

Department of Economic Security

Summary

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DESCRIPTION	FY 2005 ACTUAL	FY 2006 ESTIMATE	FY 2007 JLBC
PROGRAM BUDGET			
Administration	35,595,500	39,479,300	40,559,900
Developmental Disabilities	52,253,700	69,599,500	65,240,600
Long Term Care	542,395,700	637,759,200	690,446,700
Benefits and Medical Eligibility	189,761,600	194,224,600	187,596,800
Child Support Enforcement	47,212,600	56,097,400	56,097,400
Aging and Community Services	31,879,800	39,446,800	39,446,800
Children, Youth and Families	200,701,100	238,231,700	248,554,300
Employment and Rehabilitation Services	244,434,800	287,194,700	287,161,100
AGENCY TOTAL	1,344,234,800	1,562,033,200	1,615,103,600
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	5,425.3	5,608.9	5,642.9
Personal Services	116,962,100	132,089,200	132,089,200
Employee Related Expenditures	37,715,600	43,798,300	43,798,300
Professional and Outside Services	11,897,800	11,049,500	11,049,500
Travel - In State	2,396,100	3,425,500	3,425,500
Travel - Out of State	44,200	40,300	40,300
Other Operating Expenditures	39,689,100	48,247,900	49,133,100
Equipment	4,256,100	4,139,700	4,139,700
OPERATING SUBTOTAL	212,961,000	242,790,400	243,675,600
Special Line Items (SLI)	1,131,273,800	1,319,242,800	1,371,428,000
AGENCY TOTAL	1,344,234,800	1,562,033,200	1,615,103,600
FUND SOURCES			
General Fund	557,662,200	630,214,300	662,048,000
<u>Other Appropriated Funds</u>			
Child Abuse Prevention Fund	74,200	1,569,700	1,569,700
Child Support Enforcement Administration Fund	10,120,300	13,197,800	13,197,800
Children and Family Services Training Program Fund	81,800	209,600	209,600
Domestic Violence Shelter Fund	1,571,000	1,700,000	1,700,000
Federal CCDF Block Grant	99,588,700	116,188,100	116,188,100
Federal TANF Block Grant	219,233,500	246,471,100	239,844,400
Job Training Fund	3,311,700	0	0
Long Term Care System Fund (Non-Federal Matched)	18,786,200	24,431,900	21,887,600
Public Assistance Collections Fund	228,000	473,000	473,000
Risk Management Fund	699,200	271,500	271,500
Special Administration Fund	626,400	2,158,500	2,158,500
Spinal and Head Injuries Trust Fund	2,347,200	2,508,300	2,508,300
Statewide Cost Allocation Plan Fund	0	1,000,000	1,000,000
Utility Assistance Fund	287,500	500,000	500,000
Workforce Investment Act Grant	45,450,100	55,706,300	55,706,300
SUBTOTAL - Other Appropriated Funds	402,405,800	466,385,800	457,214,800
SUBTOTAL - Appropriated Funds	960,068,000	1,096,600,100	1,119,262,800
<u>Expenditure Authority Funds</u>			
Federal Funds	32,534,800	37,445,800	37,445,800
Long Term Care System Fund (Federal Match)	351,632,000	427,987,300	458,395,000
SUBTOTAL - Expenditure Authority Funds	384,166,800	465,433,100	495,840,800
SUBTOTAL - Appropriated/Expenditure Authority Funds	1,344,234,800	1,562,033,200	1,615,103,600
<u>Other Non-Appropriated Funds</u>			
Other Non-Appropriated Funds	266,933,800	301,724,600	301,724,600
Federal Funds	482,082,000	507,996,500	516,844,700
TOTAL - ALL SOURCES	2,093,250,600	2,371,754,300	2,433,672,900

CHANGE IN FUNDING SUMMARY

	FY 2006 to FY 2007 JLBC	
	\$ Change	% Change
General Fund	31,833,700	5.1%
Other Appropriated Funds	(9,171,000)	(2.0%)
Expenditure Authority Funds	30,407,700	6.5%
Total Appropriated/Expenditure Authority Funds	53,070,400	3.4%
Non Appropriated Funds	8,848,200	1.1%
Total - All Sources	61,918,600	2.6%

AGENCY DESCRIPTION — The department provides an array of services for low-income households and others in need. These services are provided through the following divisions: Administration, Developmental Disabilities; Long Term Care, Benefits and Medical Eligibility; Child Support Enforcement; Aging and Community Services; Children, Youth and Families; and Employment and Rehabilitation Services.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	JLBC
• Agencywide customer satisfaction rating (Scale 1 to 5)	4.0	3.6	NA	3.7

Comments: The agency did not submit any information on this performance measure for FY 2005.

