

Department of Economic Security
Benefits and Medical Eligibility

A.R.S. § 41-1954

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Approved
OPERATING BUDGET			
Full Time Equivalent Positions	755.3	747.3	721.9
Personal Services	21,086,600	22,560,000	23,540,800
Employee Related Expenditures	5,273,700	5,310,800	5,948,600
Professional and Outside Services	3,930,000	5,029,700	5,029,700
Travel - In State	607,600	695,800	695,800
Other Operating Expenditures	4,641,800	898,100	898,100
Equipment	453,900	0	0
Lump Sum Reduction	0	0	(1,253,300)
<i>Operating Subtotal</i>	35,993,600	34,494,400	34,859,700 ^{1/}
TANF Cash Benefits	115,939,600	132,863,100	155,016,600 ^{2/3/}
FLSA Supplement	845,200	1,008,900	1,008,900
Tribal Pass-Through Funding	0	4,610,800	4,212,800
Tribal Welfare Reform	447,600	1,000,000	0
Arizona Works Agency Procurement Board	300,000	0	0 ^{4/}
Arizona Works Administrative Incentives	150,400	1,292,800	434,300 ^{5/6/}
Outreach and Naturalization	238,200	85,000	85,000
General Assistance	4,602,600	5,509,000	2,130,400
Tuberculosis Control	19,000	32,200	32,200
Institutional Support Payments	202,400	266,400	266,400
Food Stamp Outreach Education	182,200	50,000	0
TOTAL APPROPRIATIONS	158,920,800	181,212,600	198,046,300 ^{7/}
FUND SOURCES			
General Fund	89,273,000	86,068,200	82,539,300
<u>Other Appropriated Funds</u>			
Federal Temporary Assistance for Needy Families Block Grant	69,647,800	95,144,400	115,507,000
<i>Subtotal - Other Appropriated Funds</i>	69,647,800	95,144,400	115,507,000
TOTAL APPROPRIATIONS	158,920,800	181,212,600	198,046,300

^{1/} The Operating Lump Sum Appropriation may be expended on Arizona Health Care Cost Containment System eligibility determinations based on the results of the Arizona random moment sampling survey. (General Appropriation Act footnote)

^{2/} Notwithstanding A.R.S. § 35-173C, any transfer to or from the \$155,016,600 appropriated for Temporary Assistance for Needy Families Cash Benefits in FY 2003 requires approval of the Joint Legislative Budget Committee. (General Appropriation Act footnote)

^{3/} Of the amounts appropriated for Temporary Assistance for Needy Families Cash Benefits, \$4,200,000 reflects appropriation authority only to ensure sufficient cashflow to administer cash benefits for tribes operating their own welfare programs. The department shall notify the Joint Legislative Budget Committee and the Governor's Office of Strategic Planning and Budgeting staff before the use of any of the \$4,200,000 appropriation authority. (General Appropriation Act footnote)

^{4/} The Department of Economic Security shall provide the Arizona Works Agency Procurement Board a level of support equivalent to that received in FY 2001. (General Appropriation Act footnote)

^{5/} The Department of Economic Security shall provide data on the Arizona Works program to the Joint Legislative Budget Committee on a bimonthly basis to accompany the report required by A.R.S. § 46-344. The Department of Economic Security shall also provide data related to the performance contract with the Arizona Works vendor to the vendor and the Joint Legislative Budget Committee no later than 70 days after the end of each fiscal quarter. (General Appropriation Act footnote)

^{6/} Appropriated by footnote in Laws 1999, Chapter 1, 1st Special Session, as amended by Laws 2002, Chapter 329.

^{7/} General Appropriation Act (Laws 2002, Chapter 327) funds are appropriated as an Operating Lump Sum with Special Line Items for the Program.

COST CENTER DESCRIPTION — *The program develops policy and operating procedures, determines eligibility, pays benefits and carries out an evaluation and monitoring program for the following programs: Temporary Assistance for Needy Families (TANF), Food Stamps, General Assistance (GA), Tuberculosis Control, and Institutional Support Payments.*

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Est./Actual	Estimate
• % of Cash Benefits issued timely	98.0/98.7	98.0/98.6	98.6/98.3	98.6
• % of total Cash Benefits payments issued accurately	96.0/95.1	96.0/97.3	95.0/95.3	95.0
• % of total Food Stamps payments issued accurately	94.8/94.7	95.0/96.4	95.0/94.0	95.0
• % of clients satisfied with Family Assistance Admin.	NA/86.6	NA/86.7	87.2/90.4	87.7/88.2

Special Line Items

TANF Cash Benefits — Monies in this line item provide financial assistance on a temporary basis to needy dependent children in their own homes or in the homes of responsible caretaker relatives. The approved amount, \$155,016,600, includes \$51,410,700 from the General Fund and \$103,605,900 from the TANF Block Grant. The approved amount includes an increase of \$22,153,500 above FY 2002 for estimated caseload growth of 10.8% from June 2002 to June 2003. The approved amount is expected to provide \$272.62 monthly to an average of 46,102 cases, including regular, 2-parent, and child-only cases.

