

# State of Arizona

**Janet Napolitano**

Governor of Arizona

**Betsey Bayless**

Director, Department of Administration

## Arizona Department of Administration HUMAN RESOURCES SYSTEM

**2003**



# ANNUAL REPORT



**BETSEY BAYLESS**  
DIRECTOR  
ARIZONA DEPARTMENT OF ADMINISTRATION

September, 2003

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



Dear Governor Napolitano, President Bennett and Speaker Flake:

It is my pleasure to share with you the 2003 Annual Report on the Arizona State Service Human Resources System.

The format of this year's report is very similar to that produced last year, providing you with meaningful data regarding the status of the State's workforce and the operation of the State Human Resources System. We remain restricted in our ability to thoroughly analyze data of the workforce due to the inherent limitations of our current payroll/personnel system. However, we are anxiously looking forward to the new Human Resources Information Solution scheduled to be unveiled in January, 2004. We expect this new system will facilitate the collection and analysis of accurate and timely data for future reports and will assist us to be even more effective and efficient in managing our human resources.

This report was prepared in the midst of a sluggish economic situation and severe financial constraints upon agency budgets, and an uncertainty as to when, and to what extent, the economy will recover. The State of Arizona is facing a serious challenge with less money available but a higher demand for state services. The state workforce is shrinking, state salaries continue to be significantly below the market, and 43% of the workforce has four years or less of experience. This is just a glimpse of the information that indicates the difficulty we are facing in attracting and retaining employees.

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

Very truly yours,

A handwritten signature in black ink that reads "Betsey Bayless".  
Betsey Bayless  
Director

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## Overview

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

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

In Arizona State government the majority of agencies are subject to the jurisdiction of the ADOA Human Resources System. However, there are 23 agencies that are not included in this System. These 23 agencies have been informally grouped into 11 separate human resources systems. Each system develops its own employment, compensation, attendance and leave, and employee relations policies and procedures. Table A identifies all of the human resources systems within Arizona State Government and the number of employees within each of these systems.

Agency	Appropriated Full-Time Equivalent Positions
ADOA Human Resources System	31,127.7
Governor's Office Personnel System	
Governor's Office	N/A
Governor's Office of Equal Opportunity	19.0
Governor's Office of Strategic Planning & Budgeting	24.0
Board of Regents & Universities Personnel System	
Board of Regents	29.4
Arizona State University	6,977.5
Northern Arizona University	2,269.3
University of Arizona	6,239.1
Legislative Personnel System	
Auditor General's Office	228.0
House of Representatives	231.0*
Joint Legislative Budget Committee	35.0
Legislative Council	54.0
Library & Archives	129.1
Senate	200.0*
Community College Board Personnel System	13.0
Courts Personnel System	
Court of Appeals	140.5
Superior Court	199.0
Supreme Court	253.9
Department of Gaming Personnel System	75.0
Governmental Information Technology Agency Personnel System	21.0
Department of Public Safety Personnel System	
Law Enforcement Merit System Council	1.0
Public Safety, Department of	1,912.8
Public Safety Personnel Retirement System	N/A
Arizona Schools for the Deaf and Blind	623.4
State Compensation Fund	485.0*
Office of Tourism	28.0

**Table A** Source: Joint Legislative Budget Committee – Fiscal Year 2003 Appropriations Report. Numbers reflect FY03 appropriations. Items marked with an asterisk indicate that numbers of employees were solicited from the respective agency.

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

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

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

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

**Section Two** provides demographic information of the employees within the ADOA Human Resources System. The demographic information includes filled salaried and wage positions, covered and uncovered filled positions by agency, state employment in relation to state population, and total state payroll in relation to state population.

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

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

**Section Five** provides information on employment characteristics. The majority of the information is presented by agency with five years of historical data. This section includes average covered employee wage, 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, employee satisfaction survey results, and percentage of employees by county.

The main source of the information presented in Sections Two through Five is the state's Human Resources Management System (HRMS). This is a decentralized record-keeping and tracking database, and the accuracy of the data in the system is dependent upon the personnel in each of the state agencies to enter information into the system in a timely manner. Maintenance and reporting functions of the system reside within the authority of ADOA. The HRMS system captures information from roughly 100 different agencies, boards, and commissions that are included within the ADOA Human Resources System. Many of these organizations are quite small in size. For many of the tables contained herein, organizations with less than 50 allocated positions (at the end of fiscal year 2002) have been consolidated into one line item at the top of the table, noted as "small agencies". In addition, the charts represent filled positions as of the date referenced when the reports were generated. Tables do not include vacant positions.

# Section One

## State Human Resources Operations Profile

## State Human Resources Operations Profile

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

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

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

**Human Resources Director** - Kathy Peckardt  
**Benefits/Insurance** - Susan Strickler, Manager  
**Classification/Compensation** - Joanne Carew, Manager  
**Employment** - Linda Herold, Manager  
**Satellite Offices/Employee Relations** - Laura Krause, Manager  
**Planning and Quality Assurance** – Greg Carmichael, Manager  
**Human Resources Consulting** – Denny Flaherty, Marie Isaacson, Claudia Smith, Clarence Williams

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

- Health and welfare agencies (e.g. Arizona Health Care Cost Containment System, Economic Security, Health Services)
- Protection and safety agencies (e.g. Adult and Juvenile Corrections)
- Transportation agencies (e.g. Department of Transportation)
- Inspection and regulation agencies (e.g. Board of Accountancy, Real Estate, Insurance and Medical Examiners)
- Education agencies (e.g. Department of Education, State Universities<sup>1</sup>, Arizona State Schools for the Deaf and Blind)
- Natural resource agencies (e.g. Game and Fish, State Land, State Parks)
- General government agencies (e.g. Revenue, Commerce)
- State retirees<sup>1</sup>

### Summary of Services

- A benefits program is offered that includes medical, dental, vision, basic and supplemental life insurance, dependent life insurance, flexible spending accounts, short-term and long-term disability for active, benefit-eligible employees.
- An on-site childcare center located on the capitol mall is available to state employees.
- An Employee Assistance Program is available that offers counseling services and referral services.
- Wellness Program is available that offers:
  - Health Education classes tailored to each individual worksite.
  - Free or low-cost screening programs.
  - An inter-agency wellness resource center with books, videos and audiotapes.
  - A monthly newsletter full of wellness information and a listing of upcoming events in worksites statewide.
- Human resources professionals are located on-site within the eight largest state agencies.
- A team of human resources professionals is dedicated solely to serving the 92 small and mid-sized agencies, to take advantage of economies of scale.
- A centralized database of applicants is maintained for hiring supervisors to utilize to fill positions.
- A pool of candidates is maintained to fill the temporary staffing needs of state agencies.
- The recruitment strategy includes a variety of methods including coordinating and hosting job fairs and community events and participating in community outreach programs.
- An up-to-date website [www.hr.state.az.us](http://www.hr.state.az.us) is available containing information relating to job opportunities and employee benefits.
- Consulting services are offered to provide human resources expertise in such areas as employment law and Arizona State government rules, policies and practices.
- Market surveys are conducted annually and outside salary surveys are utilized to evaluate market position of state jobs to ensure external competitiveness.
- Jobs are analyzed and evaluated to determine appropriate salary ranges and job classifications to ensure internal equity.

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<sup>1</sup> These customers utilize the services of the Benefits Program only.

## Benefits

The Benefits section fulfills the statutory responsibility to provide health and welfare benefits to the State of Arizona employees, retirees, long-term disability recipients, COBRA participants and their eligible dependents. The “Saguaro Program” brand was selected to identify the ADOA benefits from other benefit programs offered to employees and retirees within the state of Arizona. The Saguaro Program is comprehensive and consists of medical, dental, vision, basic life, supplemental life, dependent life, short-term disability, long-term disability, and flexible spending accounts. Although recent comparisons have not been conducted, a 1998 study by Watson & Wyatt indicated that the State’s employee benefits were competitive with other large Arizona employers. The table below provides a breakdown of the enrollment for each of the program components for the October 2002 through September 2003 plan year.



### Benefit Enrollment

Plan	Enrollment	Percent
Basic Life	61,527	100%
Medical	52,766	85.8%
Dental	53,106	86.3%
Vision	42,408	68.9%
Short-Term Disability	25,102	40.8%
Long-Term Disability	57,220	93%
Supplemental Life	30,359	49.3%
Dependent Life	31,167	50.7%
Medical FSA*	3,840	6.2%
Dependent FSA*	719	1.2%

\* Flexible Spending Accounts do not include university employees

The Benefits section also offers a Wellness Program. The Wellness Program provides services at no or low cost in order to improve the health and wellness of our employees. This program is available for employees and families who work for the State of Arizona. Retirees of the State of Arizona (and their spouses) are also welcome to use wellness resources. The program includes publishing a health newsletter Arizona Healthways, workshops/training, a library of materials, flu shots, and mammography, osteoporosis, and stroke risk assessment screenings. As we move forward into the future, wellness will become a vital function to educate and promote preventative measures to reduce health care claims costs. Diabetes screening, disease prevention classes, and disease management will be necessary to incorporate into the wellness program. The following table provides data regarding the number of services provided for the past three years.

## Wellness Data

Service	2000	2001	2002	2003
Classes/Screenings	935	1,324	1,360	1,316
Employees Attending	35,007	41,840	42,205	42,229
Flu Shots Administered	12,799	14,147	15,421	14,564
Flu Shot Worksites	229	282	306	307
WeightWatchers Sessions	111	135	137	48
Employees Attending	3,045	3,828	4,080	3,489
Pounds Lost	18,978	23,339	23,689	19,296
Mammography Screenings	370	546	631	815
Referred to doctor	28	44	59	45
Osteoporosis Screenings	630	734	666	700
Abnormal	173	194	149	122

Another component of the Benefits section includes the Employee Assistance Program (EAP). EAP offers counseling services, referral services and management/employee workshops. The types of workshops offered include EAP Service Introductions and Crisis Debriefing. The table below provides information for the past two years regarding the number and types of issues where intervention was provided.

### EAP Services

Service	2001	2002	2003
Phone Contacts	5,301	3,681	3,980
Referrals	3,690	3,183	3,412
<b>Counseled</b>	<b>634</b>	<b>553</b>	<b>586</b>
Substance Abuse	101	58	92
Psychological	74	38	40
Physical/Medical	38	27	19
Legal	49	38	24
Work Related	168	182	201
Financial	92	84	50
Marriage/Family	112	126	160
In-Service/Crisis Sessions	42	65	72
Represented Agencies	350	385	320

**For Your Health & Benefits**

From the Arizona Department of Administration  
Human Resources/Benefits Office

**August 2003**

**Open Enrollment 2003**

year's open enrollment period begins Monday, August 18, 2003 and ends Friday, September 12, 2003. Health elections made during this enrollment period will become effective October 1, 2003.

Do I Have To Enroll?

If you see a trace of Arizona enrollment...

**What is the Most Nutritious Vegetable?**

When the health impact of antioxidants like vitamin C and beta-carotene was studied, the best choices seemed to be those that are very dark green (like spinach, broccoli, collard and other greens), deep orange (carrots and sweet potatoes), or high in vitamin C (including cau...

