

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	376.6	406.6	406.5 <sup>1/</sup>
Personal Services	5,418,600	6,020,700	6,124,500
Employee Related Expenditures	1,510,700	1,940,000	2,127,100
Professional and Outside Services	51,800	126,200	126,200
Travel - In State	30,000	62,400	62,400
Travel - Out of State	3,700	6,100	6,100
Other Operating Expenditures	5,965,500	7,480,600	7,503,400
Equipment	449,900	38,000	38,000
<b>OPERATING SUBTOTAL</b>	<b>13,430,200</b>	<b>15,674,000</b>	<b>15,987,700</b>
<b>SPECIAL LINE ITEMS</b>			
Assurance and Licensure	6,486,500	9,441,200	9,679,600 <sup>2/</sup>
Attorney General Legal Services	332,800	412,800	444,900
Indirect Cost Fund	4,758,400	7,053,800	7,299,400
Newborn Screening Fund - Indirect Costs	340,300	478,600	478,600
Nursing Care Institution Incentive Grants	0	600,000	0
<b>PROGRAM TOTAL</b>	<b>25,348,200</b>	<b>33,660,400</b>	<b>33,890,200<sup>3/</sup></b>
<b>FUND SOURCES</b>			
General Fund	18,837,500	21,921,000	22,350,700
<u>Other Appropriated Funds</u>			
Capital Outlay Stabilization Fund	1,100,000	1,576,200	1,576,100
Emergency Medical Services Operating Fund	42,700	226,600	249,500
Federal Child Care and Development Fund Block Grant	266,800	721,100	750,100
Hearing and Speech Professionals Fund	0	260,000	302,300
Indirect Cost Fund	4,758,400	7,053,800	7,299,400
Newborn Screening Fund	340,300	478,600	478,600
Nursing Care Institution Resident Protection Fund	2,500	638,000	38,000
TTHCF Medically Needy Account	0	0	200,000
SUBTOTAL - Other Appropriated Funds	6,510,700	10,954,300	10,894,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>25,348,200</b>	<b>32,875,300</b>	<b>33,244,700</b>
<u>Expenditure Authority Funds</u>			
Federal Title XIX Funds	0	785,100	645,500
SUBTOTAL - Expenditure Authority Funds	0	785,100	645,500
<b>SUBTOTAL - Appropriated/Expenditure Authority Funds</b>	<b>25,348,200</b>	<b>33,660,400</b>	<b>33,890,200</b>
Other Non-Appropriated Funds	955,500	79,200	79,200
Federal Funds	3,370,200	4,633,800	4,633,800
<b>TOTAL - ALL SOURCES</b>	<b>29,673,900</b>	<b>38,373,400</b>	<b>38,603,200</b>

**COST CENTER DESCRIPTION** — The Administration program encompasses most centralized functions including the Director's Office, business and financial services, and information technology services. The program also provides Assurance and Licensure services, which include the monitoring and enforcement of statutes and rules concerning home and community-based adult health care, behavioral health and child care facilities.

<sup>1/</sup> Includes 139.2 GF, 103.7 OF, and 10.4 EA FTE Positions funded from Special Line Items in FY 2006.

<sup>2/</sup> The Department of Health Services shall report to the Joint Legislative Budget Committee by August 15, 2005 on an expenditure plan to use \$200,000 in additional funding to reduce licensure backlogs in health care facilities. The department shall further report to the Committee on June 30, 2006 on the outcome of these efforts to reduce health care licensure backlogs. (General Appropriation Act footnote)

<sup>3/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2006
	Actual	Actual	Approved
• % of relicensure surveys completed on time:			
Child Care Facilities	64	70	75
Health Care Facilities	44	41	50
• % of complaint investigations initiated later than investigative guidelines:			
Child Care Facilities	5	8	5
Health Care Facilities	7	31	25

**Comments:** The agency attributes the decrease in the % of health care facility relicensure surveys completed on time and the increase in the % of health care facility complaint investigations initiated later than investigative guidelines to a need for additional staff. The FY 2006 budget contains \$200,000 in one-time funding to address health care licensure backlogs.

### **Operating Budget**

The budget provides \$15,987,700 for the operating budget in FY 2006. This amount consists of:

	<b>FY 2006</b>
General Fund	\$14,212,100
Capital Outlay Stabilization Fund	1,576,100
Emergency Medical Services (EMS) Operating Fund	199,500

The approved amount includes an increase of \$302,400 in FY 2006 for statewide adjustments. This amount consists of:

General Fund	290,900
Capital Outlay Stabilization Fund	(100)
Emergency Medical Services (EMS) Operating Fund	11,600

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

#### **Rent Consolidation**

The approved includes an increase of \$11,300 from the EMS Operating Fund in FY 2006 in order to consolidate rent funding in the Administration program. In prior years, rent was funded in various individual programs. Rent funding was consolidated into the Administration program in FY 2005, but a small amount was left in the EMS Operations Special Line Item (SLI). The approved amount shifts this remaining rent funding from the EMS Operations SLI to the Administration program to fully consolidate rent funding. There is a corresponding decrease in the EMS Operations SLI for no net impact to the agency's budget.

