

**Department of Economic Security
Administration**

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	277.0	307.2	310.2
Personal Services	10,153,400	12,697,300	12,777,400
Employee Related Expenditures	2,843,600	3,417,900	3,499,400
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	34,986,300
SPECIAL LINE ITEMS			
Finger Imaging	418,500	716,000	722,700
Lease Purchase Equipment	1,740,000	1,799,000	1,799,000
Public Assistance Collections	407,900	467,900	473,500
Attorney General Legal Services	706,400	562,500	564,900
Information and Referral	0	115,400	115,400
Triagency Disaster Recovery	0	742,300	271,500
PROGRAM TOTAL	32,574,100	38,864,100	38,933,300
FUND SOURCES			
General Fund	25,386,300	29,363,600	29,585,400
<u>Other Appropriated Funds</u>			
Child Abuse Prevention Fund	6,900	0	0
Federal CCDF Block Grant	1,062,700	1,068,600	1,097,300
Federal TANF Block Grant	5,110,000	5,587,800	5,868,600
Public Assistance Collections Fund	272,700	457,700	462,700
Risk Management Fund	0	742,300	271,500
Special Administration Fund	152,600	557,200	560,900
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	9,347,900
SUBTOTAL - Appropriated Funds	32,574,100	38,864,100	38,933,300
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	116,811,700

CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	221,800	0.8%
Other Appropriated Funds	(152,600)	(1.6%)
Total Appropriated Funds	69,200	0.2%
Non Appropriated Funds	119,900	0.2%
Total - All Sources	189,100	0.2%

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.

	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Estimate	JLBC
PERFORMANCE MEASURES				
• Customer satisfaction ratings based on annual survey (Scale 1-5)				
Office of Personnel Management	3.69	4.29	3.75	--
Office of Management Development	4.3	4.5	4.6	--
Office of Appellate Services Administration	4.2	4.0	4.3	--
Office of Technology Services	4.0	NA	4.4	--
• % of Information Technology service help calls requests resolved in 1 day	76.3	84.4	83.5	--
• Cost per dollar to recover overpayments	.10	.08	.10	--
• % of agency staff turnover	16.5	12.8	15.2	--
• Administration as a % of total cost	7.2	4.9	4.9	--

RECOMMENDED CHANGES FROM FY 2005

Operating Budget

The JLBC recommends \$34,986,300 for the operating budget in FY 2006. This amount consists of:

	FY 2006
General Fund (GF)	\$27,566,700
Federal Temporary Assistance for Needy Families (TANF) Block Grant	4,559,600
Federal Child Care and Development Fund (CCDF) Block Grant	1,082,200
Public Assistance Collections Fund	130,000
Special Administration Fund	560,900
Spinal and Head Injuries Trust Fund	86,900
Statewide Cost Allocation Plan Fund	1,000,000

These amounts would fund the following adjustments:

Standard Changes OF 303,500

The JLBC recommends an increase of \$303,500 in FY 2006 for standard changes. This amount consists of:

Federal TANF Block Grant	270,800
Federal CCDF Block Grant	29,000
Special Administration Fund	3,700

Long Term Care Rent GF 53,600

The JLBC recommends an increase of \$53,600 from the General Fund in FY 2006 for increased rent costs associated with recommended staff increases in the Long Term Care program. DES pays for rent costs of its programs from this cost center. *(Please see the Long Term Care cost center for further details on caseload growth and recommended increases in that program.)*

Child Support Rent Transfer GF 19,800

The JLBC recommends an increase of \$19,800 from the General Fund in FY 2006 for increased rent costs associated with transferring child support responsibilities for Yavapai and Santa Cruz Counties to the agency. There is no net increase to the agencywide budget associated with this transfer. *(Please see the Child Support Enforcement cost center for further details on this issue.)*

Child Welfare Inspection Transfer GF 148,400

The JLBC recommends an increase of \$148,400 and 3 FTE Positions from the General Fund in FY 2006 for a transfer of child welfare inspection duties from the Department of Health Services (DHS) to DES. This transfer of duties and the associated staff was mandated by Laws 2004, Chapter 199. There is an equivalent decrease in the DHS budget for no net change statewide.

Special Line Items

Finger Imaging

The JLBC recommends \$722,700 and 2.1 FTE Positions for Finger Imaging in FY 2006. This amount consists of \$450,800 from the General Fund and \$271,900 from the Federal TANF Block Grant. These amounts would fund the following adjustments:

Standard Changes OF 6,700

The JLBC recommends an increase of \$6,700 from the Federal TANF Block Grant in FY 2006 for standard changes.

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 JLBC recommends \$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 JLBC recommends \$473,500 and 7 FTE Positions for Public Assistance Collections in FY 2006. This amount includes \$241,600 from the Public Assistance Collections Fund (PACF) and \$231,900 from the Federal TANF Block

Grant. These amounts would fund the following adjustments:

Standard Changes **OF** **5,600**
 The JLBC recommends an increase of \$5,600 in FY 2006 for standard changes. This amount consists of \$3,900 from the PACF Fund and \$1,700 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 JLBC recommends \$564,900 and 9.1 FTE Positions for Attorney General Legal Services in FY 2006. These amounts consist of:

General Fund (GF)	314,500
Federal TANF Block Grant	144,200
Federal CCDF Block Grant	15,100
Public Assistance Collections Fund	91,100

These amounts would fund the following adjustments:

Standard Changes **OF** **2,400**
 The JLBC recommends an increase of \$2,400 in FY 2006 for standard changes. This amount consists of:

Federal TANF Block Grant	1,600
Federal CCDF Block Grant	(300)
Public Assistance Collections Fund	1,100

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 JLBC recommends \$115,400 from the General Fund for Information and Referral in FY 2006. This amount is unchanged from FY 2005. This line item provides funding for information and referral services on a 24-hour toll-free statewide telephone system. *Please see the JLBC Recommended Footnotes section for a new recommended footnote requesting a report on this program and the "211" program providing similar services.*

Triagency Disaster Recovery

The JLBC recommends \$271,500 from the Risk Management Fund for Triagency Disaster Recovery in FY 2006. This amount would fund the following adjustments:

Fund Sourcing **OF** **(470,800)**

The JLBC recommends 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. The original FY 2005 appropriation of \$742,300 did not account for the matching monies generated by the appropriation; the remaining Risk Management Fund monies in FY 2006 will permit 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.

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JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Program

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.

New Footnotes

The department shall report to the Joint Legislative Budget Committee by January 1, 2006 on how the services provided by Information and Referral contractors will be integrated with services provided through a statewide 211 program. *The statewide 211 program, which will develop a statewide database of social service information, would perform a similar function to the Information and Referral agencies partially funded by DES. This report would require DES to report on how the Information and Referral contractors will be integrated in the 211 process.*

SUMMARY OF FUNDS - SEE AGENCY SUMMARY

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