

State of Arizona Workforce Report



Janice K. Brewer
Governor

2009

David Raber, Interim Director
Department of Administration



JANICE K. BREWER
Governor

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ARIZONA DEPARTMENT OF ADMINISTRATION

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September 2009

The Honorable Janice K. Brewer
Governor, State of Arizona
The Honorable Robert Burns
President, Arizona State Senate
The Honorable Kirk Adams
Speaker, Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Brewer, President Burns and Speaker Adams:

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 33,236 active employees at the end of FY2009 (page 2)
- Nearly 82% of the workforce is covered by the merit system (page 4)
- The workforce closely resembles the ethnic diversity of the labor market (page 11)
- Over 55% of the active workforce is comprised of women (page 14)
- The state experienced a separation rate of 15.6% of covered employees (page 18)
- In the next five years, over 27% of the workforce will be eligible to retire (page 28)
- The average age of a state employee is 45.6 years (page 35)
- The average length of service is 9.6 years (page 36)

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

Sincerely,

David Raber
Interim 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 2009 Active Employee Headcount

Agency	Active Employees
ADOA Human Resources Personnel System	33,236
Arizona Schools for the Deaf And Blind	507
Auditor General's Office	178
Court Of Appeals Div I (Phoenix)	102
Court Of Appeals Div II (Tucson)	37
Gaming, Dept of	103
Government Information Technology Agency	23
Governor's Office	130
Governor's Office of Equal Opportunity	3
House Of Representatives	213
Joint Legislative Budget Committee	25
Law Enforcement Merit System Council	1
Legislative Council	44
Library, Archives & Public Records	93
Public Safety, Dept of	2,091
Regents, Board of	31
Senate	159
Supreme Court	603
Tourism, Office of	34

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

The largest of the human resources systems within Arizona State Government is the ADOA Human Resources System, also known as the Arizona State Service. The ADOA Human Resources System and the Law Enforcement Merit System Council (the Department of Public Safety’s personnel system) are the State’s only merit systems established by statute. Merit system employees may only be separated from service for cause. Non-merit employees of all systems serve at the pleasure of the appointing authorities and can be separated without the

right of appeal. They are considered “at will” employees.

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

The introduction provides an overview of the ADOA Human Resources Operations. The responsibility of the ADOA Human Resources Operations resides with the ADOA, Human Resources Division located at 100 North 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 either of the two pay periods in June, 2009.

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
FY 2009 Authorized FTEs:	139 full-time positions
FY 2009 Appropriation:	\$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>	Ron Loyd
<i>Satellite Offices/Retention & Development</i>	Marie Isaacson
<i>Employee Relations</i>	Christine Bronson
<i>Human Resources Information Solution Operations</i>	Jody Piper
<i>Budgeting, Auditing, & Data Analysis</i>	Greg Carmichael
<i>Communications</i>	Tony Gottlob
<i>Special Projects</i>	Margaret Burns, Karie Miller, John Sheller

Customer Base includes about 34,000 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)

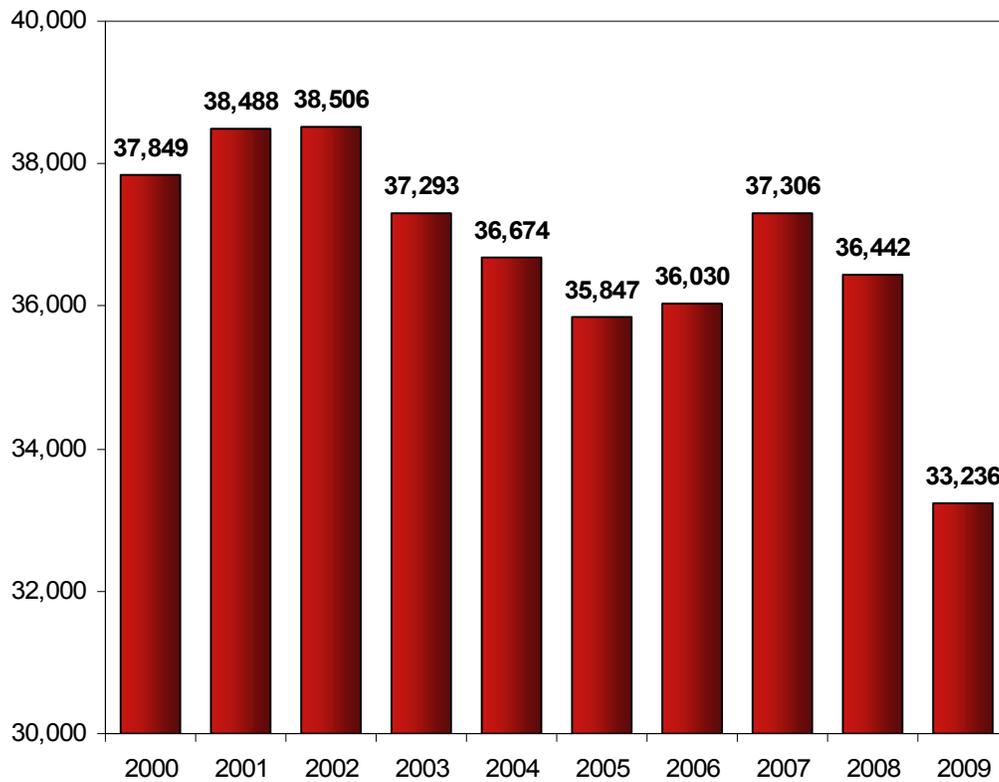
1 General Employment Trends

- 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



... the total number of state employees decreased to 33,236 – the lowest level in the past decade and 8.8% lower than last year ...

**Table 1-1 – Employee Headcount
Fiscal Year 2000 - 2009**



Source: The state's Human Resources Management System for years 2000 through 2003. Data for 2004 through 2009 was extracted from the state's Human Resources Information Solution. Data represents fiscal year-end (June 30) population of covered and uncovered active employees.

Analysis: The total number of employees decreased significantly in 2009, dropping to the lowest staffing levels in the past ten years. The decrease in the number of active employees in the past year was 8.8%, compared to the prior year's decrease of 2.3%. The current staffing level is 9.6% less than the ten-year average, and 13.7% less than the staffing levels of 2002.

... over 90% of the larger agencies experienced a decrease in the average size of their workforce ...

**Table 1-2 – Employees by Agency
Fiscal Year 2005 - 2009**

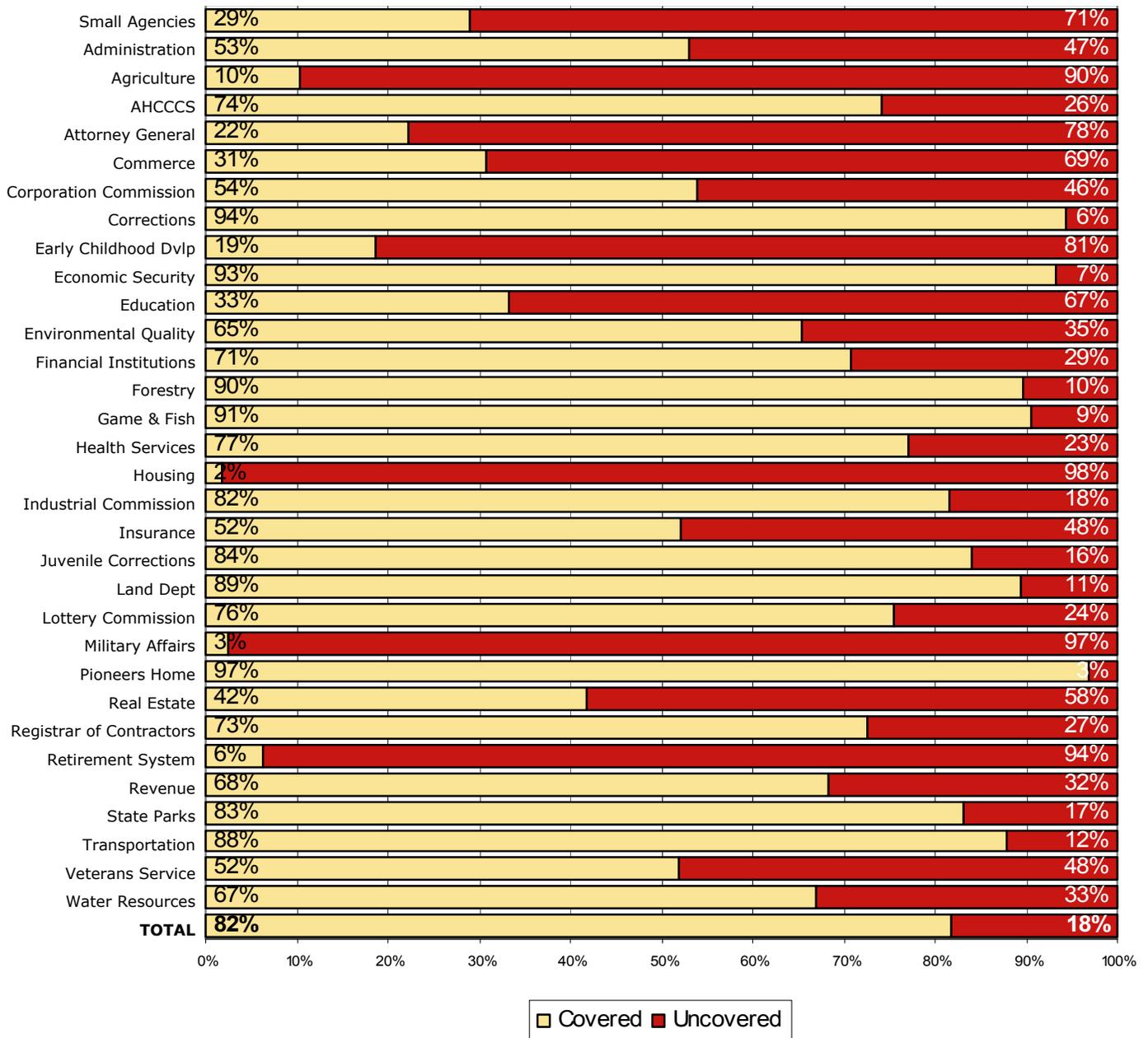
Agency Name	2005	2006	2007	2008	2009
Small Agencies	893	912	960	916	822
Administration	798	780	807	755	586
Agriculture	318	336	347	313	270
AHCCCS	1,324	1,321	1,359	1,272	1,115
Attorney General	687	672	678	582	528
Commerce	96	91	92	119	91
Corporation Commission	280	287	293	288	272
Corrections	9,119	8,967	9,357	9,305	9,145
Early Childhood Development	N/A	N/A	N/A	99	123
Economic Security	9,841	10,004	10,312	10,187	9,201
Education	495	533	576	494	445
Environmental Quality	670	634	656	693	624
Financial Institutions	54	63	63	64	48
Forestry	N/A	N/A	N/A	62	58
Game & Fish	548	569	574	550	449
Health Services	1,810	1,855	1,998	1,859	1,676
Housing	60	63	64	65	58
Industrial Commission	281	276	270	276	244
Insurance	141	137	132	129	98
Juvenile Corrections	1,036	1,039	1,083	1,081	975
Land Dept	182	193	195	144	133
Lottery Commission	101	101	99	91	94
Military Affairs	505	500	505	403	393
Pioneers Home	104	103	103	93	94
Real Estate	58	63	60	60	43
Registrar of Contractors	142	123	129	120	117
Retirement System	182	210	221	194	193
Revenue	1,019	995	959	964	644
State Parks	279	289	285	277	244
Transportation	4,342	4,411	4,579	4,460	3,956
Veterans Service	266	277	317	285	273
Water Resources	216	226	233	242	224
Totals	35,847	36,030	37,306	36,442	33,236

Source: The state's Human Resources Information Solution. Data includes covered and uncovered active employees at fiscal year-end (June 30). The Early Childhood Development agency was created in FY2008; Forestry was previously a division within the Land Dept but in FY2008 became identified within the HRIS system as a separate entity.

Analysis: Over ninety percent (90%) of the larger state agencies experienced a decrease in the number of employees; however three agencies (10%) experienced an increase. Thirteen agencies (42%) experienced a decrease of greater than 10% of their workforce, and six agencies (19%) experienced a decrease of 20% or more.

... 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 2009**



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 large agencies (71%) have the majority of their employees covered by the merit system.

... Arizona remains 46th in the nation in the ratio of full-time equivalent state employees to total population ...