RECOMMENDED CHANGES FROM FY 2006

		FY 2007
DD Long Term Care Caseload Growth	GF	\$20,871,600
	EA	30,673,900
TANF Cash Benefit Caseloads	OF	(6,626,700)
Foster Care and Adoption Subsidy Rate Increases	GF	6,329,000
Adoption and Permanent Guardianship Caseload Growth	GF	4,862,000
Other Issues	GF	(228,900)
	OF	(2,544,300)
	EA	(266,200)

	FY 2006	FY 2007
Beginning Balance	\$ 20,932,500	\$ 2,091,900
TANF Base Revenues	<u>226,630,500</u>	<u>226,630,500</u>
Total – Available TANF	247,563,000	228,722,400
Total TANF Expenditures	<u>246,471,100</u>	<u>239,844,400</u>
Ending Balance	\$2,091,900 ^{1/}	\$(11,122,000)
Structural Surplus/Shortfall ^{2/}	\$(19,840,600)	\$(13,213,900)

^{1/} Assumes that the Adoption Services – Family Preservation Projects line item appropriation is unexpended in FY 2006 and reverted.
^{2/} Difference between Base Revenues and Total Expenditures.

* * *

Federal Block Grants

The JLBC recommends \$239,844,400 for the appropriation of the state’s federal Temporary Assistance for Needy Families (TANF) Block Grant allocation. *Table 1* summarizes expected yearly revenues, expenditures, and fund balances.

The table compares ongoing revenues and expenditures from the TANF Block Grant. For FY 2007, the TANF Block Grant currently has an estimated shortfall of \$(11,122,000). This shortfall will be addressed during the legislative session and may be significantly reduced by continued declines in TANF Cash Benefits caseloads, reductions to the programs listed in *Table 2*, or by moving some TANF Block Grant funding to the General Fund.

Table 2 provides detailed information on TANF expenditures and appropriations.