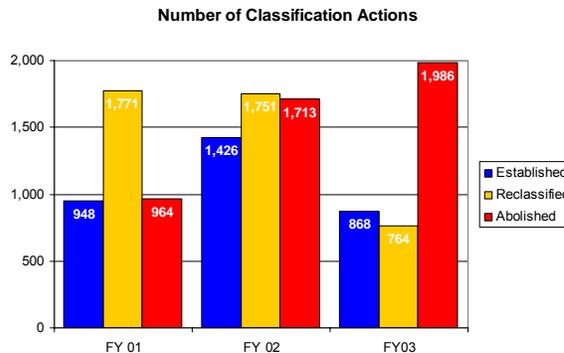
**Mammography Screening**

Mobile On-Site Mammography is an accredited mobile facility that offers mammograms at the worksite. Call Mobile On-Site Mammography at 480-967-3767 or 1-800-285-0272 for locations in July. To make an appointment, or if your office is interested in having the mammography...

An example of the Arizona Healthways newsletter

## Classification & Compensation

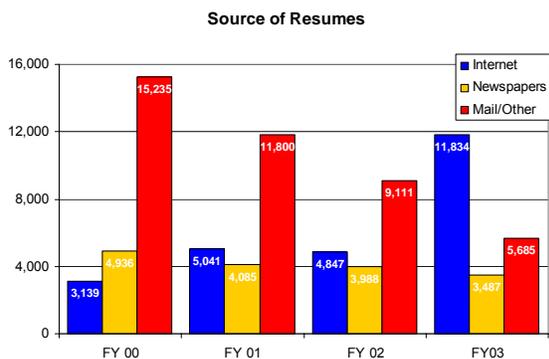
The Classification/Compensation section administers job evaluations and compensation programs for the ADOA Human Resources System while maintaining internal and external equity. In addition, this section conducts and/or participates in salary benefit studies, evaluates covered and uncovered positions using the whole job classification method, determines FLSA designation for all positions, prepares the annual salary recommendation, and administers and interprets salary policy. The number of positions that were established or reclassified declined this past year, while the number that were abolished continued to increase. The increasing number of abolishment of positions is in large part the result of a “clean up” of data necessary for the conversion to a new personnel system, the Human Resources Information Solution (HRIS).



## Employment

The Employment Section maintains a centralized applicant database, provides training and conducts informational sessions for agency staffing professionals, manages community outreach, coordinates/hosts job fairs and community events, manages turnover data and manages temporary services.

The following graphic highlights some of the sources of resumes. The use of the Internet as a source has grown over the past years, while more traditional sources such as newspapers have remained stable and mail has significantly declined.



## Satellite Offices

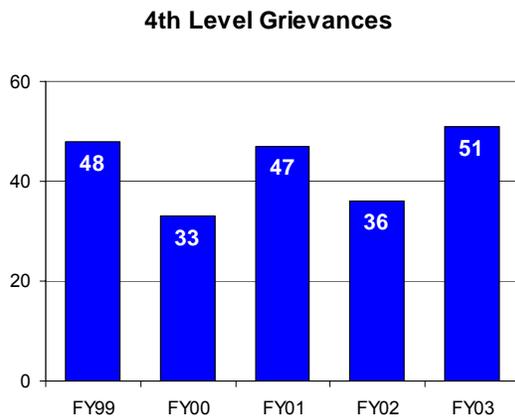
The Division has nine satellite offices that provide professional human resources services to state agencies. Eight large agencies, Department of Administration, Department of Corrections, Department of Economic Security, Department of Health Services, Department of Juvenile Corrections, Department of Revenue, Department of Transportation and AHCCCS have an on-site human resources office dedicated to the agency. The remaining 92 agencies are provided dedicated human resources services through the Capitol Mall Personnel Office. State agencies with branches in Tucson, also have a dedicated human resources office providing services to all state agencies.

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

## Employee Relations

This section provides rule interpretation to agency human resources professionals, management and employees, assistance with policy development; guidance on employee relations issues, investigates and prepares responses to 4<sup>th</sup> level grievances submitted by agency employees and 3<sup>rd</sup> level grievances submitted by ADOA employees, and investigates and prepares recommendations in response to requests for 2<sup>nd</sup> level classification reviews.

The following graphic provides information on the number of 4<sup>th</sup> level grievances processed by the Employee Relations section for the past five years.



## Planning & Quality Assurance

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

## Consulting Services

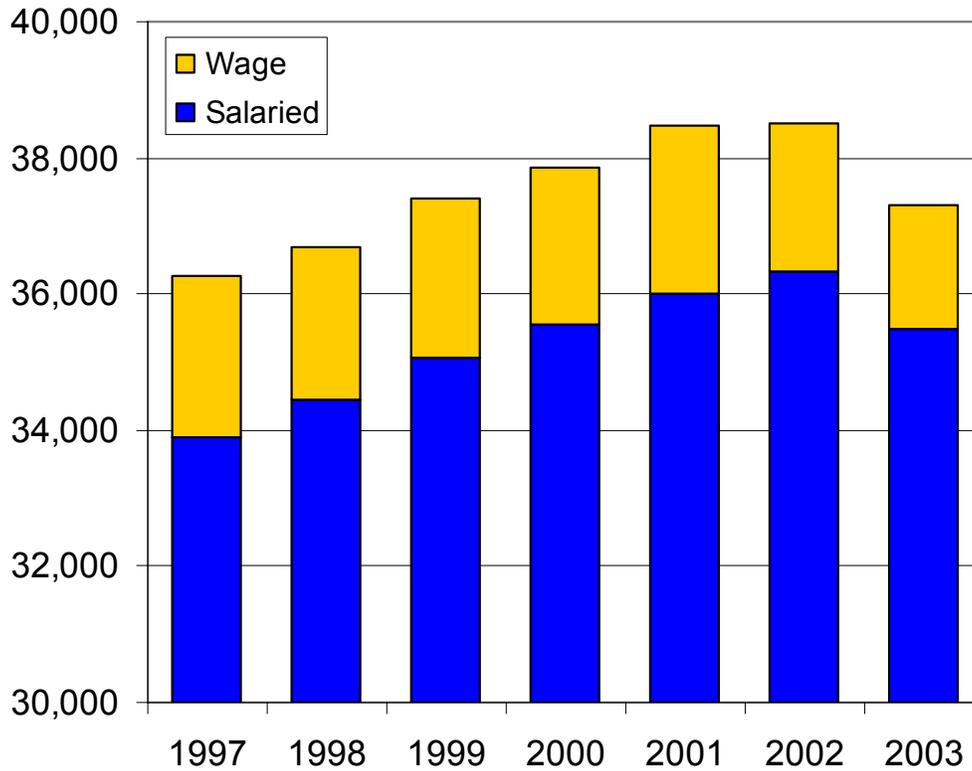
This area provides both in-house and external services regarding various human resources related issues, such as, pending and/or changes to existing legislation, inquiries from the public, legislature and other state agencies, design, development and oversight of pilot programs and special projects.

# Section Two

## General Employment Trend

**.. the total number of state employees dropped to 37,293 – less than were employed in 1999 ...**

**Table 1 - Filled Salaried and Wage Positions  
1997 - 2003**



Source: The state's Human Resources Management System. 1997 through 1999 data represents calendar year-end (Jan – Dec); 2000 through 2003 data represents fiscal year-end (July 1 – June 30). The majority of employees hired with the State of Arizona are considered salaried employees, including covered and uncovered employees. Wage employees are those employees who are hired on a temporary basis and earn an hourly wage. This table represents filled positions only – it does not include vacant positions.

**Comments:** The total number of filled positions declined for the first time in the past six years. The bulk of the state's workforce is composed of salaried positions, and last year those numbers decreased by 2.4%. The number of wage positions decreased even more (15%) resulting in a total decline of the workforce of over 3%.

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

**Table 2 - Filled Salaried and Wage Positions by Agency  
2001, 2002, and 2003**

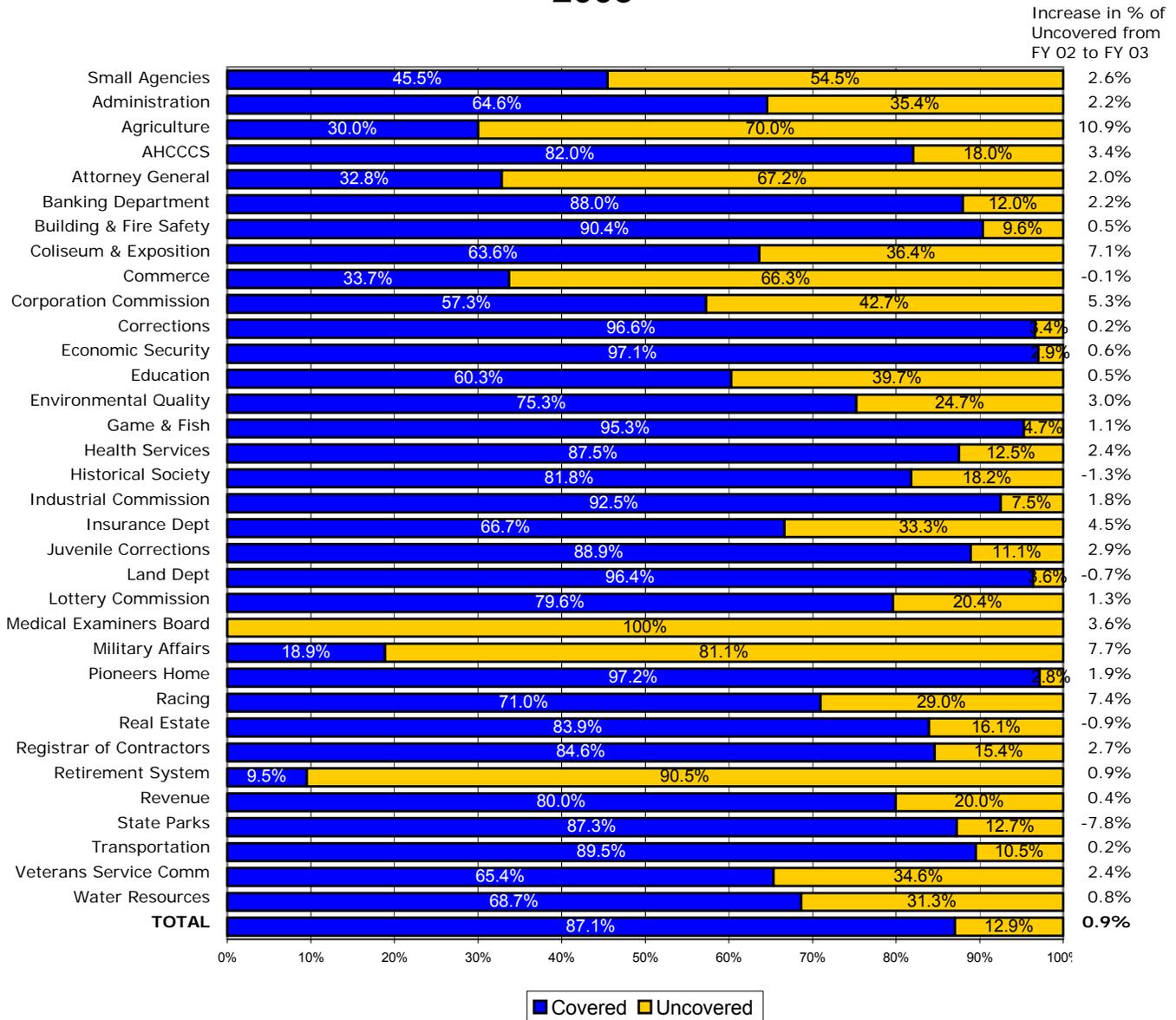
Agency Name	2001		2002		2003	
	Salary	Wage	Salary	Wage	Salary	Wage
Small Agencies	648	319	678	309	686	319
Administration	947	34	925	37	867	32
Agriculture	340	29	315	23	313	37
AHCCCS	1,305	9	1,379	7	1,281	1
Attorney General	711	60	721	54	594	44
Banking Department	50	1	51	1	50	0
Building & Fire Safety	70	0	66	0	52	0
Coliseum & Exposition	43	0	41	0	44	0
Commerce	134	1	104	0	89	0
Corporation Commission	275	11	275	7	288	10
Corrections	9,754	95	9,298	36	9,395	31
Economic Security	9,025	819	9,811	741	9,261	538
Education	365	20	378	11	393	12
Environmental Quality	743	48	726	24	724	10
Game & Fish	528	108	532	123	554	126
Health Services	1,728	97	1,756	92	1,797	103
Historical Society	77	14	72	14	66	10
Industrial Commission	295	5	283	8	280	9
Insurance Dept	133	3	142	1	144	1
Juvenile Corrections	1,217	21	1,076	14	1,094	11
Land Dept	180	40	187	48	167	51
Lottery Commission	110	14	105	12	108	8
Medical Examiners Board	58	21	55	20	53	22
Military Affairs	409	85	410	97	408	109
Pioneers Home	106	35	103	30	106	26
Racing	40	24	37	23	31	26
Real Estate	65	0	65	0	56	1
Registrar of Contractors	137	0	134	0	143	0
Retirement System	149	12	163	7	168	7
Revenue	1,009	14	982	16	1,034	16
State Parks	284	64	282	49	267	66
Transportation	4,581	414	4,689	311	4,478	165
Veterans Service	267	18	276	12	280	11
Water Resources	232	38	229	33	201	19
<b>Totals</b>	<b>36,015</b>	<b>2,473</b>	<b>36,346</b>	<b>2,160</b>	<b>35,472</b>	<b>1,821</b>