**Table 1-4 - Rank Order of All States by Ratio of State FTEs to State Population
2007**

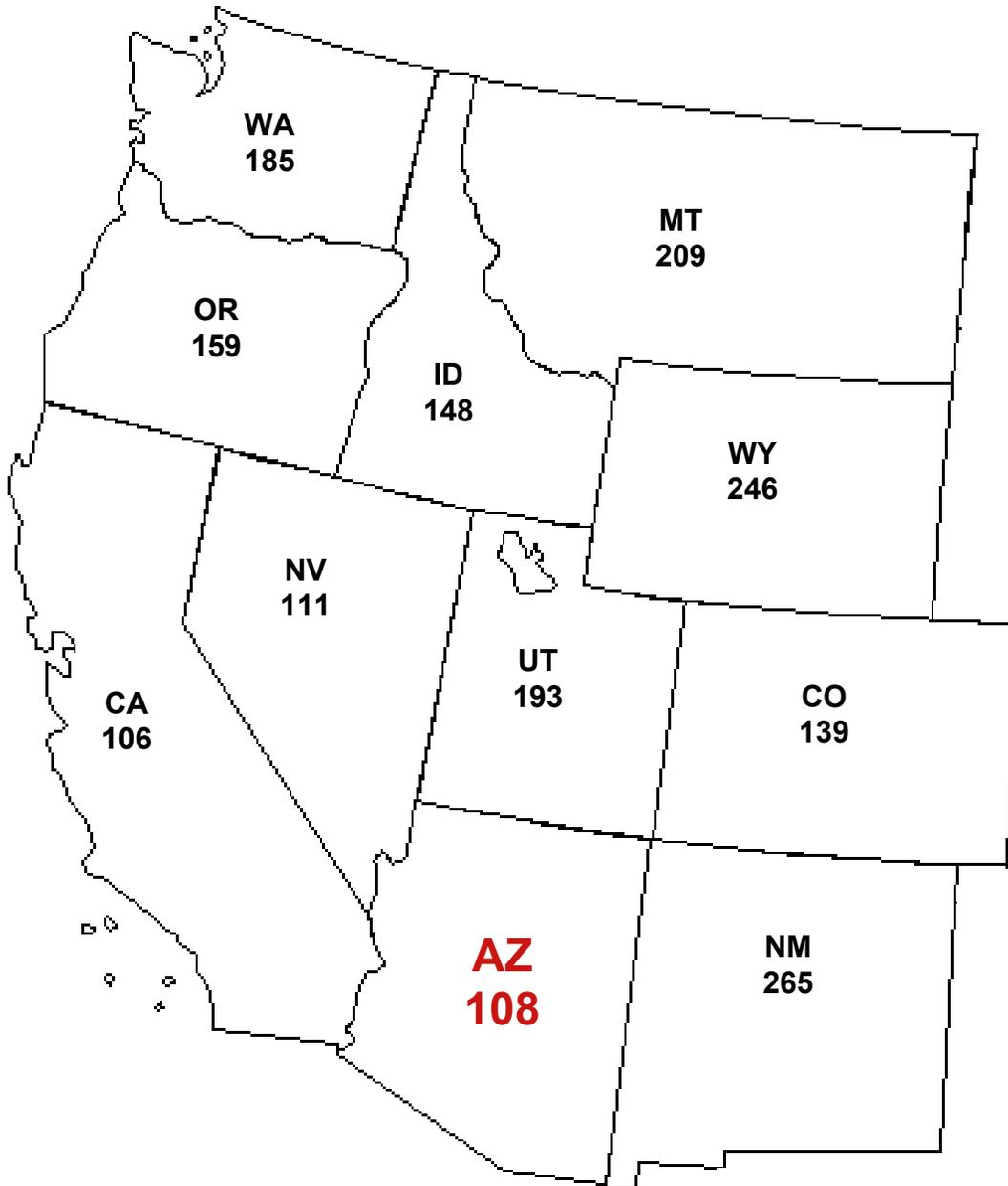
1.....Hawaii	27.....Virginia
2.....Alaska	28.....Maryland
3.....Delaware	29.....Oregon
4.....North Dakota	30.....North Carolina
5.....New Mexico	31.....Missouri
6.....Wyoming	32.....Minnesota
7.....Vermont	33.....Massachusetts
8.....Arkansas	34.....Idaho
9.....Montana	35.....New Hampshire
10.....West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

Source: U.S. Census Bureau, Governments Division. March 2007. Population data estimate for July 2007.

Analysis: Arizona dropped to 47th in the nation in the ratio of full-time equivalent state employees compared to the overall population of the state. In 2006, Arizona ranked 46th, in 2002, Arizona ranked 45th, and in 2000, Arizona ranked 43rd. Of the Western States, only California has fewer state FTEs compared to the overall population of the state.

... of the Western states, there is only one other state with a lower ratio of full-time equivalent state employees to total population than Arizona ...

**Table 1-5 - Ratio of State FTEs to State Population
2007
Employees per 10,000 Population**



Source: U.S. Census Bureau, Governments Division. March 2007. Population data estimate for July 2007.

Analysis: Arizona dropped to 10th out of the 11 Western states in the ratio of full-time equivalent state employees compared to the overall population of the state. Arizona had previously ranked 9th in 2002 and 2004. Arizona's ratio of FTEs per 10,000 population decreased by 11.8% since 2002, compared to the national average decrease of 2.8%.

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

**Table 1-6 - Rank Order of All States by Ratio of Total State Payroll to State Population
2007**

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

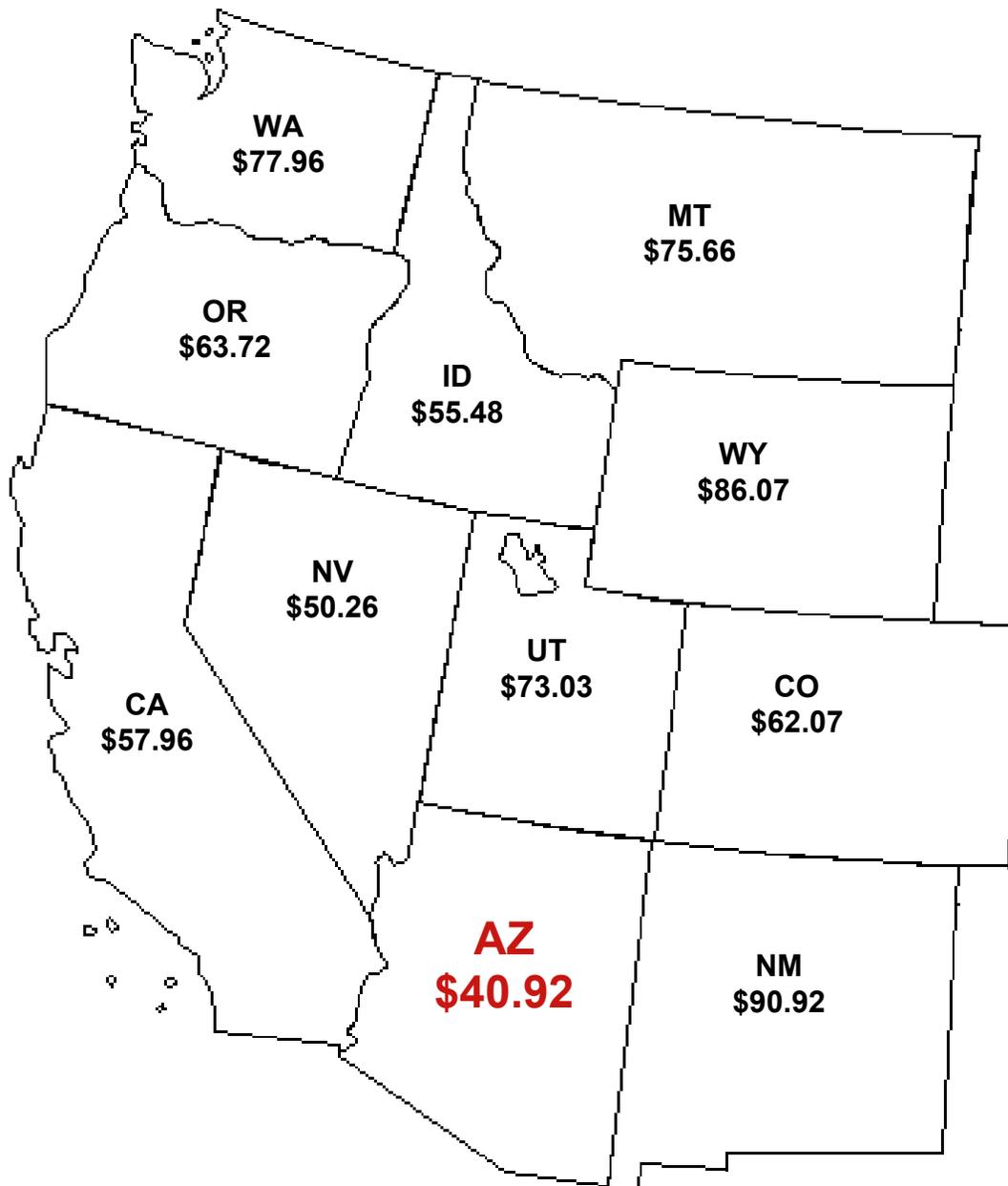
Source: U.S. Census Bureau, Governments Division. March 2007. Population data estimate for July 2007.

Analysis: Arizona remained 49th in the nation in 2007 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 31% lower in the 2007 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
2007**

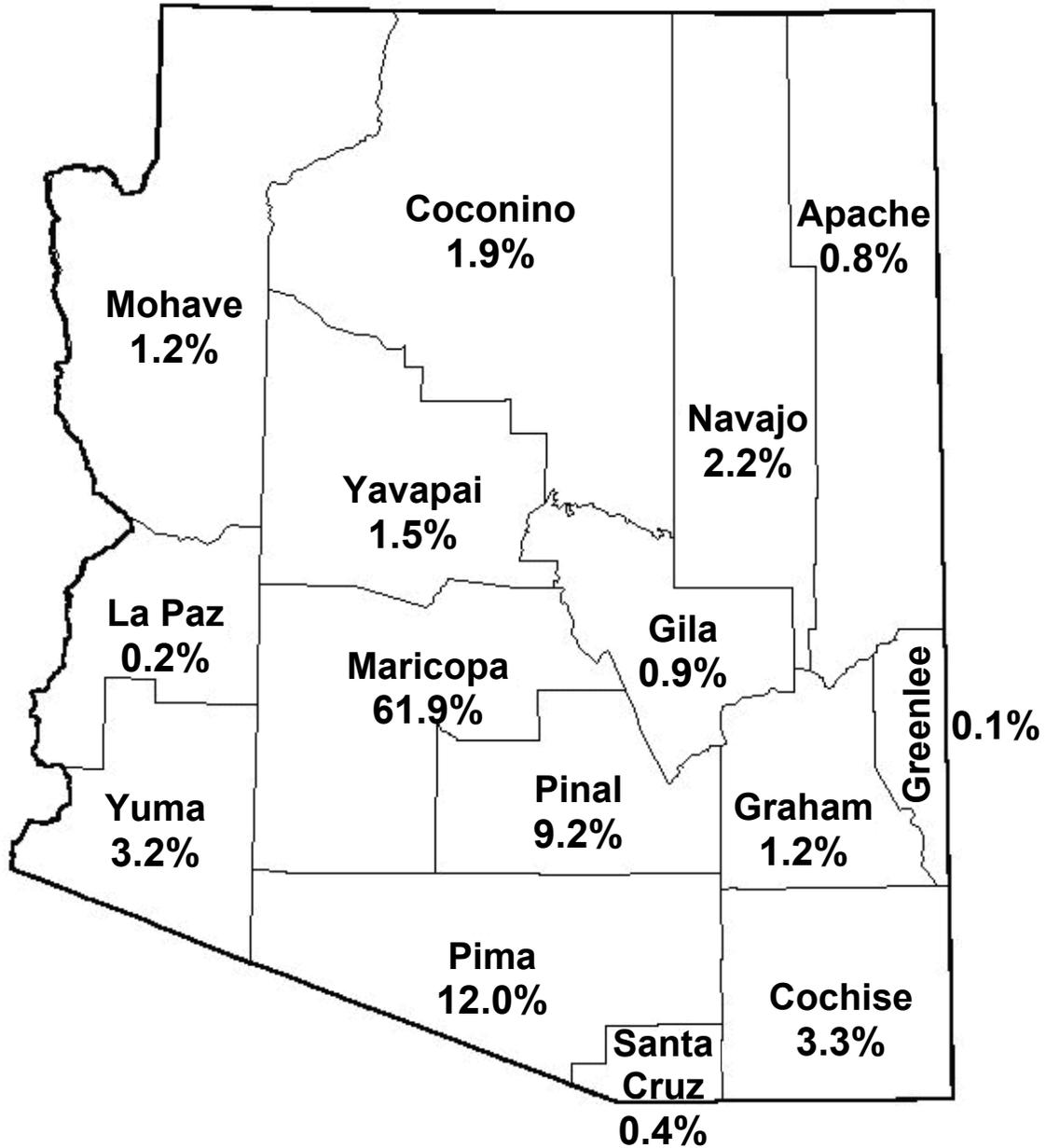
Payroll Dollars per Citizen



Source: U.S. Census Bureau, Governments Division. March 2007. Population data estimate for July 2007.

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 7.8% since 2002, compared to the national average which increased by 14.5% and the ten other Western States which increased an average of 17.3%.

**Table 1-8 – State Employees by County
Fiscal Year 2009**



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.

