

**Department of Economic Security
Administration**

A.R.S. § 41-1954

JLBC Analyst: Stefan Shepherd

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	277.0	307.2	299.2 ^{1/}
Personal Services	10,153,400	12,697,300	12,997,700
Employee Related Expenditures	2,843,600	3,417,900	3,831,800
Professional and Outside Services	307,200	208,000	208,000
Travel - In State	88,200	197,100	202,900
Travel - Out of State	21,400	42,400	42,400
Other Operating Expenditures	14,629,600	16,255,900	16,598,300
Equipment	1,257,900	1,642,400	1,657,900
OPERATING SUBTOTAL	29,301,300	34,461,000	35,539,000
SPECIAL LINE ITEMS			
Finger Imaging	418,500	716,000	726,700
Lease Purchase Equipment	1,740,000	1,799,000	1,799,000
Public Assistance Collections	407,900	467,900	485,700
Attorney General Legal Services	706,400	562,500	657,400
Information and Referral	0	115,400	0
Triagency Disaster Recovery	0	742,300	271,500
PROGRAM TOTAL	32,574,100	38,864,100	39,479,300^{2/3/4/}
FUND SOURCES			
General Fund	25,386,300	29,363,600	30,023,600
<u>Other Appropriated Funds</u>			
Child Abuse Prevention Fund	6,900	0	0
Federal CCDF Block Grant	1,062,700	1,068,600	1,106,000
Federal TANF Block Grant	5,110,000	5,587,800	5,944,800
Public Assistance Collections Fund	272,700	457,700	473,000
Risk Management Fund	0	742,300	271,500
Special Administration Fund	152,600	557,200	573,500
Spinal and Head Injuries Trust Fund	82,900	86,900	86,900
Statewide Cost Allocation Plan Fund	0	1,000,000	1,000,000
Workforce Investment Act Grant	500,000	0	0
SUBTOTAL - Other Appropriated Funds	7,187,800	9,500,500	9,455,700
SUBTOTAL - Appropriated Funds	32,574,100	38,864,100	39,479,300
Other Non-Appropriated Funds	3,852,200	3,900,100	3,938,600
Federal Funds	73,671,000	73,858,400	73,939,800
TOTAL - ALL SOURCES	110,097,300	116,622,600	117,357,700

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.

- ^{1/} Includes 6 GF and 12.2 OF FTE Positions funded from Special Line Items in FY 2006.
- ^{2/} 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. (General Appropriation Act footnote)
- ^{3/} 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. (General Appropriation Act footnote)
- ^{4/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

Operating Budget

The budget provides \$35,539,000 for the operating budget in FY 2006. This amount consists of:

	FY 2006
General Fund (GF)	\$28,035,100
Federal Temporary Assistance for Needy Families (TANF) Block Grant	4,623,100
Federal Child Care and Development Fund (CCDF) Block Grant	1,090,400
Public Assistance Collections Fund	130,000
Special Administration Fund	573,500
Spinal and Head Injuries Trust Fund	86,900
Statewide Cost Allocation Plan Fund	1,000,000

The approved amount includes an increase of \$911,000 in FY 2006 for statewide adjustments. This amount consists of:

General Fund (GF)	523,200
Federal TANF Block Grant	334,300
Federal CCDF Block Grant	37,200
Special Administration Fund	16,300

(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)

The approved amount also includes a decrease of \$(54,800) and (11) FTE Positions from the General Fund in FY 2006 for the elimination of vacant FTE Positions. By reducing the number of vacant FTE Positions, the budget reduced the amount of money appropriated for health, dental, and life insurance. These monies are passed through directly to the Arizona Department of Administration for statewide insurance costs and will not affect the amount of monies the agency has for other purposes. All other funding for these vacant positions had been previously eliminated.

The approved amount also includes an increase of \$221,800 and 3 FTE Positions from the General Fund for intra- and inter-agency transfers for Long Term Care and Child Support rent and transfer of child welfare inspection duties from the Department of Health Services (DHS) to DES mandated by Laws 2004, Chapter 199.

Special Line Items

Finger Imaging

The budget provides \$726,700 and 2.1 FTE Positions for Finger Imaging in FY 2006. This amount consists of \$453,400 from the General Fund and \$273,300 from the Federal TANF Block Grant. The approved amount includes an increase of \$10,700 in FY 2006 for statewide adjustments. This amount consists of \$2,600 from the General Fund and \$8,100 from the Federal TANF Block Grant.

Monies in this line item are used for training users on and modifying the Finger Imaging program. Every adult applicant, adult recipient, or eligible minor parent of General Assistance, Food Stamps, and TANF Cash Benefits must have their finger imaged as a condition of eligibility.

Lease Purchase Equipment

The budget provides \$1,799,000 for Lease Purchase Equipment in FY 2006. This amount consists of \$1,138,000 from the General Fund and \$661,000 from the Federal TANF Block Grant. These amounts are unchanged from FY 2005. This line item funds annual lease-purchase payments or rental agreements of computer equipment for automation projects.

Public Assistance Collections

The budget provides \$485,700 and 7 FTE Positions for Public Assistance Collections in FY 2006. This amount includes \$248,000 from the Public Assistance Collections Fund (PACF) and \$237,700 from the Federal TANF Block Grant. The approved amount includes an increase of \$17,800 in FY 2006 for statewide adjustments. This amount consists of \$10,300 from the PACF and \$7,500 from the Federal TANF Block Grant.

The line item funds improved public assistance collection activities. A.R.S. § 46-295 requires 25% of repaid erroneous public assistance benefits to be deposited into the PACF.

Attorney General Legal Services

The budget provides \$657,400 and 9.1 FTE Positions for Attorney General Legal Services in FY 2006. These amounts consist of:

General Fund	397,100
Federal TANF Block Grant	149,700
Federal CCDF Block Grant	15,600
Public Assistance Collections Fund	95,000

The approved amount includes an increase of \$94,900 in FY 2006 for statewide adjustments. This amount consists of:

General Fund (GF)	82,600
Federal TANF Block Grant	7,100
Federal CCDF Block Grant	200
Public Assistance Collections Fund	5,000

Monies in this line item fund Attorney General Legal Services for the department in areas besides child welfare and child support.

Information and Referral

The budget provides no funding for Information and Referral in FY 2006. The approved amount includes a decrease of \$(115,400) from the General Fund in FY 2006

for elimination of the line item. This line item provided funding for information and referral services on a 24-hour toll-free statewide telephone system. Arizona is developing a new “211” phone system that performs the same functions as the Information and Referral system.

Triagency Disaster Recovery

The budget provides \$271,500 from the Risk Management Fund for Triagency Disaster Recovery in FY 2006. The approved amount includes a decrease of \$(470,800) from the Risk Management Fund in FY 2006 for fund-sourcing Disaster Recovery costs onto other, non-appropriated fund sources. Matched with these other fund sources, the remaining Risk Management Fund monies in FY 2006 will permit continued total funding of \$742,300.

This Special Line Item provides funding to implement a disaster recovery plan for the DES mainframe data center. The department contracts with a disaster recovery service to provide back-up capability in the event of a mainframe disruption caused by an emergency or disaster. DES participates with the Arizona Department of Administration and the Department of Public Safety in this effort.