Source: The state's Human Resources Management System. All data represents fiscal year-end (July 1 – June 30). The majority of employees hired with the State of Arizona are considered salaried employees, including covered and uncovered employees. Wage employees are those employees who are hired on a temporary basis and earn an hourly wage. This table represents filled positions only – it does not include vacant positions.

**Comments:** The majority (over 60%) of state agencies (excluding the small agencies) remained the same or experienced a decrease in the number of filled positions. Twelve agencies experienced decreases of over 5%, including six agencies that had double-digit reductions. Overall the state experienced a 3.15% reduction in workforce.

**... over 87% of employees in the ADOA Human Resources System are covered by the state merit system ...**

**Table 3 – Covered/Uncovered Filled Positions by Agency 2003**



Source: The state's Human Resources Management System. Table includes all salaried positions (full-time and part-time). The distinction is made between "covered" employees (employees in positions covered by the ADOA personnel rules) and "uncovered" employees (employees in positions not covered by the ADOA personnel rules).

**Comments:** Over 87% of the workforce in the ADOA Human Resources System is covered by the merit system. Twenty-seven out of the thirty-three larger agencies (82%) have the majority of their employees covered by the merit system.

**... Arizona ranks 43rd in the nation in the ratio of state employees to total population ...**

**Table 4 - Rank Order of All States by Ratio of State Employment to State Population  
2000**

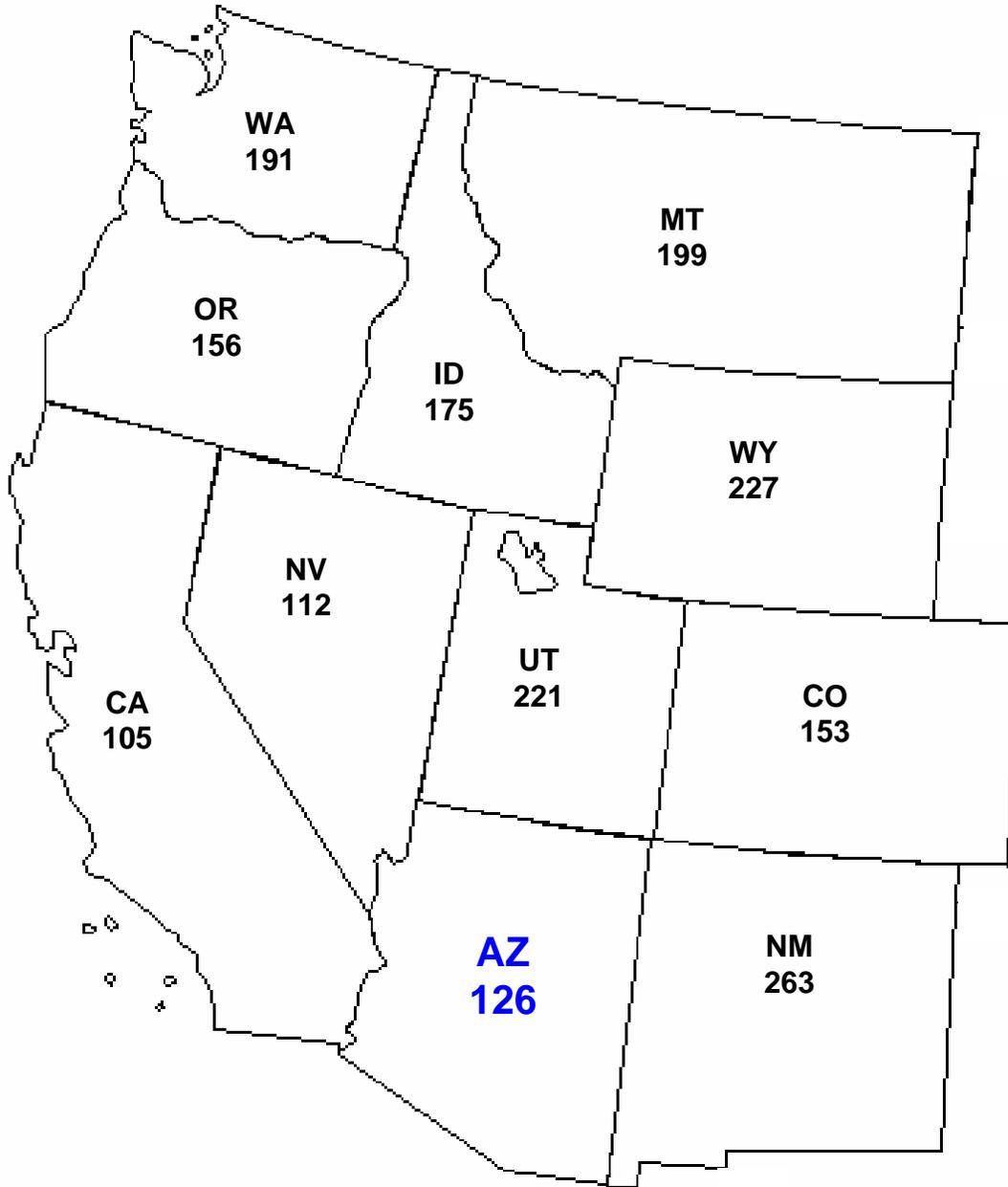
1.....Hawaii	26..... Virginia
2.....Alaska	27..... Missouri
3.....Delaware	28..... Maine
4.....New Mexico	29..... Kansas
5.....North Dakota	30..... New Jersey
6.....Wyoming	31..... Oregon
7.....Vermont	32..... North Carolina
8.....Utah	33..... Colorado
9.....Louisiana	34..... New Hampshire
10.....Montana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

Source: State Employment data from U.S. Census Bureau, Governments Division. March 2000. Population data from U.S. Census Bureau, Population Division. April 2000. Employment refers to all persons gainfully employed by and performing services for a state government. Employees include all persons paid for personal services performed, including persons paid from Federally funded programs, paid elected or appointed officials, persons in a paid leave status, and persons paid on a per meeting, annual, semiannual, or quarterly basis. Unpaid officials, pensioners, persons whose work is performed on a fee basis, and contractors and their employees are excluded from the count of employees.

**Comments:** Arizona ranks 43<sup>rd</sup> in the nation in the ratio of state employees as compared to overall population of the state. Of the Western States, only California and Nevada have fewer employees as compared to overall population of the state.

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

**Table 5 - Ratio of All State Employment to State Population  
2000  
Employees per 10,000 Population**



Source: State Employment data from U.S. Census Bureau, Governments Division. March 2000. Population data from U.S. Census Bureau, Population Division. April 2000. Employment refers to all persons gainfully employed by and performing services for a state government. Employees include all persons paid for personal services performed, including persons paid from Federally funded programs, paid elected or appointed officials, persons in a paid leave status, and persons paid on a per meeting, annual, semiannual, or quarterly basis. Unpaid officials, pensioners, persons whose work is performed on a fee basis, and contractors and their employees are excluded from the count of employees.

**Comments:** Arizona ranks 43<sup>rd</sup> in the nation, and 9<sup>th</sup> out of the 11 Western states in the ratio of state employees as compared to overall population of the state.

*. . . Arizona ranks 47th in the nation when comparing total payroll to the state's population. . .*

**Table 6 - Rank Order of All States by Ratio of Total State Payroll to State Population  
2000**

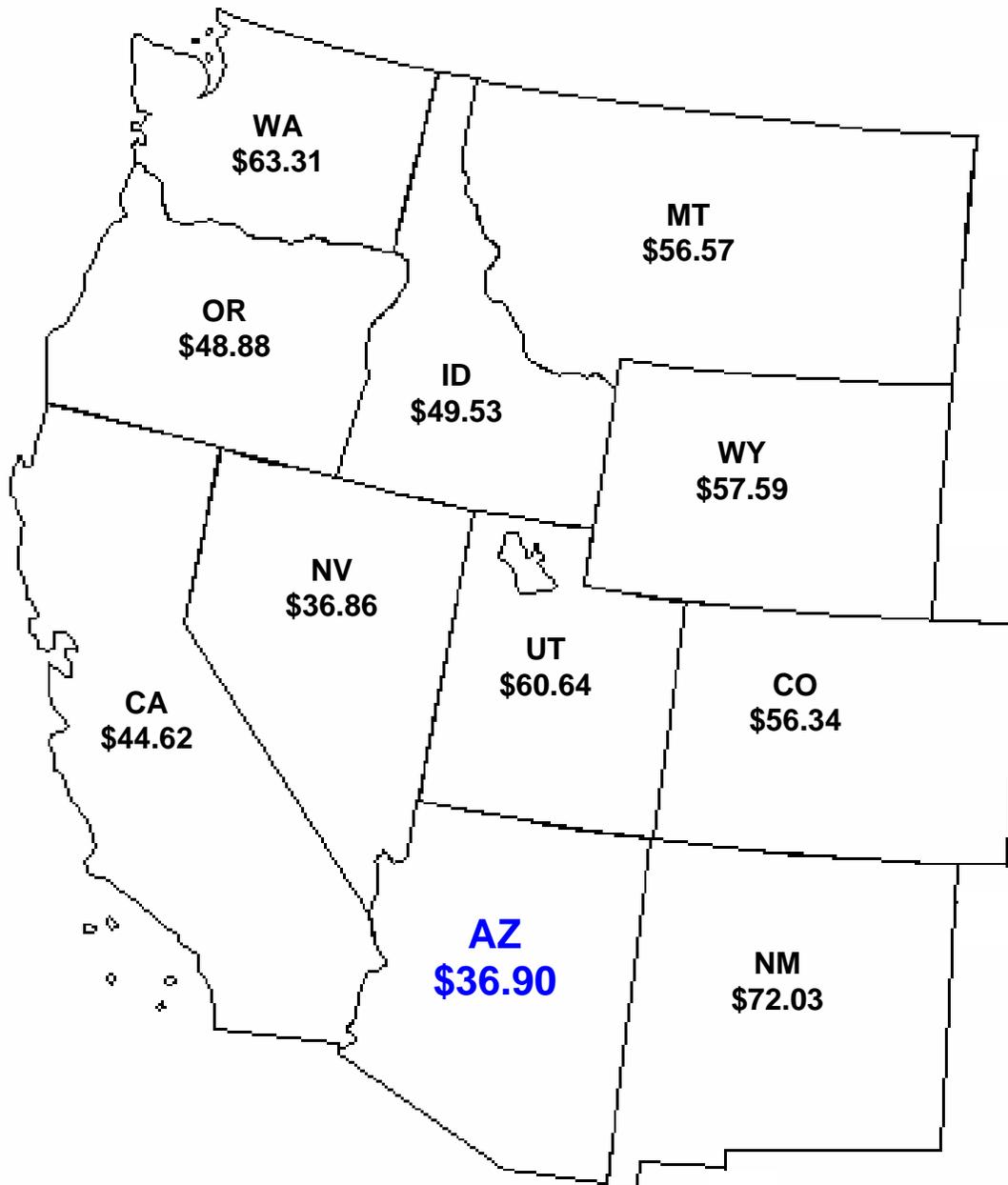
1.....	Alaska	26.....	Michigan
2.....	Hawaii	27.....	New York
3.....	Delaware	28.....	Idaho
4.....	Connecticut	29.....	Oregon
5.....	New Mexico	30.....	Alabama
6.....	Vermont		<b>United States Average</b>
7.....	Rhode Island	31.....	West Virginia
8.....	North Dakota	32.....	Maine
9.....	Iowa	33.....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

