

Department of Economic Security
Aging and Community Services

A.R.S. § 41-1954

JLBC Analyst: Pat Mah

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
OPERATING BUDGET				
Full Time Equivalent Positions	93.1	93.1	96.1	96.1
Personal Services	3,538,400	3,827,600	4,051,500	4,252,400
Employee Related Expenditures	704,100	771,500	873,200	859,200
Professional and Outside Services	89,800	49,000	49,000	49,000
Travel - In State	155,700	171,400	183,400	183,400
Other Operating Expenditures	626,800	475,300	490,000	490,000
Equipment	13,800	10,400	31,100	10,400
<i>Operating Subtotal</i>	5,128,600	5,305,200	5,678,200	5,844,400
Adult Services	9,129,300	9,711,800	11,496,300 ^{1/2/}	11,545,300 ^{1/2/}
Long-Term Care Ombudsman	325,300	359,500	359,500	359,500
Community and Emergency Services	6,462,200	5,683,800	6,979,500	6,979,500
Coordinated Hunger Program	1,247,000	1,286,600	1,786,600	1,786,600
Coordinated Homeless Program	2,554,600	2,738,600	2,738,600	2,738,600
Domestic Violence Prevention	5,061,700	8,823,800	8,823,800	8,823,800
Information and Referral	103,500	115,400	115,400 ^{3/}	115,400 ^{3/}
TANF Deposit to Community-Based Marriage and Communication Skills Program Fund	0	1,150,000	0 ^{4/}	0 ^{4/}
SUBTOTAL	30,012,200	35,174,700	37,977,900	38,193,100
Additional Appropriations -				
Appropriations; Domestic Violence, Ch. 358	0	0	500,000 ^{5/}	500,000 ^{5/}
TOTAL APPROPRIATIONS	30,012,200	35,174,700	38,477,900^{6/}	38,693,100^{6/}
FUND SOURCES				
General Fund	19,714,200	20,944,800	23,593,500	23,800,000
<u>Other Appropriated Funds</u>				
Federal Temporary Assistance for Needy Families Block Grant	8,789,400	12,529,900	13,184,400	13,193,100
Domestic Violence Shelter Fund	1,508,600	1,700,000	1,700,000 ^{7/}	1,700,000 ^{7/}
<i>Subtotal - Other Appropriated Funds</i>	10,298,000	14,229,900	14,884,400	14,893,100
TOTAL APPROPRIATIONS	30,012,200	35,174,700	38,477,900	38,693,100

^{1/} It is the intent of the Legislature that a state General Fund amount of \$250,000 in Adult Services be matched with \$250,000 from the federal Social Services Block Grant for non-medical home and community based services. (General Appropriation Act footnote)

^{2/} This amount does not include a triggered appropriation made by Laws 2001, Chapter 235 for Adult Services. Triggered appropriations in FY 2002 and FY 2003 depend on the availability of excess revenues. (For more information refer to the "Triggered Appropriations" policy issue in this cost center and the "Summary of Appropriations Triggered by Revenues" table at the front of this report.)

^{3/} It is the intent of the Legislature that the \$115,400 appropriated in FY 2002 and FY 2003 for Information and Referral Services shall be used to fund services in each city of this state with a population of more than 250,000 persons according to the most recent United States decennial or special census. (General Appropriation Act footnote)

^{4/} The General Appropriation Act, as originally passed, included \$1,150,000 in both FY 2002 and FY 2003 for the TANF Deposit to Community-Based Marriage and Communication Skills Program Fund Special Line Item. This amount was line item vetoed by the Governor for a reduction in the total appropriation by the corresponding amount.

^{5/} Pursuant to Laws 2001, Chapter 358, this appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.

