

Department of Economic Security
Benefits and Medical Eligibility

A.R.S. § 41-1954

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	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	584.9	569.9	569.9
Personal Services	18,052,800	19,737,300	20,724,800
Employee Related Expenditures	6,367,100	6,540,800	7,412,000
Professional and Outside Services	3,209,500	4,086,000	4,086,000
Travel - In State	274,400	210,000	210,000
Other Operating Expenditures	1,943,900	2,213,300	2,500,800
Equipment	186,600	0	0
OPERATING SUBTOTAL	30,034,300	32,787,400	34,933,600^{1/}
SPECIAL LINE ITEMS			
TANF Cash Benefits	151,458,500	152,859,100	135,605,400 ^{2/3/4/}
FLSA Supplement	520,000	508,900	508,900
Tribal Pass-Through Funding	3,802,500	4,288,700	4,288,700
General Assistance	3,917,400	4,260,800	4,260,800
Tuberculosis Control Payments	28,900	32,200	32,200
PROGRAM TOTAL	189,761,600	194,737,100	179,629,600^{5/}
FUND SOURCES			
General Fund	87,159,800	88,359,400	89,768,700
<u>Other Appropriated Funds</u>			
Federal TANF Block Grant	102,601,800	106,377,700	89,860,900
SUBTOTAL - Other Appropriated Funds	102,601,800	106,377,700	89,860,900
SUBTOTAL - Appropriated Funds	189,761,600	194,737,100	179,629,600
Other Non-Appropriated Funds	199,800	300,000	300,000
Federal Funds	114,466,700	114,366,100	114,366,100
TOTAL - ALL SOURCES	304,428,100	309,403,200	294,295,700

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.

- ^{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/} Notwithstanding A.R.S. § 35-173C, any transfer to or from the \$135,605,400 appropriated for Temporary Assistance for Needy Families Cash Benefits requires review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- ^{3/} 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)
- ^{4/} The department shall report to the Joint Legislative Budget Committee by the end of each calendar quarter on progress made in meeting Federal TANF work participation requirements. (General Appropriation Act footnote)
- ^{5/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	Approved
• % of Cash Benefits issued timely	96.5	92.0	97.5	98.6
• % of total Cash Benefits payments issued accurately	95.6	90.9	93.8	95.0
Comments: The % of Cash Benefits payments issued accurately measure is based on a federal fiscal year.				
• % of total Food Stamps payments issued accurately	92.7	93.6	93.1	95.0
Comments: The % of Food Stamps payments issued accurately measure is based on a federal fiscal year.				
• % of clients satisfied with Family Assistance Admin.	90.2	88.7	88.8	93.0

Operating Budget

The budget provides \$34,933,600 for the operating budget in FY 2007. This amount consists of:

	<u>FY 2007</u>
General Fund	\$24,878,800
Federal TANF Block Grant	10,054,800

These amounts include an increase of \$2,147,300 for statewide adjustments. This amount consists of:

General Fund	1,410,400
Federal TANF Block Grant	736,900

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

Rent Funding Shift

The budget provides a decrease of \$(1,100) from the General Fund in FY 2007 to shift rent funding from this division to the Administration Division. Rent payments for the department are paid out of the Administration Division. (See Rent Funding Shift discussion in the Administration Division for further detail.)

Special Line Items

TANF Cash Benefits

The budget provides \$135,605,400 for TANF Cash Benefits in FY 2007. This amount consists of:

General Fund	56,308,200
Federal TANF Block Grant	79,297,200

These amounts include the following adjustment:

TANF Caseload Decline

The budget provides a decrease of \$(17,253,700) from the Federal TANF Block Grant in FY 2007 for caseload declines. This amount would fund 92,000 recipients receiving \$122.80 monthly. This is a decrease from the budgeted FY 2006 level of 106,470 recipients at \$119.25 per month. Taking all savings from reduced caseloads as a reduction to Federal TANF Block Grant spending offsets

the shortfall in the Federal TANF Block Grant. (See Federal Block Grants discussion in the DES Summary section for further detail.)

The current estimated FY 2006 caseload is an average of 93,800 recipients at \$120.75 per month, creating a surplus of \$16.9 million in FY 2006. Of the FY 2006 surplus, DES transferred \$6.5 million to the division's operating budget and \$7.0 million to the Division of Children, Youth and Families for the Children Support Services (\$5.0 million) and Foster Care Placement (\$2.0 million) line items, leaving \$3.4 million unexpended.

Monies in this line item provide financial assistance on a temporary basis to dependent children in their own homes or in the homes of responsible caretaker relatives. Financial eligibility is currently set at 36% of the 1992 Federal Poverty Level.

Fair Labor Standards Act Supplement

The budget provides \$508,900 from the Federal TANF Block Grant for Fair Labor Standards Act (FLSA) Supplement in FY 2007. This amount is unchanged from FY 2006.

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 2007. This amount is unchanged from FY 2006.

Monies in this line item are passed through to Native American tribes operating their own welfare programs, allocated as shown in Table 1. A.R.S. § 46-134 authorizes DES to provide monies to a tribal government electing to operate their own cash assistance program. The amount is roughly equivalent to what the state would be spending on the population if the state still had responsibility for the case assistance program for any particular tribe.

Table 1
Tribal Pass-Through Funding Components

<u>Tribe</u>	<u>Total</u>
Navajo	\$2,361,700
Salt River Pima-Maricopa	322,400
Pascua Yaqui	721,600
White Mountain Apache	807,000
Hopi	<u>75,900</u>
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.

General Assistance

The budget provides \$4,260,800 from the General Fund for General Assistance in FY 2007. This amount is unchanged from FY 2006. 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**: \$5,836,800 for an average monthly benefit of \$152 paid to 3,200 clients.
- **Retroactive Payments**: \$(1,962,000) 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 2007. This amount is unchanged from FY 2006. 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.