

Department of Economic Security

Summary

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Subcommittee: Health & Welfare

DESCRIPTION	FY 2002	FY 2003	FY 2004	
	ACTUAL	ESTIMATE	OSP	JLBC
PROGRAM BUDGET				
Administration	37,538,300	42,710,000	42,210,700	36,065,000
Developmental Disabilities	52,044,800	61,545,800	64,234,100	63,312,800
Long Term Care	135,179,600	142,972,800	161,560,900	141,291,700
Benefits and Medical Eligibility	170,066,200	197,961,300	199,446,600	200,934,400
Child Support Enforcement	13,803,200	17,683,900	17,617,600	17,692,500
Aging and Community Services	33,941,300	37,353,600	37,030,100	28,036,400
Children, Youth and Families	154,465,700	153,705,100	178,762,000	135,465,900
Employment and Rehabilitation Services	224,824,500	252,494,400	252,671,000	190,691,600
6th SS Lump Sum Reduction SLI	0	(15,022,600)	(15,022,600)	(15,022,600)
AGENCY TOTAL	821,863,600	891,404,300	938,510,400	798,467,700
OPERATING BUDGET				
Full Time Equivalent Positions	3,769.2	3,469.1	3,548.9	3,315.7
Personal Services	88,974,300	99,694,700	101,182,600	93,496,100
Employee Related Expenditures	22,033,700	25,039,700	24,639,600	22,884,400
Professional and Outside Services	9,318,200	8,477,400	8,656,700	7,507,500
Travel - In State	3,281,700	3,408,500	3,405,200	3,205,900
Travel - Out of State	42,800	42,400	42,400	42,400
Other Operating Expenditures	27,232,800	29,771,100	27,002,600	23,832,300
Food	0	0	0	0
Equipment	3,594,700	3,455,100	3,450,100	2,573,300
OPERATING SUBTOTAL	154,478,200	45,154,500	168,379,200	153,541,900
Special Line Items (SLI)	667,385,400	721,515,400	770,131,200	644,925,800
AGENCY TOTAL	821,863,600	891,404,300	938,510,400	798,467,700
FUND SOURCES				
General Fund	434,567,000	422,105,300	505,284,300	376,440,500
<u>Other Appropriated Funds</u>				
Child Abuse Prevention Fund	29,300	1,064,800	1,064,400	1,564,400
Child Support Enforcement Administration Fund	9,331,200	12,046,000	11,869,100	11,939,500
Children and Family Services Training Program Fund	140,300	209,600	209,600	209,600
Domestic Violence Shelter Fund	1,500,000	1,700,000	1,700,000	2,200,000
Federal CCDF Block Grant	78,566,300	97,894,100	108,795,400	79,498,200
Federal TANF Block Grant	236,915,300	284,465,800	237,698,200	244,675,700
Housing Trust Fund	0	0	0	1,155,400
Job Training Fund	0	0	0	3,746,400
Long Term Care System Fund (Appropriated)	12,360,200	18,030,500	18,029,500	22,551,600
Public Assistance Collections Fund	187,000	313,800	310,400	438,600
Special Administration Fund	3,254,500	2,126,900	2,123,000	2,121,200
Spinal and Head Injuries Trust Fund	1,673,400	2,470,000	2,465,900	2,465,900
Statewide Cost Allocation Plan Fund	0	1,000,000	1,000,000	1,000,000
Utility Assistance Fund	0	0	0	500,000
Workforce Investment Act Grant	43,339,100	47,977,500	47,960,600	47,960,700
SUBTOTAL - Other Appropriated Funds	387,296,600	469,299,000	433,226,100	422,027,200
SUBTOTAL - Appropriated Funds	821,863,600	891,404,300	938,510,400	798,467,700
Other Non-Appropriated Funds	342,266,600	351,398,500	NA	348,351,300
Federal Funds	696,281,700	837,843,700	NA	832,392,400
TOTAL - ALL SOURCES	1,860,411,900	2,080,646,500	NA	1,979,211,400

CHANGE IN FUNDING SUMMARY

FY 2003 to FY 2004 JLBC	
\$ Change	% Change
(45,664,800)	(10.8%)
(47,271,800)	(10.1%)
(92,936,600)	(10.4%)