Source: State Payroll data from U.S. Census Bureau, Governments Division. March 2000. Population data from U.S. Census Bureau, Population Division. April 2000. Data in these files are based on information obtained in the Annual Survey of Government Employment and Payroll. Approximately one-half of the state governments provided data from central payroll records for all or most of their agencies/institutions. Data for agencies and institutions for the remaining state governments were obtained by mail canvass questionnaires.

**Comments:** Arizona ranks 47<sup>th</sup> in the ratio of total state payroll as compared to overall population of the state. Of the Western States, only Nevada has a lower ratio of total state payroll compared to the overall population of the state.

*... of the Western states, only Nevada's payroll is less than Arizona's when compared to the state's population...*

**Table 7 - Ratio of Total State Payroll to State Population  
2000  
Dollars per Citizen**



Source: State Payroll data from U.S. Census Bureau, Governments Division. March 2000. Population data from U.S. Census Bureau, Population Division. April 2000. Data in these files are based on information obtained in the Annual Survey of Government Employment and Payroll. Approximately one-half of the state governments provided data from central payroll records for all or most of their agencies/institutions. Data for agencies and institutions for the remaining state governments were obtained by mail canvass questionnaires.

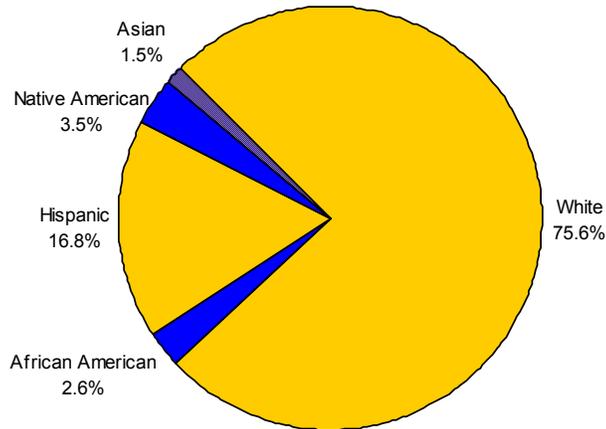
**Comments:** Arizona ranks 47<sup>th</sup> in the ratio of total state payroll as compared to overall population of the state. Of the Western States, only Nevada has a lower ratio of total state payroll compared to the overall population of the state.

# Section Three

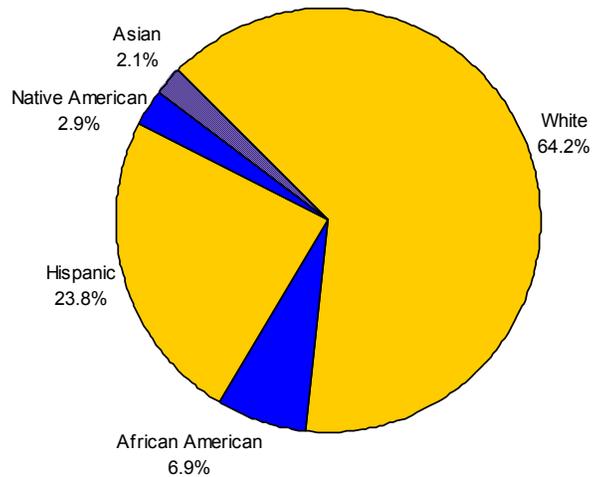
## Equal Employment

*... the state's workforce is more diverse than the available labor force within Arizona ...*

**Table 8 – Distribution of State Government Employees by Ethnic Group 2003**



**Arizona Labor Force**



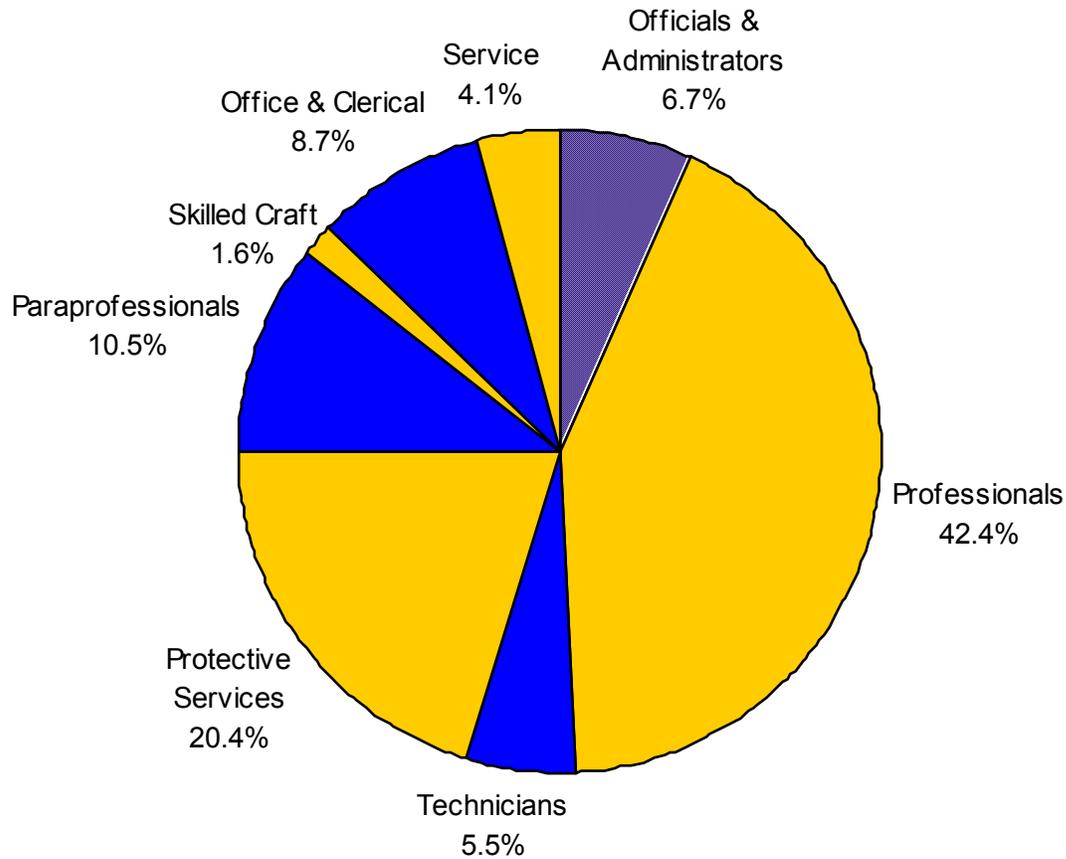
**State Government Employees**

Source: The Governor's Office of Equal Opportunity, Arizona State Workforce Distribution Chart, June 2003.

**Comments:** The majority of the state's workforce is comprised of Whites, and Hispanics. Overall, the state government's workforce is more diverse than the available labor force.

*... the professional occupational group accounts for the largest portion of the workforce ...*

**Table 9 – Distribution of State Government Employees by Occupational Group 2003**



Source: The Governor’s Office of Equal Opportunity, Arizona State Workforce Distribution Chart, June 2003. Categories are based upon the Equal Employment Opportunity Commission’s Occupational Categories for State and Local Government (EEO-4).

**Comments:** State employees categorized as professionals comprise the largest percentage (42%) of the eight occupational groupings. Skilled craft (2%) and service workers (4%) encompass the smallest percentage.

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

**Table 10 - Changes in Salaried Employment by Race and Gender 1997 - 2003**

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

Source: The state's Human Resources Management System. Percentages are based upon all full- and part-time salaried employees responding – a small percentage of employees choose not to disclose their ethnicity. 1997 through 1999 data compiled in December; 2000 through 2003 data compiled in July. Table includes both covered and uncovered employees. This table represents filled positions only – it does not include vacant positions.

**Comments:** The percentage of minority male employees continued a gradual increase, while the number of minority female employees remained the same.

**Table 11 - Changes in Salaried Employment of Minorities 1997 - 2003**

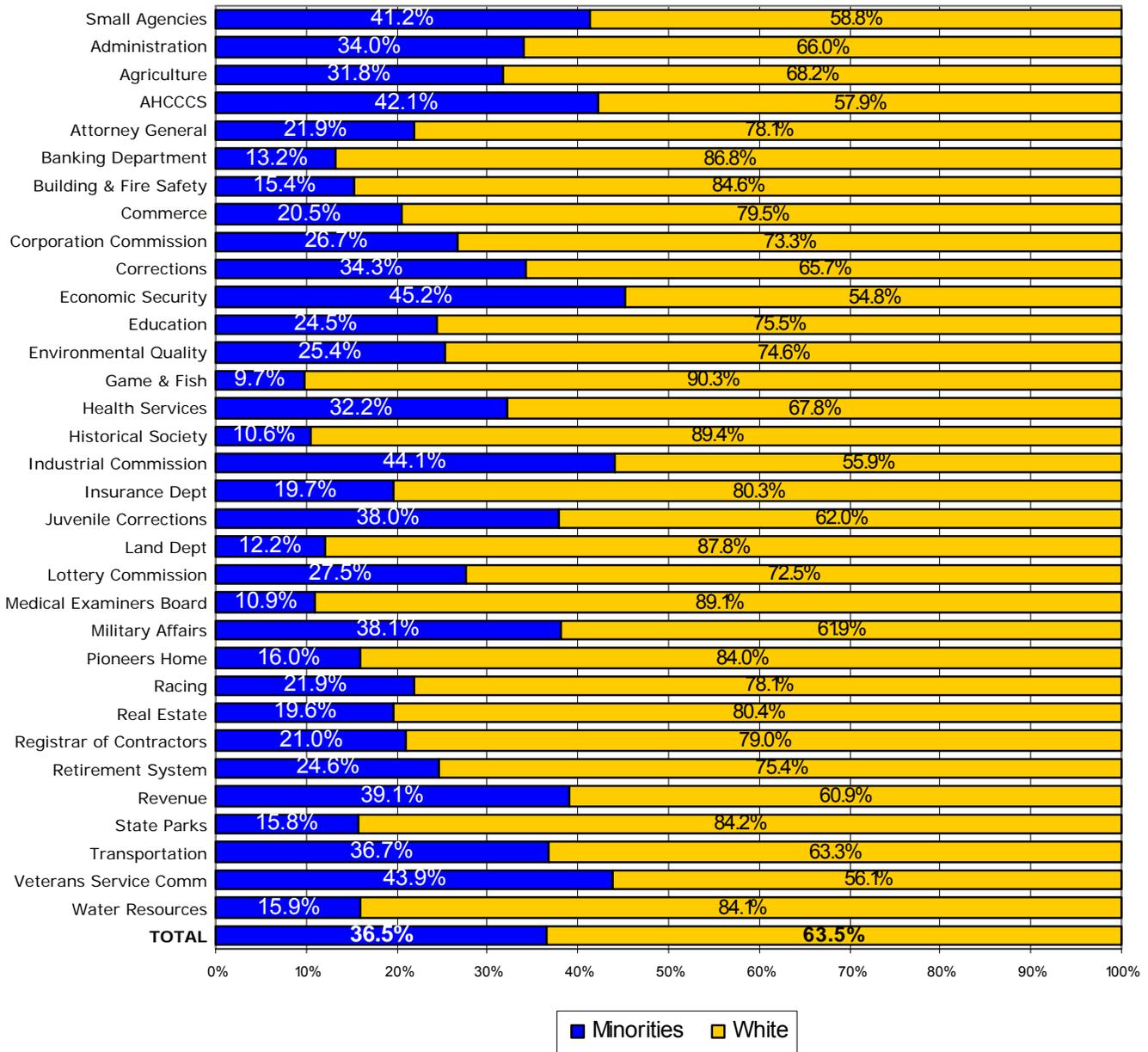
Year	African-American				Hispanic				Others			
	Male		Female		Male		Female		Male		Female	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1997	866	2.6%	1,339	4.0%	3,020	8.9%	3,939	11.6%	564	1.7%	900	2.7%
1998	914	2.7%	1,388	4.1%	3,168	9.3%	4,139	12.1%	597	1.7%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

