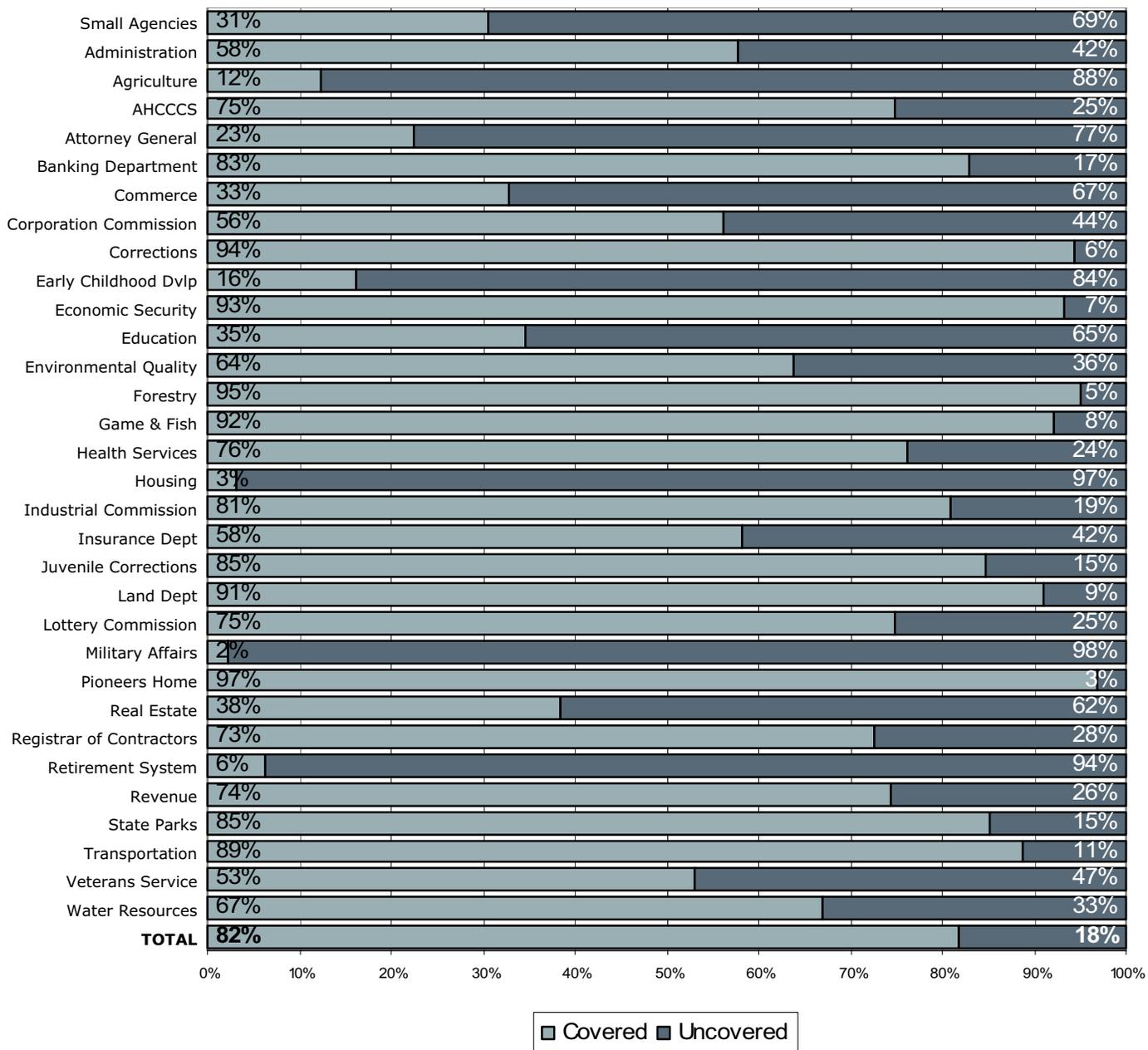
Agency Name	2004	2005	2006	2007	2008
Small Agencies	1,143	893	912	960	916
Administration	856	798	780	807	755
Agriculture	316	318	336	347	313
AHCCCS	1,233	1,324	1,321	1,359	1,272
Attorney General	694	687	672	678	582
Banking Department	51	54	63	63	64
Commerce	88	96	91	92	119
Corporation Commission	291	280	287	293	288
Corrections	9,813	9,119	8,967	9,357	9,305
Early Childhood Development	N/A	N/A	N/A	N/A	99
Economic Security	9,555	9,841	10,004	10,312	10,187
Education	443	495	533	576	494
Environmental Quality	681	670	634	656	693
Forestry	N/A	N/A	N/A	N/A	62
Game & Fish	641	548	569	574	550
Health Services	1,836	1,810	1,855	1,998	1,859
Housing Dept	N/A	60	63	64	65
Industrial Commission	283	281	276	270	276
Insurance Dept	137	141	137	132	129
Juvenile Corrections	1,025	1,036	1,039	1,083	1,081
Land Dept	129	182	193	195	144
Lottery Commission	109	101	101	99	91
Military Affairs	489	505	500	505	403
Pioneers Home	133	104	103	103	93
Real Estate	58	58	63	60	60
Registrar of Contractors	136	142	123	129	120
Retirement System	181	182	210	221	194
Revenue	1,044	1,019	995	959	964
State Parks	331	279	289	285	277
Transportation	4,463	4,342	4,411	4,579	4,460
Veterans Service	296	266	277	317	285
Water Resources	219	216	226	233	242
Totals	36,674	35,847	36,030	37,306	36,442

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

Analysis: Over seventy percent (72%) of the larger state agencies experienced a decrease in the number of employees; however seven agencies (24%) experienced an increase. Six agencies experienced a decrease of greater than 10%.

... nearly 82% 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 2008**



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). Nearly 82% of the workforce in the ADOA Human Resources System is covered by the merit system. Twenty-two out of the thirty-one agencies (71%) have the majority of their employees covered by the merit system.

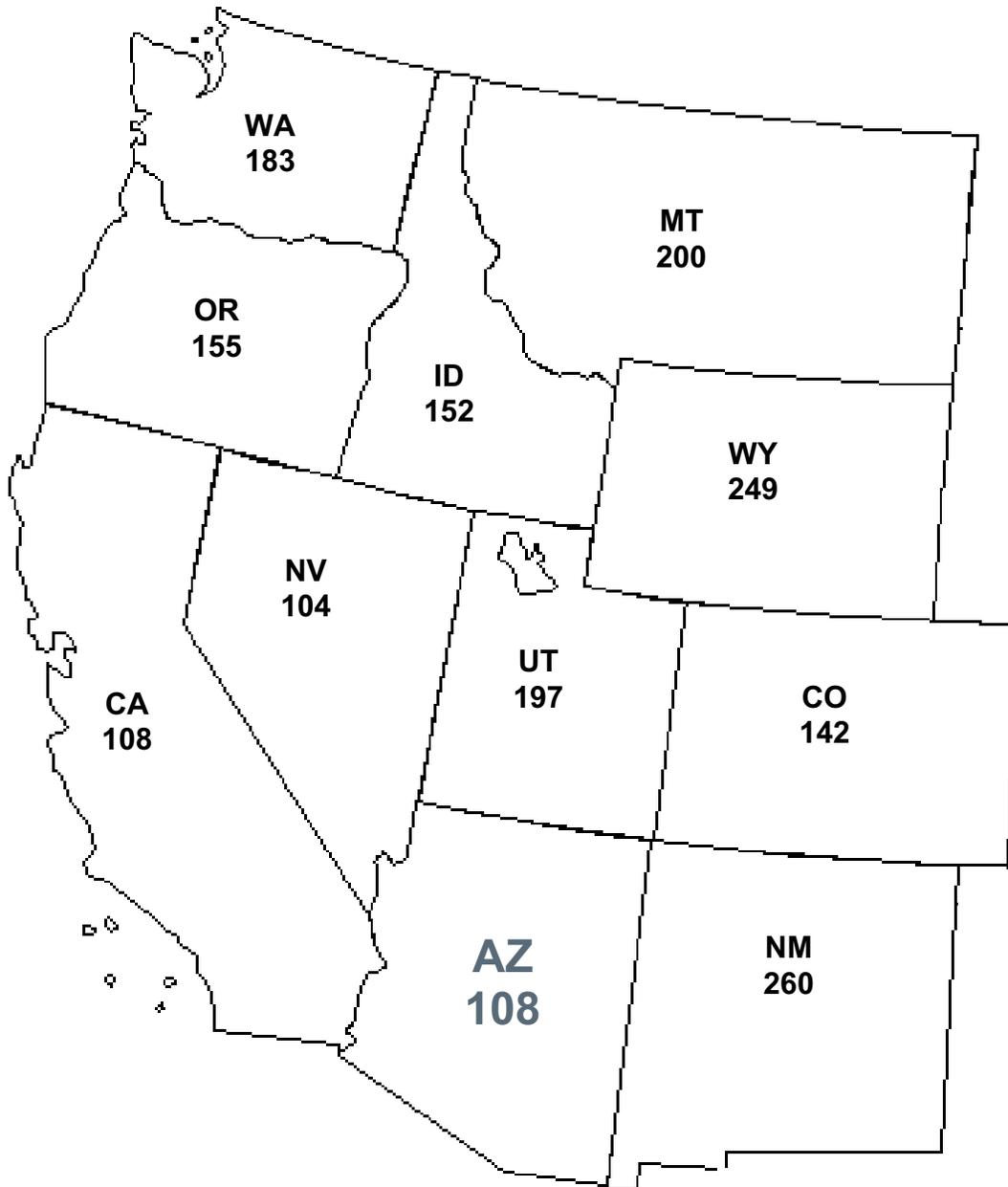
Table 1-4 - Rank Order of All States by Ratio of State FTEs to State Population 2006

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	United States Average
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	46..... Arizona
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 46th 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 46th, however in 2002, Arizona ranked 45th, and in 2000, Arizona ranked 43rd. 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 9th 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**