General Fund
 Other Appropriated Funds
 Total Appropriated Funds

AGENCY DESCRIPTION — *The department provides an array of services for low-income households and others in need. These services are provided through the following divisions: Administration, Developmental Disabilities; Long Term Care, Benefits and Medical Eligibility; Child Support Enforcement; Aging and Community Services; Children, Youth and Families; and Employment and Rehabilitation Services.*

PERFORMANCE MEASURES	FY 2002 Appropriation	FY 2002 Actual	FY 2003 Appropriation	FY 2004 Recommend.
• Agencywide customer satisfaction rating (Scale 1 to 5)	3	4.1	3	4.2
• Employee satisfaction rating (Scale 1 to 5)	3.7	3.5	3.7	3.7

Comments: The agency reports that the target levels for customer satisfaction ratings were set before DES established a baseline for the measures.

RECOMMENDED CHANGES FROM FY 2003

		FY 2004
Standard Changes	GF	\$(2,359,500)
	OF	(1,355,300)
DD Long Term Care Caseloads	GF	16,024,800
Count Parental Income for DD		
Long Term Care	GF	(16,775,600)
Recoup Additional Outside	GF	(5,601,600)
Income for DD	OF	4,522,100
TANF Cash Benefit Caseloads	GF	1,392,700
	OF	10,830,800
Eliminate General Assistance	GF	(2,130,400)
Reduce Aging Services	GF	(3,392,000)
Zero-base Community Grants	GF	(2,994,500)
	OF	(2,083,200)
Reduce TANF to SSBG Transfer	OF	(11,138,500)
Eliminate Family Builders		
Services Component	OF	(4,306,700)
Reduce Child Care	GF	(7,449,000)
	OF	(39,354,900)
Reduce JOBS Services	OF	(3,000,000)
Reduce Transportation	OF	(3,000,000)
15% Administrative Reductions	GF	(10,562,800)
	OF	(3,250,300)
Fund Shifts	GF	(6,281,800)
	OF	6,281,800
Other Changes	GF	(5,535,100)
	OF	(1,417,600)
Internal Agency Transfers	GF	0
	OF	0

The JLBC recommends a series of internal agency transfers within and between cost centers. These technical transfers address the following issues:

- Realigning the FY 2003 lump sum reduction
- Transferring occupancy costs to the Administration cost center
- Accounting FTE Position transfer

- Transferring DD Employment Support to Division of Developmental Disabilities
- Transferring monies from Aging and Community Services to Children, Youth and Families
- Realigning Spinal and Head Injuries Trust Fund monies

These transfers have no net General Fund or Other Appropriated Fund impact agencywide, except for Long-Term Care System Fund federal match monies. These transfers are mentioned in "Technical Realignment" paragraphs in the individual cost center narratives.

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

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

The above appropriation is in addition to funds granted to the state by the federal government for the same purposes but shall be deemed to include the sums deposited in the State Treasury to the credit of the Department of Economic Security, pursuant to A.R.S. § 42-5029.

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the President of the Senate, the Speaker of the House of Representatives, the Chairmen of the Senate and House Appropriations Committees and the Director of the Joint Legislative Budget Committee by the 25th 30th of the following month. The report shall include an estimate of (1) potential shortfalls in entitlement programs, (2) potential federal and other funds, such as the statewide assessment for indirect costs, and any projected surplus in state supported programs that may be available

to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, (3) shortfalls resulting from new leases or renegotiations of current leases and associated costs, and (4) total expenditure authority of the Child Support Enforcement program for the month and year-to-date as compared to prior year totals.

The Department of Economic Security shall report the receipt and intended use of all current and prior year reversions from nonappropriated sources to the Joint Legislative Budget Committee.

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote concerning the FY 2003 lump sum reduction and supplemental and the FY 2003 lump sum allocation.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Federal Block Grants

The JLBC recommendations includes the appropriation of 3 federal block grants. The Temporary Assistance for Needy Families (TANF) Block Grant and the Child Care and Development Fund (CCDF) Block Grant help fund services to welfare recipients and other low-income individuals. The Workforce Investment Act Grant funds workforce training.