COST CENTER DESCRIPTION — *The program provides alternatives to institutional care for the elderly and physically disabled through a range of non-medical home and community-based services. It includes statewide programs of advocacy, social services, nutrition services, program development services, adult protective services, nursing home ombudsman services, volunteer services, and employment opportunities.*

PERFORMANCE MEASURES	FY 1999 Est./Actual	FY 2000 Est./Actual	FY 2001 Estimate	FY 2002-03 Estimate
• Average % of survey respondents indicating provision of services avoided premature institutionalization	Baseline/82.8	83.5/75.4	78	81/84
• Adult Protective Services investigation % rate	76.4/76.4	80/80	81	81
• % of participants in Older Workers program transitioned from subsidized to unsubsidized positions	30/47	30/39	45	47/49
• % of eligibility determination made within 48 hours for Refugee Medical Assistance Program	92/96	94/100	98	98
• % of clients surveyed who were accurately referred by the Information and Referral Program	75/96	76/87	90	90

Adult Investigations — The approved budget reflects a FY 2002 increase of \$205,200 and 3 FTE Positions above FY 2001 and a FY 2003 increase of \$184,500 and 3 FTE Positions above FY 2001. The FY 2003 increase is lower due to the elimination of one-time equipment. This funding is from the General Fund (GF) for maintaining the Adult Protective Services (APS) investigation rates at 80.6%. The appropriation includes 3 Human Specialist III FTE Positions for each year. The monies are displayed in the operating budget except for \$51,700 that is part of the Adult Services Special Line Item for emergency services.

Special Line Items

Adult Services — Besides the \$51,700 GF increase in both FY 2002 and FY 2003 mentioned early in this narrative under the policy issue for *Adult Investigations*, this Special Line Item includes a GF increase of \$1,686,000 in both FY 2002 and FY 2003 above FY 2001. This increase will fund caseloads for non-medical community-based continuum of care and services for abused, neglected, and exploited adults. The services provided are based upon a person's ability to perform activities of daily living, family support, and financial status. The intended purpose is to provide assistance to stay at home as an alternative to the more costly move to Adult Care Homes. There has been a growth in the demand for services due to demographic changes for the state because of longer life spans and continuing growth in the retirement age group. An estimated additional 1,378 clients will be served each year over the biennium, including the approximately 1,043 who are reported to be on the waiting list.

In addition to state GF monies, the Department of Economic Security (DES) receives federal non-appropriated dollars from Title III and federal Title XX Social Services Block Grant (SSBG). The approved amounts are the same for FY 2002 and FY 2003 except for a slight difference in Older Americans Act funding. The approved amount for each fiscal year is distributed as follows:

- **Adult Protective Contracted Services** — Provides \$345,400 GF for services to elderly people who are abused or neglected.
- **Supplemental Payments** — Provides \$2,039,000 GF for a continuation of care and services, such as housekeeper, home health aide, and visiting nurse services, for Supplemental Security Income (SSI)-eligible households. DES provides services to their clientele based upon severity of need. Program costs are borne fully by the state. Any funds not expended on SSI recipients may be reallocated to pay for housekeeper, home health aide, and visiting nurse services provided to non-SSI recipients who are eligible for the Home Care services component of the Adult Services Special Line Item. The SSI-eligible population receiving Supplemental Payment services will continue to be the priority target group. The following reflects FY 2002 and FY 2003 caseload estimates.

6/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items for the Program.

7/ All Domestic Violence Shelter Fund monies above \$1,700,000 received by the Department of Economic Security in FY 2002 or in FY 2003 are appropriated for the Domestic Violence Prevention Special Line Item. The Department of Economic Security shall report the intended use of the monies above \$1,700,000 in FY 2002 and FY 2003 to the Joint Legislative Budget Committee. (General Appropriation Act footnote)

	Average # of Monthly Clients	Average Monthly Cost
Home Health Aide	233	\$92.12
Housekeeping Payments	2,455	59.86
Visiting Nurse	172	65.66