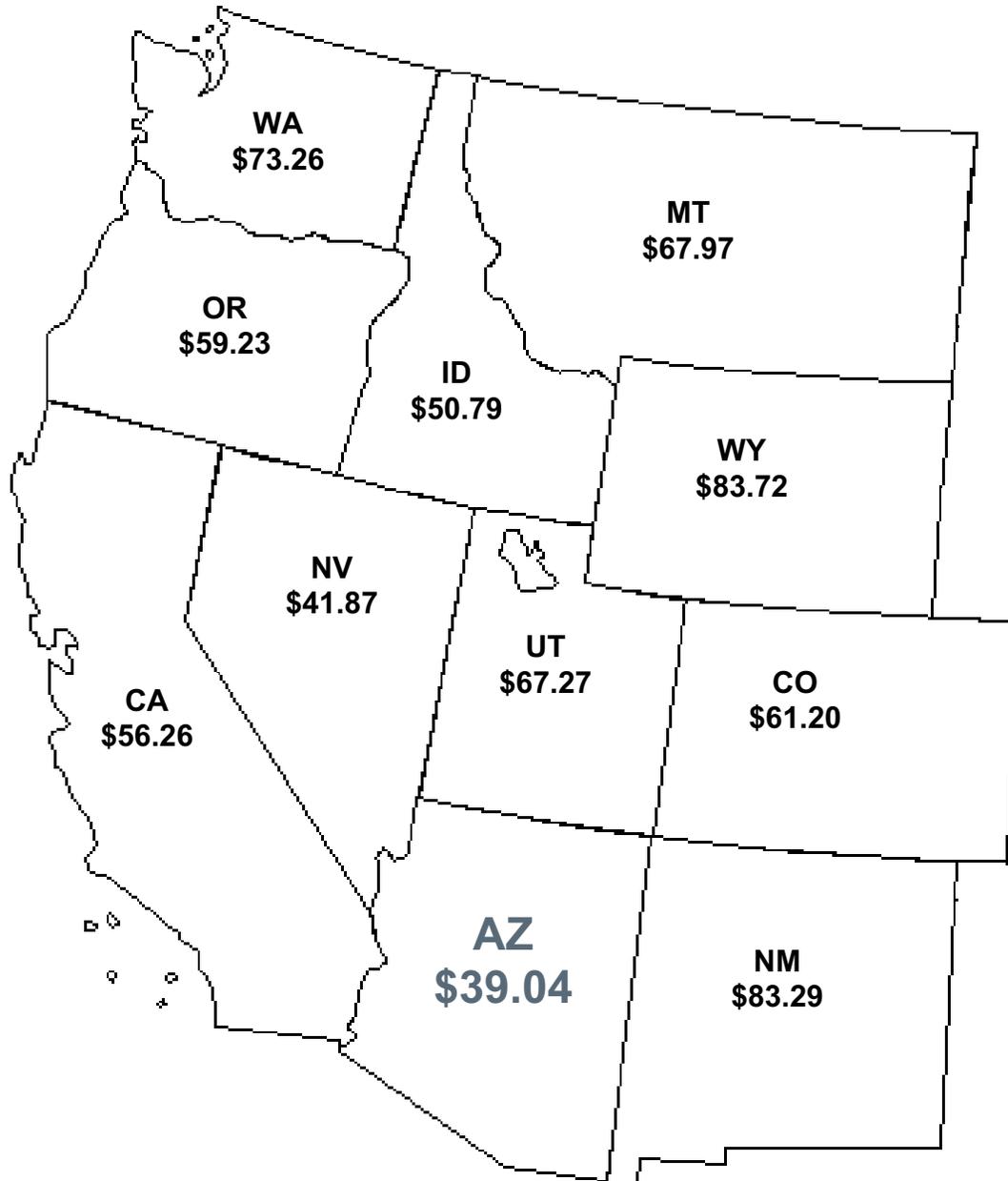
1.....Hawaii	27.....Virginia
2.....Alaska	28.....Oregon
3.....Delaware	29.....Mississippi
4.....Vermont	30.....Nebraska
5.....North Dakota	31.....South Carolina
6.....New Jersey	32.....South Dakota
7.....Rhode Island	33.....California
8.....Connecticut	United States Average
9.....Wyoming	34.....North 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	49..... Arizona
25.....Oklahoma	50.....Florida
26.....Maine	

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

Analysis: Arizona remained 49th in the nation in 2006 when comparing total payroll to the state's population. In 2004 and 2002, Arizona ranked 49th, and in 2000, Arizona ranked 47th. 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 when compared to the state's population ...

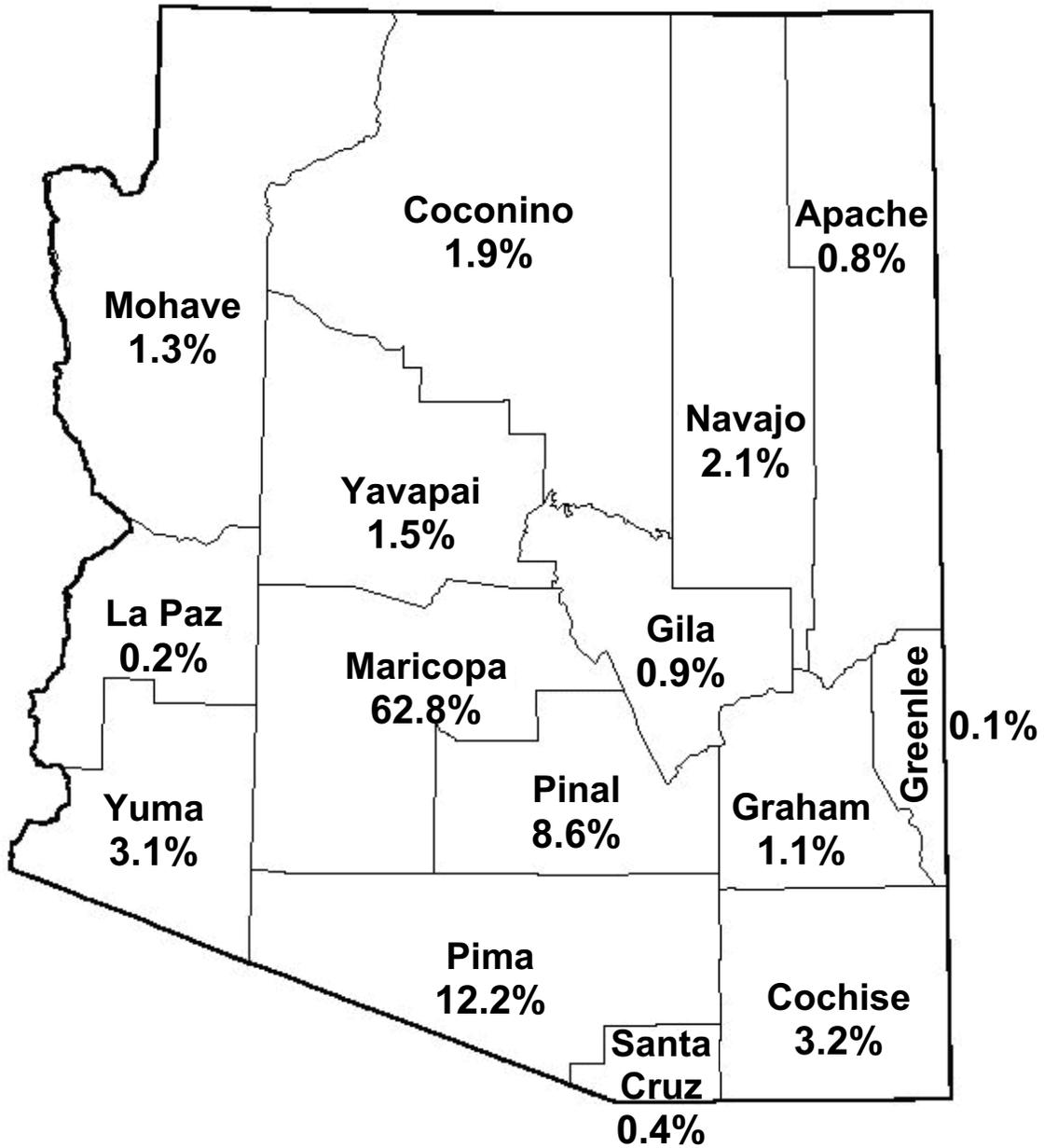
**Table 1-7 - Ratio of Total State Payroll to State Population
2006
Payroll Dollars per Citizen**



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 2008**



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

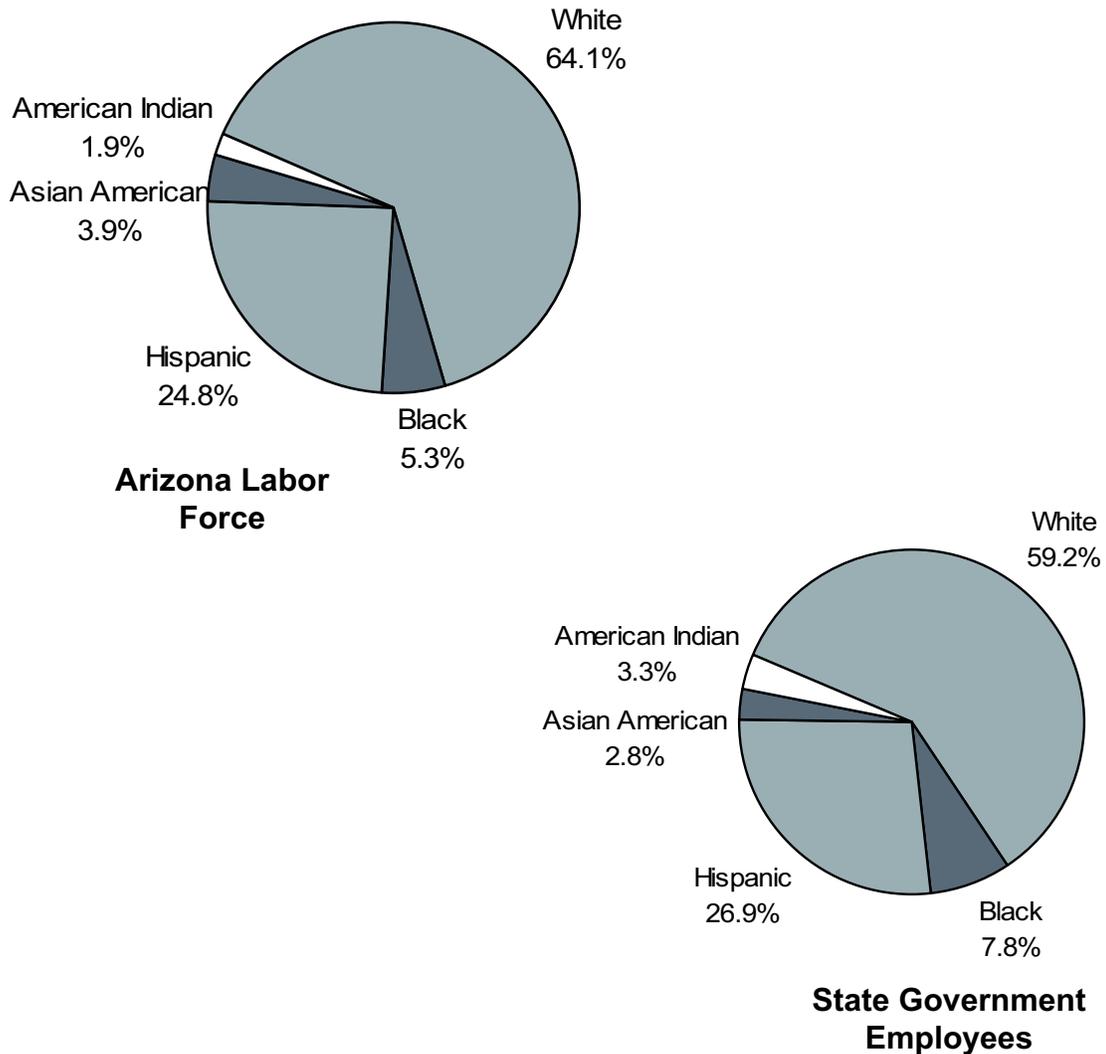
Analysis: The majority of state employees work in Maricopa County, followed by Pima and Pinal counties. These three counties account for over 83% of all state employees.

2 Equal Employment

- 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



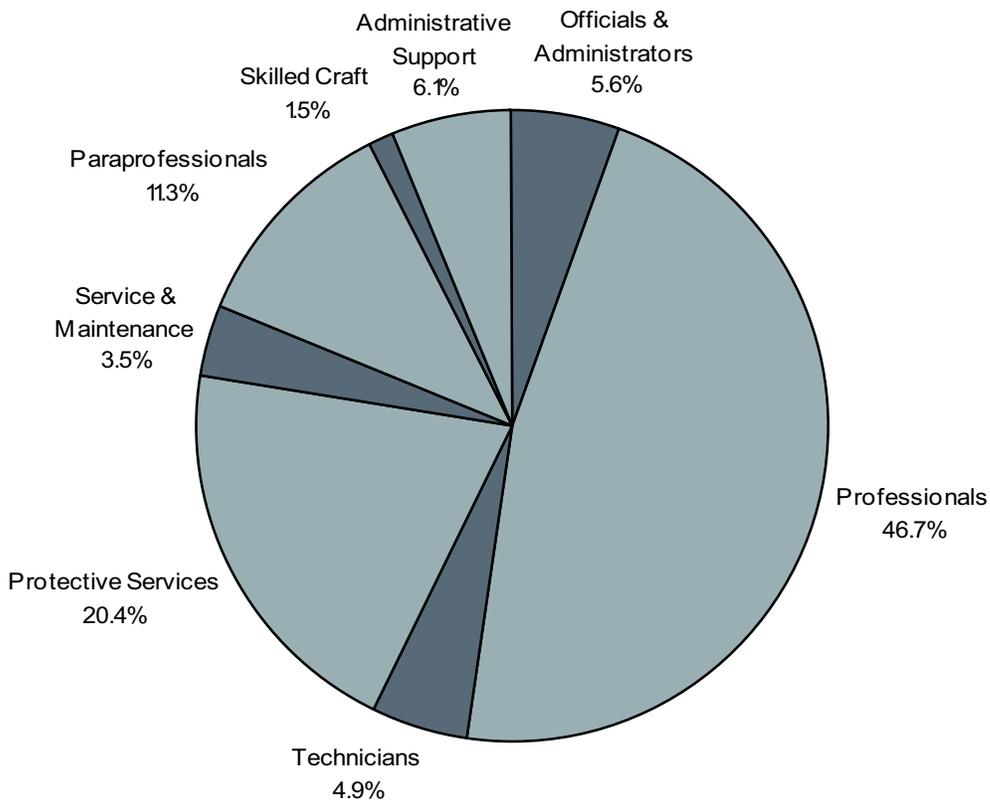
Table 2-1 – Distribution of State Government Employees by Ethnic Group Fiscal Year 2008



Source: Arizona Labor Force data from the U.S. Equal Employment Commission 2006 EEO-1 Report; State Government Employees data from the State's Human Resources Information Solution June 2008; 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.