The JLBC recommends the FY 2004 appropriation of \$245,914,500 TANF Block Grant monies. The total recommended FY 2004 TANF appropriation exceeds the amount of TANF monies the state is expected to receive in FY 2004. This “over-appropriation” can be made because the state has an estimated \$16,248,700 balance of unspent TANF monies at the end of FY 2003. However, TANF expenditures must be reduced by about \$38 million in FY 2004 below the FY 2003 level in order to “balance” the TANF Block Grant.

Table 1 provides additional detail on how TANF Block Grant monies are recommended for appropriation within each cost center.

Table 1

FY 2003 - FY 2004 TANF BLOCK GRANT SPENDING

<u>Cost Center/Special Line Item</u>	<u>Approved FY 2003</u>	<u>Change</u>	<u>Recommended FY 2004</u>	<u>Notes</u>
Administration				
Operating	\$5,301,700	(1,296,700)	4,005,000	15% lump sum, 3 FTEs
Finger Imaging	289,500	(400)	289,100	
Lease Purchase Equipment	645,000	0	645,000	
Public Assistance Collections	175,800	(1,700)	174,100	
Attorney General Legal Services	139,500	(1,600)	137,900	
Total - Administration	\$6,551,500	(\$1,300,400)	\$5,251,100	
Benefits and Medical Eligibility				
Operating	\$10,457,900	(1,636,000)	8,821,900	15% lump sum, 36 FTEs
TANF Cash Benefits	103,605,900	10,830,800	114,436,700	Matches DES estimate (incl. GF)
FLSA Supplement	1,008,900	0	1,008,900	
Arizona Works Administrative Incentives	434,300	(434,300)	0	
Total - Benefits and Medical Eligibility	\$115,507,000	\$8,760,500	\$124,267,500	
Aging and Community Services				
Operating	\$245,600	(37,300)	208,300	15% lump sum, 1 FTE
Community and Emergency Services	5,996,000	(500,000)	5,496,000	Fund shift to Utility Assistance
Coordinated Hunger Program	500,000	(500,000)	0	Zero-base new FY02 funding
Coordinated Homeless Programs	1,583,200	(1,583,200)	0	Zero-base new FY02 funding
Domestic Violence Prevention	5,115,900	0	5,115,900	
Total - Aging and Community Services	\$13,440,700	(\$2,620,500)	\$10,820,200	
Children, Youth and Families				
Operating	\$20,508,800	(432,700)	20,076,100	
Adoption Services	5,186,100	0	5,186,100	
Children Services	10,174,300	0	10,174,300	
Family Builders Program	6,200,000	(4,306,700)	1,893,300	Elim. Services; retains investigations
Attorney General Legal Services	47,600	(100)	47,500	
TANF Deposit to SSBG	36,398,200	(11,138,500)	25,259,700	Reduce to maximum permitted
TANF Deposit to the Joint Substance Abuse Treatment Fund	333,300	(333,300)	0	Zero-base program
Homeless Youth Intervention	400,000	(400,000)	0	Zero-base program
Permanent Guardianship Subsidy	859,300	0	859,300	
Total - Children, Youth and Families	\$80,107,600	(\$16,611,300)	\$63,496,300	
Employment and Rehabilitation Services				
Operating	\$6,349,400	(966,500)	5,382,900	15% lump sum, 22 FTEs
JOBS	20,316,600	(3,000,000)	17,316,600	Reduces TF funding by ~12%
Work-Related Transportation	3,302,200	(3,000,000)	302,200	Eliminates information/availability
Day Care Subsidy	12,471,300	(12,471,300)	0	Elim. Subsidies to 3,709 children
Transitional Child Care	26,419,500	(8,580,600)	17,838,900	Elim. 2 nd year TCC (FY03 est.)
Total - Employment and Rehabilitation Services	\$68,859,000	(\$28,018,400)	\$40,840,600	
Retirement Rate Increase		863,100	863,100	Estimate, 5.70%
Health/Dental Increase		375,700	375,700	Estimate
TOTAL - DEPARTMENT OF ECONOMIC SECURITY	\$284,465,800	(\$38,551,300)	\$245,914,500	
TANF Block Grant Sources & Uses				
Opening Balance	68,956,300		16,248,700	
TANF Revenues	231,758,200		230,388,000	
Total - Available TANF	300,714,500		246,636,700	
Total TANF Expenditures	\$284,465,800		\$245,914,500	
Ending Balance	\$16,248,700		\$722,200	