### **Special Line Items**

#### **Assurance and Licensure**

The budget provides \$9,679,600 and 166.6 FTE Positions for Assurance and Licensure in FY 2006. These amounts consist of:

General Fund	7,743,700
Federal Child Care and Development Fund (CCDF) Block Grant	750,100
Hearing and Speech Professionals Fund	302,300
Nursing Care Institution Resident Protection Fund	38,000
Federal Title XIX Expenditure Authority	645,500
Tobacco Tax and Health Care Fund - Medically Needy Account	200,000

The approved amount includes an increase of \$351,800 for statewide adjustments. This amount consists of:

General Fund	259,500
Federal Child Care and Development Fund (CCDF) Block Grant	29,000
Hearing and Speech Professionals Fund	42,300
Federal Title XIX Expenditure Authority	21,000

#### **Shift PASARR Funding to Behavioral Health**

The approved amount also includes a decrease of \$(214,100) and (1.1) FTE Positions in FY 2006 to shift funding for the Preadmission Screening and Annual Resident Review (PASARR) to the Behavioral Health operating budget. This amount consists of \$(53,500) and (0.3) FTE Positions from the General Fund and \$(160,600) and (0.8) FTE Positions from Federal Title XIX Expenditure Authority. The PASARR program conducts Level II psychiatric evaluations of Title XIX-certified nursing facility patients who have been identified through a Level I screening as potentially having a mental illness. In FY 2005, funding for PASARR and Title XIX Licensure was shifted from the AHCCCS budget to the Assurance and Licensure SLI. The PASARR functions, however, are conducted through the Behavioral Health program and, therefore, the approved amount shifts funding to that program. There is a corresponding increase in the Behavioral Health program for no net impact to the agency's budget.

#### **Shift Child Welfare and Foster Home Licensing to DES**

The approved amount includes a decrease of \$(99,300) and (2) FTE Positions from the General Fund in FY 2006

to shift funding for child welfare agency and foster home licensing to the Department of Economic Security (DES). Laws 2004, Chapter 199 shifted the responsibility for licensing child welfare agencies and foster homes to DES and required any monies and FTE Positions appropriated to DHS for this purpose be shifted to DES. The approved amount shifts the funding and positions in accordance with the legislation. There is a corresponding increase in the DES budget.

#### *FTE Positions for Hearing and Speech Professionals Licensure*

The approved amount includes an increase of 3 FTE Positions in FY 2006 for Hearing and Speech Professionals Licensure. This amount consists of a decrease of (3) FTE Positions from the General Fund and an increase of 6 FTE Positions from the Hearing and Speech Professionals Fund. Laws 2004, Chapter 170 appropriated \$260,000 in FY 2005 from the Hearing and Speech Professionals Fund for the regulation of hearing aid dispensers, audiologists, and speech-language pathologists but did not include authority for any FTE Positions. The approved amount shifts the authority for 3 vacant General Fund FTE Positions to the Hearing and Speech Professionals Fund and adds an additional 3 FTE Positions from that fund.

#### *Health Care Licensure Backlogs*

The approved amount includes a one-time increase of \$200,000 in FY 2006 from the Medically Needy Account of the Tobacco Tax and Health Care Fund in order to address backlogs of health care facilities in the Assurance and Licensure program. A footnote in the General Appropriation Act requires that the department report to the JLBC on the plan to reduce licensure backlogs as well as a report on the outcome of those efforts at the end of the fiscal year.

Monies in this line item are used to provide licensure services, which include the monitoring, and enforcement of health and safety standards for home and community-based adult health care facilities, nursing homes, residential behavioral health facilities, and child care facilities.

#### *Attorney General Legal Services*

The budget provides \$444,900 for Attorney General Legal Services in FY 2006. This amount consists of \$394,900 from the General Fund and \$50,000 from the EMS Operating Fund. The approved amount includes an increase of \$32,100 from the General Fund in FY 2006 for statewide adjustments.

#### *Indirect Cost Fund*

The budget provides \$7,299,400 and 86.7 FTE Positions from the Indirect Cost Fund in FY 2006. The approved amount includes an increase of \$245,600 from the Indirect Cost Fund in FY 2006 for statewide adjustments.

Monies in this line item consist of charges made to federal and non-appropriated funds and interagency agreements which are then deposited in the Indirect Cost Fund. These monies are used for the administrative overhead costs associated with operating the programs.

#### *Newborn Screening Fund – Indirect Costs*

The budget provides \$478,600 from the Newborn Screening Fund in FY 2006 for Newborn Screening Fund Indirect Costs. This amount is unchanged from FY 2005. Monies in this line item provide funding for the indirect administrative costs of the Newborn Screening Program, such as accounting, procurement, and Personal Services.

#### *Nursing Care Institution Incentive Grants*

The budget provides no funding from the Nursing Care Institution Resident Protection Fund in FY 2006 for incentive grants for nursing care facilities. The approved amount includes a decrease of \$(600,000) from the Nursing Care Institution Resident Protection Fund in FY 2006 to eliminate one-time funding for nursing care institution incentive grants.