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

Table 2

TANF Block Grant Spending

<u>Cost Center/Special Line Item</u>	<u>Actual FY 2005</u>	<u>Estimated FY 2006</u>	<u>FY 2007 Change</u>	<u>JLBC FY 2007</u>
Administration				
Operating	4,329,900	4,623,100	0	4,623,100
Finger Imaging	63,100	273,300	0	273,300
Lease Purchase Equipment	630,700	661,000	0	661,000
Public Assistance Collections	136,400	237,700	0	237,700
Attorney General Legal Services	141,300	149,700	0	149,700
Total – Administration	5,301,400	5,944,800	0	5,944,800
Benefits and Medical Eligibility				
Operating	10,589,400	9,148,500	0	9,148,500
TANF Cash Benefits	91,492,400	96,550,900	(6,626,700)	89,924,200
FLSA Supplement	520,000	508,900	0	508,900
Total – Benefits and Medical Eligibility	102,601,800	106,208,300	(6,626,700)	99,581,600
Aging and Community Services				
Operating	127,700	223,100	0	223,100
Community and Emergency Services	4,471,700	5,424,900	0	5,424,900
Coordinated Hunger Program	476,200	500,000	0	500,000
Coordinated Homeless Programs	1,563,200	1,649,500	0	1,649,500
Domestic Violence Prevention	4,312,000	6,620,700	0	6,620,700
Total – Aging and Community Services	10,950,800	14,418,200	0	14,418,200
Children, Youth and Families				
Operating	29,099,200	27,295,800	0	27,295,800
Adoption Services	8,986,100	10,686,100	0	10,686,100
Adoption - Family Preservation Projects	0	1,000,000	0	1,000,000
Children Services	7,887,600	0	0	0
Children Services/TANF Deposit to SSBG	22,613,100	0	0	0
Children Support Services	0	12,129,100	0	12,129,100
CPS Emergency Placement	0	4,206,400	0	4,206,400
CPS Residential Placement	0	13,966,600	0	13,966,600
Foster Care Placement	0	6,223,100	0	6,223,100
Healthy Families	5,034,200	5,034,200	0	5,034,200
Family Builders Program	3,999,500	5,200,000	0	5,200,000
Attorney General Legal Services	48,700	47,800	0	47,800
TANF Deposit to the Joint Substance Abuse Treatment Fund (Families FIRST)	1,715,500	2,000,000	0	2,000,000
Homeless Youth Intervention	273,700	400,000	0	400,000
Permanent Guardianship Subsidy	1,209,000	859,300	0	859,300
Total – Children, Youth and Families	80,866,600	89,048,400	0	89,048,400
Employment and Rehabilitation Services				
Operating	4,825,700	5,212,300	0	5,212,300
JOBS	14,394,500	17,618,800	0	17,618,800
Work-Related Transportation	292,700	0	0	0
Day Care Subsidy	0	8,020,300	0	8,020,300
Total – Employment and Rehabilitation Services	19,512,900	30,851,400	0	30,851,400
TOTAL - DEPARTMENT OF ECONOMIC SECURITY	\$219,233,500	\$246,471,100	(\$6,626,700)	\$239,844,400
Beginning Balance		20,932,500		2,091,900
TANF Base Revenues		226,630,500		226,630,500
Total TANF Revenues		247,563,000		228,722,400
TANF Expenditures		246,471,100		239,844,400
Ending Balance		\$2,091,900 ^{1/}		\$(11,122,000)

^{1/} Assumes that the Adoption Services – Family Preservation Projects line item appropriation is unexpended in FY 2006 and reverted.

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

The above appropriation is in addition to funds granted to the state by the federal government for the same purposes but shall be deemed to include the sums deposited in the State Treasury to the credit of the Department of Economic Security, pursuant to A.R.S. § 42-5029.

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the President of the Senate, the Speaker of the House of Representatives, the Chairmen of the Senate and House Appropriations Committees and the Director of the Joint Legislative Budget Committee by the 30th of the following month. The report shall include an

estimate of (1) potential shortfalls in entitlement programs, (2) potential federal and other funds, such as the statewide assessment for indirect costs, and any projected surplus in state supported programs that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, (3) shortfalls resulting from new leases or renegotiations of current leases and associated costs, and (4) total expenditure authority of the Child Support Enforcement program for the month and year-to-date as compared to prior year totals.

The Department of Economic Security shall report the receipt and intended use of all current and prior year reversions from nonappropriated sources to the Joint Legislative Budget Committee.

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
Capital Investment Fund (DEA2093/A.R.S. § 4-116)		Non-Appropriated
Source of Revenue: Receipts received from club license and application fees by organizations selling spirituous liquor as defined in A.R.S. § 4-101.		
Purpose of Fund: To be used by the Department of Mental Retardation (now DES, pursuant to A.R.S. § 36-551) for buildings, equipment, and other capital investments.		
Funds Expended	0	0
Year-End Fund Balance	246,800	292,100
Child Abuse Prevention Fund (DEA2162/A.R.S. § 8-550.01)		Appropriated
Source of Revenue: A portion of monies (1.93%) from statutory filing and copy fees collected by the Superior Court and all funds received through a check-off contributions on the Arizona tax form. Monies also may come from a surcharge on certified copies of death certificates when revenues from the surcharge exceed \$100,000 for the year.		
Purpose of Fund: To provide financial assistance to community treatment programs, benefiting abused children and their parents or guardians. An amount of not more than 5% may be expended for administrative expenses related to the fund.		
Funds Expended	74,200	1,569,700
Year-End Fund Balance *	788,100	(189,700)
Child Passenger Restraint Fund (DEA2192/A.R.S. § 28-907)		Non-Appropriated
Source of Revenue: Fines or penalties from parents, guardians, or legal custodians who fail to sufficiently restrain in motor vehicles children under the age of 4 or weighing less than 40 pounds.		
Purpose of Fund: To purchase child passenger restraint systems and provide them to hospitals for loan to indigent persons.		
Funds Expended	199,800	300,000
Year-End Fund Balance	54,500	0
Child Protective Services Expedited Substance Abuse Treatment Fund (DEA2421/A.R.S. § 8-812)		Non-Appropriated
Source of Revenue: An annual appropriation from the state General Fund.		
Purpose of Fund: To provide expedited drug treatment to guardians and parents when a dependency case plan calls for treatment. Expenditures from this fund are not displayed to avoid double counting General Fund monies.		
Funds Expended	0	0
Year-End Fund Balance	356,100	356,100