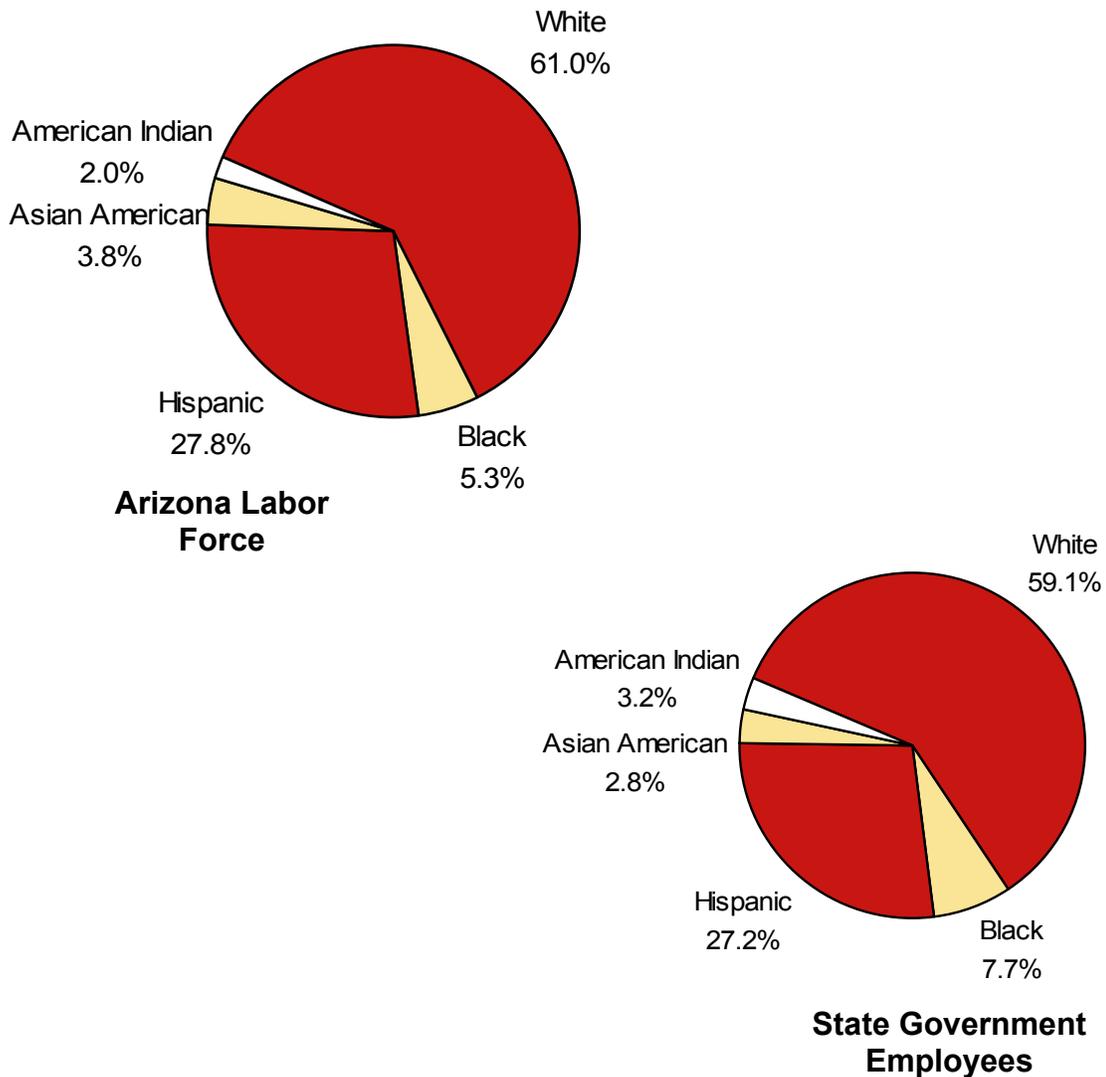
2 Equal Employment

- 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



... the state's workforce closely resembles the available labor force within Arizona ...

Table 2-1 – Distribution of State Government Employees by Ethnic Group Fiscal Year 2009

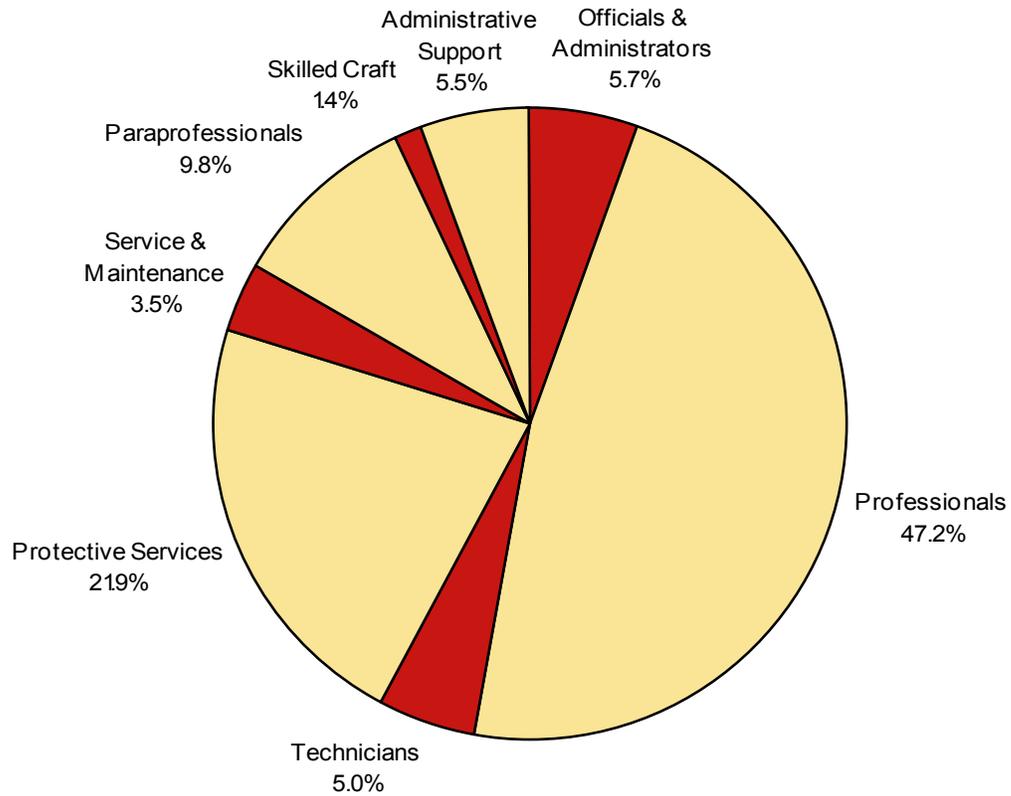


Source: Arizona Labor Force data from the U.S. Equal Employment Commission 2007 EEO-1 Report; State Government Employees data from the State's Human Resources Information Solution June 2009; includes covered and uncovered employees. Percentages are based upon employees responding – a small percentage 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. The state government's workforce has a lower percentage of White and a higher percentage of Black ethnic groups than the Arizona Labor Force.

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

**Table 2-2 – Distribution of State Government Employees by Occupational Group
Fiscal Year 2009**

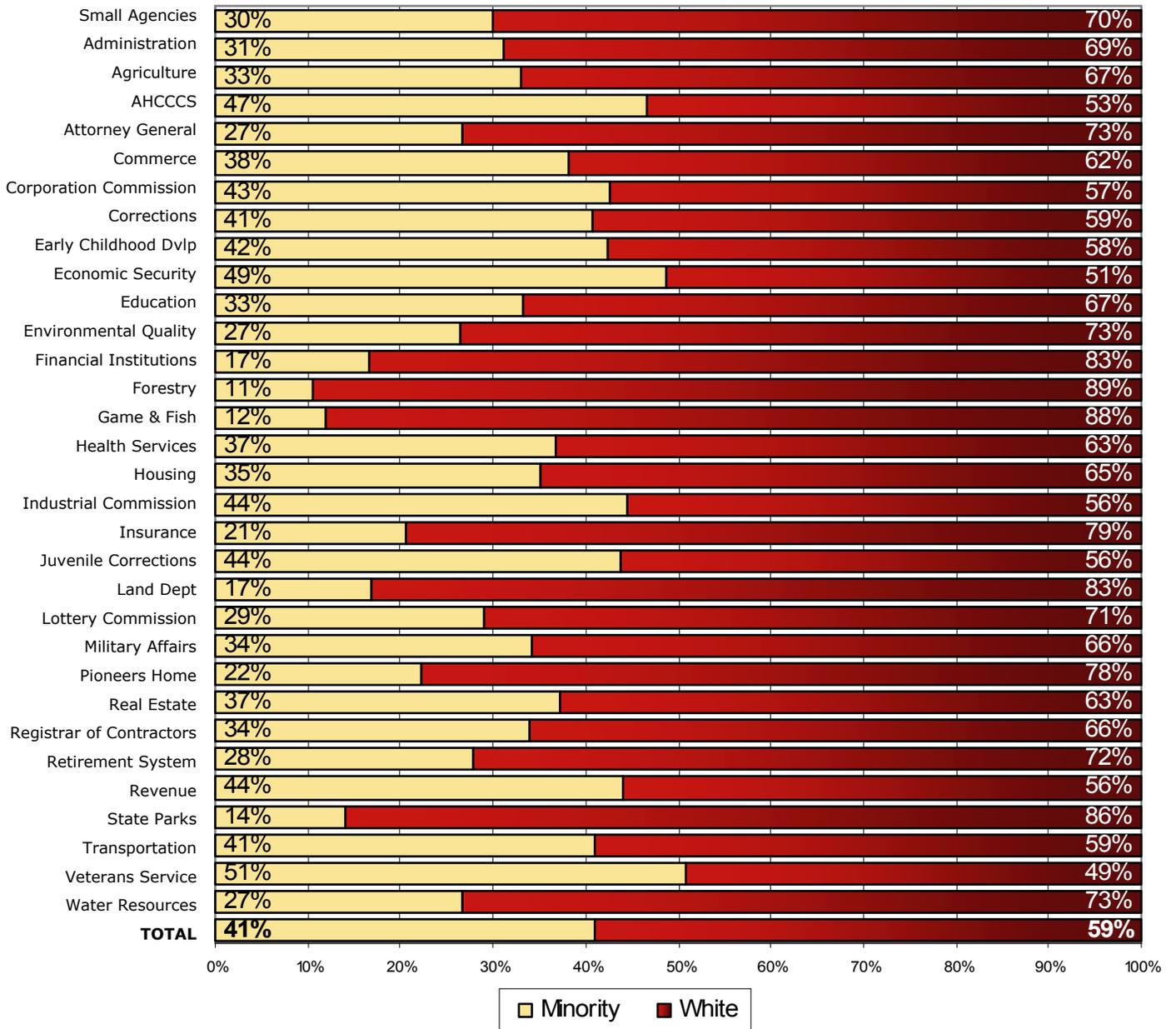


Source: The State's Human Resources Information Solution, June 2009; includes covered and uncovered employees. Categories are based upon the Equal Employment Opportunity Commission's Occupational Categories for State and Local Government (EEO-4).

Analysis: State employees in positions categorized as Professional comprise the largest percentage (47%) of the eight occupational groupings. Skilled craft (1.4%) and service workers (3.5%) encompass the smallest percentage.

... minorities comprise 41% of the employees in the ADOA Human Resources System ...