- **Home Care** — Provides \$4,917,800 GF for supplemental payment services, plus personal care to non-SSI recipients who are disabled or elderly and do not qualify for the federal Medicaid Arizona Long Term Care System. Another \$3,030,200 will be provided by non-appropriated federal and local contributions. Included in the \$3,030,200 is \$250,000 from federal SSBG, as required by a General Appropriation Act footnote (*see footnote 1*). The appropriation will fund an average of 50 hours of services for 9,373 individuals at an average cost of \$16.96 per hour.
- **Older Americans Act** — Reflects an increase of \$46,800 GF in FY 2002 to draw down an additional \$554,000 in federal Older Americans Act (OAA) funding. The approved FY 2003 amount includes a further increase of \$49,000 GF in the state match to draw down an additional \$582,300 in federal OAA funding, for a total of \$1,136,300 over the 2 years. The GF increase over the 2-year period will bring the OAA state match to \$1,117,100 annually to draw down \$12,122,000 in federal OAA funds. The state and federal funds are for congregate and home-delivered meals, as well as other social services. Other funding sources include local contributions of \$21,621,200 in FY 2002 and \$21,454,200 in FY 2003.
- **Assessments and Case Management** — Provides \$2,064,000 GF through contracted agencies to assess the service needs of the person by measuring ability to perform activities of daily living, family support, and financial status. A contracted case manager assists the client in matching needs to available resources. The approved amount will provide case management services to an average monthly caseload of 13,227 persons. Each person averages 12 hours of service at an estimated cost of \$34.31 per hour. In addition to the state share, an additional \$3,381,700 is provided through federal and local contributions.
- **Program Development** — Provides \$100,000 GF for the state's 8 Area Agencies on Aging for support services, senior centers, and nutrition services.
- **Respite Care** — Includes \$462,000 GF for providing services to prevent premature institutionalization by giving relief to care givers of the elderly.

- **Supportive Services** — Includes \$500,000 GF for new funding to provide other supportive home and community based services, and/or supplies to maintain an individual in the home. Examples are home delivered meals and personal care supplies such as dietary supplements. The services and supplies are provided through the state's 8 Area Agencies on Aging under the guidance provided by A.R.S. § 46-191. This amount will serve an estimated 409 clients at an average cost of \$1,223 each.

The above amounts do not reflect a triggered appropriation of \$1,800,000 GF in both FY 2002 and FY 2003 for the Adult Services Special Line Item. (*See the Triggered Appropriation policy issue in this narrative for more information.*)

Long-Term Care (LTC) Ombudsman — The approved amount of \$359,500 GF for each fiscal year funds local agency staff for adults in long-term care settings. No state FTE Positions are funded from this Special Line Item. The Office of State Long-Term Care Ombudsman was established during FY1990 in accordance with the requirements of the federal Older Americans Act. Funds in this Special Line Item are used for the administrative cost of the office.

Community and Emergency Services — The approved budget includes an increase of \$1,295,700 from the Temporary Assistance for Needy Families (TANF) Block Grant in both FY 2002 and FY 2003 above FY 2001 to continue to replace federal SSBG monies that have been cut in recent years. The department used TANF monies of \$2,291,000 in FY 2000 and \$1,612,700 in FY 2001 to reduce the impact of the federal SSBG cuts. However, the department's ability to do these offsets was possible only because it had under spending in TANF appropriations for other programs. There also was TANF monies that had been transferred to SSBG that the 1999 Legislature appropriated to reduce the impact of the SSBG cut; however, those monies are discontinued after FY 2001.

The appropriated TANF monies are specifically for offsetting reported reductions for locally planned services. The appropriation includes \$1,038,900 for the Councils of Governments (COG's) and \$256,800 for community services in both FY 2002 and FY 2003 above FY 2001. The monies are appropriated to this Community and Emergency Services Special Line Item for the COG's and locally based community services.

The approved budget also continues funds for 2 different activities. These activities for each FY 2002 and FY 2003 consist of:

- \$983,500 GF and \$855,600 TANF for Emergency Assistance, which provides aid to low-income households in need of temporary financial assistance to

address utility, shelter, repair, or special need emergencies.

- \$3,844,700 TANF for Community Action Services, which provides financial and technical assistance for local communities to identify priority problems and needs of individuals in poverty.

In addition to the appropriated dollars, each activity receives non-appropriated dollars from federal and other funds. DES estimates receiving \$846,200 from the federal SSBG for Emergency Assistance. Another \$4,385,200 from the federal Community Services Block Grant is anticipated for Community Action Services.

