

Department of Economic Security
Benefits and Medical Eligibility

A.R.S. § 41-1954

JLBC Analyst: Stefan Shepherd

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	620.9	584.9	584.9
Personal Services	20,269,500	19,855,900	20,181,500
Employee Related Expenditures	5,942,500	6,141,900	6,144,400
Professional and Outside Services	2,598,600	2,859,300	2,859,300
Travel - In State	289,400	210,000	210,000
Other Operating Expenditures	2,307,100	1,926,300	1,926,300
Equipment	140,400	0	0
OPERATING SUBTOTAL	31,547,500	30,993,400	31,321,500^{1/}
SPECIAL LINE ITEMS			
TANF Cash Benefits	154,340,900	173,275,000 ^{2/}	168,235,400 ^{3/4/}
FLSA Supplement	425,600	1,008,900	1,008,900
Tribal Pass-Through Funding	4,212,800	4,288,700	4,288,700
Arizona Works Administrative Incentives	434,300	0	0
General Assistance	3,935,800	4,260,800	4,260,800
Tuberculosis Control Payments	20,000	32,200	32,200
Institutional Support Payments	175,700	0	0
PROGRAM TOTAL	195,092,600	213,859,000	209,147,500^{2/}
FUND SOURCES			
General Fund	80,510,200	83,354,000	95,257,300
<i>Other Appropriated Funds</i>			
Federal TANF Block Grant	114,582,400	130,505,000	113,890,200
SUBTOTAL - Other Appropriated Funds	114,582,400	130,505,000	113,890,200
SUBTOTAL - Appropriated Funds	195,092,600	213,859,000	209,147,500
Other Non-Appropriated Funds	100,300	270,000	270,000
Federal Funds	103,457,700	109,692,500	109,692,500
TOTAL - ALL SOURCES	298,650,600	323,821,500	319,110,000

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 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Appropriation
• % of Cash Benefits issued timely	98.6	96.5	98.6	98.6
• % of total Cash Benefits payments issued accurately	95.0	95.6	95.0	95.0
• % of total Food Stamps payments issued accurately	95.0	92.7	95.0	95.0
• % of clients satisfied with Family Assistance Admin.	88.2	NA	93.0	93.0

Comments: The agency did not submit information for any measure labeled as “NA.”

- 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/ Laws 2004, Chapter 277 appropriated \$8,734,900 for TANF Cash Benefits.
- 3/ Notwithstanding A.R.S. § 35-173C, any transfer to or from the \$168,235,400 appropriated for Temporary Assistance for Needy Families Cash Benefits requires review of the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- 4/ Of the amount appropriated for Temporary Assistance for Needy Families Cash Benefits, \$500,000 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 \$500,000 appropriation authority. (General Appropriation Act footnote)
- 5/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

Operating Budget

The budget provides \$31,321,500 for the operating budget in FY 2005. This amount consists of \$22,297,000 from the General Fund and \$9,024,500 from the Federal TANF Block Grant. These amounts include an increase for statewide salary and other adjustments. (Please see the *Statewide Adjustments* section at the end of this *Appropriations Report* for details.)

Special Line Items

TANF Cash Benefits

The budget provides \$168,235,400 for TANF Cash Benefits in FY 2005. This amount consists of \$64,378,600 from the General Fund and \$103,856,800 from the Federal TANF Block Grant. 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.

Caseload Growth

The budget includes a General Fund increase of \$4,695,300 for caseload increases above the original FY 2004 appropriation, or a decrease of \$(4,039,600) from the FY 2004 appropriation after a \$8,734,900 TANF Block Grant supplemental. The approved amount assumes no caseload growth from expected June 2004 levels, which are slightly less than average FY 2004 caseloads. The approved amount is expected to provide \$116.50 monthly to an average of 119,982 recipients, including regular, 2-parent, and child-only cases.

TANF Block Grant Backfill

The budget includes a TANF Block Grant decrease of \$(6,879,900) and a corresponding General Fund increase of \$6,879,900 for a backfill of one-time TANF Block Grant monies.

Reduced Tribal Float

The budget includes a TANF Block Grant decrease of \$(1,000,000) for a decrease in the amount of "float" in TANF Cash Benefits. DES currently pays TANF Cash Benefits on behalf of 4 tribes who administer their own welfare programs and reimburse the department for the TANF Cash Benefit costs. The budget decreases the amount of float to \$500,000. Because this is float, this does not produce actual TANF Block Grant savings as TANF Block Grant revenues are artificially adjusted upward to account for the float.

Fair Labor Standards Act Supplement

The budget provides \$1,008,900 from the TANF Block Grant for Fair Labor Standards Act (FLSA) Supplement in FY 2005. This amount is unchanged from FY 2004. 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 FLSA requirements.

Tribal Pass-Through Funding

The budget provides \$4,288,700 from the General Fund for Tribal Pass-Through Funding in FY 2005. This amount is unchanged from FY 2004. Monies in this line item are passed through to Native American tribes operating their own welfare programs, allocated as shown in *Table 1*.

Table 1

Tribal Pass-Through Funding Components

<u>Tribes</u>	<u>Total</u>
Navajo	\$2,361,700
Salt River	
Pima-Maricopa	322,400
Pascua Yaqui	721,600
White Mountain	
Apache	807,000
Hopi	75,900
Total	\$4,288,700^{1/}

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

In addition to monies in this line item, the 5 tribes independently receive \$20,156,900 TANF from the Federal Government.

Arizona Works Administrative Incentives

The budget provides no funding from the TANF Block Grant for Arizona Works Administrative Incentives in FY 2005. Funding for this line item was eliminated in FY 2004 to reflect the elimination of the Arizona Works pilot program on October 1, 2002.

General Assistance

The budget provides \$4,260,800 from the General Fund for General Assistance in FY 2005. This amount is unchanged from FY 2004. 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 consists of the following estimated components:

- Benefits: \$4,804,800 for an average monthly benefit of \$154 paid to 2,600 clients.
- Retroactive Payments: \$(930,000) for federal reimbursement for recipients later accepted into the federal Supplemental Security Income (SSI) program.
- Application Assistance: \$278,000 to provide recipients with SSI application assistance.
- Medical Examinations: \$108,000 for 2,978 medical exams at \$35.83 per exam and 28 medical consultation hours at \$46.32 per hour.

Tuberculosis Control Payments

The budget provides \$32,200 from the General Fund for Tuberculosis Control Payments in FY 2005. This amount is unchanged from FY 2004. The 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, and will permit average monthly payments of \$134 to 20 clients.

Institutional Support Payments

The budget provides no funding from the General Fund for Institutional Support Payments in FY 2005. This amount is unchanged from FY 2004. 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 program's suspension was continued in FY 2005 by a provision in the AHCCCS; Health; Welfare; Budget Reconciliation Bill (Laws 2004, Chapter 279).

[Click here to return to the Table of Contents](#)