**Table 2-3 – Minority Representation by Agency
Fiscal Year 2009**

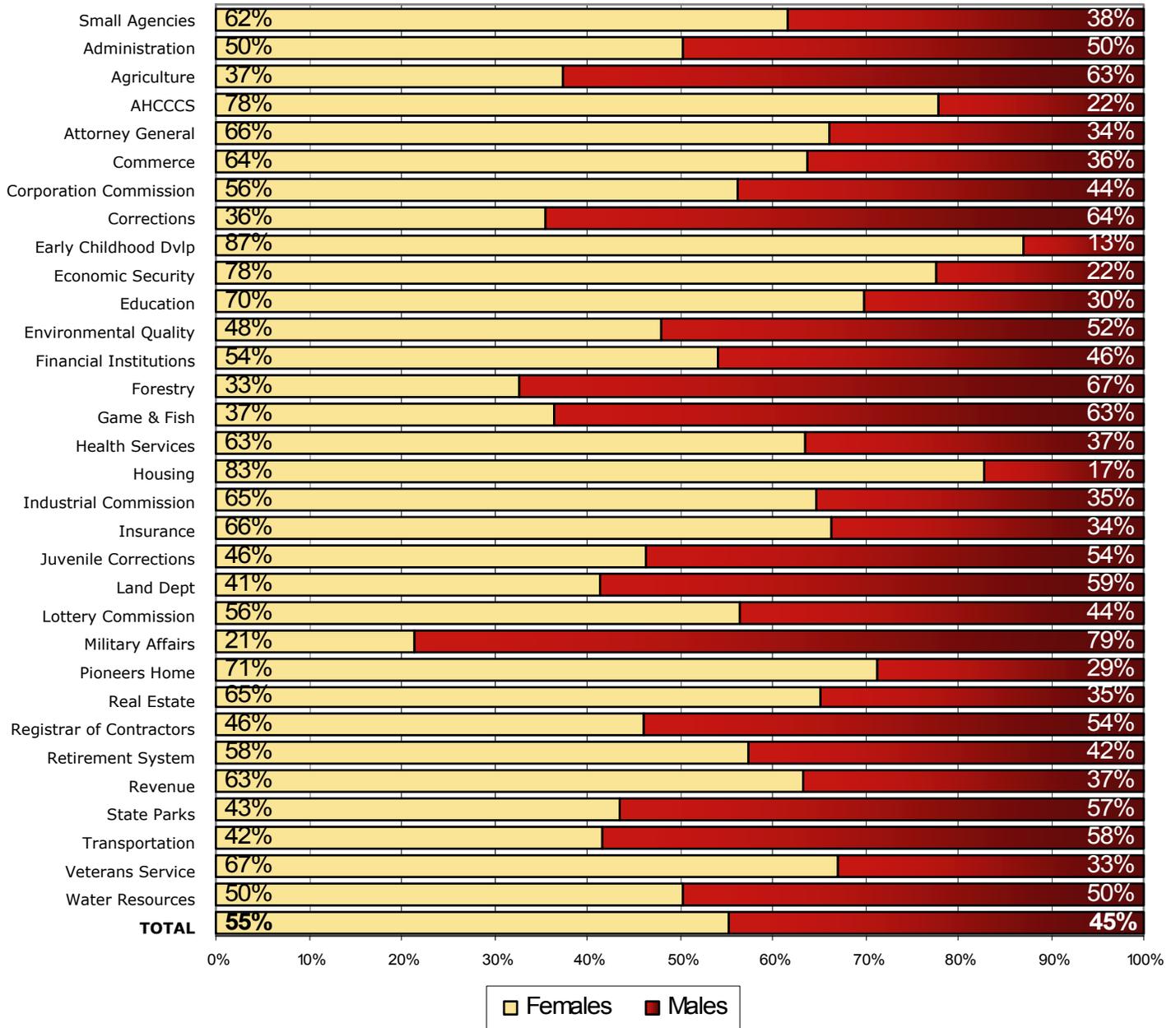


Source: The State’s Human Resources Information Solution (HRIS), June 2009. Percentages are based upon covered and uncovered employees that identified their ethnicity – a small percentage of employees choose not to disclose this information.

Analysis: The table above shows the proportion of minority employees of each of the larger state agencies. Thirteen of the larger agencies (42%) increased their minority representation compared with last year’s numbers, while eighteen agencies (58%) experienced a decrease in minority representation.

... females comprise 55% of the employees in the ADOA Human Resources System ...

**Table 2-4 – Gender Representation by Agency
Fiscal Year 2009**

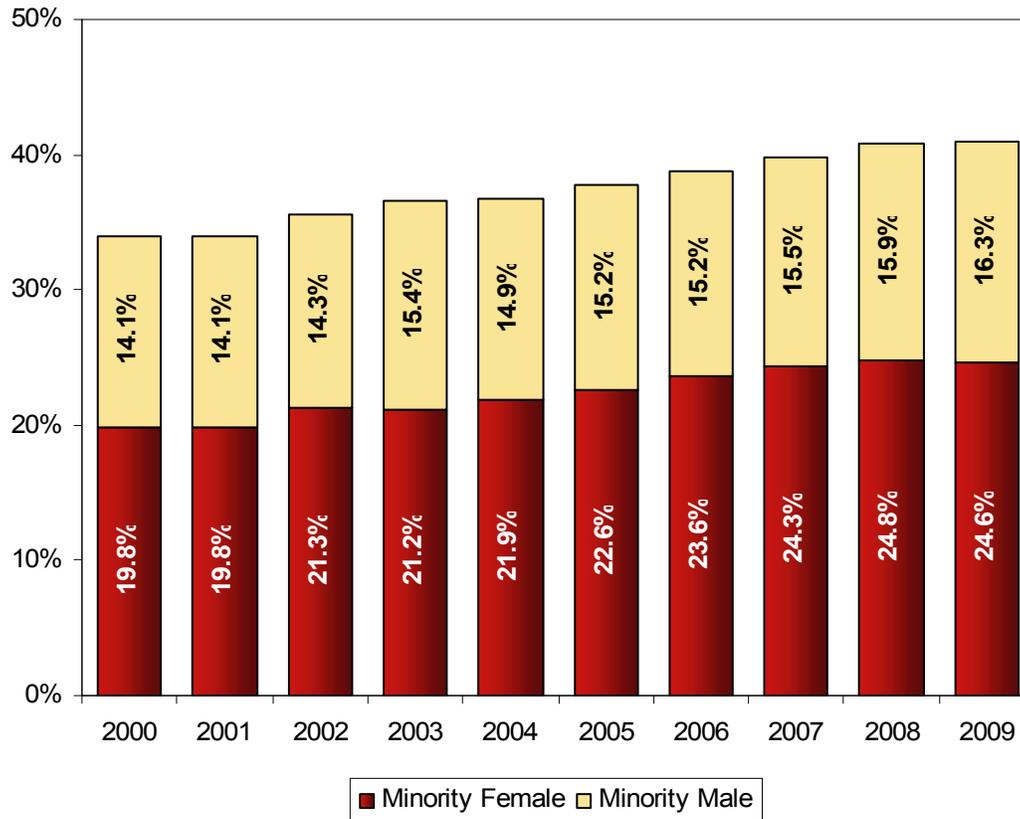


Source: The state's Human Resources Information Solution; June 2009. Includes covered and uncovered employees.

Analysis: Twenty of the thirty-one larger agencies (65%) have a workforce where females are in the majority. The relative percentage of females in the workforce decreased slightly from last year (55% down from 56%).

... the total percentage of minorities increased slightly compared with last year...

**Table 2-5 – Ten Years of Changes in Employment by Ethnicity and Gender
Fiscal Year 2000 – 2009**



Source: The state's Human Resources Management System for years 2000 through 2003. Data for 2004 through 2009 was extracted from the state's Human Resources Information Solution. 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 0.76% over the past ten years. This growth is most apparent in the percentage of minority females; their average growth over the past ten years (average 0.5%) has been twice 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



... the separation rate for covered employees increased from the rates experienced in 2008...

**Table 3-1 – Ten Years of Changes in Separations by Covered and Uncovered Employees
Fiscal Year 2000 - 2009**

Year		Total Employees	Retirements		Resignations		Terminations		Other		Total Separations	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
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%
2009	Covered	27,155	435	1.6%	1,052	3.9%	1,813	6.7%	944	3.5%	4,244	15.6%
	Uncovered	6,081	89	1.5%	242	4.0%	154	2.5%	418	6.9%	903	14.8%

Source: The state's Human Resources Information Solution. Data represents separations during the fiscal year (July 1 – June 30).

Analysis: The separation rate for covered employees increased from the rates experienced last year, whereas the separation rate for uncovered employees declined. The average separation rate for both categories combined (covered and uncovered) increased from 15.4% in 2008 to 15.5% in 2009. Among covered employees, terminations was the leading category of separations.

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

**Table 3-2 – Separation Rates of Covered Employees
by Agency
Fiscal Year 2005 - 2009**

Agency Name	2005	2006	2007	2008	2009
Small Agencies	16.4%	21.3%	23.1%	18.2%	17.2%
Administration	21.1%	22.5%	19.1%	17.0%	35.4%
Agriculture	29.6%	15.0%	13.3%	15.4%	32.1%
AHCCCS	15.2%	21.4%	16.7%	10.6%	13.8%
Attorney General	18.4%	19.7%	21.3%	18.3%	17.9%
Commerce	14.3%	15.0%	0.0%	10.3%	39.3%
Corporation Commission	23.0%	19.3%	15.3%	11.7%	7.5%
Corrections	31.0%	17.7%	16.4%	13.1%	8.6%
Early Childhood Development	N/A	N/A	N/A	6.3%	21.7%
Economic Security	16.6%	17.2%	17.8%	16.4%	22.6%
Education	17.6%	17.3%	26.3%	22.8%	16.9%
Environmental Quality	8.9%	16.6%	10.8%	9.0%	8.1%
Financial Institutions	14.9%	18.2%	16.1%	3.8%	23.5%
Forestry	N/A	N/A	N/A	1.7%	15.4%
Game & Fish	13.9%	11.7%	11.1%	9.5%	5.9%
Health Services	20.8%	23.9%	20.2%	17.0%	13.4%
Housing Dept	33.3%	0.0%	0.0%	0.0%	100%
Industrial Commission	16.3%	22.8%	32.4%	15.2%	11.1%
Insurance Dept	21.2%	18.5%	18.2%	5.3%	43.1%
Juvenile Corrections	30.0%	27.4%	27.0%	28.3%	24.7%
Land Dept	11.0%	11.5%	13.9%	16.0%	9.2%
Lottery Commission	10.5%	3.9%	6.9%	4.4%	4.2%
Military Affairs	18.5%	16.7%	15.4%	44.4%	0.0%
Pioneers Home	35.3%	23.5%	23.8%	23.3%	19.8%
Real Estate	24.3%	35.3%	26.7%	26.1%	22.2%
Registrar of Contractors	20.0%	28.1%	25.0%	18.4%	4.7%
Retirement System	30.0%	0.0%	27.3%	25.0%	8.3%
Revenue	14.2%	15.8%	14.9%	16.2%	74.3%
State Parks	12.1%	11.0%	7.5%	9.3%	15.8%
Transportation	15.8%	15.3%	15.2%	12.0%	7.7%
Veterans Service	31.4%	28.5%	28.3%	39.7%	26.8%
Water Resources	8.2%	9.7%	12.7%	6.2%	8.7%
Totals	21.2%	17.9%	17.3%	14.8%	15.6%

Source: The state's Human Resources Information Solution. Data represents separations of covered employees from state service during the fiscal year (July 1 – June 30). The Early Childhood Development agency was created in FY2008; Forestry was previously a division within the Land Dept but in FY2008 became identified within the HRIS system as a separate entity.

Analysis: The rate of separations from state service increased last year. Thirteen of the larger agencies (42%) experienced an increase in separation rates of covered employees from 2008. Twelve agencies experienced separation rates greater than 20% and five agencies experienced separation rates greater than 30%.

... voluntary separations remain the most common reason for covered employees leaving state service ...

**Table 3-3 – Voluntary and Involuntary Separations of Covered Employees by Agency
Fiscal Year 2009**

Agency	Voluntary		Involuntary		Total	
	Number	Percent	Number	Percent	Number	Percent
Small Agency Administration	26	10.9%	15	6.3%	41	17.2%
Agriculture	5	17.9%	4	14.3%	9	32.1%
AHCCCS	53	6.4%	61	7.4%	114	13.8%
Attorney General	19	16.2%	2	1.7%	21	17.9%
Commerce	3	10.7%	8	28.6%	11	39.3%
Corporation Commission	11	7.5%	0	0.0%	11	7.5%
Corrections	664	7.7%	78	0.9%	742	8.6%
Early Childhood Development	2	8.7%	3	13.0%	5	21.7%
Economic Security	929	10.8%	1014	11.8%	1943	22.6%
Education	24	16.2%	1	0.7%	25	16.9%
Environmental Quality	26	6.4%	7	1.7%	33	8.1%
Financial Institutions	7	20.6%	1	2.9%	8	23.5%
Forestry	7	13.5%	1	1.9%	8	15.4%
Game & Fish	20	4.9%	4	1.0%	24	5.9%
Health Services	131	10.1%	42	3.3%	173	13.4%
Housing	0	0.0%	1	100.0%	1	100.0%
Industrial Commission	21	10.6%	1	0.5%	22	11.1%
Insurance	4	7.8%	18	35.3%	22	43.1%
Juvenile Corrections	122	14.9%	80	9.8%	202	24.7%
Land Dept	4	3.4%	7	5.9%	11	9.2%
Lottery Commission	2	2.8%	1	1.4%	3	4.2%
Military Affairs	0	0.0%	0	0.0%	0	0.0%
Pioneers Home	13	14.3%	5	5.5%	18	19.8%
Real Estate	2	11.1%	2	11.1%	4	22.2%
Registrar of Contractors	2	2.4%	2	2.4%	4	4.7%
Retirement System	1	8.3%	0	0.0%	1	8.3%
Revenue	47	10.7%	280	63.6%	327	74.3%
State Parks	20	9.9%	12	5.9%	32	15.8%
Transportation	210	6.0%	58	1.7%	268	7.7%
Veterans Service	21	14.8%	17	12.0%	38	26.8%
Water Resources	10	6.7%	3	2.0%	13	8.7%
Total	2,431	9.0%	1,813	6.7%	4,244	15.6%

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 57% of separations of covered employees this past year.