Source: The state's Human Resources Management System. Percentages are based upon all full- and part-time salaried employees responding – a small percentage of employees choose not to disclose their ethnicity. 1997 through 1999 data compiled in December; 2000 through 2003 data compiled in July. Table includes both covered and uncovered employees. This table represents filled positions only – it does not include vacant positions.

**Comments:** Over the past six years, the number of minority employees in all classes has increased or remained relatively stable. This past year, the largest increase was observed in the percentage of male African-Americans.

**... minorities comprise over 36% of the employees in the ADOA Human Resources system ...**

**Table 12 – Minority Representation by Agency Salaried Employees 2003**

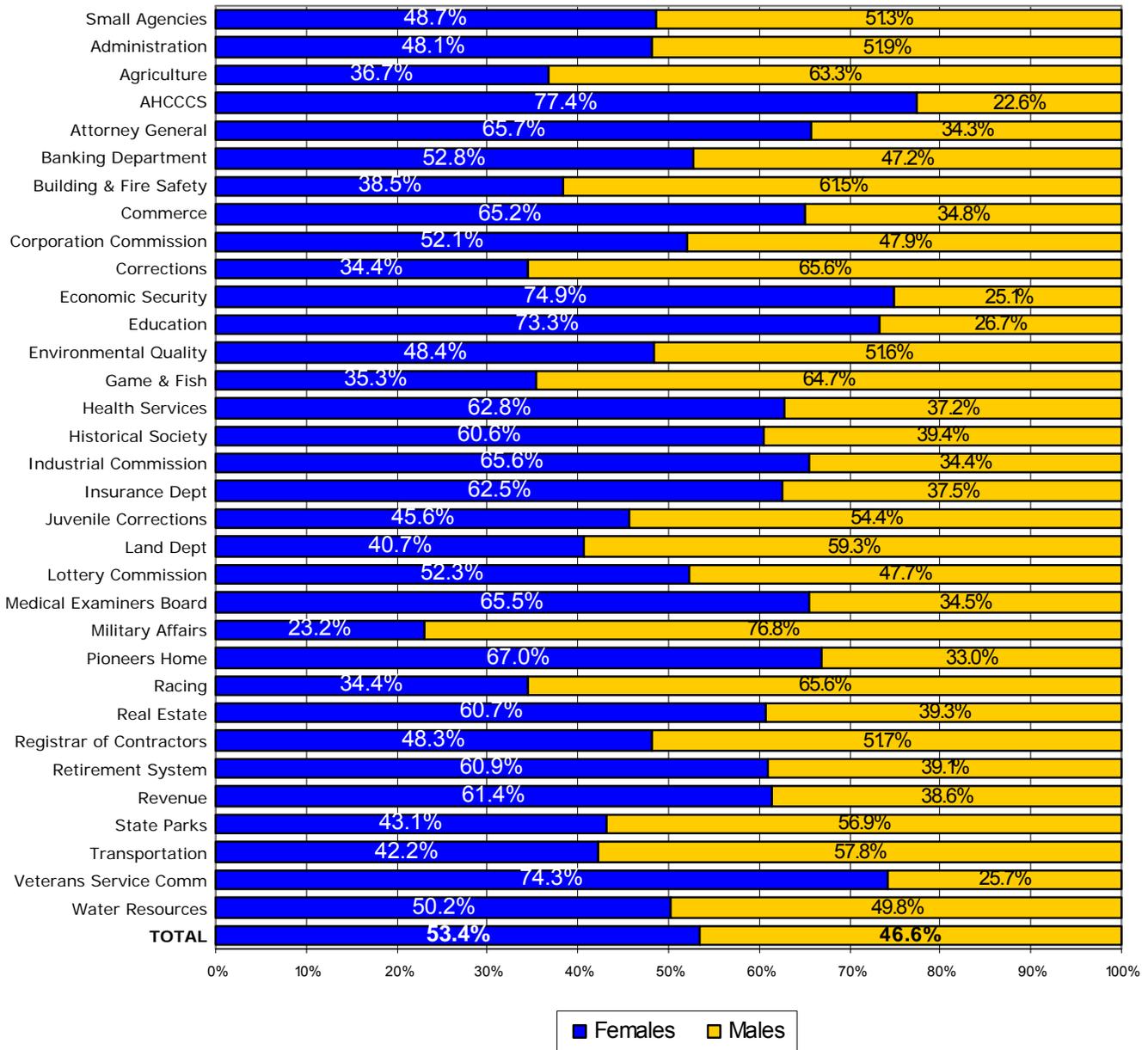


Source: The state's Human Resources Management System. Percentages are based upon all full- and part-time salaried employees responding – a small percentage of employees choose not to disclose their ethnicity. 2003 data compiled in July. Table includes both covered and uncovered employees.

**Comments:** The table above shows the proportion of minority employees of each of the large state agencies.

**... females comprise over 53% of the workforce in the ADOA Human Resources system ...**

**Table 13 – Gender Representation by Agency Salaried Employees 2003**



Source: The state's Human Resources Management System. Percentages are based upon all full- and part-time salaried employees responding – a small percentage of employees choose not to disclose their ethnicity. 2003 data compiled in July. Table includes both covered and uncovered employees.

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

# **Section Four**

## Employee Mobility

**... the separation rate for covered salaried employees (15.4%) has returned to historic levels ...**

**Table 14 - Changes in Separations from State Service  
by Wage and Salaried Employees  
1997 - 2003**

Year		Total Employees	Retirements		Resignations		Terminations		Other		Total Turnover	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1997	Wage	2,360	11	0.5%	327	13.9%	58	2.5%	735	31.1%	1,131	47.9%
	Covered	31,942	334	1.0%	3,301	10.3%	732	2.3%	342	1.1%	4,709	14.7%
	Uncovered	1,960	20	1.0%	318	16.2%	45	2.3%	59	3.0%	442	22.6%
1998	Wage	2,248	19	0.8%	363	16.1%	54	2.4%	820	36.5%	1,256	55.9%
	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	Wage	2,344	7	0.3%	374	16.0%	66	2.8%	787	33.6%	1,234	52.6%
	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	Wage	2,308	13	0.6%	407	17.6%	81	3.5%	861	37.3%	1,362	59.0%
	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	Wage	2,473	8	0.3%	245	9.9%	57	2.3%	506	20.5%	816	33.0%
	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	Wage	2,160	7	0.3%	120	5.6%	45	2.1%	390	18.1%	562	26.0%
	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	Wage	2,055	20	0.3%	224	10.9%	72	3.5%	873	42.5%	1,189	57.9%
	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%

Source: The state's Human Resources Management System. 1997 through 1999 data represents calendar year-end (Jan – Dec); 2000 through 2003 data represents fiscal year-end (July 1 – June 30). The majority of employees hired with the State of Arizona are considered salaried employees, including covered and uncovered employees. Wage employees are those employees who are hired on a temporary basis and earn an hourly wage. This table represents filled positions only – it does not include vacant positions. The information reflected herein for separation rates may be different than the data reported previously based on a change in methodology used to gather the information for this report.

**Comments:** In all three categories (wage, covered-salaried, and uncovered-salaried) separation rates have returned to levels last seen in 2001. The average separation rate for all categories combined was 17.8% last year. Among covered, salaried employees, resignations remain the leading category of separations. The relative percentage of retirements of covered and uncovered, salaried employees has increased to the highest levels experienced in the past seven years.

**... the majority of state agencies experienced an increase in separation rates ...**

**Table 15 – Separation Rates of Covered, Salaried Employees by Agency 1997 – 2003**

Agency	1997	1998	1999	2000	2001	2002	2003
Small Agencies	11.2%	18.5%	14.9%	15.2%	14.3%	22.4%	16.0%
Administration	13.4%	12.5%	14.7%	15.8%	17.6%	14.4%	15.2%
Agriculture	12.0%	10.3%	12.2%	18.1%	21.9%	20.2%	12.9%
AHCCCS	3.3%	9.9%	13.4%	12.2%	15.9%	11.5%	15.3%
Attorney General	15.9%	13.8%	13.5%	17.3%	20.4%	13.5%	21.1%
Banking Department	7.3%	4.7%	2.1%	6.5%	13.6%	2.2%	8.8%
Building & Fire Safety	8.7%	13.1%	13.1%	15.6%	15.4%	5.0%	21.0%
Commerce	49.5%	15.6%	19.1%	14.5%	8.6%	2.9%	3.2%
Corporation Commission	13.4%	0.0%	10.3%	14.5%	11.4%	8.7%	12.3%
Corrections	19.5%	16.4%	16.7%	20.4%	17.7%	17.2%	17.7%
Economic Security	16.2%	14.0%	16.1%	13.0%	10.7%	10.7%	13.7%
Education	0.0%	20.7%	20.0%	18.2%	14.3%	14.8%	24.1%
Environmental Quality	2.6%	8.0%	13.1%	15.5%	10.6%	8.1%	8.0%
Game & Fish	1.7%	7.9%	11.4%	9.1%	9.7%	6.4%	6.3%
Health Services	16.8%	17.2%	16.6%	18.4%	21.6%	9.1%	19.7%
Historical Society	7.6%	39.3%	12.7%	23.3%	14.3%	17.2%	17.7%
Industrial Commission	2.1%	9.0%	9.7%	14.6%	15.9%	4.1%	11.0%
Insurance Dept	5.6%	11.8%	11.1%	15.7%	12.4%	11.9%	14.3%
Juvenile Corrections	35.1%	17.3%	36.4%	29.9%	29.3%	24.0%	29.6%
Land Dept	5.1%	10.3%	11.1%	16.5%	13.5%	3.4%	14.6%
Lottery Commission	4.2%	16.9%	15.7%	9.1%	5.6%	7.1%	9.3%
Medical Examiners Board	13.3%	34.6%	46.2%	50.0%	50.0%	400%	150.0%
Military Affairs	10.2%	9.0%	14.5%	15.9%	13.7%	7.3%	14.1%
Pioneers Home	9.9%	8.0%	17.6%	25.0%	21.0%	7.8%	15.8%
Racing	0.0%	12.9%	12.1%	3.1%	9.4%	3.4%	19.2%
Real Estate	5.5%	9.6%	7.5%	25.5%	13.0%	3.7%	20.2%
Registrar of Contractors	4.0%	12.6%	8.0%	13.8%	10.7%	6.0%	2.5%
Retirement System	7.8%	15.7%	31.3%	11.1%	8.7%	58.8%	6.1%
Revenue	2.8%	12.1%	9.5%	12.6%	13.5%	4.9%	10.4%
State Parks	6.5%	9.7%	10.7%	13.9%	10.2%	4.5%	9.1%
Transportation	12.6%	11.9%	12.7%	12.9%	13.4%	10.8%	12.3%
Veterans Service	20.7%	48.4%	49.7%	56.5%	49.5%	19.8%	23.0%
Water Resources	3.7%	7.6%	7.9%	15.1%	11.9%	3.1%	14.7%
<b>Total</b>	<b>14.7%</b>	<b>14.3%</b>	<b>15.9%</b>	<b>16.5%</b>	<b>15.2%</b>	<b>12.7%</b>	<b>15.4%</b>