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Capital Investment (DEA2093/A.R.S. § 4-116)		Non-Appropriated
Source of Revenue: Receipts received from club license and application fees by organizations selling spirituous liquor as defined in A.R.S. § 4-101.		
Purpose of Fund: To be used by the Department of Mental Retardation (now DES, pursuant to A.R.S. § 35-551) for buildings, equipment, and other capital investments.		
Funds Expended	62,100	78,500
Year-End Fund Balance	88,600	63,600
Child Abuse Prevention (DEA2162/A.R.S. § 8-550.01)		Appropriated
Source of Revenue: A portion of monies (1.93%) from statutory filing and copy fees collected by the Superior Court and all funds received through a check-off contributions on the Arizona tax form. Monies also may come from a surcharge on certified copies of death certificates when revenues from the surcharge exceed \$100,000 for the year.		
Purpose of Fund: To provide financial assistance to community treatment programs, benefiting abused children and their parents or guardians. An amount of not more than 5% may be expended for administrative expenses related to the fund.		
Funds Expended	29,300	1,064,800
Year-End Fund Balance	1,780,900	602,200
Child Passenger Restraint (DEA2192/A.R.S. § 28-907)		Non-Appropriated
Source of Revenue: Fines or penalties from parents, guardians, or legal custodians who fail to sufficiently restrain in motor vehicles children under the age of 4 or weighing less than 40 pounds.		
Purpose of Fund: To purchase child passenger restraint systems and provide them to hospitals for loan to indigent persons.		
Funds Expended	152,400	483,000
Year-End Fund Balance	252,100	19,100
Child Protective Services Expedited Substance Abuse Treatment (DEA2421/A.R.S. § 8-812)		Non-Appropriated
Source of Revenue: An annual appropriation from the state General Fund.		
Purpose of Fund: To provide expedited drug treatment to guardians and parents when a dependency case plan calls for treatment.		
Funds Expended from the General Fund	0	218,100
Year-End Fund Balance	0	0
Child Support Enforcement Administration (DEA2091/A.R.S. § 46-406)		Appropriated
Source of Revenue: State Share of Retained Earnings from child support collections, federal incentives, and fees.		
Purpose of Fund: To fund the statewide Child Support Enforcement program.		
Funds Expended	9,331,200	12,046,000
Year-End Fund Balance	0	0
Children and Family Services Training Program (DEA2173/A.R.S. § 8-503.01)		Appropriated
Source of Revenue: A portion of monies collected from fees charged for copies of Child Protective Services (CPS) files and assessments against legally responsible parties for the support of a child in the state's custody. The fund receives 90% of the revenues collected. The remaining 10% of revenues are credited to the General Fund.		
Purpose of Fund: To administer training for child protective service workers and employees in related programs. The monies cannot be used to pay salaries or expenses of the training staff. Up to 10% of the monies may be used to enhance the collection of monies owed to the agency. Any monies collected from fees for copies of CPS files may be used only for reimbursing the department for its cost.		
Funds Expended	140,300	209,600
Year-End Fund Balance	780,900	877,800
Community-Based Marriage and Communication Skills Program (DEA2434/A.R.S. § 41-203)		Non-Appropriated
Source of Revenue: Legislative appropriations from the Federal Temporary Assistance for Needy Families Block Grant.		