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

**Table 3-4 – Most Populous Covered Class Titles
Fiscal Year 2009**

Class Title	Number
Corrections Officer (I, II, III, IV)	5,896
Program Services Evaluator (I, II, III, IV, V)	2,251
Customer Services Representative (I, II, III)	1,075
Administrative Assistant (I, II, III)	1,065
Child Protective Services Specialist (I, II, III)	874
Information Technology Specialist (1, 2, 3, 4, 5)	795
Human Services Specialist (I, II, III)	777
Corrections Sergeant	606
Motor Vehicle Division Customer Services Rep	562
Highway Operations Technician (1, 2, 3, 4)	559
Program and Project Specialist (I, II)	430
Youth Corrections Officer (I, II, III)	412

Source: The state's Human Resources Information Solution. Data represents active employees in covered positions (June 2009).

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

**Table 3-5 – Covered Classes With The
Highest Separation Rates
Fiscal Year 2009**

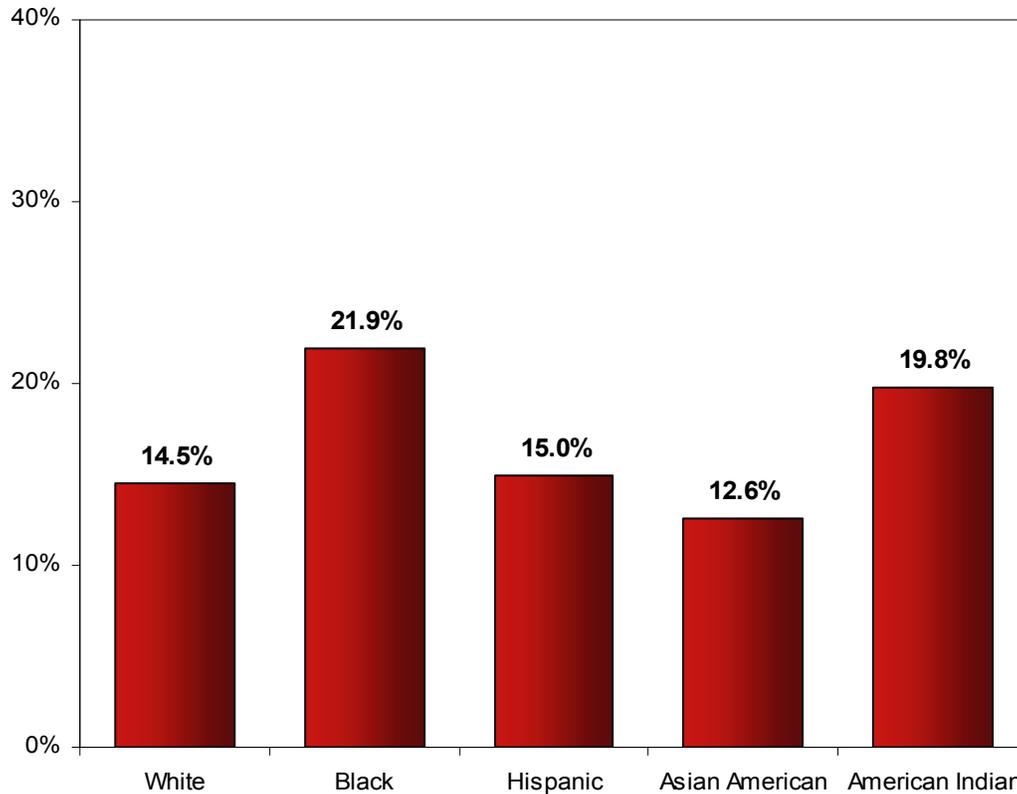
Class Title	Separation Rate
Youth Correctional Officer I	75.0%
Child Protective Services Specialist I	68.5%
Human Services Worker II	51.6%
Revenue Auditor I	45.3%
Program Services Evaluator II	36.8%
Habilitation Technician II	35.9%
Human Services Specialist II	30.4%
Examinations Tech II	29.3%
Psychology Associate II	29.0%
Collector III	26.5%
Mental Health Program Specialist	26.0%
Child Support Enforcement (CSE) Officer I	25.3%

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 Correctional, Social Services, and Revenue industries experienced the highest separation rates relative to the number of employees in their respective classes.

... separation rates were highest among the Black and American Indian ethnic groups. . .

**Table 3-6 – Separation Rates by Ethnic Group
Fiscal Year 2009**

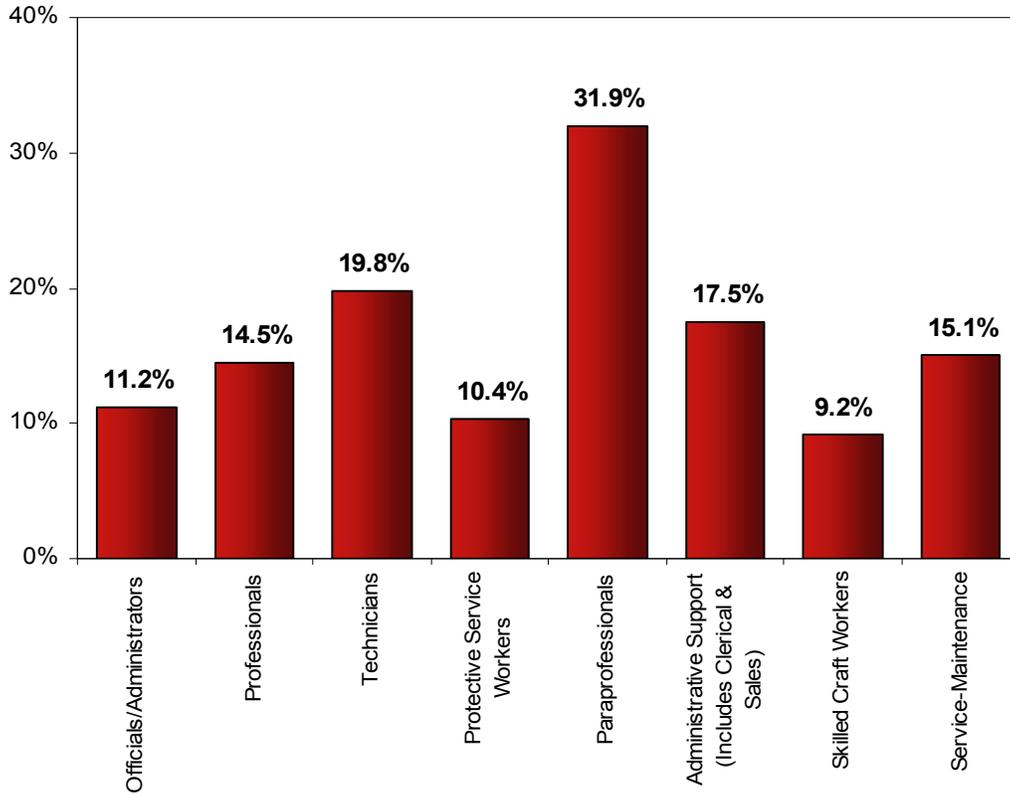


Source: The state's Human Resources Information Solution. Percentages are based upon covered and uncovered employees responding – a small percentage of employees choose not to disclose their ethnicity. Data represents separations from state service during the fiscal year (July 1 – June 30).

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

... the separation rate was highest in the Paraprofessional group ...

**Table 3-7 – Separation Rates by Occupational Code
Fiscal Year 2009**

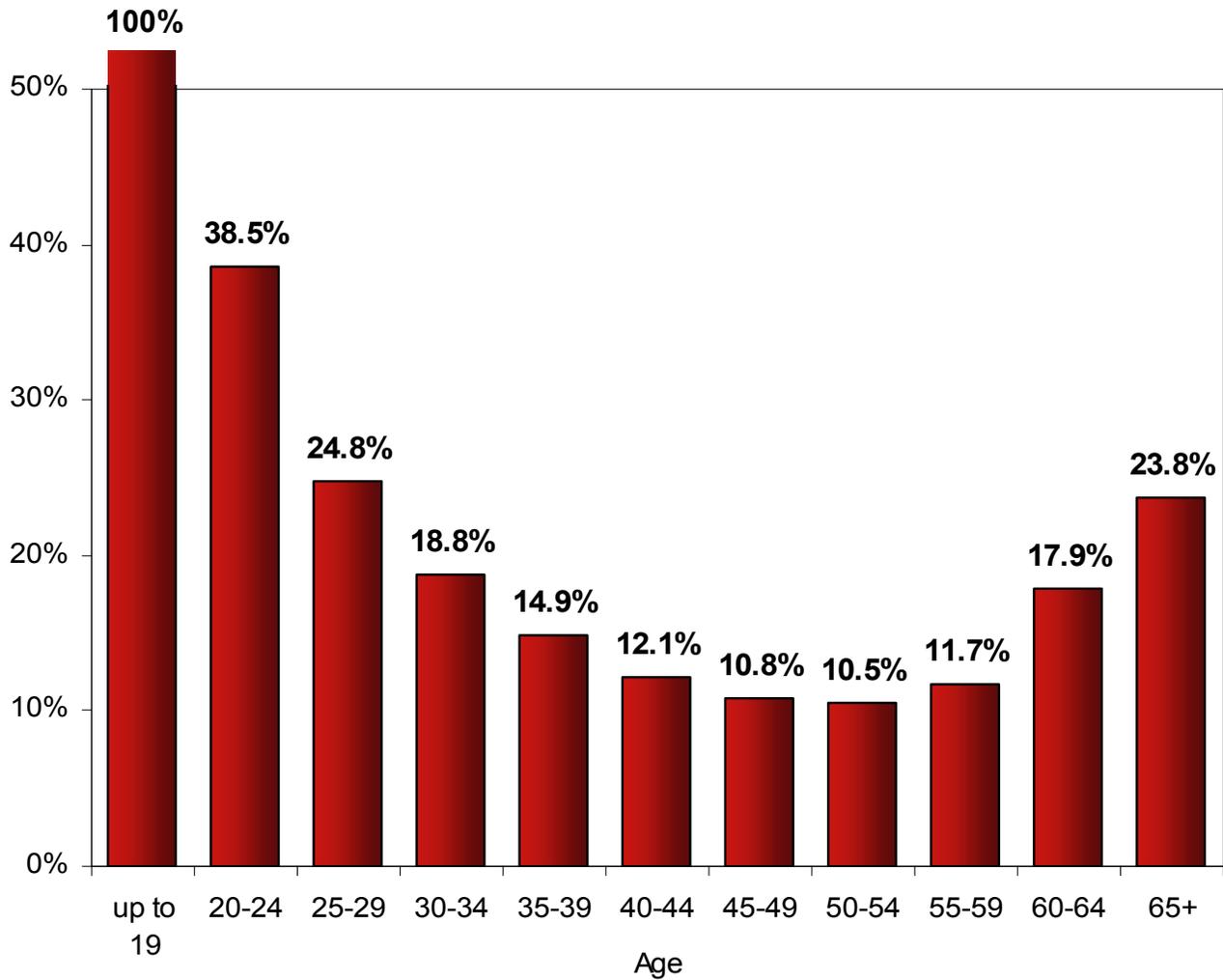


Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees.

Analysis: The highest rate of separations was in the Paraprofessional occupational group. Separation rates were lowest among employees assigned to Skilled Craft, and Protective Services positions.

... separation rates are highest for employees at both ends of the age spectrum...

**Table 3-8 – Separation Rates by Age Distribution
Fiscal Year 2009**

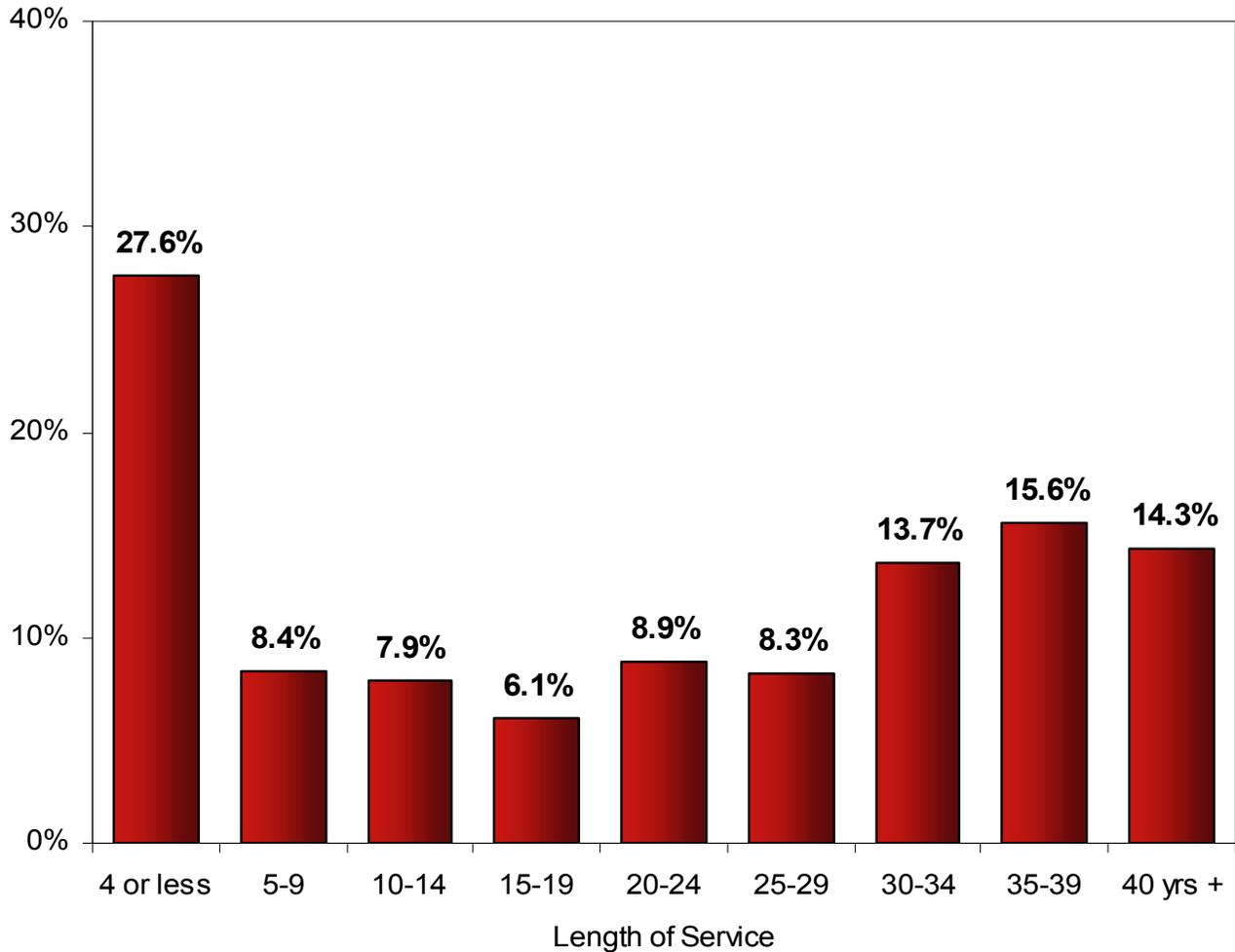


Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees.