The approved amount continues to include \$4,200,000 TANF for expenditure authority. This expenditure authority will help the department have sufficient cash flow to pay for cash benefits to clients of tribes operating their own welfare programs. The tribes pay the state for the benefits on a reimbursement basis. *(Please see footnote #3 for further details.)*

Fair Labor Standards Act Supplement — In addition to regular TANF Cash Benefits, this program pays cash supplements to certain TANF clients participating in unpaid work activities and community work experience programs. These supplements ensure that clients' participation in these programs meets Fair Labor Standards Act (FLSA) requirements. The approved amount is unchanged from FY 2002.

Tribal Pass-Through Funding — The approved amount, \$4,212,800 GF, reflects monies passed through to Native American tribes operating their own welfare programs. This amount is allocated as shown in *Table 1*.

Tribes	TANF Cash	Operating	Total
Navajo	\$1,208,800	\$1,152,900	\$2,361,700
Salt River			
Pima-Maricopa	263,600	58,800	322,400
Pascua Yaqui	606,500	115,100	721,600
White Mountain			
Apache	657,900	149,100 ^{1/}	807,000 ^{1/}
Total	\$2,736,800	\$1,476,000	\$4,212,800

^{1/} Note: Numbers do not add due to rounding

The decrease of \$(398,000) TANF from FY 2002 reflects elimination of one-time start-up funding for the Hopi Tribe appropriated in Laws 2001, Chapter 345.

In addition to monies in this line item, the 4 tribes independently receive \$19,407,700 TANF from the Federal Government.

Tribal Welfare Reform — Monies in this line item help fund tribal welfare reform efforts. Funding for this line item, which came from TANF, was eliminated for FY 2003.

Arizona Works Agency Procurement Board — Monies in this line item fund the administrative expenditures and technical assistance for Arizona Works Agency Procurement Board, which monitors implementation of the Arizona Works pilot program. Funding for this line item, which came from the General Fund, was eliminated in FY 2002. A footnote, however, requires that DES provide the board a level of support equivalent to that received in FY 2001. *(Please see footnote #4 for further details.)*

Arizona Works Administrative Incentives — Monies in this line item fund additional performance incentives for the Arizona Works program. The vendor for the Arizona Works program can earn these incentives if it meets specific criteria in its contract with the Arizona Works Agency Procurement Board. This amount does not include all incentives available to the vendor; those funds are in the operating budget. The approved TANF amount, reflects a reduction of (\$434,300) below the FY 2003 amount originally appropriated in Laws 1999, Chapter 1, 1st Special Session. This amount was modified by the Health Omnibus Reconciliation Bill (ORB), Laws 2002, Chapter 329.

A footnote requires that DES provide data related to the performance contract to the vendor and JLBC no later than 70 days after each fiscal quarter. *(Please see footnote #5 for further details.)*

Outreach and Naturalization — This program funds outreach and naturalization efforts targeted to legal immigrants losing Food Stamps and health coverage as a result of welfare reform. The funding is used for

application fees and English classes. The approved amount, \$85,000 GF, is unchanged from FY 2002.

General Assistance — This program provides financial assistance to persons who are unemployable because of a physical or mental disability. Eligibility is limited to 12 months out of every 36-month period. Extensions of 6 months are allowed if a recipient is currently appealing an adverse decision by the Social Security Administration regarding federal benefits.

The approved amount, \$2,130,400 GF, reflects a decrease of \$(3,378,600) below FY 2002 for a change in General Assistance application procedures. These changes, requiring the department to provide benefits only to clients they believe will qualify for federal supplemental security income benefits, were outlined in the Health ORB.

Tuberculosis Control — This program provides financial assistance to persons certified unemployable by the state Tuberculosis Control Office because of communicable tuberculosis, as outlined in A.R.S. § 36-716. The approved amount, \$32,200 GF, is unchanged from FY 2002 and will permit average monthly payments of \$134 to 20 clients.

Institutional Support Payments — This program provides an optional state supplemental payments program, as outlined in A.R.S. § 46-252. The program provides \$50 monthly payments to persons residing in a licensed supervisory care home, an adult foster care home, or a person who is seriously mentally ill and residing in a 24-hour residential treatment facility licensed by the Department of Health Services. The approved amount, \$266,400 GF, is unchanged from FY 2002 and permits average monthly payments of \$50 to 444 clients.

Food Stamp Outreach and Education — This line item hires current or former TANF recipients to conduct Food Stamp outreach and education. Funding for this line item was eliminated for FY 2003.

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