Prior to FY 1999, funding of \$100,000 from TANF was used for Utility Assistance, which helps pay utility deposits and repairs or replacements of appliances for low-income households. The department revised its budget to discontinue use of TANF funds. Instead, funding for this activity is entirely from non-appropriated sources. It is anticipated that \$6,813,300 from the federal Low Income Home Energy Assistance program and \$726,000 from Other Non-Appropriated Funds is available for Utility Assistance.

Coordinated Hunger Program — The approved budget includes an increase of \$500,000 from TANF in both FY 2002 and FY 2003 from FY 2001. The new TANF monies in this Special Line Item are to be used to help assist food banks in transportation costs for distributing food commodities.

The approved budget also continues GF funding in both FY 2002 and FY 2003 for 2 subprograms: the Rural Food Bank Project, \$1,086,600, and the Food Bank Assistance Project, \$200,000. The \$1,086,600 for the Rural Food Bank Project provides assistance to local food banks for their ongoing operational costs. The \$200,000 in funding for the Food Bank Assistance Project was first authorized due to passage of Laws 1998, Chapter 208. The legislation appropriated \$125,000 for a grant program established by the new legislation for welfare and low-income food bank assistance. There is a 25% match requirement for the monies that must be matched using private sector dollars. The remaining appropriation of \$75,000 is for welfare and low income food bank assistance programs targeted to community groups and organizations that build food security at the community level. These monies also must be matched by 25% from private sector dollars. Grant amounts cannot exceed \$25,000 to any community group or organization.

The subprograms in this Special Line Item receive additional dollars from non-appropriated federal sources: Food Stamp Outreach, \$28,500; Community Services Block Grant, \$33,300; SSBG, \$295,700; and Temporary Emergency Food Assistance Program, \$627,900.

Coordinated Homeless Program — The program reflects the entire department's homeless planning and coordination activities, and the contracting of funds to community-based organizations providing services for the homeless and near homeless. The approved amount for FY 2002 and FY 2003 continues the FY 2001 level of funding. Funding for this program consists of \$1,155,400 GF and \$1,583,200 from TANF. This program also receives other non-appropriated dollars. These other non-appropriated dollars include the following federal dollars: Housing and Urban Development's Emergency Shelter Grant, \$663,100, and SSBG, \$571,100. Another \$45,000 is provided through the non-appropriated Homeless Trust Fund.

Domestic Violence Prevention — The approved budget includes an increase of \$500,000 GF in both FY 2002 and FY 2003 authorized by Laws 2001, Chapter 358. (*See Additional Appropriations in this narrative for further information.*) The approved budget also continues appropriations of \$800,000 GF and \$3,000,000 TANF Block Grant initially authorized by Laws 1999, Chapter 182 and Laws 2000, Chapter 362. Laws 1999, Chapter 182 appropriated the \$800,000 GF in both FY 2000 and FY 2001 to increase the number of programs funded from state monies, create a funding base for all emergency residential programs, and fund programs that increase their bed space in under served areas. Laws 2000, Chapter 362 appropriated the \$3,000,000 TANF in FY 2001 to provide \$2,000,000 for emergency shelter services and \$1,000,000 for legal and lay advocacy services.

Also, continued in both FY 2002 and FY 2003 is \$190,900 in increased expenditure authority from the Domestic Violence Shelter Fund. The additional authority was first authorized for FY 2001 pursuant to a footnote in the General Appropriation Act. This footnote allows the department to make use of unanticipated revenues when the intended use of the funds is brought before the Joint Legislative Budget Committee (JLBC).

Monies in this Special Line Item are used to provide shelter and supportive services to domestic violence victims and to promote awareness and prevention. This program is funded through both appropriated state GF, \$2,757,900; federal TANF Block Grant, \$4,865,900; and the Domestic Violence Shelter Fund, \$1,700,000. In addition, \$568,800 of non-appropriated federal SSBG dollars are utilized for these services.