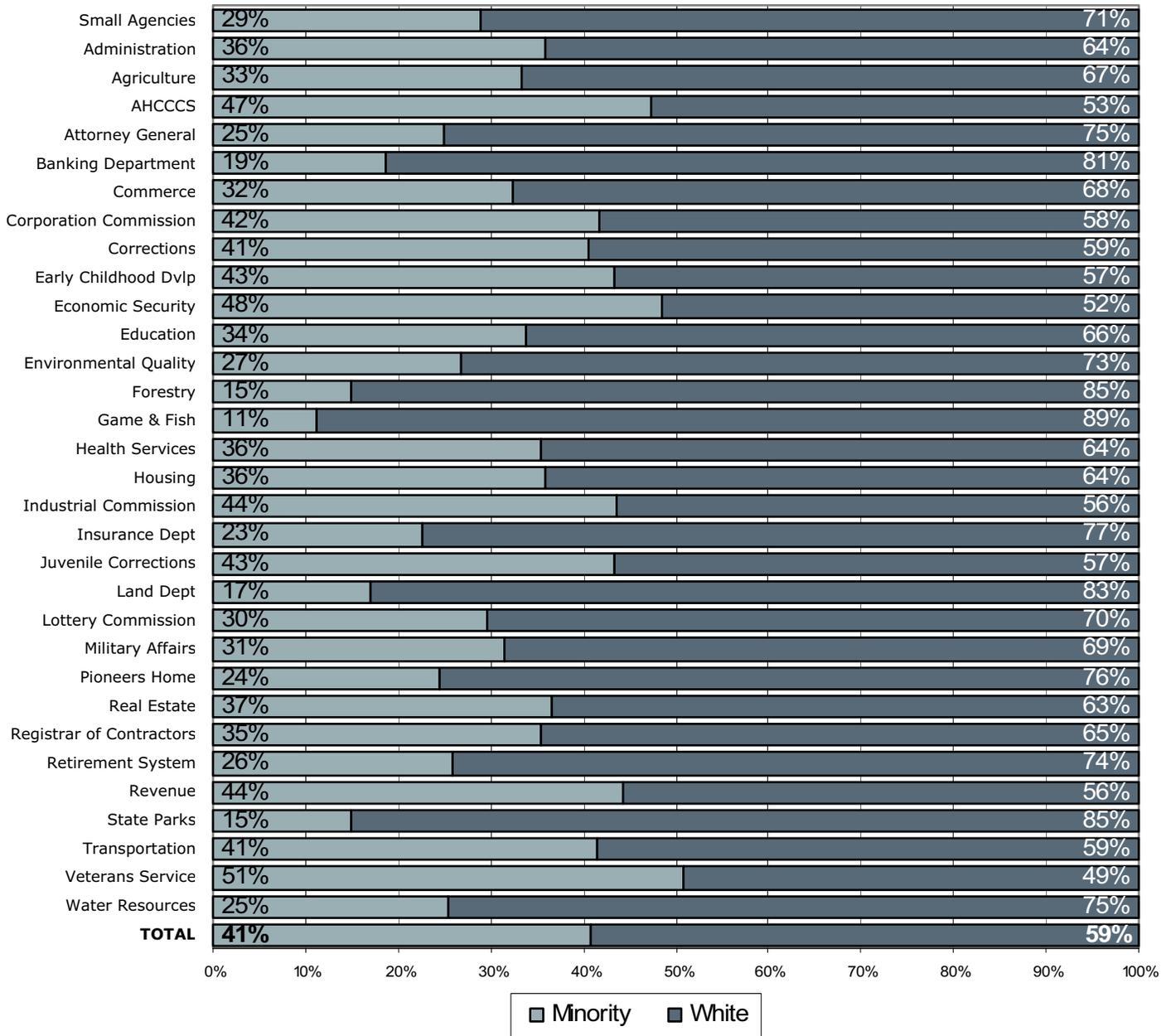
Table 2-2 – Distribution of State Government Employees by Occupational Group Fiscal Year 2008



Source: The State's Human Resources Information Solution, June 2008; 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 (1.5%) and service workers (3.5%) encompass the smallest percentage.

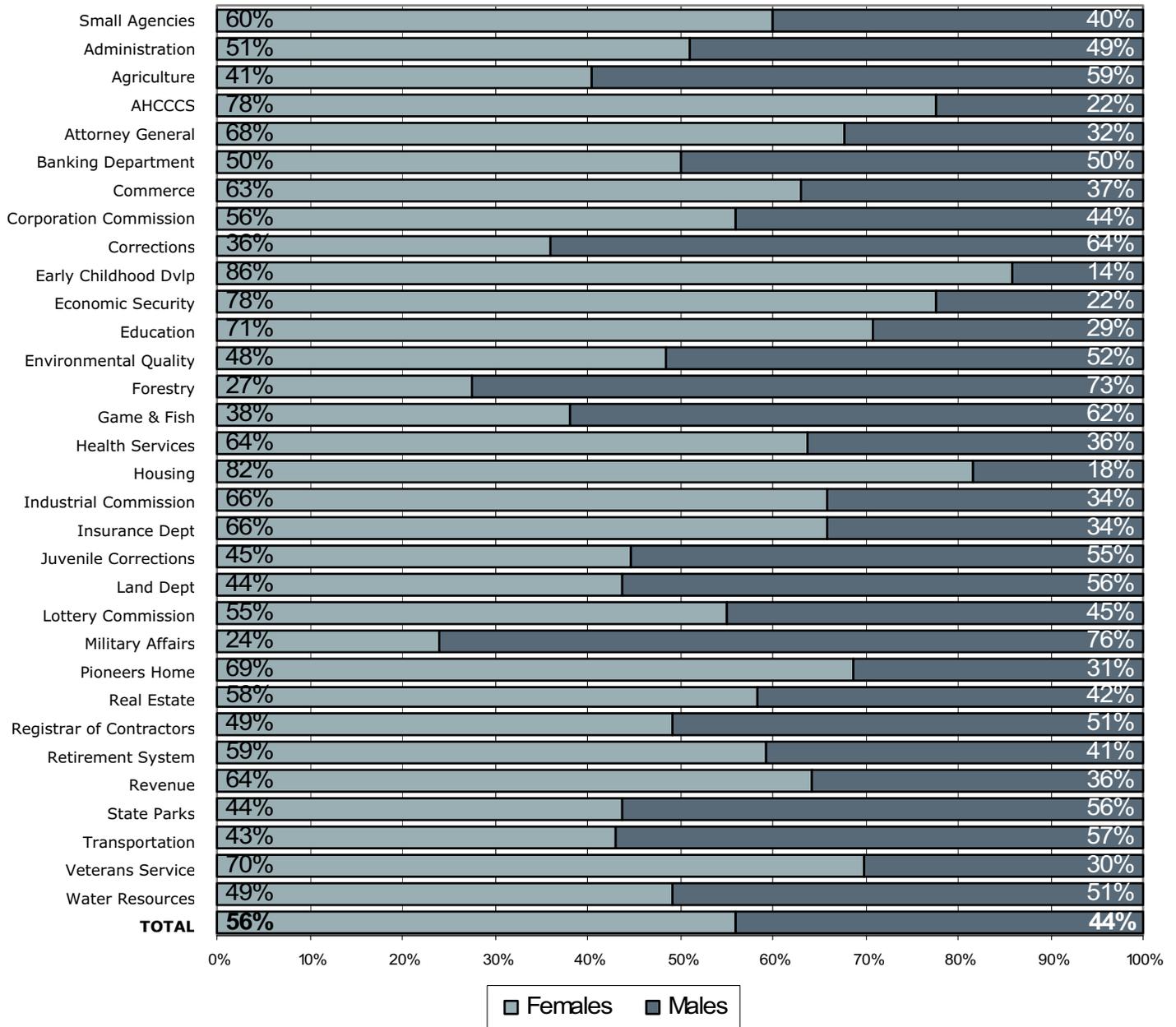
**Table 2-3 – Minority Representation by Agency
Fiscal Year 2008**



Source: The State’s Human Resources Information Solution (HRIS), June 2008. 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-two of the larger agencies (76%) increased their minority representation compared with last year’s numbers.

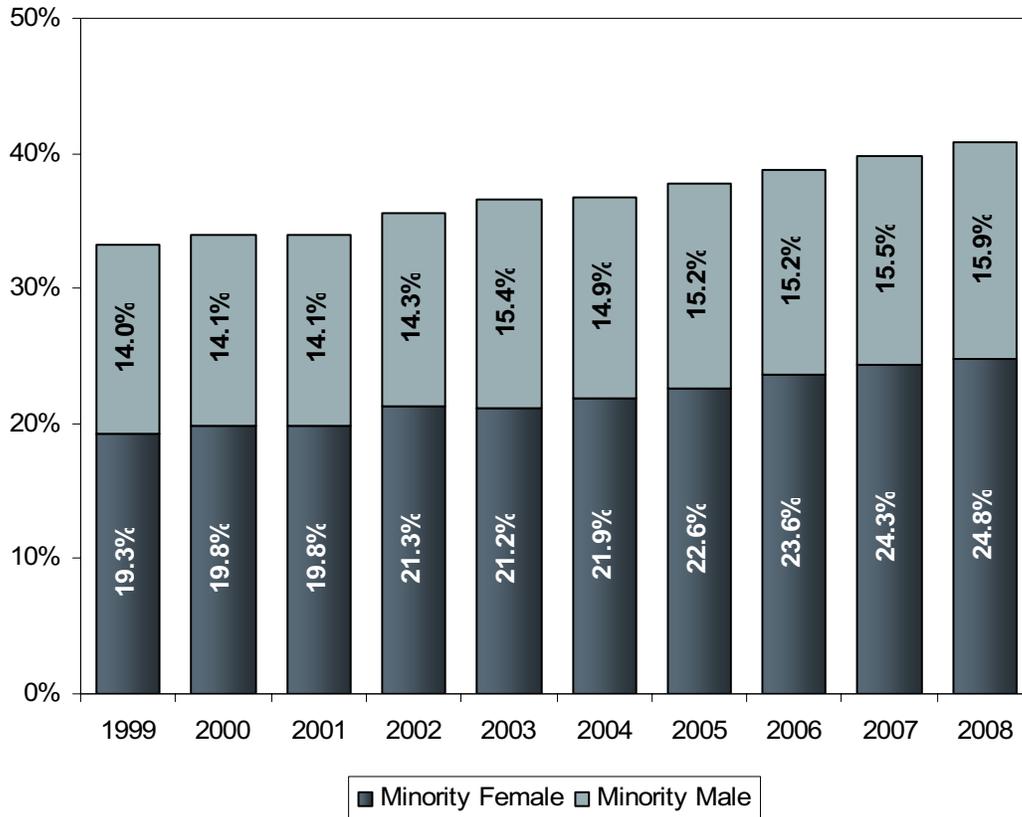
**Table 2-4 – Gender Representation by Agency
Fiscal Year 2008**



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

Analysis: Eighteen of the thirty-one larger agencies (58%) have over 50% females representing their workforce. The relative percentage of females in the workforce remained the same as last year.