Analysis: The above chart shows the separation rates by age group for all employees. In 2009, employees less than 20 years of age experienced a separation rate of 100%. 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 35 – 39 years of service. . .

**Table 3-9 – Separation Rates by Length of Service
Fiscal Year 2009**

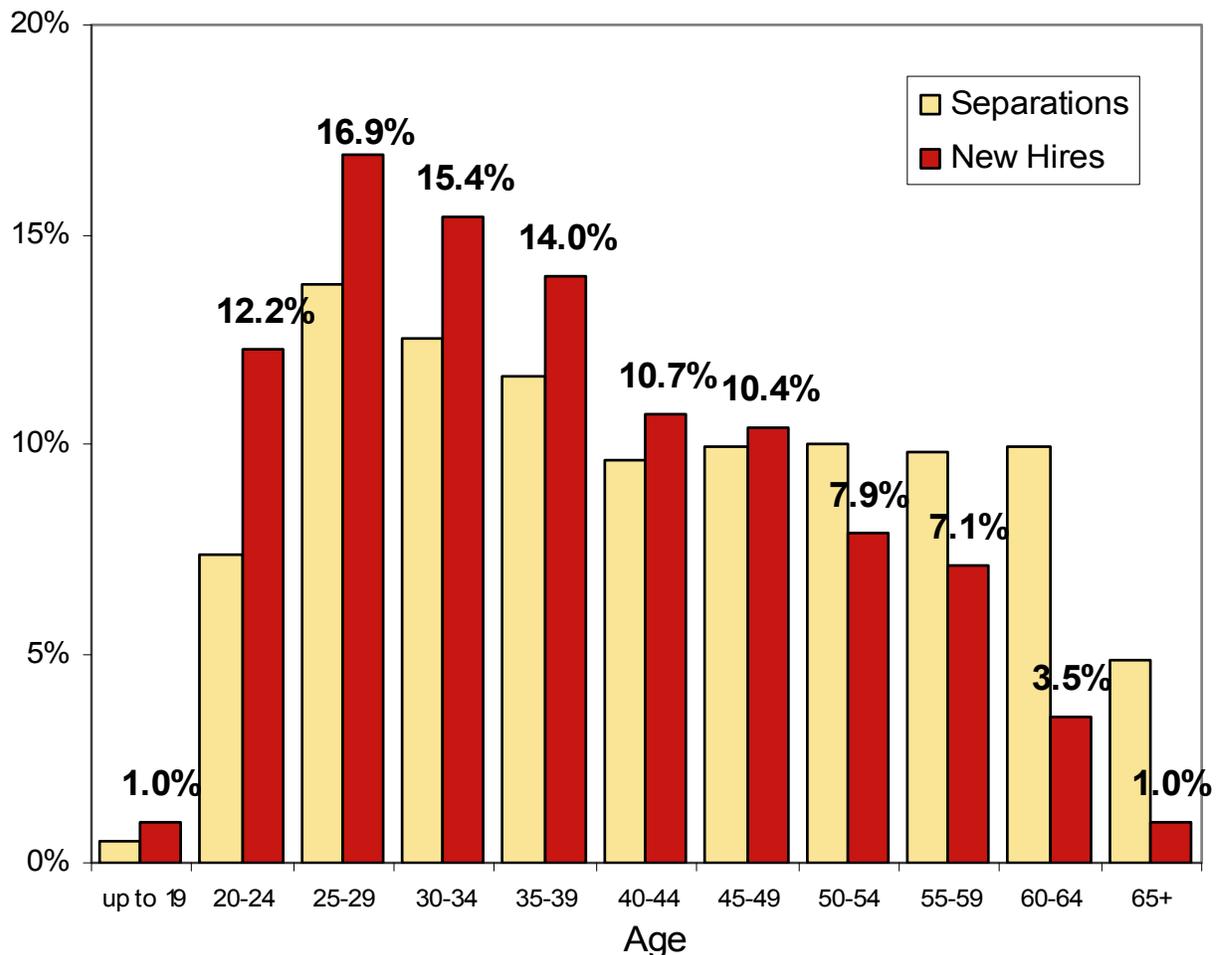


Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees.

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 over 27%. The separation rate was lowest for employees with fifteen to nineteen years of service.

... more new hires are in the younger age groups when compared to the age distribution of separating employees ...

**Table 3-10 – Difference in Age Distribution
between New Hires and Separations
Fiscal Year 2009**

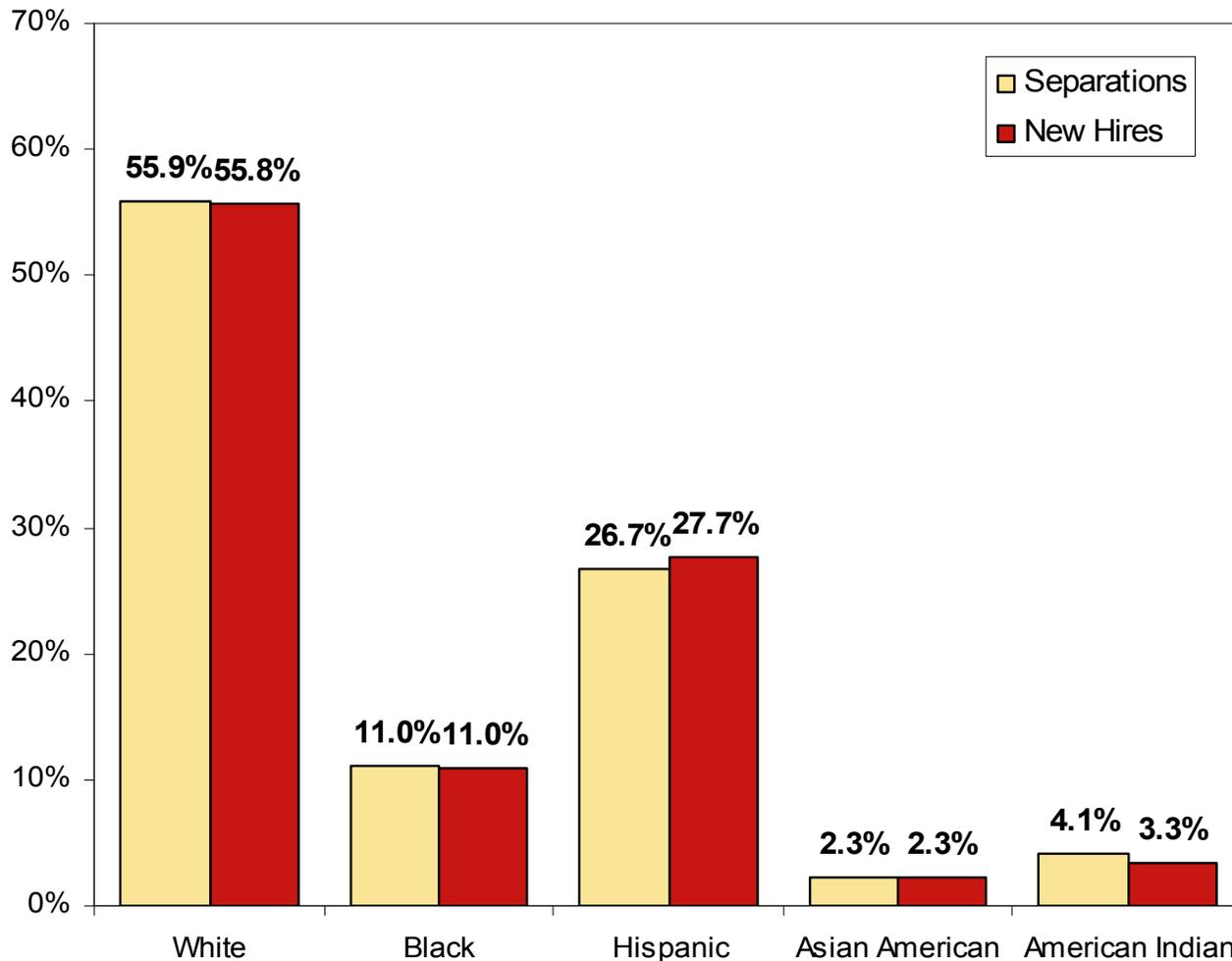


Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year and employees newly hired into state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees.

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 43.2, while the average age of a newly hired employee was 38.4. There was a higher percentage of new hires than separations in all age groups below 50 years of age; above 50 years of age, the trend reverses and there is a higher percentage of separations. The largest difference between the two groups occurs in the 20-24 age group, and the 60-64 age group.

... the distribution of new hires among all ethnic groups was virtually the same as the distribution of separating employees ...

**Table 3-11 – Difference in Ethnic Distribution
between New Hires and Separations
Fiscal Year 2009**

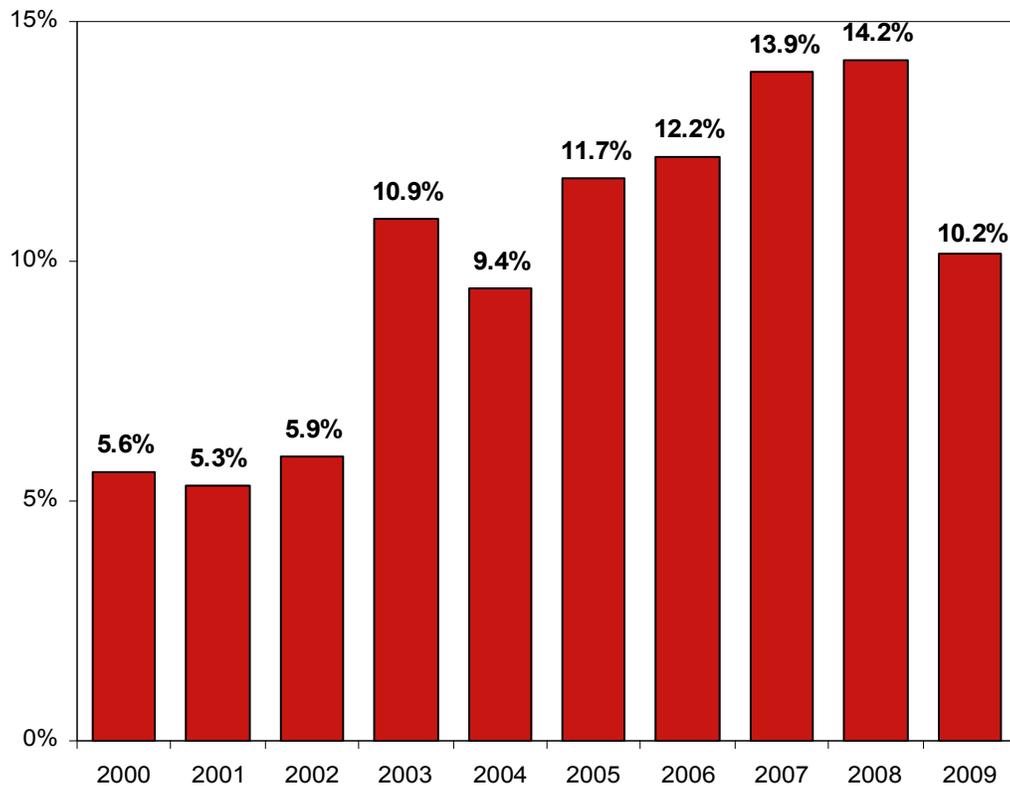


Source: The state's Human Resources Information Solution. Data represents separations from state service during the fiscal year and employees newly hired into state service during the fiscal year (July 1 – June 30). Data includes covered and uncovered employees that voluntarily disclosed their ethnicity – 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 2009, the ethnic distribution between new hires and separations was virtually the same for all groups.

