

Department of Economic Security
Administration

JLBC: Stefan Shepherd
 OSPB: Matt Gottheiner

Subcommittee: Health & Welfare

DESCRIPTION	FY 2002	FY 2003	FY 2004	
	ACTUAL	ESTIMATE	OSPB	JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	305.9	310.3	313.7	277.0
Personal Services	11,355,200	12,021,000	13,739,000	11,228,900
Employee Related Expenditures	2,372,700	2,721,900	2,916,500	2,550,400
Professional and Outside Services	1,241,000	654,200	817,100	556,400
Travel - In State	175,900	207,300	239,200	177,200
Travel - Out of State	42,800	42,400	42,400	42,400
Other Operating Expenditures	16,993,100	20,679,300	18,096,200	15,377,600
Equipment	2,127,400	2,126,900	2,126,900	1,896,100
OPERATING SUBTOTAL	34,308,100	38,453,000	37,977,300	31,829,000
SPECIAL LINE ITEMS				
Finger Imaging	528,000	865,200	864,000	863,700
Lease Purchase Equipment	1,860,600	2,392,100	2,392,100	2,392,100
Public Assistance Collections	323,400	404,000	399,000	398,700
Attorney General Legal Services	518,200	595,700	578,300	581,500
PROGRAM TOTAL	37,538,300	42,710,000	42,210,700	36,065,000
FUND SOURCES				
General Fund	27,972,500	33,244,700	32,994,800	27,697,000
<u>Other Appropriated Funds</u>				
Federal CCDF Block Grant	1,146,600	1,058,100	1,055,400	1,055,200
Federal TANF Block Grant	7,763,700	6,551,500	6,224,400	5,251,100
Public Assistance Collections Fund	187,000	313,800	310,400	438,600
Special Administration Fund	113,300	541,900	538,000	536,200
Spinal and Head Injuries Trust Fund	72,000	0	87,700	86,900
Statewide Cost Allocation Plan Fund	0	1,000,000	1,000,000	1,000,000
Workforce Investment Act Grant	283,200	0	0	0
SUBTOTAL - Other Appropriated Funds	9,565,800	9,465,300	9,215,900	8,368,000
SUBTOTAL - Appropriated Funds	37,538,300	42,710,000	42,210,700	36,065,000
TOTAL - ALL SOURCES	37,538,300	42,710,000	42,210,700	36,065,000

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC	
	\$ Change	% Change
General Fund	(5,547,700)	(16.7%)
Other Appropriated Funds	(1,097,300)	(11.6%)
Total Appropriated Funds	(6,645,000)	(15.6%)

COST CENTER DESCRIPTION — *This cost center includes the Office of the Director, the Division of Employee Services and Support, the Division of Business and Finance, the Division of Technology Services, and the Division of Policy and Program Development. The cost center provides departmentwide administrative, research and evaluation, financial and computer automation support.*

PERFORMANCE MEASURES	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Recommend.
• Customer satisfaction ratings based on annual survey (Scale 1-5)				
Office of Personnel Management	3	3.6	3	3.7
Office of Management Development	3	4.5	3	4.6
Office of Appellate Services Administration	4	4.2	4	4.3
Office of Technology Services	3	4.2	3	4.4
• Number of districts where Strategic Planning Model was implemented for Early Intervention Program	3	1	6	--
• % Information Technology service help calls requests resolved in 1 day	90	68.5	95	78.5
• Cost per dollar to recover overpayments	.10	.10	.10	.10
• % of agency staff turnover	15.6	13.5	15.6	15.2
• Administration as a % of total cost	5.1	5.5	5.1	8.0

Comments: The department states that the target levels for customer satisfaction ratings for the Office of Management Development and the Office of Technology Services were set before DES established a baseline for the measures.

RECOMMENDED CHANGES FROM FY 2003

		FY 2004
Standard Changes	GF	\$ (2,261,600)
	OF	(626,400)

Operating Lump Sum Reduction	GF	(4,119,000)
	OF	(706,800)

The JLBC recommends a General Fund and Federal TANF Block Grant decrease and (30) GF and (3) TANF FTE Positions for a 15% lump sum reduction in operating administrative expenses. The General Fund reduction is based on non-welfare related spending in order to maintain Federal Maintenance of Effort requirements in the TANF program.

Shift to Public Assistance Collections Fund	GF	(130,000)
	OF	130,000

The JLBC recommends a General Fund decrease and corresponding Public Assistance Collections Fund increase for a fund shift in the operating budget.

Technical Realignment	GF	962,900
	OF	105,900

The JLBC recommends a General Fund, Federal TANF Block Grant, Federal CCDF Block Grant, and Spinal and Head Injuries Trust Fund increase for technical realignments in the department. The realignment also includes a (0.3) GF FTE Position decrease. *(Please see the Agency Summary for realignment details.)*

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JLBC RECOMMENDED FORMAT — Detailed Line Item for the Program. *(In the FY 2003 budget, the division had an Operating Lump Sum with Special Line Items for the Program format.)*

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

In accordance with A.R.S. § 35-142.01, the Department of Economic Security shall remit to the Department of Administration any monies received as reimbursement from the federal government or any other source for the operation of the Department of Economic Security West Building and any other building lease-purchased by the State of Arizona in which the Department of Economic Security occupies space. The Department of Administration shall deposit these monies in the state General Fund.

In accordance with A.R.S. § 38-654, the Department of Economic Security shall transfer to the Department of Administration for deposit in the Special Employee Health Insurance Trust Fund any unexpended state General Fund monies at the end of each fiscal year appropriated for employer health insurance contributions.

SUMMARY OF FUNDS - SEE AGENCY SUMMARY

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