

Administrative Rules - Automation and Staff Adjustment

Description of issue and how recommending the agency's request furthers the agency's mandates

Pursuant to A.R.S. § 41-1011, the Arizona Secretary of State's Office (the Office) is responsible for preparing and publishing the Arizona Administrative Code and Arizona Administrative Register. These publications contain the administrative rules and rulemaking notices submitted by state agencies, boards, and commissions and provide the official public record of Arizona's regulatory activity.

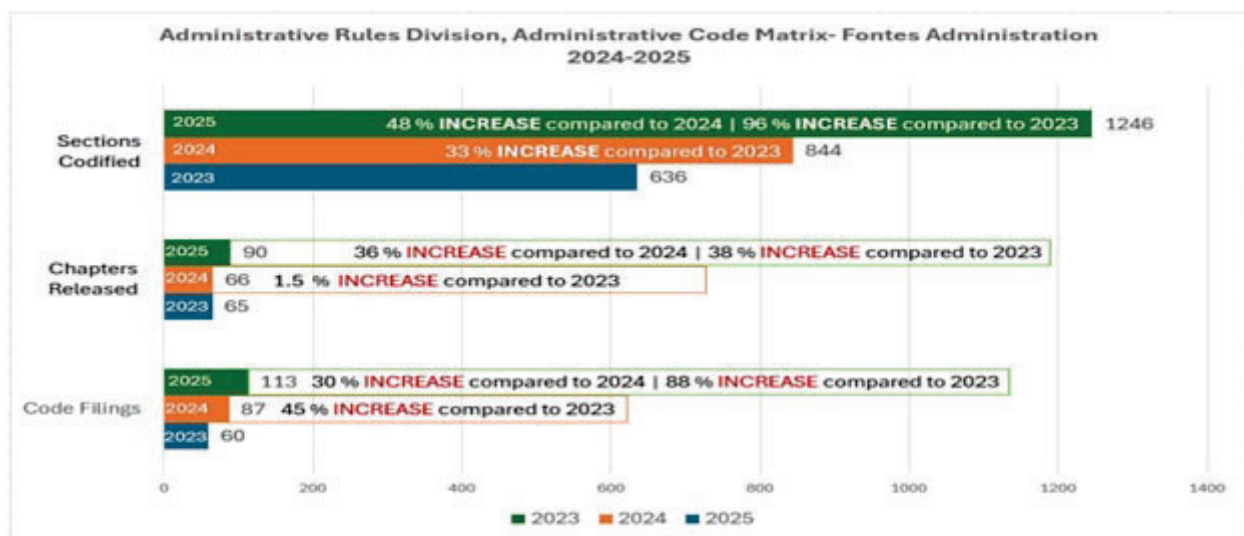
The Administrative Rules Division serves as the state's filing office and official repository for administrative rulemaking. Division staff receive and review rulemaking filings, maintain official records, provide courtesy reviews to state entities, publish the Arizona Administrative Register each week, and codify final rules in the Arizona Administrative Code each quarter. The Division also assists agencies, stakeholders, and members of the public in understanding and navigating the rulemaking process.

This work requires staff to review, organize, correlate, format, publish, and preserve filings submitted by state entities. Each new rulemaking action may require updates to existing rules, publication of notices and exemptions, coordination with the submitting agency, and maintenance of an accurate and accessible historical record.

The Division currently performs these responsibilities with two highly experienced full-time employees. Since 2023, the volume of rulemaking filings and legal notices — and the corresponding review, publication, and records-management workload — has increased by as much as 15 percent annually. Continued growth at this rate will exceed the capacity of the current manual processes and place the timely performance of the Office's statutory responsibilities at risk.

The Office has evaluated how other states manage similar responsibilities and found that several peer states have adopted administrative rules automation systems, while others are moving toward automated platforms. These systems streamline filing intake, document review, workflow management, publication, codification, and public access while reducing repetitive manual work and the potential for errors.

Implementing a proven automation system would allow the Office to manage increasing filing volumes without adding staff at the same rate, improve the timeliness and accuracy of publications, preserve institutional knowledge, and provide agencies and the public with more efficient access to Arizona's administrative rules. Automation is particularly important as the Office prepares for the potential retirement of one or both of the Division's current employees within the next several years.



Proposal

Appropriate \$600,000 in one-time, nonlapsing funding from the state General Fund in FY2028 and \$300,000 annually beginning in FY2029 to procure, implement, license, maintain, and support an automated administrative rules management and publication system.

The funding will allow the Office to:

- Automate the submission and intake of administrative rulemaking filings.
- Streamline review, formatting, workflow management, and agency coordination.
- Support publication of the weekly Arizona Administrative Register and quarterly Arizona Administrative Code.
- Improve the accuracy, timeliness, accessibility, and searchability of administrative rules.
- Preserve institutional knowledge and reduce reliance on manual processes maintained by a limited number of experienced employees.
- Manage continued workload growth while limiting the need for additional staff.

Total Request

Initiative	FY2028 One-Time	FY2029+ Ongoing
ACR automation tool implementation	\$600,000	\$300,000
Total	\$600,000	\$300,000

Alternatives considered and reasons for rejection

The Office considered addressing the increasing workload exclusively through additional staffing. This alternative was rejected because filing volumes are expected to continue growing, requiring corresponding staffing increases without improving the efficiency of the underlying manual processes. While staffing will remain necessary to exercise legal judgment, review filings, assist agencies, and oversee official publications, automation will allow employees to focus on these higher-value responsibilities rather than repetitive administrative tasks.

The Office also considered delaying modernization and continuing to rely on existing processes. This alternative was rejected because the current workload is already increasing by as much as 15 percent annually, placing additional pressure on a Division staffed by only two highly experienced employees. Delaying implementation would increase the risk of publication delays, errors, employee burnout, and loss of institutional knowledge if one or both employees retire before a replacement system is implemented.

Impact of not funding this fiscal year

Without funding, the Office will continue relying on labor-intensive manual processes to manage a workload that has increased by as much as 15 percent annually. As filing volumes grow, the Office may need to add staff simply to maintain existing service levels, increasing long-term operating costs without addressing the limitations of the current process.

Failure to fund the request would also increase the risk of delays or errors in the publication and codification of administrative rules. These publications constitute the official public record of regulatory actions taken by state agencies, boards, and commissions, making their accuracy, timeliness, and accessibility essential to agencies, regulated entities, stakeholders, and the public.

The potential retirement of one or both current employees creates an additional operational risk. Their subject-matter expertise will be critical to selecting, configuring, and

implementing a system that meets Arizona's legal and operational requirements. Delaying the project could result in the loss of that institutional knowledge before it can be incorporated into the new platform.

Providing funding in FY2028 will allow the Office to modernize this statutory function while experienced employees remain available to guide implementation, train future staff, and support a seamless transition.

Statutory reference

A.R.S. §§ 41-1011–1014 enumerate both the breadth and scope of the Secretary's duties for preparing, maintaining, and publishing the rules of all Arizona state entities.

Equipment to be purchased

No new hardware equipment is anticipated to be purchased. We anticipate licensing a proven, commercially available ACR automation software.

Classification of new positions

With the implementation of an ACR automation tool, there will be no new positions created.

We envision that there would be minimal need to backfill extant positions as they become vacant. (We envision that with the increased productivity enabled by an ACR automation tool, the FTEs required to manage the current and expected workload would be reduced from three or more FTEs, to one FTE.)

Annualization

\$300,000 in FY2029 and thereafter.