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
Child Support Enforcement Administration Fund (DEA2091/A.R.S. § 46-406)		Partially-Appropriated
Source of Revenue: State Share of Retained Earnings from child support collections, federal incentives, and fees.		
Purpose of Fund: To fund the statewide Child Support Enforcement program.		
Appropriated Funds Expended	10,120,300	13,197,800
Non-Appropriated Funds Expended	3,716,400	3,931,300
Year-End Fund Balance	2,383,000	1,898,900
Children and Family Services Training Program Fund (DEA2173/A.R.S. § 8-503.01)		Appropriated
Source of Revenue: A portion of monies collected from fees charged for copies of Child Protective Services (CPS) files and assessments against legally responsible parties for the support of a child in the state's custody. The fund receives 90% of the revenues collected. The remaining 10% of revenues are credited to the General Fund.		
Purpose of Fund: To administer training for child protective service workers and employees in related programs. The monies cannot be used to pay salaries or expenses of the training staff. Up to 10% of the monies may be used to enhance the collection of monies owed to the agency. Any monies collected from fees for copies of CPS files may be used only for reimbursing the department for its cost.		
Funds Expended	81,800	209,600
Year-End Fund Balance	485,600	351,800
Community-Based Marriage and Communication Skills Program Fund (DEA2434/A.R.S. § 41-203)		Non-Appropriated
Source of Revenue: Legislative appropriations from the Federal Temporary Assistance for Needy Families Block Grant.		
Purpose of Fund: To distribute to community-based organizations whose plans for marriage and communication skills programs are recommended by the Marriage and Parenting Skills Commission. An amount of not more than 5% can be used for administrative costs.		
Funds Expended	0	0
Year-End Fund Balance	0	0
DES Client Trust Fund (DEA3152/A.R.S. § 41-1954)		Non-Appropriated
Source of Revenue: Monies collected from Social Security, Veterans' Administration benefits, and other benefits payable to a child in the care, custody, or control of DES.		
Purpose of Fund: To defray the costs of care and services expended for the benefit, welfare, and best interest of the child.		
Funds Expended	1,740,600	1,784,200
Year-End Fund Balance	211,400	254,200
Developmentally Disabled Client Services Trust Fund (DEA2019/A.R.S. § 36-572)		Non-Appropriated
Source of Revenue: Proceeds from the sale or lease of the real property and buildings used by the department for the Arizona Training Program at Phoenix (ATP-P). ATP-P land was sold in September 1998 for \$4,250,000. The fund may only spend interest earned on the proceeds.		
Purpose of Fund: To enhance services presently available to the developmentally disabled and to extend services to developmentally disabled persons not presently served.		
Funds Expended	173,300	173,300
Year-End Fund Balance	4,250,000	4,250,000
Domestic Violence Shelter Fund (DEA2160/A.R.S. § 36-3002)		Appropriated
Source of Revenue: A portion of monies (8.87%) from statutory filing and copy fees collected by the Superior Court. Monies also come from voluntary contributions using tax returns or federal grants, private grants, or other private gifts or contributions.		
Purpose of Fund: To fund grants to qualified shelters for victims of domestic violence.		
Funds Expended	1,571,000	1,700,000
Year-End Fund Balance	1,156,200	956,200