Purpose of Fund: To distribute to community-based organizations whose plans for marriage and communication skills programs are recommended by the Marriage and Parenting Skills Commission. An amount of not more than 5% can be used for administrative costs.		
Funds Expended	0	0
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
DES Client Trust (DEA3152/A.R.S. § 41-1954)		Non-Appropriated
Source of Revenue: Monies collected from Social Security, Veterans' Administration benefits, and other benefits payable to a child in the care, custody, or control of DES.		
Purpose of Fund: To defray the costs of care and services expended for the benefit, welfare, and best interest of the child.		
Funds Expended	890,000	2,635,500
Year-End Fund Balance	987,200	0
Developmentally Disabled Client Services Trust (DEA2019/A.R.S. § 36-572)		Non-Appropriated
Source of Revenue: Proceeds from the sale or lease of the real property and buildings used by the department for the Arizona Training Program at Phoenix (ATP-P). ATP-P land was sold in September 1998 for \$4,250,000. The fund may only spend interest earned on the proceeds.		
Purpose of Fund: To enhance services presently available to the developmentally disabled and to extend services to developmentally disabled persons not presently served.		
Funds Expended	335,500	170,100
Year-End Fund Balance	4,663,100	4,670,300
Domestic Violence Shelter (DEA2160/A.R.S. § 36-3002)		Appropriated
Source of Revenue: A portion of monies (8.87%) from statutory filing and copy fees collected by the Superior Court. Monies also come from voluntary contributions using tax returns or federal grants, private grants, or other private gifts or contributions.		
Purpose of Fund: To fund grants to qualified shelters for victims of domestic violence.		
Funds Expended	1,500,000	1,700,000
Year-End Fund Balance	919,900	919,900
Economic Security Donations (DEA3145/A.R.S. § 36-571, 41-1954)		Non-Appropriated
Source of Revenue: Grants, gifts, or bequests.		
Purpose of Fund: To be disbursed for the purpose of and in conformity with the terms of the grant, gift, or bequest. Monies received for developmental disabilities purposes are maintained in a separate account.		
Funds Expended	43,900	140,100
Year-End Fund Balance	304,000	284,600
Federal Child Care and Development Block Grant (DEA2008/U.S. P.L. 104-193)		Appropriated
Source of Revenue: Federal formula grant.		
Purpose of Fund: To be used for developing child care programs and policies that promote parental choice; providing consumer education to help parents make informed choices on child care; providing child care to welfare recipient parents; and implementing health, safety, licensing, and registration standards under state law for child care. Up to 5% of the aggregate amount of funds expended can be used for administrative costs. At least 4% of funds must be used for consumer education and activities for improving the quality and availability of child care. No monies can be used for purchasing land or building facilities to provide child care.		
Funds Expended	78,566,300	97,894,100
Year-End Fund Balance	0	0
Federal Grants (DEA2000/A.R.S. § 41-101.01)		Non-Appropriated
Source of Revenue: Federal grants, excluding Temporary Assistance for Needy Families, Child Care and Development Fund, and Welfare to Work Block Grants.		
Purpose of Fund: To be expended as stipulated by federal statutes authorizing the availability of the federal monies. Some major expenditure items include Food Stamp benefits and administration, Job Training Partnership Act grants, and the Social Services Block Grant.		
Funds Expended	468,645,100	542,488,000
Year-End Fund Balance	58,024,500	27,106,500