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 0.82% 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

- 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
- Difference in Age Distribution–New Hires and Separations
- Difference in Ethnic Distribution–New Hires and Separations
- 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 1999 - 2008

Year		Total Employees	Retirements		Resignations		Terminations		Other		Total Separations	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
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%
2008	Covered	29,840	478	1.6%	1,690	5.7%	850	2.8%	1,392	4.7%	4,410	14.8%
	Uncovered	6,602	317	4.8%	316	4.8%	21	0.3%	538	8.1%	1,192	18.1%

Source: The state's Human Resources Information Solution. 1999 data represents separations from state service during the calendar year (Jan – Dec); 2000 through 2008 data represents separations during the fiscal year (July 1 – June 30).

Analysis: The separation rate for covered employees decreased significantly from the high experienced three years ago. The average separation rate for both categories combined (covered and uncovered) decreased from 17.5% in 2007 to 15.4% in 2008. Among covered employees, resignations remain the leading category of separations.

**Table 3-2 – Separation Rates of Covered Employees
by Agency
Fiscal Year 2004 - 2008**

Agency Name	2004	2005	2006	2007	2007
Small Agencies	10.9%	16.4%	21.3%	23.1%	18.2%
Administration	9.9%	21.1%	22.5%	19.1%	17.0%
Agriculture	8.1%	29.6%	15.0%	13.3%	15.4%
AHCCCS	14.1%	15.2%	21.4%	16.7%	10.6%
Attorney General	25.7%	18.4%	19.7%	21.3%	18.3%
Banking Department	13.3%	14.9%	18.2%	16.1%	3.8%
Commerce	0.0%	14.3%	15.0%	0.0%	10.3%
Corporation Commission	13.3%	23.0%	19.3%	15.3%	11.7%
Corrections	16.5%	31.0%	17.7%	16.4%	13.1%
Early Childhood Development	N/A	N/A	N/A	N/A	6.3%
Economic Security	12.8%	16.6%	17.2%	17.8%	16.4%
Education	20.5%	17.6%	17.3%	26.3%	22.8%
Environmental Quality	6.8%	8.9%	16.6%	10.8%	9.0%
Forestry	N/A	N/A	N/A	N/A	1.7%
Game & Fish	11.8%	13.9%	11.7%	11.1%	9.5%
Health Services	20.0%	20.8%	23.9%	20.2%	17.0%
Housing Dept	N/A	33.3%	0.0%	0.0%	0.0%
Industrial Commission	10.0%	16.3%	22.8%	32.4%	15.2%
Insurance Dept	32.6%	21.2%	18.5%	18.2%	5.3%
Juvenile Corrections	28.2%	30.0%	27.4%	27.0%	28.3%
Land Dept	6.6%	11.0%	11.5%	13.9%	16.0%
Lottery Commission	10.1%	10.5%	3.9%	6.9%	4.4%
Military Affairs	12.0%	18.5%	16.7%	15.4%	44.4%
Pioneers Home	35.4%	35.3%	23.5%	23.8%	23.3%
Real Estate	10.5%	24.3%	35.3%	26.7%	26.1%
Registrar of Contractors	9.0%	20.0%	28.1%	25.0%	18.4%
Retirement System	0.0%	30.0%	0.0%	27.3%	25.0%
Revenue	10.3%	14.2%	15.8%	14.9%	16.2%
State Parks	9.7%	12.1%	11.0%	7.5%	9.3%
Transportation	13.6%	15.8%	15.3%	15.2%	12.0%
Veterans Service	39.3%	31.4%	28.5%	28.3%	39.7%
Water Resources	7.1%	8.2%	9.7%	12.7%	6.2%
Totals	14.9%	21.2%	17.9%	17.3%	14.8%

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).

Analysis: The rate of separations from state service decreased again for the third straight year from the high experienced in 2005. Twenty of the larger agencies (69%) experienced a decrease in separation rates from 2007. Nevertheless, in 2008 seven agencies experienced separation rates greater than 20% and two agencies experienced separation rates greater than 30%.

Table 3-3 – Voluntary and Involuntary Separations of Covered Employees by Agency Fiscal Year 2008

Agency	Voluntary		Involuntary		Total	
	Number	Percent	Number	Percent	Number	Percent
Small Agency Administration	40	14.3%	11	3.9%	51	18.2%
Agriculture	54	12.4%	20	4.6%	74	17.0%
AHCCCS	6	15.4%	0	0.0%	6	15.4%
	90	9.5%	11	1.2%	101	10.6%
Attorney General	22	16.8%	2	1.5%	24	18.3%
Banking	1	1.9%	1	1.9%	2	3.8%
Commerce	4	10.3%	0	0.0%	4	10.3%
Corporation Commission	16	9.9%	3	1.9%	19	11.7%
Corrections	1,045	11.9%	101	1.2%	1,146	13.1%
Early Childhood Development	0	0.0%	1	6.3%	1	6.3%
Economic Security	1,289	13.6%	272	2.9%	1,561	16.4%
Education	36	21.1%	3	1.8%	39	22.8%
Environmental Quality	36	8.1%	4	0.9%	40	9.0%
Forestry	1	1.7%	0	0.0%	1	1.7%
Game & Fish	43	8.5%	5	1.0%	48	9.5%
Health Services	205	14.5%	36	2.5%	241	17.0%
Housing	0	0.0%	0	0.0%	0	0.0%
Industrial Commission	26	11.7%	8	3.6%	34	15.2%
Insurance	3	4.0%	1	1.3%	4	5.3%
Juvenile Corrections	178	19.4%	81	8.8%	259	28.3%
Land Dept	16	12.2%	5	3.8%	21	16.0%
Lottery Commission	3	4.4%	0	0.0%	3	4.4%
Military Affairs	4	44.4%	0	0.0%	4	44.4%
Pioneers Home	18	20.0%	3	3.3%	21	23.3%
Real Estate	5	21.7%	1	4.3%	6	26.1%
Registrar Of Contractors	12	13.8%	4	4.6%	16	18.4%
Retirement System	2	16.7%	1	8.3%	3	25.0%
Revenue	80	11.1%	36	5.0%	116	16.2%
State Parks	19	8.1%	3	1.3%	22	9.3%
Transportation	363	9.2%	110	2.8%	473	12.0%
Veterans Service	36	23.8%	24	15.9%	60	39.7%
Water Resources	8	4.9%	2	1.2%	10	6.2%
Total	3,661	12.1%	749	2.5%	4,410	14.8%

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).

Analysis: Voluntary separations are the most common type of separation from state service, accounting for over 83% of separations of covered employees this past year.

**Table 3-4 – Most Populous Covered Class Titles
Fiscal Year 2008**

Class Title	Number
Corrections Officer (I, II, III, IV)	5,916
Program Services Evaluator (I, II, III, IV, V)	2,573
Administrative Assistant (I, II, III)	1,238
Customer Services Representative (I, II, III)	1,165
Child Protective Services Specialist (I, II, III)	903
Human Services Specialist (I, II, III)	889
Information Technology Specialist (1, 2, 3, 4, 5)	869
Corrections Sergeant	616
Motor Vehicle Division Customer Services Rep	592
Highway Operations Technician (1, 2, 3, 4)	561
Program and Project Specialist (I, II)	519
Youth Corrections Officer (I, II, III)	455

Source: The state's Human Resources Information Solution. Data represents active employees in covered positions (June 2008).

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.

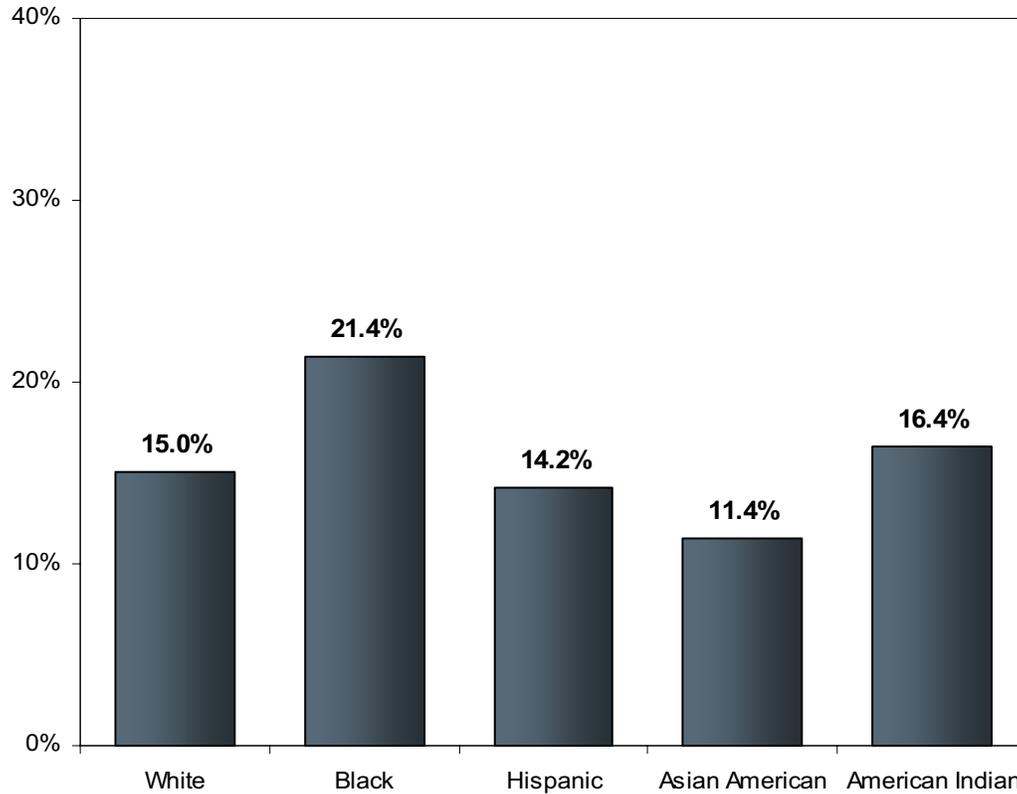
**Table 3-5 – Covered Classes With The
Highest Separation Rates
Fiscal Year 2008**

Class Title	Separation Rate
Dept of Juvenile Corrections Education Program Teacher	64.9%
Motor Vehicle Division Customer Services Associate	55.0%
Youth Correctional Officer I	50.4%
Program Services Evaluator I	46.3%
Habitation Technician II	43.6%
Correctional Registered Nurse	41.3%
Child Protective Services Specialist I	40.7%
Nursing Assistant	36.8%
Collector II	33.0%
Clerk Typist II	31.1%
Psychology Associate II	30.9%
Arizona State Hospital Security Officer I	30.8%

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.