Source: The state's Human Resources Management System. 1997 through 1999 data represents calendar year-end (Jan – Dec); 2000 through 2003 data represents fiscal year-end (July 1 – June 30). The majority of employees hired with the State of Arizona are considered salaried employees; this table represents filled, covered positions only – it does not include uncovered or vacant positions. The information reflected herein for separation rates may be different than the data reported previously based on a change in methodology used to gather the information for this report.

**Comments:** The rate of separations from state service appears to have returned to rates typical during the past few years. Twenty-six of the thirty-three larger agencies (79%) experienced an increase in separation rates.

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

**Table 16 - Separations of Covered, Salaried Employees by Type by Agency 2003**

Agency	Voluntary		Involuntary		Other		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Small Agencies	40	12.5%	4	1.3%	7	2.2%	51	16.0%
Administration	72	12.2%	15	2.5%	3	0.5%	90	15.2%
Agriculture	12	11.1%	2	1.8%	0	0.0%	14	12.9%
AHCCCS	143	12.7%	29	2.6%	1	0.1%	173	15.3%
Attorney General	33	14.2%	16	6.9%	0	0.0%	49	21.1%
Banking Department	2	4.4%	1	2.2%	1	2.2%	4	8.8%
Building & Fire Safety	9	17.1%	2	3.8%	0	0.0%	11	21.0%
Commerce	1	3.2%	0	0.0%	0	0.0%	1	3.2%
Corporation Commission	17	9.9%	3	1.8%	1	0.6%	21	12.3%
Corrections	1,442	15.9%	125	1.4%	43	0.5%	1,610	17.7%
Economic Security	1,116	11.8%	181	1.9%	0	0.0%	1,297	13.7%
Education	54	22.8%	3	1.3%	0	0.0%	57	24.1%
Environmental Quality	41	7.3%	3	0.5%	1	0.2%	45	8.0%
Game & Fish	31	6.0%	0	0.0%	2	0.4%	33	6.3%
Health Services	241	15.1%	72	4.5%	1	0.1%	314	19.7%
Historical Society	10	17.7%	0	0.0%	0	0.0%	10	17.7%
Industrial Commission	22	8.4%	7	2.7%	0	0.0%	29	11.0%
Insurance Dept	12	12.2%	2	2.0%	0	0.0%	14	14.3%
Juvenile Corrections	261	25.4%	38	3.7%	5	0.5%	304	29.6%
Land Dept	19	11.1%	6	3.5%	0	0.0%	25	14.6%
Lottery Commission	6	7.0%	2	2.3%	0	0.0%	8	9.3%
Medical Examiners Board	0	0.0%	2	150.0%	0	0.0%	2	150.0%
Military Affairs	11	12.0%	2	2.2%	0	0.0%	13	14.1%
Pioneers Home	14	13.8%	2	2.0%	0	0.0%	16	15.8%
Racing	4	15.4%	1	3.8%	0	0.0%	5	19.2%
Real Estate	8	16.1%	2	4.0%	0	0.0%	10	20.2%
Registrar of Contractors	3	2.5%	0	0.0%	0	0.0%	3	2.5%
Retirement System	1	6.1%	0	0.0%	0	0.0%	1	6.1%
Revenue	67	8.5%	14	1.8%	1	0.1%	82	10.4%
State Parks	20	8.6%	1	0.4%	0	0.0%	21	9.1%
Transportation	418	9.9%	98	2.3%	4	0.1%	520	12.3%
Veterans Service	31	16.2%	13	6.8%	0	0.0%	44	23.0%
Water Resources	12	8.4%	9	6.3%	0	0.0%	21	14.7%
<b>Total</b>	<b>4,173</b>	<b>13.1%</b>	<b>655</b>	<b>2.1%</b>	<b>70</b>	<b>0.3%</b>	<b>4,898</b>	<b>15.4%</b>

Source: The state's Human Resources Management System. 2003 data represents fiscal year-end (July 1 – June 30). The majority of employees hired with the State of Arizona are considered salaried employees; this table represents filled, covered positions only – it does not include uncovered or vacant positions. The information reflected herein for separation rates may be different than the data reported previously based on a change in methodology used to gather the information for this report.

**Comments:** Voluntary separations are the most common type of separation from state service, accounting for over 85% of separations this past year.

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

**Table 17 – Most Populous Class Titles  
2003**

Class Title	Number
Corrections Officer II	5,312
Program Services Evaluators (I, II, III, IV)	2,435
Motor Vehicle Division Customer Service Rep	784
Customer Service Rep	718
Child Protective Services Spec III	711
Human Services Spec II	573
Corrections Sergeant	569
Administrative Assistant II	458
Habitation Technician II	401
Secretary	327
Program & Project Spec II	360
Clerk Typist II	250

Source: The state's Human Resources Management System. 2003 data represents fiscal year-end (July 1 – June 30). The above table includes all employees (full-time, part-time, seasonal, limited, covered, uncovered, etc)

**Comments:** The title of Corrections Officer II is by far the most populated class in the state, followed by Program Services Evaluator. After those two classes, the numbers of employees in any given class rapidly decreases. The top eight classes listed this year were also on the list of most populous classes last year.

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

Class Title	Separation Rate
Special Agent	55.0%
Youth Correctional Officer I	48.7%
Residential Program Specialist I	47.1%
Habitation Technician II	42.7%
Mental Health Program Specialist II	37.9%
ASH Security Officer I	35.0%
Custodial Worker I	34.1%
Correctional Registered Nursing Supervisor I	33.3%
Correctional Registered Nurse	33.1%
Nursing Assistant	32.6%
Psychiatric Nurse II	32.4%
Youth Correctional Sergeant	32.0%

Source: The state's Human Resources Management System, Turnover Report PER201-08. 2003 data represents fiscal year-end (July 1 – June 30). Percentage turnover is based on the number of employees leaving the class divided by the number of employees in the class.

**Comments:** Classes associated with the Correctional and Social Services industries have experienced the highest separation rates relative to the number of employees in their respective classes. Seven of the twelve classes identified were on last year's list, including four of the top five.

# Section Five

## Employment Characteristics

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

**Table 19 – Agency Comparison of Average Wages per Employee 1997 - 2002**

Agency	Average Covered Employee Wages					
	1997	1998	1999	2000	2001	2002
Small Agencies	\$24,622	\$28,865	\$29,535	\$31,029	\$31,814	\$33,913
Administration	\$25,001	\$28,638	\$28,892	\$28,331	\$29,617	\$30,848
Agriculture	\$23,675	\$26,522	\$27,793	\$27,285	\$29,275	\$29,626
AHCCCS	\$23,034	\$24,812	\$25,698	\$26,505	\$24,524	\$27,600
Attorney General	\$24,376	\$29,993	\$31,580	\$31,634	\$34,189	\$33,950
Banking Department	\$27,329	\$30,129	\$31,525	\$32,907	\$34,867	\$37,012
Building & Fire Safety	\$22,816	\$24,150	\$25,229	\$26,580	\$26,837	\$28,696
Coliseum & Exposition	\$31,057	\$36,999	\$34,944	\$36,345	\$34,089	\$34,015
Commerce	\$29,013	\$32,992	\$33,162	\$33,929	\$36,159	\$39,004
Corporation Commission	\$26,061	\$30,268	\$30,013	\$32,862	\$34,941	\$36,665
Corrections	\$25,481	\$26,292	\$28,205	\$30,128	\$30,837	\$30,478
Economic Security	\$22,819	\$24,563	\$26,080	\$26,815	\$25,507	\$28,934
Education	\$27,587	\$28,895	\$30,621	\$31,766	\$32,898	\$33,615
Environmental Quality	\$28,207	\$31,489	\$32,869	\$33,466	\$33,386	\$34,725
Game & Fish	\$27,163	\$30,621	\$31,352	\$34,586	\$35,364	\$35,860
Health Services	\$25,211	\$28,326	\$29,389	\$29,292	\$30,930	\$31,677
Historical Society	\$20,565	\$21,943	\$24,501	\$26,305	\$25,330	\$25,444
Industrial Commission	\$24,178	\$26,776	\$27,243	\$27,028	\$29,548	\$30,967
Insurance Dept	\$22,287	\$28,244	\$29,688	\$29,416	\$29,500	\$32,121
Juvenile Corrections	\$23,045	\$22,860	\$25,791	\$27,620	\$29,849	\$28,705
Land Dept	\$28,381	\$34,516	\$32,937	\$33,723	\$34,676	\$39,210
Lottery Commission	\$22,119	\$27,252	\$28,961	\$30,413	\$31,828	\$31,788
Medical Examiners Board	\$20,306	\$23,562	\$16,057	\$23,494	\$22,498	\$25,591
Military Affairs	\$24,891	\$26,545	\$26,893	\$28,249	\$29,776	\$30,554
Pioneers Home	\$18,746	\$22,215	\$21,353	\$21,793	\$23,899	\$24,202
Racing	\$26,424	\$28,303	\$31,114	\$32,862	\$34,669	\$37,619
Real Estate	\$23,243	\$24,903	\$26,294	\$26,685	\$26,448	\$29,276
Registrar of Contractors	\$23,409	\$28,849	\$25,856	\$29,567	\$31,100	\$32,036
Retirement System	\$26,075	\$28,511	\$28,558	\$28,598	\$28,456	\$28,516
Revenue	\$23,025	\$27,176	\$27,379	\$26,581	\$27,433	\$28,719
State Parks	\$24,924	\$26,661	\$27,065	\$26,263	\$29,405	\$32,063
Transportation	\$27,132	\$29,387	\$28,996	\$28,866	\$28,973	\$29,971
Veterans Service Comm	\$13,419	\$19,035	\$18,219	\$19,492	\$22,322	\$24,774
Water Resources	\$28,351	\$33,163	\$33,804	\$32,986	\$37,154	\$39,447
<b>Overall Average</b>	<b>\$24,613</b>	<b>\$26,608</b>	<b>\$27,820</b>	<b>\$28,725</b>	<b>\$28,791</b>	<b>\$30,174</b>

Source: The state's Human Resources Management System. 1997 through 2002 data compiled from actual dollars paid from calendar year end files. Figures above include wages, dollars added to base, overtime, payments for on-call, and any payments for leave. Figures do not include uncovered employees, employees in the "Executive" pay plan, or employees on leave without pay or on long-term disability.