. . the percentage of separations as a result of retirement decreased for the first time in the past four years . . .

**Table 3-12 – Percentage of Separations Due to Retirement
Fiscal Year 2000 - 2009**



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

Analysis: The ratio of separations that are due to retirements decreased in 2009, breaking a trend of four consecutive years of increases. The average rate from 2003 through 2009 was 11.85%.

... nearly 75% of state agencies are expected to have one quarter of their active workforce eligible to retire in the next five years ...

**Table 3-13 – Retirement Eligibility
Fiscal Year 2010 - 2014**

Agency Name	2010	2011	2012	2013	2014
Small Agencies	15.3%	18.7%	22.5%	27.0%	30.9%
Administration	14.0%	17.1%	20.1%	25.3%	29.0%
Agriculture	15.9%	19.3%	24.1%	28.5%	32.2%
AHCCCS	12.6%	16.4%	20.9%	25.1%	29.1%
Attorney General	12.3%	15.7%	19.7%	24.2%	28.4%
Commerce	15.4%	20.9%	29.7%	31.9%	35.2%
Corporation Commission	14.3%	15.8%	19.1%	23.2%	27.2%
Corrections	10.5%	13.6%	16.3%	19.5%	23.2%
Early Childhood Development	1.6%	4.9%	7.3%	9.8%	14.6%
Economic Security	13.2%	16.3%	20.0%	23.8%	27.3%
Education	9.9%	12.6%	16.0%	19.6%	24.7%
Environmental Quality	15.9%	18.6%	23.1%	29.2%	34.0%
Financial Institutions	25.0%	27.1%	31.3%	33.3%	43.8%
Forestry	22.4%	27.6%	29.3%	31.0%	37.9%
Game & Fish	16.3%	19.2%	22.3%	27.4%	32.3%
Health Services	12.9%	16.1%	20.2%	24.4%	29.2%
Housing	6.9%	10.3%	17.2%	19.0%	24.1%
Industrial Commission	15.2%	17.6%	20.5%	25.8%	31.1%
Insurance	20.4%	24.5%	29.6%	31.6%	40.8%
Juvenile Corrections	10.3%	12.8%	15.7%	17.8%	22.5%
Land Dept	20.3%	23.3%	27.8%	31.6%	41.4%
Lottery Commission	22.3%	26.6%	30.9%	35.1%	37.2%
Military Affairs	10.2%	13.0%	17.3%	20.6%	22.9%
Pioneers Home	8.5%	12.8%	17.0%	22.3%	28.7%
Real Estate	23.3%	25.6%	34.9%	41.9%	51.2%
Registrar of Contractors	16.2%	24.8%	32.5%	35.9%	39.3%
Retirement System	6.7%	9.3%	12.4%	13.5%	17.1%
Revenue	17.9%	23.8%	28.4%	33.5%	38.4%
State Parks	17.2%	23.4%	26.2%	30.7%	32.8%
Transportation	16.5%	19.8%	23.5%	27.6%	31.0%
Veterans Service	6.6%	9.5%	14.3%	18.3%	22.7%
Water Resources	15.2%	20.5%	24.1%	28.6%	31.7%
Totals	13.0%	16.2%	19.7%	23.5%	27.3%

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: Nearly 75% of the larger agencies (23) are projected to have at least 25% of their active employees eligible for retirement in five years, and sixteen agencies will have at least 30% of their workforce eligible to retire in 2014. Nine agencies are anticipated to have over 35% of their active employees eligible to retire in five years. Only one agency is expected to have less than 15% of their employees eligible to retire in 2014.

... the State is estimated to have spent nearly \$48 million last year as a result of turnover ...

**Table 3-14 – Estimated Cost of Turnover by Agency
For Covered Employees
Fiscal Year 2009**

Agency	Average Salary	Separation Rate	Estimated Cost of Turnover
Small Agencies	\$35,224	17.2%	\$433,261
Administration	\$39,433	35.4%	\$1,301,296
Agriculture	\$35,561	32.1%	\$96,014
AHCCCS	\$33,577	13.8%	\$1,148,327
Attorney General	\$38,858	17.9%	\$244,803
Commerce	\$40,177	39.3%	\$132,586
Corporation Commission	\$42,709	7.5%	\$140,940
Corrections	\$39,572	8.6%	\$8,808,819
Early Childhood Development	\$36,082	21.7%	\$54,123
Economic Security	\$35,018	22.6%	\$20,412,014
Education	\$42,397	16.9%	\$317,980
Environmental Quality	\$40,799	8.1%	\$403,908
Financial Institutions	\$43,968	23.5%	\$105,523
Forestry	\$40,765	15.4%	\$97,835
Game & Fish	\$47,220	5.9%	\$339,981
Health Services	\$41,814	13.4%	\$2,170,129
Housing	\$34,475	100%	\$10,342
Industrial Commission	\$36,124	11.1%	\$238,421
Insurance	\$39,119	43.1%	\$258,183
Juvenile Corrections	\$38,729	24.7%	\$2,346,959
Land Dept	\$46,395	9.2%	\$153,104
Lottery Commission	\$38,479	4.2%	\$34,631
Military Affairs	\$33,289	0.0%	\$0
Pioneers Home	\$31,911	19.8%	\$172,321
Real Estate	\$31,126	22.2%	\$37,351
Registrar of Contractors	\$36,393	4.7%	\$43,672
Retirement System	\$26,563	8.3%	\$7,969
Revenue	\$35,158	74.3%	\$3,449,026
State Parks	\$36,987	15.8%	\$355,076
Transportation	\$36,736	7.7%	\$2,953,553
Veterans Service	\$30,817	26.8%	\$351,310
Water Resources	\$44,727	8.7%	\$174,437
Overall Average	\$37,636	15.6%	\$47,918,662

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. In 2009 the estimated cost of turnover was nearly \$48 million.

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



... the average annual salary for covered employees increased slightly from last year ...

**Table 4-1 – Agency Comparison of Average Salary per Covered Employee
Fiscal Year 2005 - 2009**

Agency	Average Covered Employee Wages				
	2005	2006	2007	2008	2009
Small Agencies	\$32,835	\$35,331	\$34,857	\$35,422	\$35,224
Administration	\$33,348	\$35,274	\$36,224	\$36,736	\$39,433
Agriculture	\$32,253	\$34,538	\$34,946	\$37,064	\$35,561
AHCCCS	\$29,629	\$31,982	\$32,607	\$33,184	\$33,577
Attorney General	\$36,319	\$39,284	\$38,132	\$39,889	\$38,858
Commerce	\$40,491	\$42,391	\$43,344	\$42,428	\$40,177
Corporation Commission	\$37,662	\$41,284	\$42,538	\$41,895	\$42,709
Corrections	\$32,089	\$36,686	\$39,913	\$39,286	\$39,572
Early Childhood Development	N/A	N/A	N/A	\$36,875	\$36,082
Economic Security	\$31,453	\$33,658	\$34,497	\$34,673	\$35,018
Education	\$40,353	\$41,612	\$41,375	\$41,952	\$42,397
Environmental Quality	\$38,015	\$40,382	\$40,651	\$40,655	\$40,799
Financial Institutions	\$38,753	\$42,376	\$44,530	\$44,659	\$43,968
Forestry	N/A	N/A	N/A	\$40,567	\$40,765
Game & Fish	\$36,202	\$42,014	\$45,402	\$45,392	\$47,220
Health Services	\$36,160	\$38,562	\$41,319	\$41,845	\$41,814
Housing Dept	\$38,926	\$41,238	\$47,536	\$47,536	\$34,475
Industrial Commission	\$31,646	\$33,323	\$35,459	\$36,097	\$36,124
Insurance Dept	\$34,501	\$36,629	\$38,861	\$39,087	\$39,119
Juvenile Corrections	\$32,001	\$36,279	\$38,463	\$38,299	\$38,729
Land Dept	\$40,177	\$43,311	\$43,434	\$45,793	\$46,395
Lottery Commission	\$35,060	\$37,441	\$38,176	\$38,863	\$38,479
Military Affairs	\$31,246	\$31,540	\$30,320	\$30,894	\$33,289
Pioneers Home	\$27,309	\$30,439	\$29,076	\$30,964	\$31,911
Real Estate	\$30,398	\$31,759	\$31,389	\$31,326	\$31,126
Registrar of Contractors	\$32,905	\$34,586	\$36,390	\$36,223	\$36,393
Retirement System	\$31,630	\$31,234	\$31,669	\$28,905	\$26,563
Revenue	\$31,891	\$34,048	\$34,613	\$34,633	\$35,158
State Parks	\$31,926	\$34,381	\$36,393	\$36,692	\$36,987
Transportation	\$31,918	\$34,309	\$35,645	\$36,261	\$36,736
Veterans Service	\$27,745	\$29,630	\$30,271	\$32,107	\$30,817
Water Resources	\$40,633	\$42,799	\$43,821	\$44,658	\$44,727
Overall Average	\$32,363	\$35,402	\$37,151	\$37,224	\$37,636

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. The Early Childhood Development agency was created in FY2008; Forestry was previously a division within the Land Dept but in FY2008 became identified within the HRIS system as a separate entity.

Analysis: The statewide average salary for covered employees increased slightly by 1.1% last year. However, ten agencies experienced a decrease in the average salary for their covered employees.

... total costs for overtime expenditures decreased by 38% last year ...

**Table 4-2 – Total Overtime Costs by Agency
Fiscal Year 2005 - 2009**

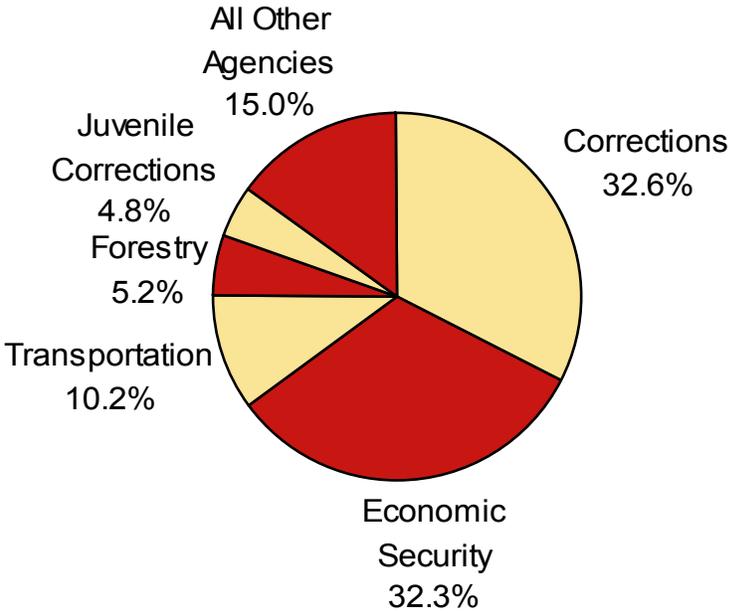
Agency	2005	2006	2007	2008	2009
Small Agency Administration	\$506,703	\$590,745	\$526,039	\$560,400	\$467,011
Agriculture	\$221,421	\$326,485	\$361,905	\$302,617	\$334,525
AHCCCS	\$222,911	\$115,845	\$89,634	\$134,349	\$8,312
Attorney General	\$136,598	\$226,758	\$171,527	\$182,392	\$92,866
Commerce	\$167	\$39	\$134	\$0	\$275
Corporation Commission	\$248,471	\$271,911	\$139,473	\$18,944	\$7,860
Corrections	\$5,890,566	\$29,039,050	\$34,727,394	\$14,074,189	\$8,151,499
Early Childhood Development	N/A	N/A	N/A	\$0	\$369
Economic Security	\$9,958,701	\$10,492,305	\$12,675,683	\$11,960,865	\$8,072,263
Education	\$51,408	\$55,833	\$107,917	\$87,397	\$58,406
Environmental Quality	\$62,592	\$40,394	\$56,938	\$81,885	\$64,874
Financial Institutions	\$6,801	\$8,563	\$15,645	\$20,792	\$7,796
Forestry	N/A	N/A	N/A	\$0	\$1,300,947
Game & Fish	\$155,114	\$188,938	\$220,373	\$105,015	\$58,045
Health Services	\$1,032,539	\$1,368,708	\$1,267,574	\$844,764	\$622,925
Housing	\$0	\$109	\$0	\$0	\$0
Industrial Commission	\$615	\$45	\$162	\$614	\$863
Insurance	\$1,843	\$1,319	\$91	\$0	\$0
Juvenile Corrections	\$2,332,710	\$3,801,185	\$3,327,468	\$2,887,795	\$1,191,177
Land Dept	\$345,024	\$733,569	\$765,460	\$1,439,639	\$762
Lottery Commission	\$19,375	\$13,875	\$14,863	\$9,597	\$7,844
Military Affairs	\$407,042	\$353,525	\$312,590	\$583,836	\$641,178
Pioneers Home	\$8,969	\$9,192	\$12,153	\$15,500	\$29,659
Real Estate	\$0	\$25	\$0	\$52	\$0
Registrar of Contractors	\$47	\$36,416	\$48,176	\$43,130	\$16,066
Retirement System	\$18,727	\$28,717	\$21,814	\$42,103	\$25,902
Revenue	\$296,882	\$247,623	\$213,985	\$143,393	\$93,609
State Parks	\$18,206	\$24,517	\$38,127	\$26,904	\$19,197
Transportation	\$5,837,696	\$5,666,270	\$5,578,432	\$5,968,928	\$2,541,254
Veterans Service	\$293,208	\$391,549	\$428,341	\$589,884	\$518,484
Water Resources	\$0	\$5,589	\$8,178	\$924	\$304
Overall Total	\$28,602,513	\$54,563,084	\$61,521,238	\$40,591,020	\$25,020,122

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. The Early Childhood Development agency was created in FY2008; Forestry was previously a division within the Land Dept but in FY2008 became identified within the HRIS system as a separate entity.