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
Economic Security Donations Fund (DEA3145/A.R.S. § 36-571, 41-1954)		Non-Appropriated
Source of Revenue: Grants, gifts, or bequests.		
Purpose of Fund: To be disbursed for the purpose of and in conformity with the terms of the grant, gift, or bequest. Monies received for developmental disabilities purposes are maintained in a separate account.		
Funds Expended	50,700	58,200
Year-End Fund Balance	218,500	247,700
Federal CCDF Block Grant (DEA2008/U.S. P.L. 104-193)		Appropriated
Source of Revenue: Federal formula grant.		
Purpose of Fund: To be used for developing child care programs and policies that promote parental choice; providing consumer education to help parents make informed choices on child care; providing child care to welfare recipient parents; and implementing health, safety, licensing, and registration standards under state law for child care. Up to 5% of the aggregate amount of funds expended can be used for administrative costs. At least 4% of funds must be used for consumer education and activities for improving the quality and availability of child care. No monies can be used for purchasing land or building facilities to provide child care.		
Funds Expended	99,588,700	116,188,100
Year-End Fund Balance *	1,462,000	(7,995,100)
Federal Grants (DEA2000/A.R.S. § 41-101.01)		Non-Appropriated
Source of Revenue: Federal grants, excluding Temporary Assistance for Needy Families, Child Care and Development Fund, and Workforce Investment Act Block Grants.		
Purpose of Fund: To be expended as stipulated by federal statutes authorizing the availability of the federal monies. Some major expenditure items include Food Stamp administration and the Social Services Block Grant.		
Funds Expended	514,616,800	545,442,300
Year-End Fund Balance	11,325,600	10,020,600
Federal Reed Act Grant (DEA9501/A.R.S. § 23-701)		Appropriated
Source of Revenue: Administrative unemployment security insurance monies redistributed back to the states by the federal Department of Labor.		
Purpose of Fund: To enhance states' employment security programs by providing one-time monies for equipment and short-term operating expenditures to improve customer service delivery for Arizona's unemployment insurance program.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Federal TANF Block Grant (DEA2007/U.S. P.L. 104-193)		Appropriated
Source of Revenue: Federal formula grant.		
Purpose of Fund: To provide assistance to needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of 2-parent families.		
Funds Expended	219,233,500	246,471,100
Year-End Fund Balance	20,932,500	2,091,900
Homeless Trust Fund (DEA3026/A.R.S. § 41-2021)		Non-Appropriated
Source of Revenue: Unclaimed or void warrants, up to \$1,000,000, served as the initial source of financing. The current sources of revenue are donations and investment earnings.		
Purpose of Fund: To provide funds for homeless shelter and supportive services. Yearly expenditures are limited to interest earned. Expenditures from this fund require a match of 25% by grantees.		
Funds Expended	14,000	0
Year-End Fund Balance	825,300	855,300