**Comments:** The average wages actually paid to covered state employees increased by 4.8% from last year. Much of this increase was due to a General Salary Adjustment that occurred in April, 2002. However, five agencies actually experienced a decrease in the average wage for their covered employees from 2001 to 2002.

*... the total costs for overtime expenditures has decreased the last two years ...*

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**Table 20 – Total Overtime Costs by Agency  
2001 – 2003**

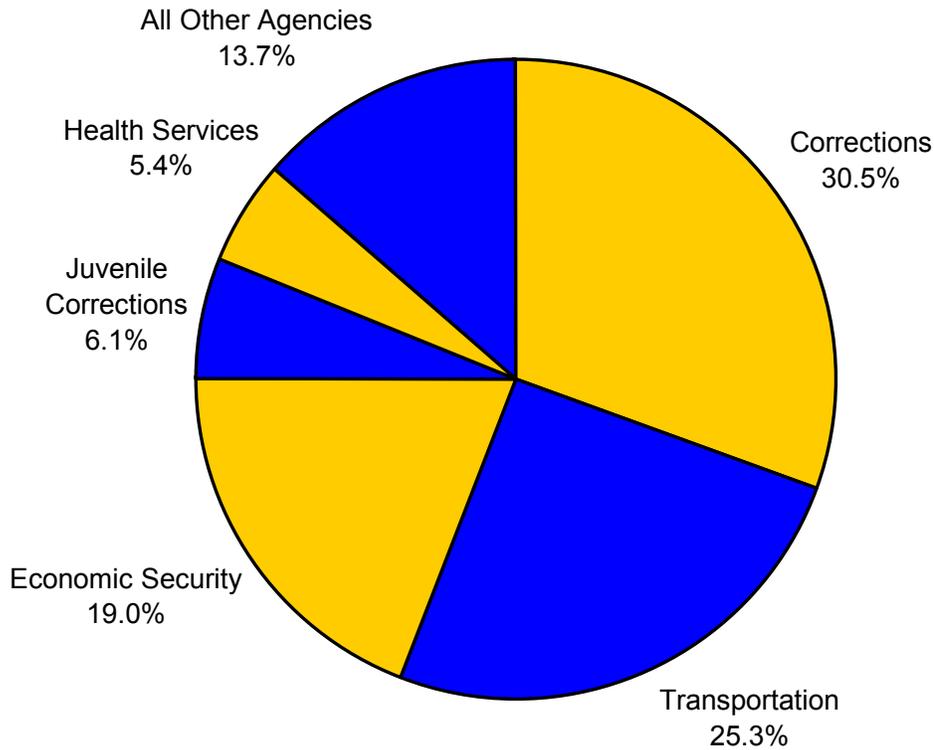
<b>Agency</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Small Agencies	\$65,711	\$72,381	\$87,133
Administration	\$248,041	\$285,718	\$393,815
Agriculture	\$222,665	\$190,945	\$239,197
AHCCCS	\$171,390	\$136,330	\$59,761
Attorney General	\$88,037	\$25,917	\$29,184
Banking Department	\$0	\$182	\$0
Building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

Source: The state's financial system (Arizona Financial Information System). Data is based on a fiscal year basis (July 1 through June 30) 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. Employees who were eligible for overtime (both FLSA-exempt and non-exempt) who actually received cash payment for overtime. Not included were employees (both FLSA exempt and non-exempt) who received compensatory time at the appropriate rate for their additional overtime hours worked. FLSA excluded personnel were not included in the calculations, nor were any agencies which compensated their employees for additional hours worked with compensatory time.

**Comments:** Total overtime expenses last year declined by 23%, continuing the previous year's decline of 22%. Seventeen agencies decreased spending on overtime, while sixteen agencies (plus the combined small agencies) increased their overtime expenditures.

... five agencies account for 85% of the State's total overtime expenses. . .

**Table 21 – Distribution of Overtime Costs by Agency  
2003**



Source: The state's financial system (Arizona Financial Information System). Data is based on a fiscal year basis (July 1 through June 30) 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. Employees who were eligible for overtime (both FLSA-exempt and non-exempt) who actually received cash payment for overtime. Not included were employees (both FLSA exempt and non-exempt) who received compensatory time at the appropriate rate for their additional overtime hours worked. FLSA excluded personnel were not included in the calculations, nor were any agencies which compensated their employees for additional hours worked with compensatory time.

**Comments:** Five agencies accounted for over 85% of the total overtime expenses last year. These same five agencies have accounted for the majority of overtime over the last three years.

... the average cost for sick leave increased by 10% last year ...

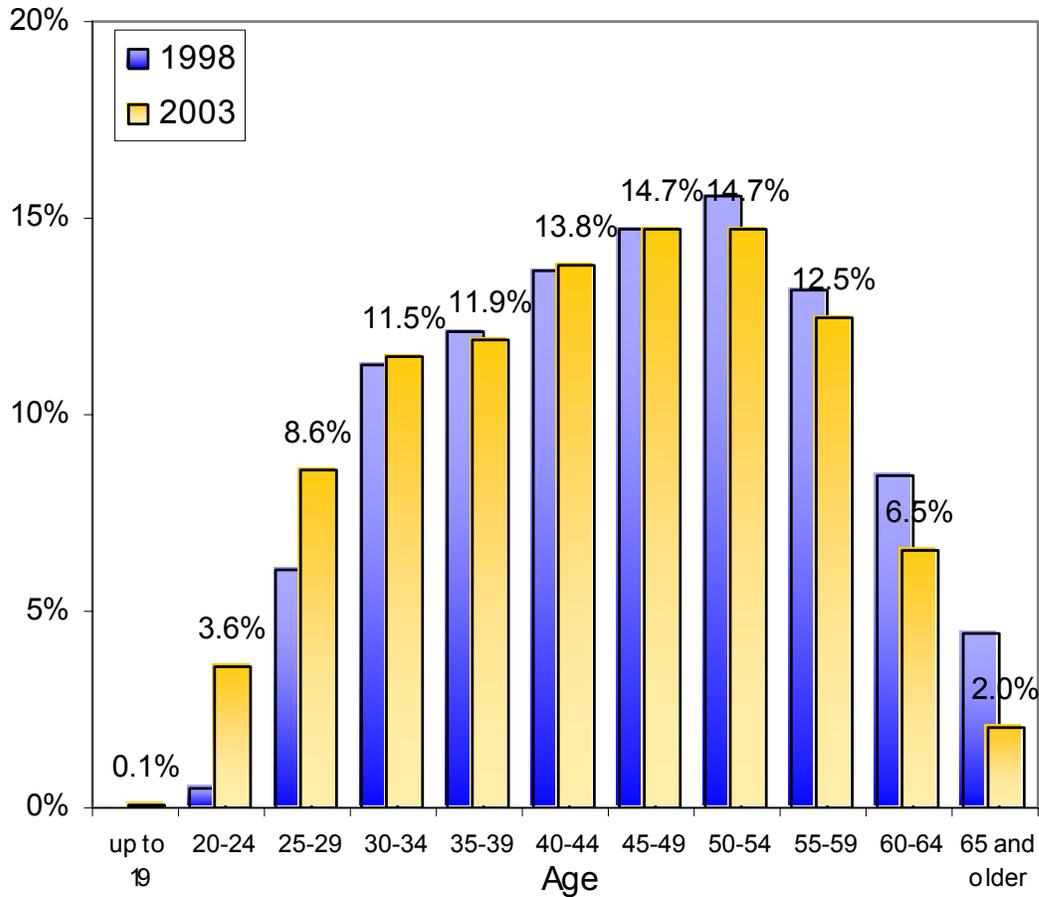
**Table 22 – Average Sick Leave Use And Average Costs Per Employee by Agency 1997 – 2002**

Agency	Avg Sick Leave Days						Avg Sick Leave Costs					
	1997	1998	1999	2000	2001	2002	1997	1998	1999	2000	2001	2002
Small Agencies	5.5	5.3	5.7	5.6	5.4	5.6	\$677	\$715	\$800	\$821	\$833	\$908
Administration	5.6	5.8	5.8	5.8	5.7	6.0	\$660	\$734	\$758	\$792	\$813	\$899
Agriculture	6.5	5.7	4.8	4.8	5.2	5.2	\$683	\$646	\$559	\$569	\$641	\$660
AHCCCS	6.8	6.4	6.9	7.1	6.6	7.4	\$729	\$723	\$787	\$846	\$820	\$979
Attorney General	5.1	6.3	5.6	5.9	5.5	5.6	\$829	\$1,094	\$1,003	\$1,080	\$1,072	\$1,105
Banking Department	6.3	6.0	6.7	6.2	6.5	4.3	\$795	\$858	\$980	\$943	\$1,043	\$687
Building & Fire Safety	5.2	6.6	7.0	6.8	7.6	10.5	\$554	\$737	\$800	\$794	\$924	\$1,329
Coliseum & Exposition	5.0	5.1	9.2	9.9	6.6	6.6	\$622	\$685	\$1,266	\$1,420	\$953	\$1,020
Commerce	6.0	5.9	4.6	3.9	4.4	5.3	\$873	\$908	\$737	\$628	\$757	\$985
Corporation Commission	4.7	5.1	4.9	5.8	6.3	5.7	\$641	\$743	\$751	\$904	\$1,070	\$988
Corrections	6.3	6.0	6.0	6.5	6.9	6.7	\$662	\$662	\$707	\$787	\$849	\$865
Economic Security	7.0	7.1	7.6	7.5	6.7	7.6	\$686	\$737	\$817	\$831	\$779	\$927
Education	6.9	8.4	6.3	5.8	5.1	6.6	\$869	\$1,090	\$851	\$824	\$781	\$1,060
Environmental Quality	6.6	6.7	7.6	7.7	7.1	7.7	\$841	\$910	\$1,067	\$1,112	\$1,069	\$1,208
Game & Fish	4.3	4.2	4.5	4.4	4.1	4.1	\$497	\$503	\$555	\$615	\$575	\$593
Health Services	6.4	6.9	6.2	6.3	6.3	6.5	\$740	\$841	\$817	\$850	\$881	\$946
Historical Society	5.1	4.3	6.1	6.6	5.5	7.0	\$535	\$485	\$694	\$787	\$661	\$870
Industrial Commission	6.2	7.1	7.0	6.3	5.8	7.1	\$663	\$803	\$821	\$739	\$730	\$938
Insurance Dept	4.4	5.2	5.6	5.3	4.7	5.4	\$493	\$641	\$730	\$740	\$695	\$871
Juvenile Corrections	5.0	4.8	5.3	6.2	6.5	6.8	\$544	\$540	\$623	\$785	\$842	\$914
Land Dept	6.2	6.8	6.0	5.6	6.3	6.2	\$783	\$897	\$802	\$788	\$937	\$963
Lottery Commission	4.7	5.5	6.5	8.2	5.7	5.7	\$602	\$735	\$866	\$1,130	\$807	\$852
Medical Examiners Board	4.7	5.1	3.2	4.5	4.5	3.3	\$559	\$670	\$449	\$691	\$705	\$560
Military Affairs	6.3	6.3	6.4	6.1	6.1	6.6	\$652	\$689	\$718	\$726	\$768	\$888
Pioneers Home	6.1	7.2	6.8	6.9	6.9	7.6	\$503	\$636	\$618	\$666	\$704	\$796
Racing	5.0	6.5	3.4	6.6	9.6	6.9	\$569	\$811	\$439	\$853	\$1,363	\$1,046
Real Estate	7.3	6.2	6.4	9.3	8.4	10.8	\$838	\$743	\$790	\$1,175	\$1,071	\$1,409
Registrar of Contractors	5.7	6.7	6.4	6.8	6.6	6.2	\$613	\$807	\$786	\$858	\$881	\$855
Retirement System	5.1	5.2	5.3	5.4	4.4	4.2	\$672	\$744	\$801	\$860	\$724	\$762
Revenue	6.7	6.5	7.1	7.3	7.0	7.2	\$710	\$738	\$845	\$890	\$890	\$975
State Parks	4.8	4.4	4.9	5.6	6.3	6.3	\$526	\$472	\$542	\$622	\$788	\$821
Transportation	6.8	6.6	6.7	6.5	6.3	6.7	\$740	\$736	\$757	\$780	\$776	\$864
Veterans Service Comm	4.1	5.4	4.8	4.4	4.4	5.6	\$344	\$501	\$484	\$487	\$502	\$660
Water Resources	6.3	6.3	6.2	6.7	5.7	6.7	\$848	\$910	\$924	\$1,052	\$975	\$1,228
<b>Overall Average</b>	<b>6.4</b>	<b>6.4</b>	<b>6.5</b>	<b>6.7</b>	<b>6.5</b>	<b>6.8</b>	<b>\$687</b>	<b>\$723</b>	<b>\$767</b>	<b>\$814</b>	<b>\$821</b>	<b>\$907</b>

