

**Department of Economic Security
Administration**

A.R.S. § 41-1954

JLBC Analyst: Eric Jorgensen

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	307.2	299.2	302.2 ^{1/}
Personal Services	11,413,600	12,419,100	12,952,300
Employee Related Expenditures	3,323,800	3,653,300	4,181,900
Professional and Outside Services	586,600	183,600	183,600
Travel - In State	109,300	116,900	116,900
Travel - Out of State	44,100	40,100	40,100
Other Operating Expenditures	15,883,200	18,779,000	20,137,800
Equipment	657,600	583,700	583,700
OPERATING SUBTOTAL	32,018,200	35,815,700	38,196,300^{2/}
SPECIAL LINE ITEMS			
Finger Imaging	516,100	728,600	736,800
Lease Purchase Equipment	1,463,400	1,799,000	1,799,000
Public Assistance Collections	299,200	491,700	519,000
Attorney General Legal Services	484,000	667,300	947,200 ^{3/}
Information and Referral	115,400	0	0
Triagency Disaster Recovery	699,200	271,500	271,500
PROGRAM TOTAL	35,595,500	39,773,800	42,469,800^{4/5/6/}
FUND SOURCES			
General Fund	27,500,700	30,272,500	32,767,100
Other Appropriated Funds			
Federal CCDF Block Grant	1,068,600	1,112,600	1,141,500
Federal TANF Block Grant	5,301,400	5,972,100	6,090,800
Public Assistance Collections Fund	228,000	478,300	502,600
Risk Management Fund	699,200	271,500	271,500
Special Administration Fund	215,500	579,800	608,600
Spinal and Head Injuries Trust Fund	86,900	87,000	87,700
Statewide Cost Allocation Plan Fund	0	1,000,000	1,000,000
Workforce Investment Act Grant	495,200	0	0
SUBTOTAL - Other Appropriated Funds	8,094,800	9,501,300	9,702,700
SUBTOTAL - Appropriated Funds	35,595,500	39,773,800	42,469,800
Other Non-Appropriated Funds	4,032,700	4,263,500	4,263,500
Federal Funds	72,346,200	77,000,200	77,186,200
TOTAL - ALL SOURCES	111,974,400	121,037,500	123,919,500

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 department-wide administrative, research and evaluation, financial and computer automation support.

^{1/} Includes 6 GF and 15.2 OF FTE Positions funded from Special Line Items in FY 2007.

^{2/} Laws 2006, Chapter 350 appropriation of \$101,300.

^{3/} Laws 2006, Chapter 350 appropriation of \$237,300.

^{4/} 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)

^{5/} 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)

^{6/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

Operating Budget

The budget provides \$38,196,300 for the operating budget in FY 2007. This amount consists of:

	<u>FY 2007</u>
General Fund	\$30,506,000
Federal TANF Block Grant	4,739,100
Federal CCDF Block Grant	1,124,900
Public Assistance Collections Fund	130,000
Special Administration Fund	608,600
Spinal and Head Injuries Trust Fund	87,700
Statewide Cost Allocation Plan Fund	1,000,000

These amounts include an increase of \$1,148,300 for statewide adjustments. This amount consists of:

General Fund	996,500
Federal TANF Block Grant	94,300
Federal CCDF Block Grant	28,000
Special Administration Fund	28,800
Spinal and Head Injuries Trust Fund	700

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

The budget also includes the following adjustments:

Rent Funding Shift

The budget provides an increase of \$1,080,600 from the General Fund in FY 2007 to shift rent funding from other divisions within DES to the Administration Division. DES makes rent payments from the Administration Division budget. *(See Rent Funding Shift description in the other divisions for further detail.)*

Vocational Rehabilitation Rent

The budget provides an increase of \$50,400 from the General Fund in FY 2007 for rent costs associated with the 14.9 FTE Positions added to the Vocational Rehabilitation program. *(Please see Additional Vocational Rehabilitation Workers description in the Division of Employment and Rehabilitation Services for further details.)*

Adult Protective Services Rent

The State Government Budget Reconciliation Bill (BRB) (Laws 2006, Chapter 350) provides an increase of \$101,300 from the General Fund in FY 2007 for rent costs associated with the 30 FTE Positions added for the Adult Protective Services program. *(Please see Adult Protective Services Investigations description below and in the Division of Aging and Community Services for further details.)*

Special Line Items

Finger Imaging

The budget provides \$736,800 and 2.1 FTE Positions for Finger Imaging in FY 2007. This amount consists of:

General Fund	460,100
Federal TANF Block Grant	276,700

These amounts include an increase of \$8,200 for statewide adjustments. This amount consists of:

General Fund	5,400
Federal TANF Block Grant	2,800

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 2007. This amount consists of:

General Fund	1,138,000
Federal TANF Block Grant	661,000

These amounts are unchanged from FY 2006. This line item funds annual lease-purchase payments or rental agreements of computer equipment for automation projects.

Public Assistance Collections

The budget provides \$519,000 and 7 FTE Positions for Public Assistance Collections in FY 2007. This amount consists of:

Federal TANF Block Grant	251,500
Public Assistance Collections Fund (PACF)	267,500

These amounts include an increase of \$27,300 for statewide adjustments. This amount consists of:

Federal TANF Block Grant	11,200
Public Assistance Collections Fund (PACF)	16,100

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 \$947,200 and 12.1 FTE Positions for Attorney General Legal Services in FY 2007. This amount consists of:

General Fund	663,000
Federal TANF Block Grant	162,500
Federal CCDF Block Grant	16,600
Public Assistance Collections Fund	105,100

These amounts include an increase of \$42,600 for statewide adjustments. This amount consists of:

General Fund	23,100
Federal TANF Block Grant	10,400
Federal CCDF Block Grant	900
Public Assistance Collections Fund	8,200

The budget also includes the following adjustment:

Adult Protective Services Investigations

The State Government BRB provides an increase of \$237,300 and 3 FTE Positions from the General Fund in FY 2007 to provide the legal support associated with achieving a 100% investigation rate for reports of abuse and neglect of adults. Of this amount, \$33,900 is for equipment costs. *(Please see Adult Protective Services Investigations description in the Division of Aging and Community Services for further details.)*

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 2007. Funding for this line item was eliminated in FY 2006. Previously, this funding provided information and referral services on a 24-hour toll-free statewide telephone system. Arizona is developing a new "211" system that provides information similar to the Information and Referral system. *(Please see the 2-1-1 System discussion in the Arizona Health Care Cost Containment System, Administration cost center for further details.)*

Triagency Disaster Recovery

The budget provides \$271,500 from the Risk Management Fund for Triagency Disaster Recovery in FY 2007. This amount is unchanged from FY 2006.

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.