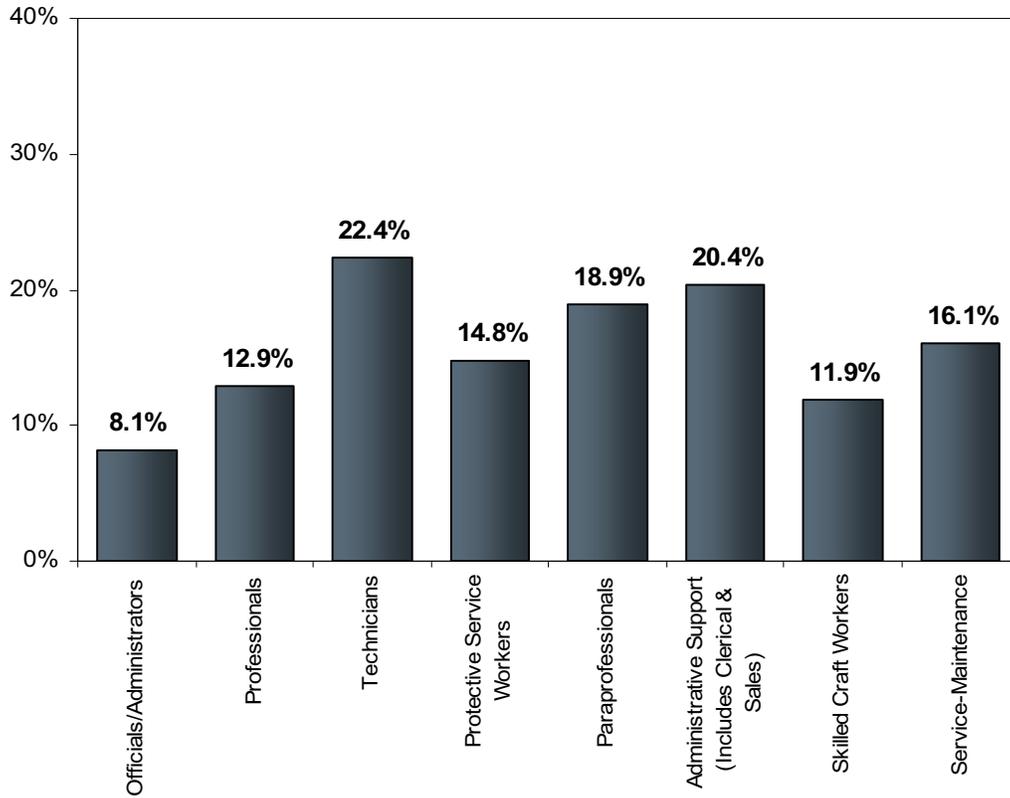
**Table 3-6 – Separation Rates by Ethnic Group
Fiscal Year 2008**



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.

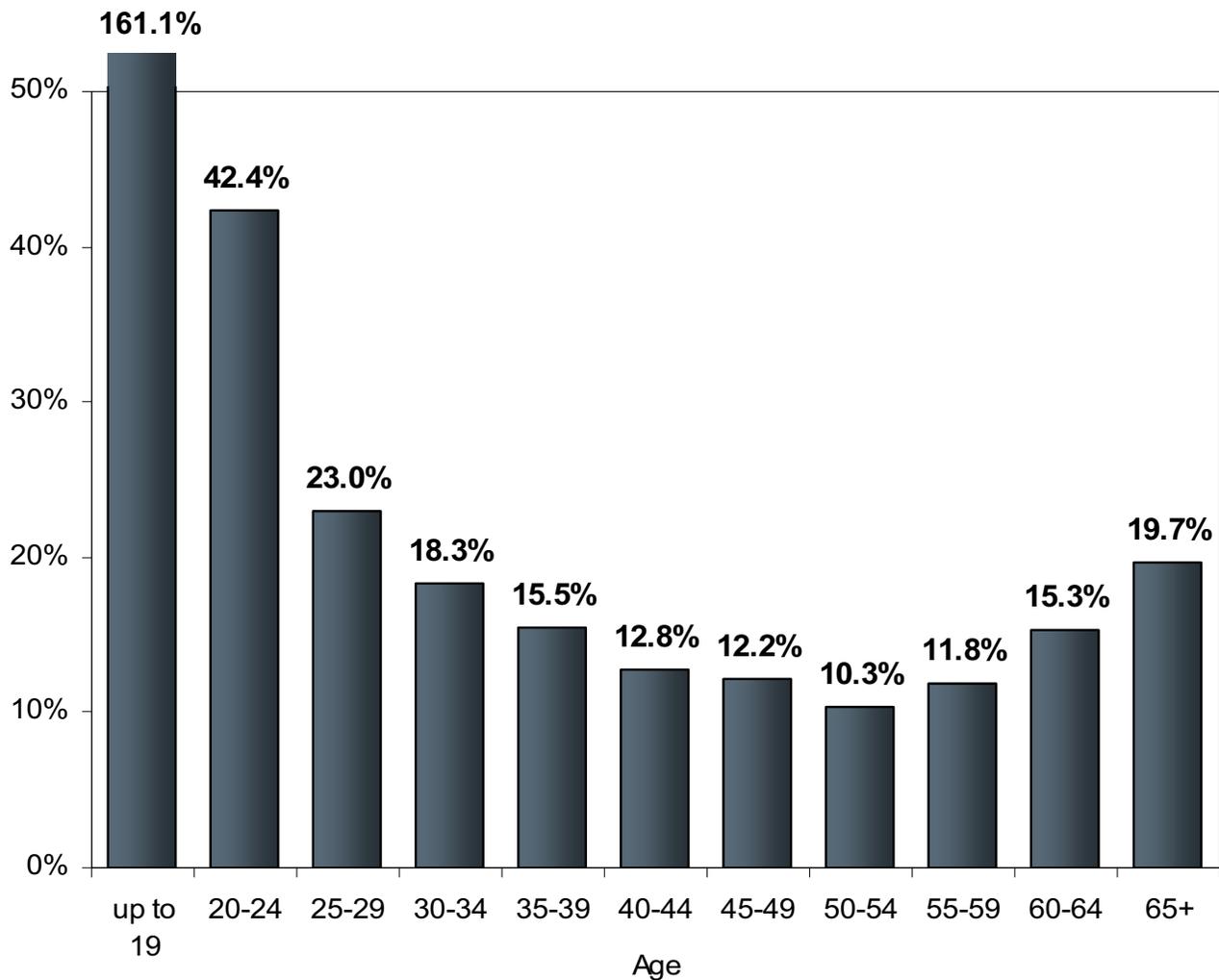
**Table 3-7 – Separation Rates by Occupational Code
Fiscal Year 2008**



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 Technicians, Administrative Support and Paraprofessional occupational groups. Separation rates were lowest among employees assigned to Officials/Administrators, Skilled Craft, and Professional positions.

**Table 3-8 – Separation Rates by Age Distribution
Fiscal Year 2008**

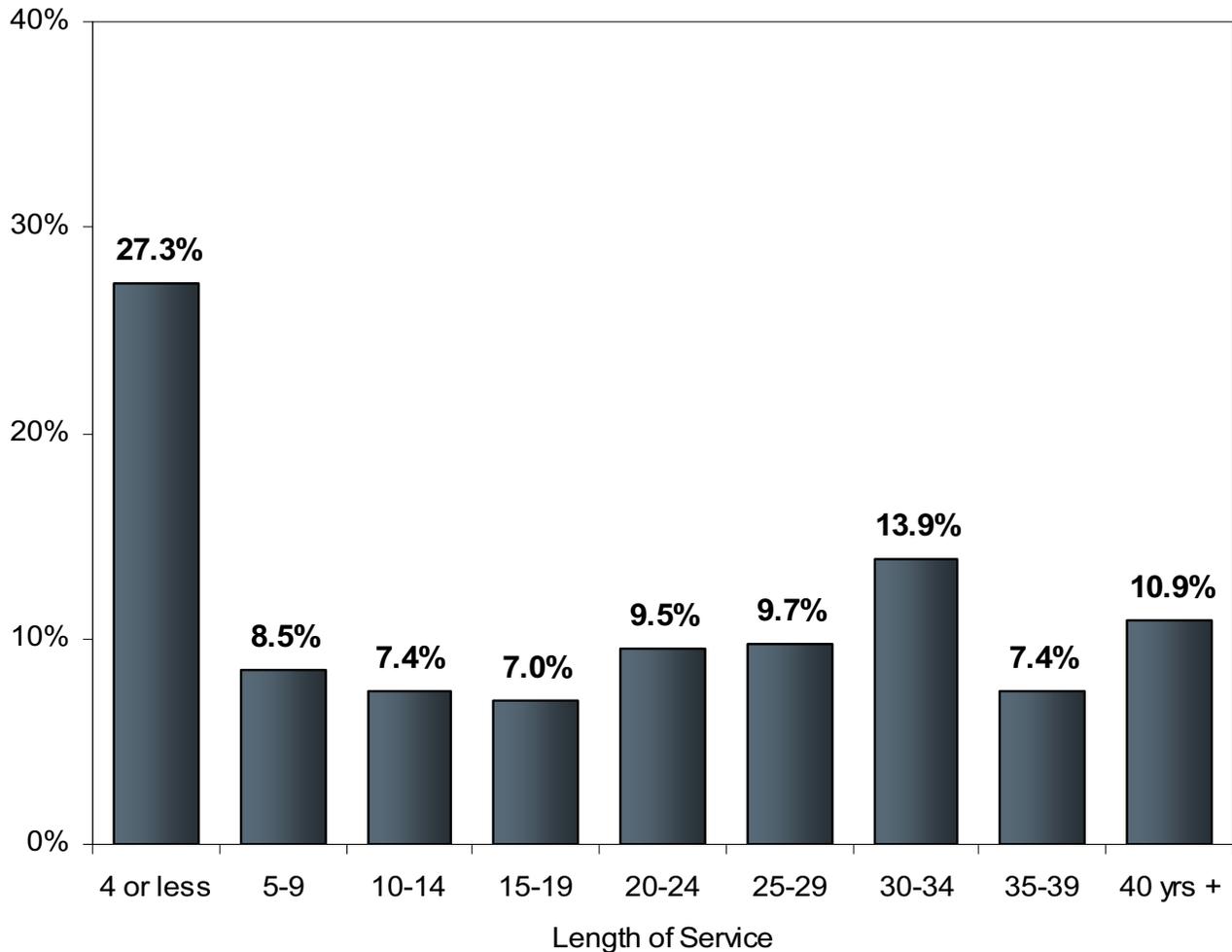


Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees.

Analysis: The above chart shows the separation rates by age group for all employees. In 2008, employees less than 20 years of age experienced a separation rate over 161%. 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.

... separation rates are highest for employees with less than 4 years of service, and for those with 30 – 34 years of service. . .