Source: The state's Human Resources Management System. 1997 through 2002 data compiled from actual dollars paid for sick leave from calendar year end files. The calculation of average sick hours was determined by dividing the total dollars paid by the average hourly rate then dividing by the number of employees. Only employees who were eligible for, earned and used sick leave (both covered and uncovered, wage employees were excluded) were included in these calculations.

**Comments:** The average cost of sick leave increased by over 10% last year. Since 1997, over 94% of agencies have experienced an increase in their average sick leave costs, averaging nearly 45% during that time period.

**Table 23 – Age Distribution for All Employees  
1998 - 2003**



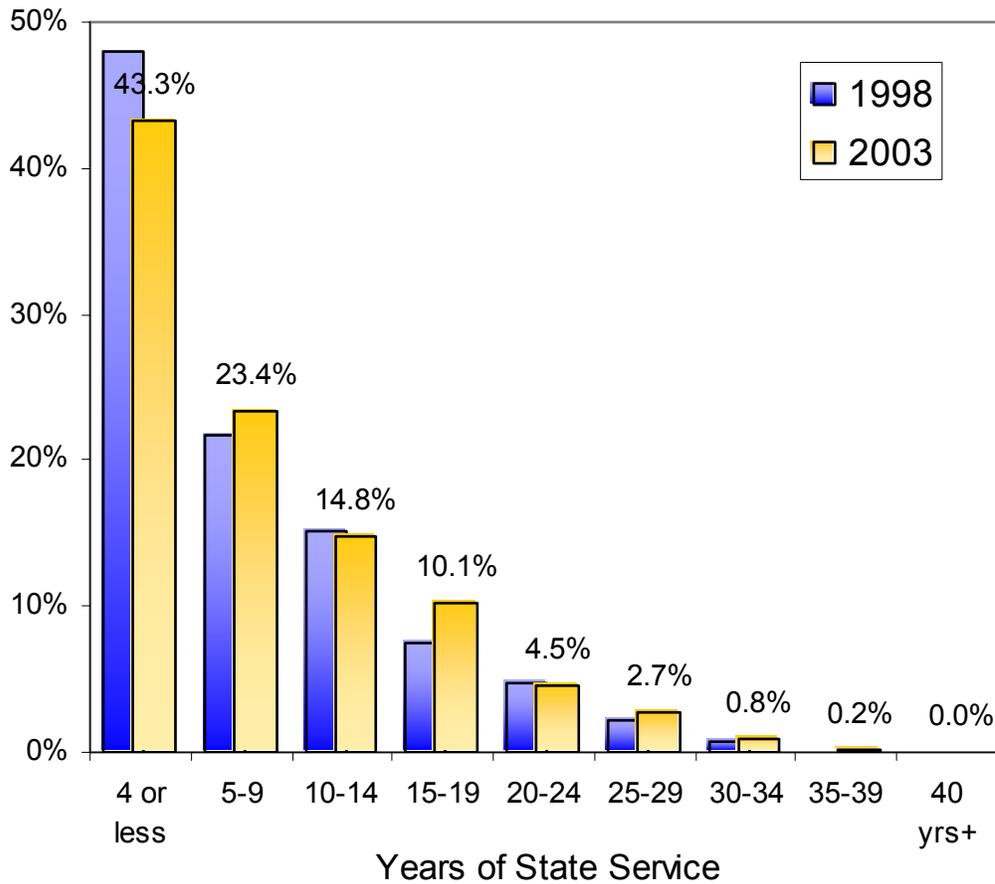
Source: The state's Human Resources Management System. 2003 data represents fiscal year-end (July 1 – June 30). Numbers are based upon all full- and part-time, covered and uncovered, salaried employees.

**Comments:** The above chart shows the age distribution for all salaried employees. In 2003, the average age of a state employee was 44.1 years, and more employees were in the 45-49 and 50-54 age group than any other age group. In 1998, 42% of the workforce was over 50, whereas in 2003 only 36% of the workforce was over 50 years of age. In 1998 only 18% of the workforce was less than 35 years of age; however in 2003 24% was less than 35 years of age.

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

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

**Table 24 – Length of Service Distribution for All Employees  
1998 - 2003**



Source: The state's Human Resources Management System. 2003 data represents fiscal year-end (July 1 – June 30). Numbers are based upon all full- and part-time, covered and uncovered, salaried employees.

**Comments:** The above chart shows the length of service distribution for all state employees. The average length of service for the state was 8.1 years of service. The vast majority of state employees (over 43%) have been hired within the last 4 years, and almost 67% of employees have less than 10 years of service with the state.

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

*... overall job satisfaction has gradually decreased over the years ...*

**Table 25 – Employee Survey  
1999 - 2002**

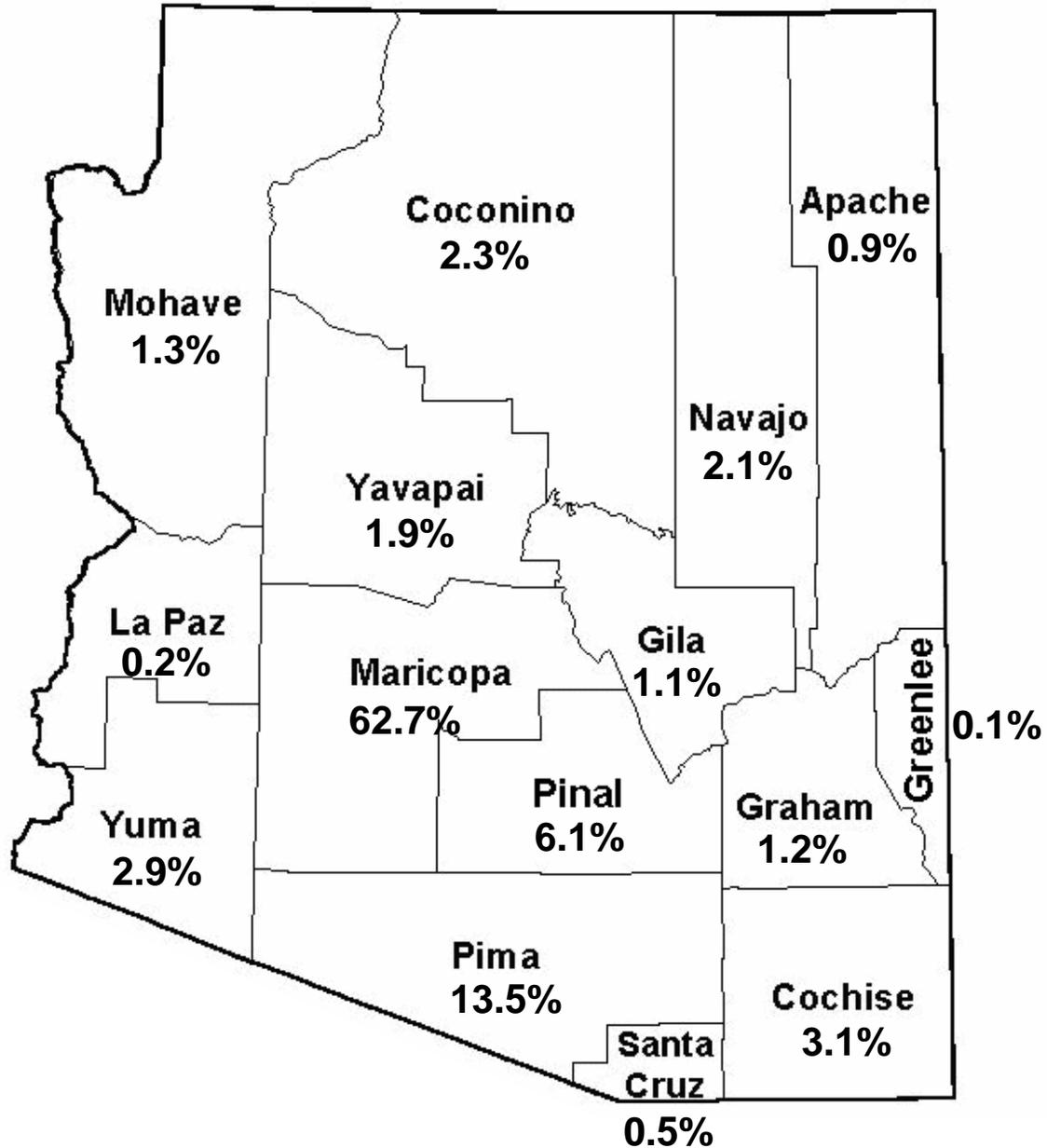
Statement	Agree/Strongly Agree			
	1999	2000	2001	2002
Overall, I am satisfied with my job.	72%	68%	68%	64%
I understand clearly what is expected of me at work.	76%	78%	78%	75%
I receive adequate feedback on my work.	59%	57%	57%	55%
I have the proper tools and equipment to do my work.	60%	58%	57%	56%
I receive recognition for my work when I deserve it.	50%	47%	47%	46%
I have the opportunity to learn and do new things in my job.	65%	62%	62%	58%
My agency supports my participation in training opportunities to improve my job skills.	63%	62%	59%	54%
My agency supports my participation in education and professional development opportunities.	57%	56%	55%	48%
My agency values my ideas on work-related problems.	48%	45%	45%	43%
My agency has a good system in place for communicating necessary information to staff.	45%	43%	44%	43%
Senior management (Assistant Director level and above) in my agency show care and concern for employees.	43%	38%	39%	37%

Source: Governor’s Office of Excellence in Government. The statewide employee survey is typically administered in September-October. Surveys are distributed to the agencies and should provide a representative sampling of ALL employees, including wage and salaried; covered and uncovered. In 1999, roughly 10,000 surveys were collected, in 2002, nearly 20,000 were collected.

**Comments:** There has been a gradual decrease in most indicators of employee satisfaction from 1999 through 2002. The decline is most evident in the areas of training and professional development opportunities.

**... most of the state's workforce resides in Maricopa County ...**

**Table 26 – State Employees by County  
2003**



Source: The state's Human Resources Management System. Percentages indicate number of employees in the ADOA Human Resources System agencies as of fiscal year-end 2003.

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



*Front and Back Cover Photography by Human Resources employee Ed Miksch*