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
Arizona Industries for the Blind Fund (DEA4003/A.R.S. § 41-1975)		Non-Appropriated
Source of Revenue: Proceeds from sales of products of Arizona Industries for the Blind, as well as interest earned on the fund balance.		
Purpose of Fund: To provide funds for the wages and salaries of production workers, inspectors, and other employees necessary for the operation of the training centers, workshops, or home industries; supplies, equipment or other incidental costs.		
Funds Expended	19,743,500	19,142,000
Year-End Fund Balance	282,400	452,400
Job Training Fund (DEA1237/A.R.S. § 41-1544)		Appropriated
Source of Revenue: Legislative appropriations, gifts, grants, interest earned on investments and, primarily, proceeds from a 0.1% employers' wage tax.		
Purpose of Fund: To provide training and retraining for specific employment opportunities with new and expanding businesses or businesses undergoing economic conversion. Most of the fund is administered by the Department of Commerce. Laws 2003, Chapter 263 expanded the use of the fund to permit legislative appropriation of fund monies to DES' JOBS program to provide job training for welfare clients. While the DES portion of the fund is appropriated, the Commerce funding is non-appropriated. Starting in FY 2006 no monies are appropriated to DES from this fund.		
Funds Expended	3,311,700	0
Year-End Fund Balance	466,600	386,600
Joint Substance Abuse Treatment Fund (DEA2429/A.R.S. § 8-881)		Non-Appropriated
Source of Revenue: Legislative appropriations from the General Fund and the Federal Temporary Assistance for Needy Families Block Grant.		
Purpose of Fund: To be jointly administered by DES and the Department of Health Services for services to families and Federal Temporary Assistance for Needy Families recipients involved with Child Protective Services and whose substance abuse is a significant barrier to maintaining, preserving, or reunifying the family. An amount of not more than 5% can be used for program development costs. Up to 10% can be used for evaluating community programs delivering the services. Expenditures from this fund are not displayed to avoid double counting appropriated monies.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Long Term Care System Fund (Federal Matched) (DEA2225/A.R.S. § 36-2953)		Non-Appropriated
Source of Revenue: Federal Title XIX monies.		
Purpose of Fund: To fund administrative and program costs associated with the Long Term Care system.		
Funds Expended	351,632,000	427,987,300
Year-End Fund Balance	0	0
Long Term Care System Fund (Non-Federal Matched) (DEA2224/A.R.S. § 36-2953)		Appropriated
Source of Revenue: Client revenue for room and board, third-party recovery, interest, and miscellaneous federal monies.		
Purpose of Fund: To fund administrative and program costs associated with the Long Term Care system. These monies are used to offset costs of services provided to Long Term Care clients which are not reimbursed by the federal government, such as room and board.		
Funds Expended	18,786,200	24,431,900
Year-End Fund Balance	24,118,200	1,752,500
Mesa Land Fund (DEA3151/Laws 1976, Ch. 140)		Non-Appropriated
Source of Revenue: Proceeds from the sale of donated land located in Mesa. Interest proceeds are transferred to the appropriated Long Term Care System Fund.		
Purpose of Fund: To be used for the establishment and operation of community-based, state-operated, residential group homes and/or habilitation and training facilities. The funds may not be used for the Arizona Training Centers in Coolidge.		
Funds Transferred to Long Term Care System Fund (Appropriated)	0	0
Year-End Fund Balance	115,000	215,000

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
Neighbors Helping Neighbors Fund (DEA2348/A.R.S. § 46-741)		Non-Appropriated
Source of Revenue: Includes contributions from income tax refunds and other donations and interest earnings.		
Purpose of Fund: To provide assistance in paying utility bills, conserving energy and weatherization to eligible individuals. Fund monies are available to designated community action or other agencies currently providing energy assistance services to eligible individuals. An amount of not more than 2% of the fund monies may be used by DES, and an amount of not more than 8% of the fund monies may be used by the designated agencies for administrative costs.		
Funds Expended	28,800	40,000
Year-End Fund Balance	58,400	54,400
Public Assistance Collections Fund (DEA2217/A.R.S. § 46-295)		Appropriated
Source of Revenue: A portion of monies collected in recovery payments from ineligible or overpaid public assistance recipients and reimbursements received from persons legally responsible for support of public assistance recipients. The fund receives 25% of the monies collected. The remaining 75% of revenues are credited to the General Fund.		
Purpose of Fund: To improve public assistance collection activities.		
Funds Expended	228,000	473,000
Year-End Fund Balance	440,300	317,300
Risk Management Fund (DEA4216/A.R.S. § 41-622)		Appropriated
Source of Revenue: Charges assessed on agencies insured under the state's risk management system, as well as all monies recovered by the state pursuant to litigation and other means. Funds are used to pay for damages relating to liability, property, and workers' compensation losses.		
Purpose of Fund: To contract for and implement a disaster recovery plan for DES, in partnership with the Department of Administration and the Department of Public Safety.		
Funds Expended	699,200	271,500
Year-End Fund Balance	43,100	43,100
Special Administration Fund (DEA2066/A.R.S. § 23-705)		Appropriated
Source of Revenue: Monies are from interest charges and employers' penalty fees assessed on late unemployment payments.		
Purpose of Fund: To defray administration costs found not to have been properly and validly chargeable against Federal grants or other funds.		
Funds Expended	626,400	2,158,500
Year-End Fund Balance	1,576,900	1,111,500
Special Olympics Tax Refund Fund (DEA3207/A.R.S. § 41-173)		Non-Appropriated
Source of Revenue: Includes contributions from income tax refunds and other donations and interest earnings.		
Purpose of Fund: To contract with a nonprofit entity for delivery of those services essential to the Arizona Special Olympics' programs and to cover the Department of Revenue's costs for administering the refund checkoff.		
Funds Expended	42,200	42,200
Year-End Fund Balance	41,900	83,800
Spinal and Head Injuries Trust Fund (DEA2335/A.R.S. § 41-3203)		Appropriated
Source of Revenue: The fund receives 22% of monies deposited in the Medical Services Enhancement Fund (MSEF). MSEF revenues consist of a 13% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses, civil motor statute violations, and game and fish violations.		
Purpose of Fund: For 1) prevention and education of spinal and head injuries; 2) rehabilitation, transitional living and equipment necessary for daily living activities; 3) a portion of the cost of the disease surveillance system and statewide referral services for those with head injuries and spinal cord injuries; 4) costs incurred by the Advisory Council on Spinal and Head Injuries; and 5) DES' costs for administering the provisions.		
Funds Expended	2,347,200	2,508,300
Year-End Fund Balance	1,263,700	1,139,500