Information and Referral — The approved amount of \$115,400 GF in both FY 2002 and FY 2003 provides information and referral services on a 24-hour toll-free statewide telephone system. This system serves all individuals requesting specific information regarding available resources.

TANF Deposit to Community-Based Marriage and Communication Skills Program Fund — This Special Line Item reflects a non-lapsing TANF appropriation of \$1,150,000 for Marriage Skills education authorized by Laws 2000, Chapter 393 for FY 2001. The appropriation consists of \$1,000,000 for grants to local communities and organizations. The monies are for implementing new or continuing existing programs which build marriage and communication skills and educate clients about family law and domestic violence issues. There also is \$75,000 to provide vouchers for attending training courses and \$75,000 for marriage handbooks for free distribution. The TANF monies are intended to be deposited into the non-appropriated Community-Based Marriage and Communication Skills Program Fund established by Laws 2000, Chapter 393. This legislation also established a public and private sector Marriage and Communication Skills Commission that is required to evaluate this program and provide its first annual report in November 2001.

During the 2001 Session, the Legislature approved in the General Appropriation Act monies of \$1,150,000 for both FY 2002 and FY 2003 for this program. However, the monies were line item vetoed by the Governor. The Governor also vetoed \$75,000 from TANF that was appropriated by S.B. 1390 for a divorce study. (*See Vetoed Appropriations in this cost center for further information.*)

Additional Appropriations: Appropriations: Domestic Violence (Chapter 358) — Appropriates non-lapsing GF monies of \$500,000 in both FY 2002 and FY 2003 for services to domestic violence victims. The monies include \$300,000 each year to provide emergency residential shelter and related services for the safety and protection of domestic violence victims and their children. There also is \$200,000 in each year to fund civil legal assistance for domestic violence victims. The legislation also changes the date for completing a state plan from December 1, 2000 to December 31, 2002. The report is to be prepared by a public and private sector Domestic Violence and Sexual Assault State Plan Task Force created by Laws 2000, Chapter 122.

Capital Outlay Appropriations: Tribal Senior Centers: Appropriations (Chapter 339) — Appropriates non-lapsing GF funding of \$1,000,000 in both FY 2002 and FY 2003 for tribal senior centers. The amount includes \$714,300 for the Navajo Nation and \$285,700 for the Hopi Tribe. The monies are for planning, designing, developing, and constructing senior center facilities. The funds have to be matched by the tribes and cannot be used for administrative costs.

Vetoed Appropriations: General Appropriation Act (Chapter 236) — The bill appropriated \$1,150,000 from TANF in both FY 2002 and FY 2003 for Marriage Skills education authorized by Laws 2000, Chapter 393. The

Governor line item vetoed this appropriation. (*See the TANF Deposit to Community-Based Marriage and Communication Skills Program Fund discussion above for more information.*)

Appropriations: TANF: Health Services (S.B. 1390) — Appropriated \$75,000 from TANF in FY 2002 for a divorce study. The Governor vetoed this bill. (*See discussions in other DES cost centers and the Department of Health Services and Arizona Department of Education narratives for further details on other vetoed provisions in this bill.*)

Triggered Appropriations: Conditional Appropriations: Taxation: Revenue Forecasts (Chapter 235) — This act appropriates \$1,800,000 in both FY 2002 and FY 2003 from the GF for Non-Medical Home and Community Based Services in the Adult Services Special Line Item if GF revenues exceed forecast. The monies will be used to keep pace with the growing number of elderly adults who are in need of services to assist them in living independently and who are reported to be abused, neglected, or exploited. The \$1,800,000 is appropriated in both FY 2002 and FY 2003 if FY 2001 GF revenues exceed forecast by \$79,708,400, based on calculations by the JLBC and Office of Strategic Planning and Budgeting prior to September 1, 2001. If FY 2001 revenues do not exceed the forecast by the required amount, \$1,800,000 still is appropriated for FY 2003 if FY 2002 GF revenues exceed forecast by \$73,512,300, based on calculations by JLBC and OSPB prior to September 1, 2002. (*See the Adult Services discussion above and the "Summary of Appropriations Triggered by Revenues" table at the front of this report for more information.*)

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