Analysis: The State's total overtime expenses decreased by 38% from last year. Nineteen agencies experienced a decrease of 25% or more, and nine agencies experienced a decrease of over 50%. However, there were also six agencies that increased their overtime expenditures by 25% or more, including four that showed an increase of more than 50%.

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

**Table 4-3 – Distribution of Overtime Costs by Agency
Fiscal Year 2009**



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 85% of the State's total overtime expenses last year.

... the average number of sick leave days used and the average cost of sick leave decreased from last year. . .

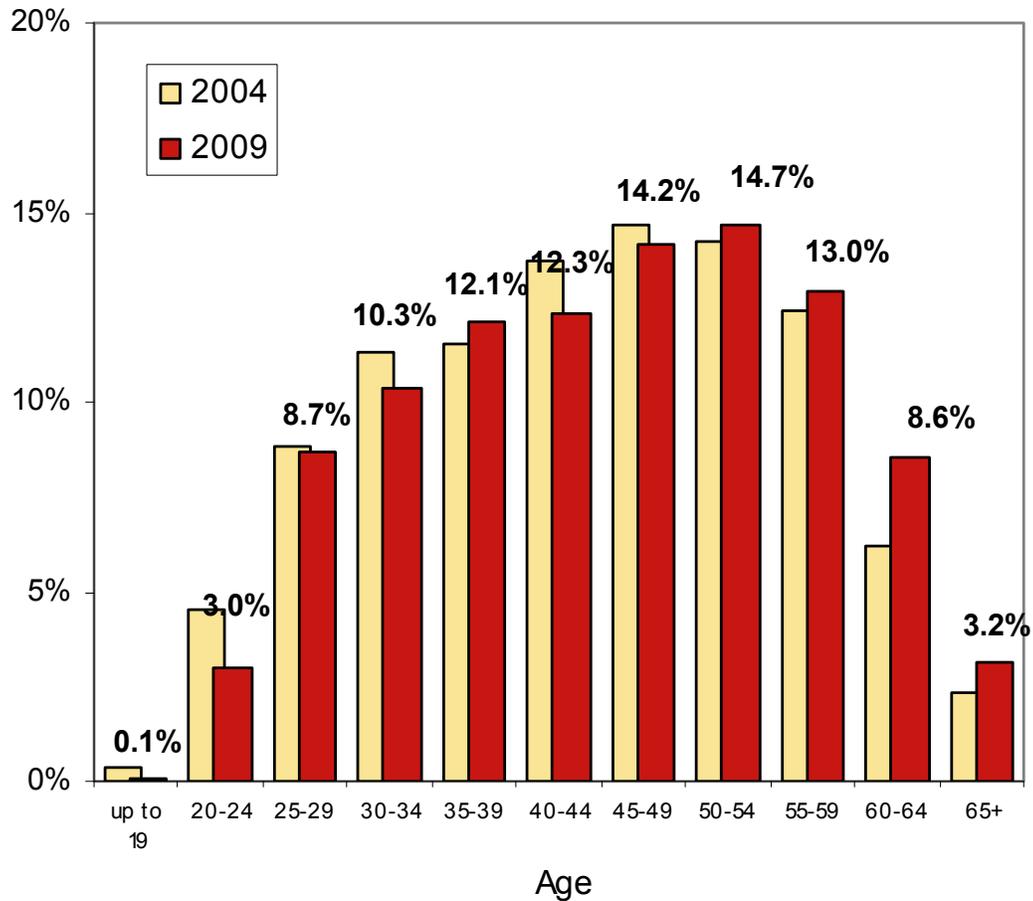
Table 4-4 – Average Sick Leave Use and Average Costs Per Employee by Agency Fiscal Year 2006 - 2009

Agency	Avg Sick Leave Days				Avg Sick Leave Costs			
	2006	2007	2008	2009	2006	2007	2008	2009
Small Agencies	7.7	7.5	6.2	7.6	\$1,183	\$1,250	\$1,080	\$1,337
Administration	9.2	8.0	8.8	7.9	\$1,410	\$1,320	\$1,489	\$1,462
Agriculture	6.6	7.0	7.6	6.1	\$862	\$960	\$1,066	\$877
AHCCCS	9.8	9.1	9.3	9.1	\$1,320	\$1,274	\$1,386	\$1,335
Attorney General	8.2	8.1	8.4	7.6	\$1,485	\$1,601	\$1,747	\$1,597
Commerce	7.0	6.6	8.6	8.5	\$1,188	\$1,187	\$1,596	\$1,624
Corporation Commission	9.8	9.2	10.1	9.5	\$1,670	\$1,639	\$1,922	\$1,805
Corrections	9.4	9.2	10.3	9.6	\$1,243	\$1,372	\$1,608	\$1,511
Early Childhood Development	N/A	N/A	5.5	5.5	N/A	N/A	\$1,372	\$1,189
Economic Security	10.0	9.8	10.2	9.4	\$1,251	\$1,295	\$1,394	\$1,295
Education	8.0	8.4	8.8	9.5	\$1,401	\$1,532	\$1,691	\$1,851
Environmental Quality	10.9	9.7	9.7	10.1	\$1,693	\$1,624	\$1,669	\$1,688
Financial Institutions	6.5	7.1	6.8	5.9	\$969	\$1,123	\$1,149	\$916
Forestry	N/A	N/A	3.8	6.6	N/A	N/A	\$619	\$1,061
Game & Fish	6.1	6.6	5.9	6.5	\$810	\$1,037	\$1,048	\$1,163
Health Services	8.7	8.4	9.7	9.2	\$1,307	\$1,378	\$1,714	\$1,612
Housing Dept	6.8	6.8	10.2	8.5	\$1,228	\$1,280	\$2,022	\$1,640
Industrial Commission	9.6	9.4	8.5	8.0	\$1,252	\$1,262	\$1,222	\$1,143
Insurance Dept	9.4	9.1	8.5	6.1	\$1,465	\$1,480	\$1,445	\$1,078
Juvenile Corrections	9.4	9.0	9.0	8.3	\$1,343	\$1,399	\$1,465	\$1,365
Land Dept	8.4	8.5	7.6	10.8	\$1,342	\$1,397	\$1,322	\$1,954
Lottery Commission	7.8	9.1	10.1	8.2	\$1,166	\$1,449	\$1,662	\$1,302
Military Affairs	9.6	8.8	8.3	6.8	\$1,400	\$1,318	\$1,277	\$1,108
Pioneers Home	8.5	10.7	8.4	7.7	\$938	\$1,290	\$1,086	\$1,017
Real Estate	9.9	8.9	9.5	10.5	\$1,448	\$1,212	\$1,314	\$1,433
Registrar of Contractors	9.2	8.9	8.1	8.3	\$1,243	\$1,297	\$1,321	\$1,261
Retirement System	8.1	8.6	8.6	6.8	\$1,263	\$1,458	\$1,535	\$1,253
Revenue	10.1	10.0	10.0	9.6	\$1,406	\$1,476	\$1,549	\$1,540
State Parks	8.6	8.9	7.7	9.0	\$1,166	\$1,263	\$1,185	\$1,413
Transportation	9.5	9.5	9.2	9.3	\$1,301	\$1,332	\$1,357	\$1,377
Veterans Service	9.5	8.3	8.5	7.4	\$1,127	\$1,048	\$1,143	\$1,003
Water Resources	7.2	8.4	8.9	9.5	\$1,224	\$1,683	\$1,726	\$1,799
Overall Average	9.4	9.2	9.5	9.1	\$1,276	\$1,342	\$1,464	\$1,411

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. The Early Childhood Development agency was created in FY2008; Forestry was previously a division within the Land Dept but in FY2008 became identified within the HRIS system as a separate entity.

Analysis: The average cost of sick leave decreased by 3.6% last year. Four agencies experienced cost increases of 10% or more and two of those experienced increases in excess of 20%. However, nine agencies were able to decrease their sick leave costs from the prior year by 10%, including 3 agencies that experienced reductions over 20%.

**Table 4-5 – Age Distribution for All Employees
Fiscal Year 2004 and 2009**

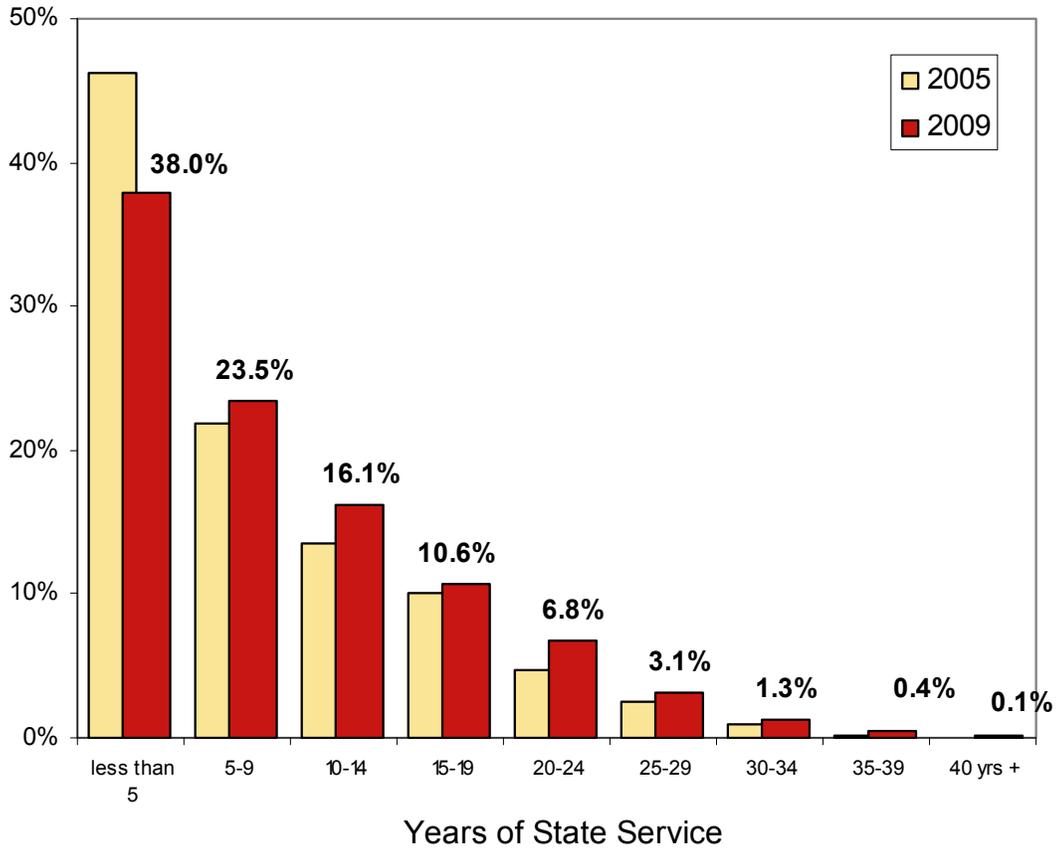


Source: The state's Human Resources Information Solution. Data includes covered and uncovered employees.

Analysis: The above chart shows the age distribution for all employees. In 2009, the average age of a state employee was 45.6 years. More employees were in the 45-49 and 50-54 age groups than any other age group. In 2004, 25% of the workforce was less than 35, whereas in 2009, 22% of the workforce was less than 35 years of age. In 2004, less than 21% of the workforce was over the age of 55; however in 2009, 24.7% was over 55 years of age.

... the average length of service was 9.6 years ...

**Table 4-6 – Length of Service Distribution for All Employees
Fiscal Year 2005 and 2009**



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 2005. The average length of service with the state in 2009 was 9.6 years of service. 38% of state employees have been hired within the last 5 years, and 61.5% of employees have less than 10 years of service with the state.

... nearly 74% of employees indicate they are satisfied with their job ...

**Table 4-7 – Employee Satisfaction
Fiscal Year 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%	58.4%
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 were 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.