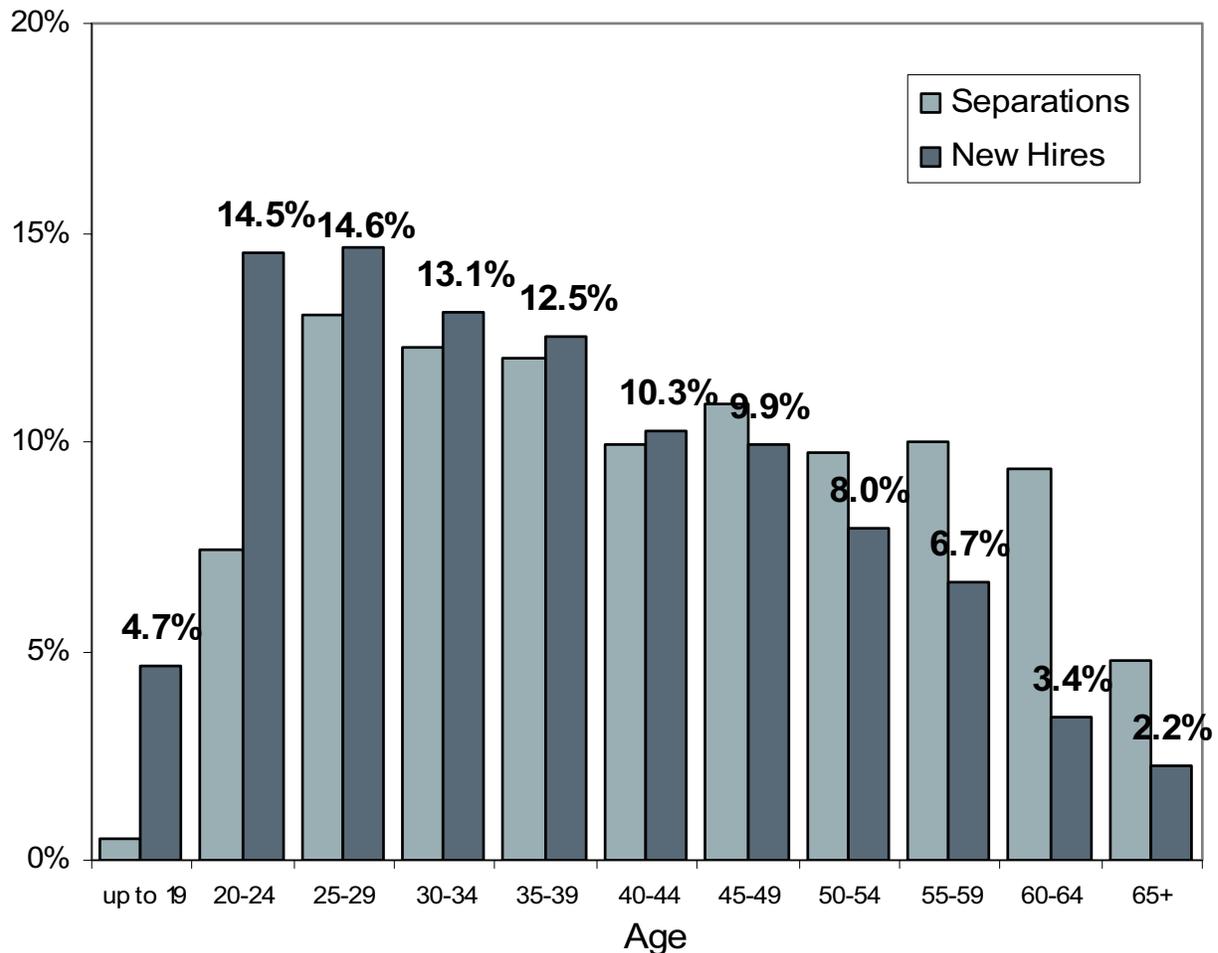
**Table 3-9 – Separation Rates by Length of Service
Fiscal Year 2008**



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 2008, employees with 4 years of service or less experienced a separation rate of over 27%. The separation rate was lowest for employees with fifteen to nineteen years of service.

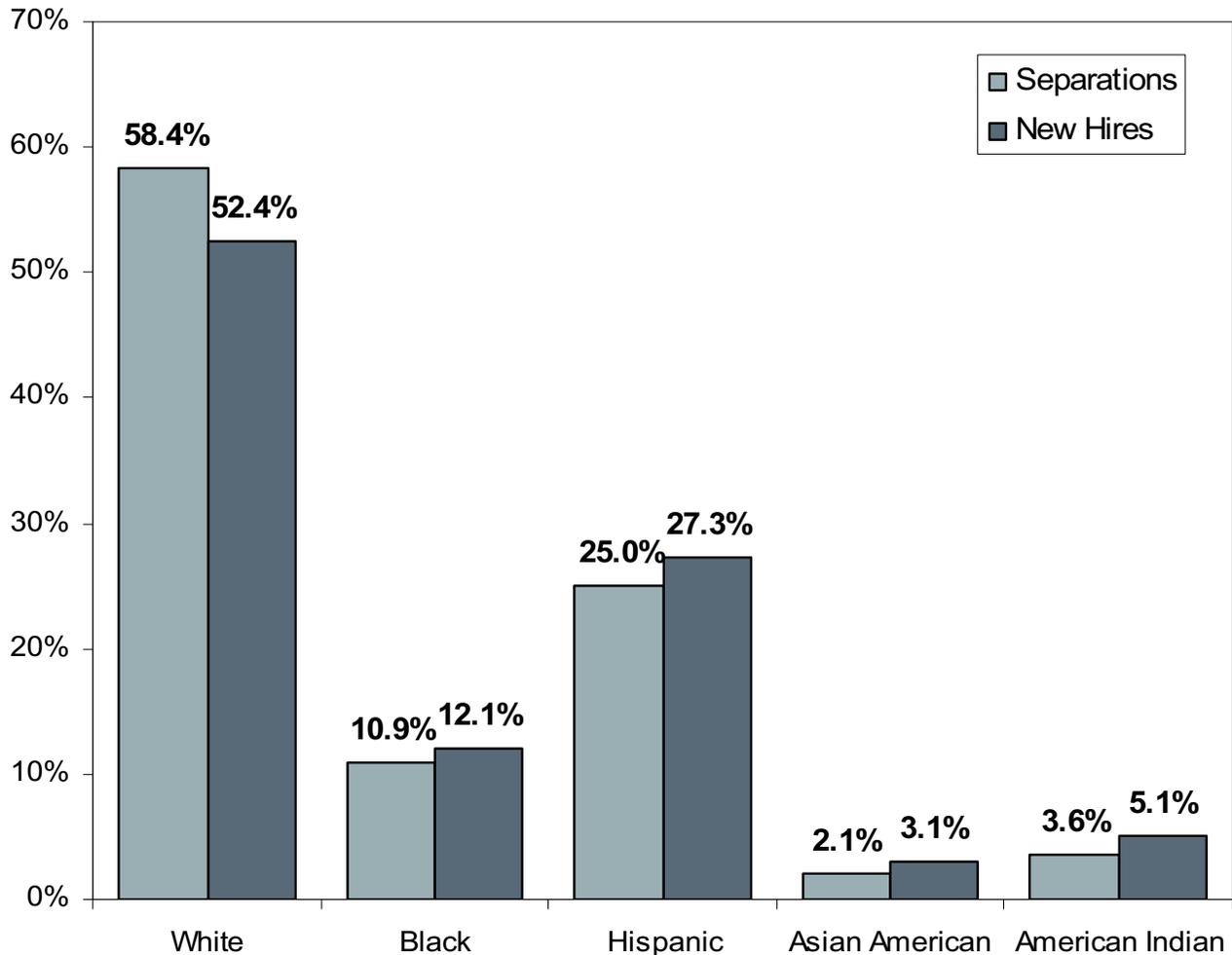
Table 3-10 – Difference in Age Distribution between New Hires and Separations Fiscal Year 2008



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 43.3, while the average age of a newly hired employee was 37.9. There was a higher percentage of new hires than separations in all age groups below 45 years of age; above 45 years of age, the trend reverses and there is a higher percentage of separations. The largest difference between the two groups occurs in the 20-24 age group, and the 60-64 age group.

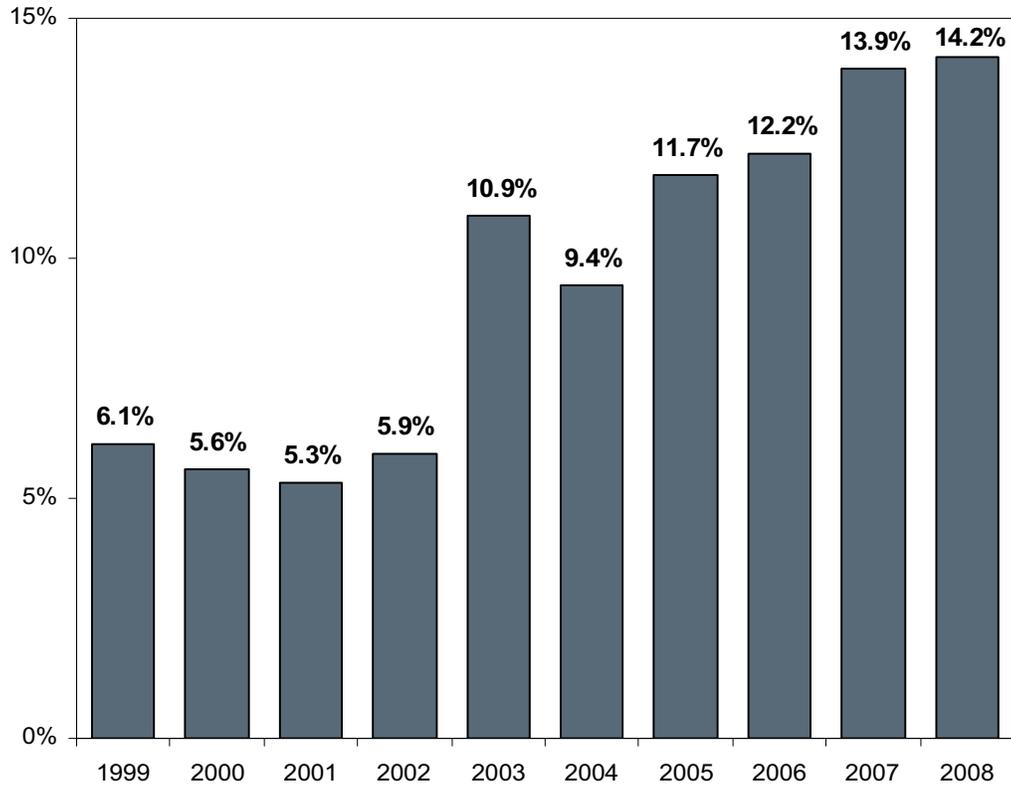
Table 3-11 – Difference in Ethnic Distribution between New Hires and Separations Fiscal Year 2008



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 2008, there was a relatively higher percentage of minorities among the new hires when compared to the separations.

**Table 3-12 – Percentage of Separations Due to Retirement
1999 - 2008**



Source: The state's Human Resources Information Solution. 1999 data represents separations from state service during the calendar year (Jan – Dec); 2000 through 2008 data represents separations during the fiscal year (July 1 – June 30). 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 over the past six years. The average rate from 1999 through 2002 was 5.75%; the rate in 2008 was nearly 2.5 times greater.

**Table 3-13 – Retirement Eligibility
2009 - 2013**

Agency Name	2009	2010	2011	2012	2013
Small Agencies	11.0%	14.4%	18.1%	21.8%	26.0%
Administration	12.2%	16.6%	19.7%	22.3%	26.9%
Agriculture	14.4%	16.0%	19.8%	22.7%	26.8%
AHCCCS	9.1%	12.4%	15.6%	20.0%	24.3%
Attorney General	9.8%	13.2%	16.5%	20.3%	24.4%
Banking Department	23.4%	23.4%	28.1%	31.3%	32.8%
Commerce	10.9%	14.3%	19.3%	28.6%	32.8%
Corporation Commission	12.8%	17.0%	18.4%	21.5%	25.0%
Corrections	7.2%	9.2%	11.7%	13.7%	16.2%
Early Childhood Development	0.0%	0.0%	4.0%	7.1%	9.1%
Economic Security	10.3%	13.1%	16.1%	19.6%	23.0%
Education	7.3%	10.1%	12.3%	15.0%	18.4%
Environmental Quality	12.7%	15.9%	18.8%	22.8%	27.4%
Forestry	24.2%	25.8%	32.3%	33.9%	33.9%
Game & Fish	13.8%	15.8%	18.2%	21.1%	25.5%
Health Services	10.1%	12.6%	15.5%	19.4%	24.0%
Housing Dept	4.6%	6.2%	12.3%	16.9%	20.0%
Industrial Commission	14.5%	17.0%	19.6%	21.7%	26.4%
Insurance Dept	13.2%	20.9%	23.3%	28.7%	29.5%
Juvenile Corrections	5.9%	7.7%	9.3%	11.4%	13.2%
Land Dept	13.9%	20.1%	22.2%	27.8%	30.6%
Lottery Commission	17.6%	24.2%	28.6%	33.0%	37.4%
Military Affairs	6.9%	9.4%	12.7%	16.4%	19.6%
Pioneers Home	9.7%	11.8%	16.1%	19.4%	24.7%
Real Estate	20.0%	21.7%	23.3%	28.3%	36.7%
Registrar of Contractors	11.7%	15.0%	20.8%	30.8%	35.8%
Retirement System	7.2%	9.3%	12.9%	14.4%	16.0%
Revenue	14.9%	18.6%	23.3%	27.6%	32.2%
State Parks	18.8%	22.0%	27.8%	30.0%	35.0%
Transportation	12.7%	15.8%	18.9%	22.4%	25.9%
Veterans Service	5.6%	6.7%	10.2%	15.1%	18.2%
Water Resources	11.2%	15.7%	19.8%	23.1%	27.3%
Totals	10.0%	12.7%	15.6%	18.8%	22.2%

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. Also employees may have "purchased" credited service in other organizations resulting in an earlier eligibility date than that which was calculated. Actual retirement rates may differ from the numbers shown above. Data includes covered and uncovered employees.