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Federal Reed Act Grant (DEA9501/A.R.S. § 23-701)		Appropriated
Source of Revenue: Administrative unemployment security insurance monies redistributed back to the states by the federal Department of Labor.		
Purpose of Fund: To enhance states' employment security programs by providing one-time monies for equipment and short-term operating expenditures to improve customer service delivery for Arizona's unemployment insurance program.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Federal Temporary Assistance for Needy Families Block Grant (DEA2007/ U.S. P.L. 104-193)		Appropriated
Source of Revenue: Federal formula grant		
Purpose of Fund: To provide assistance to needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Excluding certain computer and technology expenses, up to 15% may be expended on administrative costs.		
Funds Expended	236,915,300	284,465,800
Year-End Fund Balance	68,956,300	16,248,700
Homeless Trust (DEA3026/A.R.S. § 41-2021)		Non-Appropriated
Source of Revenue: Unclaimed or void warrants, up to \$1,000,000, served as the initial source of financing. The current sources of revenue are donations and investment earnings.		
Purpose of Fund: To provide funds for homeless shelter and supportive services. Yearly expenditures are limited to interest earned. Expenditures from this fund require a match of 25% by grantees.		
Funds Expended	53,800	52,700
Year-End Fund Balance	848,100	820,400
Arizona Industries for the Blind (DEA4003/A.R.S. § 41-1975)		Non-Appropriated
Source of Revenue: Proceeds from sales of products of Arizona Industries for the Blind, as well as interest earned on the fund balance.		
Purpose of Fund: To provide funds for the wages and salaries of production workers, inspectors, and other employees necessary for the operation of the training centers, workshops, or home industries; supplies, equipment or other incidental costs.		
Funds Expended	15,026,300	16,517,800
Year-End Fund Balance *	(1,402,400)	(2,702,800)
Joint Substance Abuse Treatment (DEA2429/A.R.S. § 8-881)		Non-Appropriated
Source of Revenue: Legislative appropriations from the Federal Temporary Assistance for Needy Families Block Grant.		
Purpose of Fund: To be jointly administered by DES and the Department of Health Services for services to families and Federal Temporary Assistance for Needy Families recipients involved with Child Protective Services and whose substance abuse is a significant barrier to maintaining, preserving, or reunifying the family. An amount of not more than 5% can be used for program development costs. Up to 10% can be used for evaluating community programs delivering the services.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Long Term Care System (Federal Matched) (DEA2225/A.R.S. § 36-2953)		Non-Appropriated
Source of Revenue: Federal Title XIX monies.		
Purpose of Fund: To fund administrative and program costs associated with the Long Term Care System.		
Funds Expended	227,636,600	295,355,700
Year-End Fund Balance *	10,834,700	(4,361,200)
Long Term Care System (Non-Federal Matched) (DEA2224/A.R.S. § 36-2953)		Appropriated
Source of Revenue: Client revenue for room and board, third-party recovery, interest, and miscellaneous federal monies.		
Purpose of Fund: To fund administrative and program costs associated with the Long Term Care system. These monies are used to offset costs of services provided to Long Term Care clients which are not reimbursed by the federal government, such as room and board.		
Funds Expended	15,026,300	16,517,800
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Mesa Land (DEA3151/Laws 1976, Ch. 140)		Non-Appropriated
Source of Revenue: Proceeds from the sale of donated land located in Mesa. Interest proceeds are transferred to the appropriated Long Term Care System Fund.		
Purpose of Fund: To be used for the establishment and operation of community-based, state-operated, residential group homes and/or habilitation and training facilities. The funds may not be used for the Arizona Training Centers in Coolidge.		
Funds Expended	0	296,300
Year-End Fund Balance	4,761,500	4,761,500
Neighbors Helping Neighbors (DEA2348/A.R.S. § 46-741)		Non-Appropriated
Source of Revenue: Includes contributions from income tax refunds and other donations and interest earnings.		
Purpose of Fund: To provide assistance in paying utility bills, conserving energy and weatherization to eligible individuals. Fund monies are available to designated community action or other agencies currently providing energy assistance services to eligible individuals. An amount of not more than 2% of the fund monies may be used by DES, and an amount of not more than 8% of the fund monies may be used by the designated agencies for administrative costs.		
Funds Expended	36,700	40,000
Year-End Fund Balance	43,200	43,200
Public Assistance Collections (DEA2217/A.R.S. § 46-295)		Appropriated
Source of Revenue: A portion of monies collected in recovery payments from ineligible or overpaid public assistance recipients and reimbursements received from persons legally responsible for support of public assistance recipients. The fund receives 25% of the monies collected. The remaining 75% of revenues are credited to the General Fund.		
Purpose of Fund: To improve public assistance collection activities.		
Funds Expended	187,000	313,800
Year-End Fund Balance	1,285,300	535,300
Special Administration (DEA2066/A.R.S. § 23-705)		Appropriated
Source of Revenue: Monies are from interest charges and employers' penalty fees assessed on late unemployment payments.		
Purpose of Fund: To defray administration costs found not to have been properly and validly chargeable against Federal grants or other funds.		
Funds Expended	3,254,500	2,126,900
Year-End Fund Balance	1,263,200	379,500
Special Olympics Tax Refund (DEA3207/A.R.S. § 41-173)		Non-Appropriated
Source of Revenue: Includes contributions from income tax refunds and other donations and interest earnings.		
Purpose of Fund: To contract with a nonprofit entity for delivery of those services essential to the Arizona Special Olympics' programs and to cover the Department of Revenue's costs for administering the refund checkoff.		
Funds Expended	85,400	70,000
Year-End Fund Balance	55,100	55,100
Spinal and Head Injuries Trust (DEA2335/A.R.S. § 41-3203)		Appropriated
Source of Revenue: Revenues consist of a 13% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses, civil motor statute violations, and game and fish violations. The fund also receives 22% of monies deposited in the Medical Services Enhancement Fund.		
Purpose of Fund: For 1) prevention and education of spinal and head injuries; 2) rehabilitation, transitional living and equipment necessary for daily living activities; 3) a portion of the cost of the disease surveillance system and statewide referral services for those with head injuries and spinal cord injuries; 4) costs incurred by the Advisory Council on Spinal and Head Injuries; and 5) DES' costs for administering the provisions.		
Funds Expended	1,673,400	2,470,000
Year-End Fund Balance	1,384,400	886,200