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
Statewide Cost Allocation Plan Fund (DEA9538/A.R.S. § 41-1954)		Appropriated
Source of Revenue: Federal reimbursement.		
Purpose of Fund: General operations.		
Funds Expended	0	1,000,000
Year-End Fund Balance	0	0
Tobacco Litigation Settlement Fund (DEA2468/A.R.S. § 36-2901.02)		Non-Appropriated
Source of Revenue: Revenues consist of monies Arizona receives as a result of the Tobacco Litigation Master Settlement and any interest earned on those monies. The monies are allocated in accordance to Proposition 204 (2000 General Election).		
Purpose of Fund: To fund the Healthy Families program, which is 1 of 6 programs enacted by Proposition 203 in 1996 for funding from tobacco settlement monies.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Tobacco Tax and Health Care Fund (DEA1306/A.R.S. § 36-2921)		Non-Appropriated
Source of Revenue: Pending available resources, an annual transfer of \$500,000 from the Medically Needy Account of Tobacco Tax money administered by the Arizona Health Care Cost Containment System.		
Purpose of Fund: To provide a variety of services to low-income elderly persons. The services outlined in statute (A.R.S. § 46-192) are for meeting social, physical, and mental health needs, including transportation, nutrition, non-medical home and community based care, and placement in care facilities.		
Funds Expended	0	0
Year-End Fund Balance	10,600	10,600
Unemployment Insurance Benefits Fund (TRA9005/A.R.S. § 23-701)		Non-Appropriated
Source of Revenue: Employer contributions and interest earnings. The monies are maintained and tracked in 2 separate accounts: one by the U.S. Treasury and one by the state, which is used for clearing and paying benefits. The majority of the funds available are in the U.S. Treasury account. DES, as federally required, deposits all employer contributions, other than those retained for immediate benefit payments, in the U.S. Treasury, which tracks each state's account separately.		
Purpose of Fund: To retain and invest formula-determined employer unemployment contributions to be used for payment of future unemployment benefits and refunds pursuant to § 903 of the federal Social Security Act.		
Funds Expended	240,691,000	275,000,000
Year-End Fund Balance	659,539,600	679,539,600
Utility Assistance Fund (DEA3092/A.R.S. § 46-731)		Partially-Appropriated
Source of Revenue: Unclaimed or abandoned utility deposits as defined under A.R.S. § 46-731B.		
Purpose of Fund: To provide utility repair and deposit assistance to eligible recipients. Financial assistance to an individual shall not exceed \$900 per fiscal year. An amount of not more than 2% of the fund monies may be used by DES, and an amount of not more than 8% of the fund monies may be used by the designated community action or other agency providing energy assistance for administrative costs.		
Appropriated Funds Expended	287,500	500,000
Non-Appropriated Funds Expended	533,500	1,253,400
Year-End Fund Balance	399,100	310,200
Workforce Investment Act Grant (DEA2001/U.S. P.L. 105-220)		Appropriated
Source of Revenue: Federal formula grant.		
Purpose of Fund: To consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs.		
Funds Expended	45,450,100	55,706,300
Year-End Fund Balance *	(9,291,100)	(18,497,400)

*As reported by the agency. Actual ending balance will not be negative.