Analysis: Over half of the larger agencies (17) 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 2013. Four agencies are anticipated to have over 35% of their active employees eligible to retire in five years. Only two agencies is expected to have less than 15% of their employees eligible to retire in 2013.

**Table 3-14 – Estimated Cost of Turnover by Agency
For Covered Employees
Fiscal Year 2008**

Agency	Average Salary	Separation Rate	Estimated Cost of Turnover
Small Agencies	\$35,422	18.2%	\$541,954
Administration	\$36,736	17.0%	\$815,530
Agriculture	\$37,064	15.4%	\$66,714
AHCCCS	\$33,184	10.6%	\$1,005,485
Attorney General	\$39,889	18.3%	\$287,201
Banking Department	\$44,659	3.8%	\$26,795
Commerce	\$42,428	10.3%	\$50,913
Corporation Commission	\$41,895	11.7%	\$238,800
Corrections	\$39,286	13.1%	\$13,506,552
Early Childhood Development	\$36,875	6.3%	\$11,063
Economic Security	\$34,673	16.4%	\$16,237,159
Education	\$41,952	22.8%	\$490,833
Environmental Quality	\$40,655	9.0%	\$487,860
Forestry	\$40,567	1.7%	\$12,170
Game & Fish	\$45,392	9.5%	\$653,645
Health Services	\$41,845	17.0%	\$3,025,414
Housing Dept	\$47,536	0.0%	\$0
Industrial Commission	\$36,097	15.2%	\$368,187
Insurance Dept	\$39,087	5.3%	\$46,905
Juvenile Corrections	\$38,299	28.3%	\$2,975,843
Land Dept	\$45,793	16.0%	\$288,496
Lottery Commission	\$38,863	4.4%	\$34,977
Military Affairs	\$30,894	44.4%	\$37,073
Pioneers Home	\$30,964	23.3%	\$195,074
Real Estate	\$31,326	26.1%	\$56,388
Registrar of Contractors	\$36,223	18.4%	\$173,872
Retirement System	\$28,905	25.0%	\$26,014
Revenue	\$34,633	16.2%	\$1,205,232
State Parks	\$36,692	9.3%	\$242,166
Transportation	\$36,261	12.0%	\$5,145,438
Veterans Service	\$32,107	39.7%	\$577,924
Water Resources	\$44,658	6.2%	\$133,973
Overall Average	\$37,224	14.8%	\$49,247,661

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 slightly; however the net result was a 15% decrease in the total cost of turnover.

4 Employment Characteristics

- Average Salary of Covered Employees by Agency
- 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 2004 - 2008

Agency	Average Covered Employee Wages				
	2004	2005	2006	2007	2008
Small Agencies	\$33,913	\$32,835	\$35,331	\$34,857	\$35,422
Administration	\$30,848	\$33,348	\$35,274	\$36,224	\$36,736
Agriculture	\$29,626	\$32,253	\$34,538	\$34,946	\$37,064
AHCCCS	\$27,600	\$29,629	\$31,982	\$32,607	\$33,184
Attorney General	\$33,950	\$36,319	\$39,284	\$38,132	\$39,889
Banking Department	\$37,012	\$38,753	\$42,376	\$44,530	\$44,659
Commerce	\$39,004	\$40,491	\$42,391	\$43,344	\$42,428
Corporation Commission	\$36,665	\$37,662	\$41,284	\$42,538	\$41,895
Corrections	\$30,478	\$32,089	\$36,686	\$39,913	\$39,286
Early Childhood Development	N/A	N/A	N/A	N/A	\$36,875
Economic Security	\$28,934	\$31,453	\$33,658	\$34,497	\$34,673
Education	\$33,615	\$40,353	\$41,612	\$41,375	\$41,952
Environmental Quality	\$34,725	\$38,015	\$40,382	\$40,651	\$40,655
Forestry	N/A	N/A	N/A	N/A	\$40,567
Game & Fish	\$35,860	\$36,202	\$42,014	\$45,402	\$45,392
Health Services	\$31,677	\$36,160	\$38,562	\$41,319	\$41,845
Housing Dept	N/A	\$38,926	\$41,238	\$47,536	\$47,536
Industrial Commission	\$30,967	\$31,646	\$33,323	\$35,459	\$36,097
Insurance Dept	\$32,121	\$34,501	\$36,629	\$38,861	\$39,087
Juvenile Corrections	\$28,705	\$32,001	\$36,279	\$38,463	\$38,299
Land Dept	\$39,210	\$40,177	\$43,311	\$43,434	\$45,793
Lottery Commission	\$31,788	\$35,060	\$37,441	\$38,176	\$38,863
Military Affairs	\$30,554	\$31,246	\$31,540	\$30,320	\$30,894
Pioneers Home	\$24,202	\$27,309	\$30,439	\$29,076	\$30,964
Real Estate	\$29,276	\$30,398	\$31,759	\$31,389	\$31,326
Registrar of Contractors	\$32,036	\$32,905	\$34,586	\$36,390	\$36,223
Retirement System	\$28,516	\$31,630	\$31,234	\$31,669	\$28,905
Revenue	\$28,719	\$31,891	\$34,048	\$34,613	\$34,633
State Parks	\$32,063	\$31,926	\$34,381	\$36,393	\$36,692
Transportation	\$29,971	\$31,918	\$34,309	\$35,645	\$36,261
Veterans Service	\$24,774	\$27,745	\$29,630	\$30,271	\$32,107
Water Resources	\$39,447	\$40,633	\$42,799	\$43,821	\$44,658
Overall Average	\$31,875	\$32,363	\$35,402	\$37,151	\$37,224

Source: The state's Human Resources Information Solution. Calculations are based on annual salary from fiscal year-end (June 30). Performance pay and other additional compensation (stipends) not included.

Analysis: The statewide average salary for covered employees slightly increased by 0.2% last year. However, eight agencies experienced a decrease in the average salary for their covered employees.

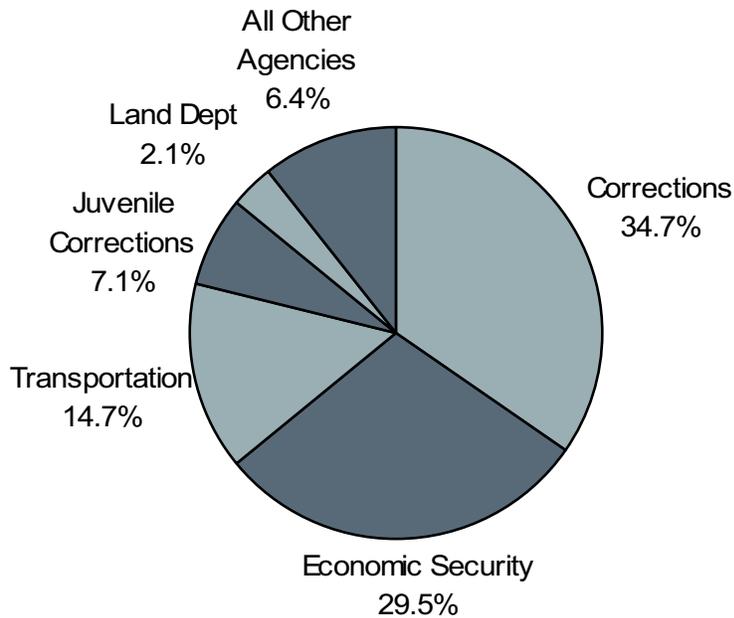
**Table 4-2 – Total Overtime Costs by Agency
Fiscal Year 2004 - 2008**

Agency	2004	2005	2006	2007	2008
Small Agencies	\$539,923	\$506,703	\$590,745	\$526,039	\$560,400
Administration	\$485,999	\$528,178	\$523,988	\$391,164	\$465,108
Agriculture	\$190,735	\$221,421	\$326,485	\$361,905	\$302,617
AHCCCS	\$183,797	\$222,911	\$115,845	\$89,634	\$134,349
Attorney General	\$88,232	\$136,598	\$226,758	\$171,527	\$182,392
Banking Department	\$1,240	\$6,801	\$8,563	\$15,645	\$20,792
Commerce	\$18	\$167	\$39	\$134	\$0
Corporation Commission	\$187,222	\$248,471	\$271,911	\$139,473	\$18,944
Corrections	\$7,519,398	\$5,890,566	\$29,039,050	\$34,727,394	\$14,074,189
Early Childhood Development	N/A	N/A	N/A	N/A	\$0
Economic Security	\$5,555,008	\$9,958,701	\$10,492,305	\$12,675,683	\$11,960,865
Education	\$92,478	\$51,408	\$55,833	\$107,917	\$87,397
Environmental Quality	\$56,458	\$62,592	\$40,394	\$56,938	\$81,885
Forestry	N/A	N/A	N/A	N/A	\$0
Game & Fish	\$115,893	\$155,114	\$188,938	\$220,373	\$105,015
Health Services	\$956,477	\$1,032,539	\$1,368,708	\$1,267,574	\$844,764
Housing Dept	\$0	\$0	\$109	\$0	\$0
Industrial Commission	\$707	\$615	\$45	\$162	\$614
Insurance Dept	\$6,217	\$1,843	\$1,319	\$91	\$0
Juvenile Corrections	\$1,603,737	\$2,332,710	\$3,801,185	\$3,327,468	\$2,887,795
Land Dept	\$352,227	\$345,024	\$733,569	\$765,460	\$1,439,639
Lottery Commission	\$16,559	\$19,375	\$13,875	\$14,863	\$9,597
Military Affairs	\$324,961	\$407,042	\$353,525	\$312,590	\$583,836
Pioneers Home	\$4,517	\$8,969	\$9,192	\$12,153	\$15,500
Real Estate	\$195	\$0	\$25	\$0	\$52
Registrar of Contractors	\$543	\$47	\$36,416	\$48,176	\$43,130
Retirement System	\$3,445	\$18,727	\$28,717	\$21,814	\$42,103
Revenue	\$247,177	\$296,882	\$247,623	\$213,985	\$143,393
State Parks	\$41,926	\$18,206	\$24,517	\$38,127	\$26,904
Transportation	\$4,631,961	\$5,837,696	\$5,666,270	\$5,578,432	\$5,968,928
Veterans Service	\$232,626	\$293,208	\$391,549	\$428,341	\$589,884
Water Resources	\$1,765	\$0	\$5,589	\$8,178	\$924
Overall Total	\$23,441,441	\$28,602,513	\$54,563,084	\$61,521,238	\$40,591,020

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 decreased by 34% from last year. Eleven agencies experienced a decrease of 25% or more, and six agencies experienced a decrease of over 50%. However, there were also 10 agencies that increased their overtime expenditures by 25% or more, including 5 that showed an increase of more than 50%.

**Table 4-3 – Distribution of Overtime Costs by Agency
Fiscal Year 2008**



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 nearly 90% of the State's total overtime expenses last year.