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Statewide Cost Allocation Plan (DEA9538/A.R.S. § 41-1954)		Appropriated
Source of Revenue: Federal reimbursement.		
Purpose of Fund: General operations.		
Funds Expended	0	1,000,000
Year-End Fund Balance	0	0
Tobacco Litigation Settlement (DEA2468/A.R.S. § 36-2901.02)		Non-Appropriated
Source of Revenue: Revenues consist of monies Arizona receives as a result of the Tobacco Litigation Master Settlement and any interest earned on those monies. The monies are allocated in accordance to Proposition 204, which created this fund and received approval from voters in the 2000 election.		
Purpose of Fund: To fund the Healthy Families program, which is 1 of 6 programs enacted by Proposition 203 in 1996 for funding from tobacco settlement monies.		
Funds Expended from Statutory Requirement	0	0
Year-End Fund Balance	0	0
Tobacco Tax and Health Care (DEA1306/A.R.S. § 36-2921)		Non-Appropriated
Source of Revenue: Pending available resources, an annual transfer of \$500,000 from the Medically Needy Account of Tobacco Tax money administered by the Arizona Health Care Cost Containment System.		
Purpose of Fund: To provide a variety of services to low-income elderly persons. The services outlined in statute (A.R.S. § 46-192) are for meeting social, physical, and mental health needs, including transportation, nutrition, non-medical home and community based care, and placement in care facilities.		
Funds Expended	336,500	693,500
Year-End Fund Balance	193,500	0
Unemployment Insurance Benefits (TRA9005/A.R.S. § 23-701)		Non-Appropriated
Source of Revenue: Employer contributions and interest earnings. The monies are maintained and tracked in 2 separate accounts: one by the U.S. Treasury and one by the state, which is used for clearing and paying benefits. The majority of the funds available are in the U.S. Treasury account. DES, as federally required, deposits all employer contributions, other than those retained for immediate benefit payments, in the U.S. Treasury, which tracks each state's account separately.		
Purpose of Fund: To retain and invest formula-determined employer unemployment contributions to be used for payment of future unemployment benefits and refunds pursuant to § 903 of the federal Social Security Act.		
Funds Expended	324,624,100	329,493,500
Year-End Fund Balance	1,023,133,200	963,782,700
Utility Assistance (DEA3092/A.R.S. § 46-731)		Non-Appropriated
Source of Revenue: Unclaimed or abandoned utility deposits as defined under A.R.S. § 46-731B.		
Purpose of Fund: To provide utility repair and deposit assistance to eligible recipients. Financial assistance to an individual shall not exceed \$900 per fiscal year. An amount of not more than 2% of the fund monies may be used by DES, and an amount of not more than 8% of the fund monies may be used by the designated community action or other agency providing energy assistance for administrative costs.		
Funds Expended	619,900	727,500
Year-End Fund Balance	1,563,000	1,521,500
Workforce Investment Act Grant (DEA2001/U.S. P.L. 105-220)		Appropriated
Source of Revenue: Federal formula grant.		
Purpose of Fund: To consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs.		
Funds Expended	43,339,100	47,977,500
Year-End Fund Balance	0	0

* As reported by the agency. Actual ending balance will not be negative.

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