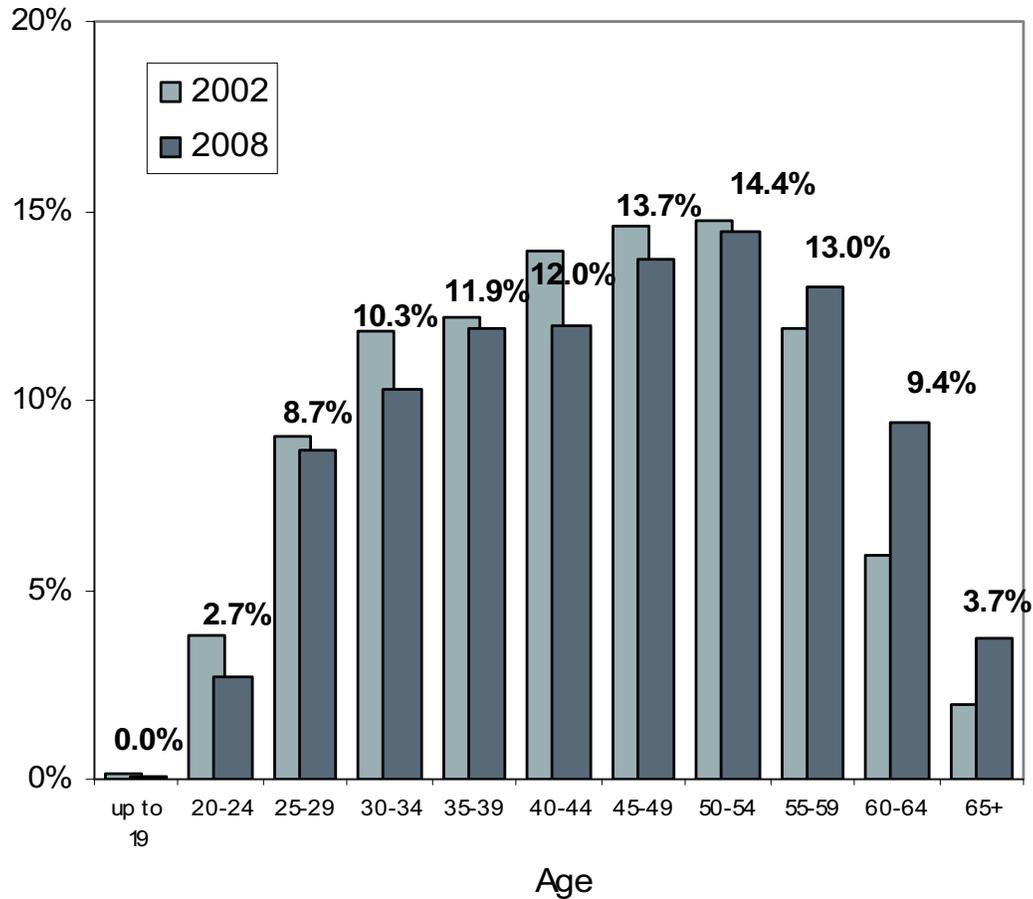
Table 4-4 – Average Sick Leave Use and Average Costs Per Employee by Agency 2005 - 2008

Agency	Avg Sick Leave Days				Avg Sick Leave Costs			
	2005	2006	2007	2008	2005	2006	2007	2008
Small Agencies	8.0	7.7	7.5	6.2	\$1,215	\$1,183	\$1,250	\$1,080
Administration	9.1	9.2	8.0	8.8	\$1,361	\$1,410	\$1,320	\$1,489
Agriculture	7.1	6.6	7.0	7.6	\$927	\$862	\$960	\$1,066
AHCCCS	9.3	9.8	9.1	9.3	\$1,196	\$1,320	\$1,274	\$1,386
Attorney General	8.0	8.2	8.1	8.4	\$1,384	\$1,485	\$1,601	\$1,747
Banking Department	7.0	6.5	7.1	6.8	\$1,058	\$969	\$1,123	\$1,149
Commerce	6.1	7.0	6.6	8.6	\$1,113	\$1,188	\$1,187	\$1,596
Corporation Commission	9.5	9.8	9.2	10.1	\$1,585	\$1,670	\$1,639	\$1,922
Corrections	9.8	9.4	9.2	10.3	\$1,254	\$1,243	\$1,372	\$1,608
Early Childhood Development	N/A	N/A	N/A	5.5	N/A	N/A	N/A	\$1,372
Economic Security	9.7	10.0	9.8	10.2	\$1,204	\$1,251	\$1,295	\$1,394
Education	7.3	8.0	8.4	8.8	\$1,231	\$1,401	\$1,532	\$1,691
Environmental Quality	10.2	10.9	9.7	9.7	\$1,568	\$1,693	\$1,624	\$1,669
Forestry	N/A	N/A	N/A	3.8	N/A	N/A	N/A	\$619
Game & Fish	6.1	6.1	6.6	5.9	\$851	\$810	\$1,037	\$1,048
Health Services	9.4	8.7	8.4	9.7	\$1,357	\$1,307	\$1,378	\$1,714
Housing Dept	7.6	6.8	6.8	10.2	\$1,343	\$1,228	\$1,280	\$2,022
Industrial Commission	9.5	9.6	9.4	8.5	\$1,213	\$1,252	\$1,262	\$1,222
Insurance Dept	8.3	9.4	9.1	8.5	\$1,274	\$1,465	\$1,480	\$1,445
Juvenile Corrections	9.7	9.4	9.0	9.0	\$1,331	\$1,343	\$1,399	\$1,465
Land Dept	9.6	8.4	8.5	7.6	\$1,424	\$1,342	\$1,397	\$1,322
Lottery Commission	8.4	7.8	9.1	10.1	\$1,211	\$1,166	\$1,449	\$1,662
Military Affairs	7.9	9.6	8.8	8.3	\$1,063	\$1,400	\$1,318	\$1,277
Pioneers Home	9.4	8.5	10.7	8.4	\$1,025	\$938	\$1,290	\$1,086
Real Estate	9.7	9.9	8.9	9.5	\$1,273	\$1,448	\$1,212	\$1,314
Registrar of Contractors	7.8	9.2	8.9	8.1	\$1,043	\$1,243	\$1,297	\$1,321
Retirement System	8.8	8.1	8.6	8.6	\$1,349	\$1,263	\$1,458	\$1,535
Revenue	10.1	10.1	10.0	10.0	\$1,330	\$1,406	\$1,476	\$1,549
State Parks	8.1	8.6	8.9	7.7	\$1,075	\$1,166	\$1,263	\$1,185
Transportation	10.1	9.5	9.5	9.2	\$1,303	\$1,301	\$1,332	\$1,357
Veterans Service	9.9	9.5	8.3	8.5	\$1,228	\$1,127	\$1,048	\$1,143
Water Resources	9.5	7.2	8.4	8.9	\$1,598	\$1,224	\$1,683	\$1,726
Overall Average	9.5	9.4	9.2	9.5	\$1,253	\$1,276	\$1,342	\$1,464

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 9.0% last year. Nine agencies experienced cost increases of 10% or more and three of those experienced increases in excess of 20%. However, six agencies were able to decrease their sick leave costs from the prior year.

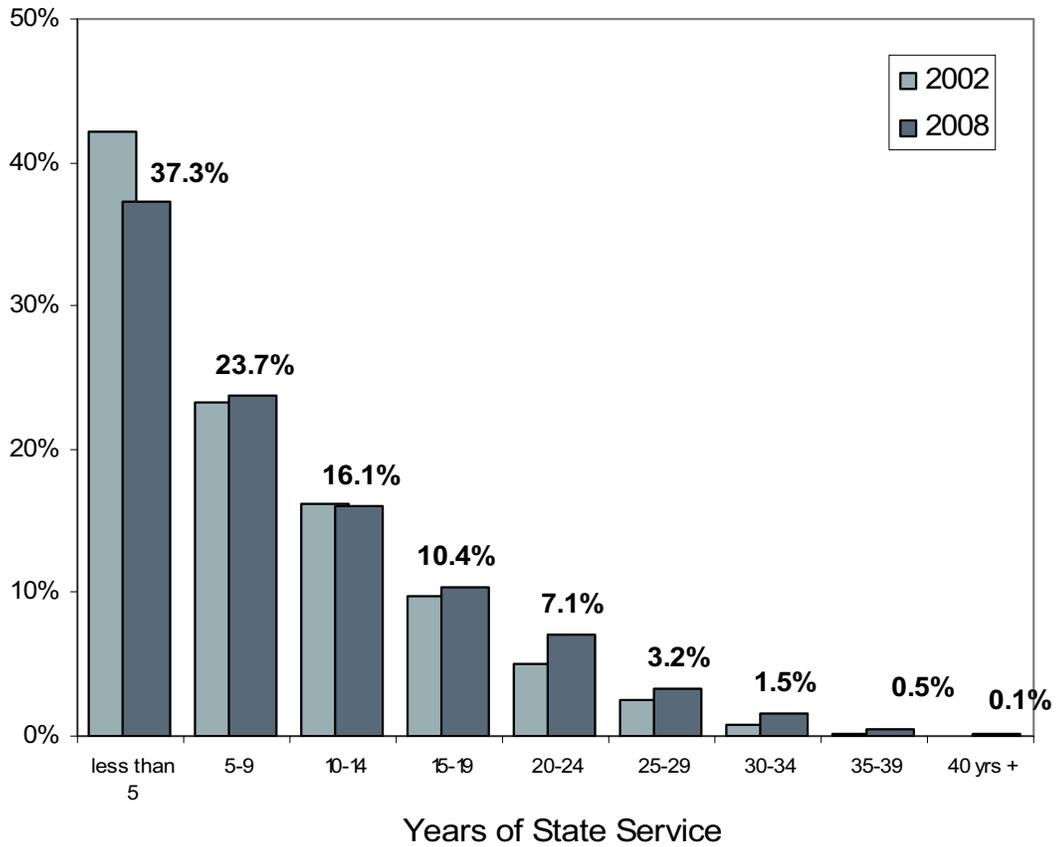
**Table 4-5 – Age Distribution for All Employees
2002 and 2008**



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 2008, the average age of a state employee was 46.0 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 2008, 11.5% 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 2008 over 26% was over 55 years of age.

**Table 4-6 – Length of Service Distribution for All Employees
2002 and 2008**



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 9.8 years of service. Over 37% of state employees have been hired within the last 5 years, and nearly 61% of employees have less than 10 years of service with the state.

**Table 4-7 – Employee Satisfaction
2000 – 2008**

Statement	Agree/Strongly Agree				
	FY00	FY01	FY02	FY07	FY08
Overall, I am satisfied with my job.	72%	67.8%	65.0%	75.0%	73.6%
I understand clearly what is expected of me at work.	77%	77.6%	76.1%	82.6%	80.4%
I receive adequate feedback on my work.	59%	56.0%	55.7%	62.5%	62.7%
I receive the training I need to do my job well.	No prior history			62.7%	60.5%
I feel safe at work.	No prior history			72.4%	73.9%
I have the proper tools and equipment to do my work.	60%	56.5%	56.1%	64.5%	62.0%
Overall, I am satisfied with the state benefits offered to me.	No prior history			70.1%	75.7%
My immediate supervisor assigns work fairly to all employees	No prior history			70.7%	69.7%
I receive recognition for my work when I deserve it.	50%	46.9%	46.8%	55.5%	56.0%
I provide input in my performance plan and evaluation	No prior history			58.7%	63.8%
I have the opportunity to learn and do new things in my job.	65%	61.1%	58.8%	66.5%	66.5%
My agency supports my participation in training opportunities to improve my job skills.	63%	59.0%	54.6%	64.2%	63.5%
My agency supports my participation in education and professional development opportunities.	57%	54.7%	49.0%	59.3%	58.2%
In my agency, promotions are based upon qualifications	No prior history			36.6%	38.5%
My agency values my ideas on work-related problems.	48%	44.9%	43.4%	48.9%	52.3%
My agency will not tolerate discrimination.	No prior history			67.0%	66.3%
My agency has a good system in place for communicating necessary information to staff.	45%	42.3%	43.5%	51.4%	53.5%
I would recommend my agency to other people as a good place to work	No prior history			58.5%	58.5%
Senior management in my agency show care and concern for employees.	43%	39.9%	38.0%	48.1%	50.0%
Employee rating of the workplace	No prior history			68.8%	66.4%

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 and FY2008 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 and FY2008 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 show satisfaction levels similar to FY2007; nine questions increased in positive response and nine questions decreased.