

**Department of Economic Security
Administration**

A.R.S. § 41-1954

JLBC Analyst: Eric Jorgensen

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	299.2	302.2	302.2 ^{1/}
Personal Services	12,645,800	14,296,200	14,447,700
Employee Related Expenditures	3,942,600	4,384,300	4,574,300
Professional and Outside Services	455,000	514,400	502,000
Travel - In State	129,000	145,800	142,300
Travel - Out of State	56,000	63,300	61,800
Other Operating Expenditures	17,196,300	20,494,000	21,205,500
Equipment	1,205,500	1,362,700	1,329,900
OPERATING SUBTOTAL	35,630,200	41,260,700^{2/}	42,263,500
SPECIAL LINE ITEMS			
Finger Imaging	524,200	736,800	738,900
Lease Purchase Equipment	1,456,000	1,799,000	1,799,000
Public Assistance Collections	392,400	519,000	535,000
Attorney General Legal Services	524,300	947,200	1,049,800
Triagency Disaster Recovery	0	271,500	271,500
PROGRAM TOTAL	38,527,100	45,534,200	46,657,700^{3/4/5/}
FUND SOURCES			
General Fund	30,956,800	35,831,500	36,265,800
<u>Other Appropriated Funds</u>			
Federal CCDF Block Grant	1,112,600	1,141,500	1,164,900
Federal Reed Act Grant	0	0	259,200
Federal TANF Block Grant	5,613,500	6,090,800	6,469,300
Public Assistance Collections Fund	275,700	502,600	517,000
Risk Management Fund	0	271,500	271,500
Special Administration Fund	181,500	608,600	621,000
Spinal and Head Injuries Trust Fund	87,000	87,700	89,000
Statewide Cost Allocation Plan Fund	0	1,000,000	1,000,000
Workforce Investment Act Grant	300,000	0	0
SUBTOTAL - Other Appropriated Funds	7,570,300	9,702,700	10,391,900
SUBTOTAL - Appropriated Funds	38,527,100	45,534,200	46,657,700
Other Non-Appropriated Funds	3,979,800	4,142,000	4,142,000
Federal Funds	63,042,000	65,644,300	65,644,300
TOTAL - ALL SOURCES	105,548,900	115,320,500	116,444,000

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 2008.
- ^{2/} Laws 2007, Chapter 256, appropriated \$3,064,400 for supplemental funding to backfill lost Federal Funds due to the Federal Deficit Reduction Act.
- ^{3/} 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)
- ^{4/} 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)
- ^{5/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

Operating Budget

The budget provides \$42,263,500 and 281 FTE Positions for the operating budget in FY 2008. These amounts consist of:

	FY 2008
General Fund	\$33,910,700
Federal TANF Block Grant	5,104,200
Federal CCDF Block Grant	1,147,600
Public Assistance Collections Fund	131,800
Special Administration Fund	621,000
Spinal and Head Injuries Trust Fund	89,000
Statewide Cost Allocation Plan Fund	1,000,000
Federal Reed Act Grant	259,200

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$1,229,500 in FY 2008 for statewide adjustments. This amount consists of:

General Fund	1,003,800
Federal TANF Block Grant	187,500
Federal CCDF Block Grant	22,700
Public Assistance Collections Fund	1,800
Special Administration Fund	12,400
Spinal and Head Injuries Trust Fund	1,300

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

Deficit Reduction Act Backfill

The budget provides an increase of \$2,130,800 from the General Fund in FY 2008 to backfill rent and other administrative costs previously covered by federal monies that were reduced by the Federal Deficit Reduction Act. This increase continues a FY 2007 supplemental. *(See the Deficit Reduction Act Backfill description in the Division of Child Support Enforcement and the Division of Children, Youth and Families for more details.)*

Administration Funding Shift

The budget provides an increase of \$349,600 in FY 2008 to shift rent and information technology (IT) support costs from other divisions within the Department of Economic Security (DES) to the Administration Division. These amounts consist of:

General Fund	172,000
Federal TANF Block Grant	177,600

DES makes rent and other administrative payments from the Administration Division budget. *(See Administration Funding Shift description in the other divisions for more details.)*

Unemployment Insurance Administration Rent

The budget provides an increase of \$259,200 from the Federal Reed Act Grant in FY 2008 for rent charges associated with employees in the Unemployment Insurance program that were previously funded with non-appropriated federal monies. *(See Unemployment Insurance Administration description in the Division of Employment and Rehabilitation Services for more details.)*

LTC Case Manager Rent

The budget provides an increase of \$56,000 from the General Fund in FY 2008 for rent charges associated with additional case managers in the Long Term Care (LTC) Division. *(See Case Management description in the Long Term Care Division for more details.)*

IT Specialist Rent

The budget provides an increase of \$42,100 from the General Fund in FY 2008 for rent charges associated with 2 new technology projects. *(See Document Management System and Eligibility System descriptions in the Division of Benefits and Medical Eligibility for more details.)*

Special Line Items

Finger Imaging

The budget provides \$738,900 and 2.1 FTE Positions for Finger Imaging in FY 2008. These amounts consist of:

General Fund	461,400
Federal TANF Block Grant	277,500

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$2,100 in FY 2008 for statewide adjustments. This amount consists of:

General Fund	1,300
Federal TANF Block Grant	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 2008. This amount consists of:

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

These amounts are unchanged from FY 2007. This line item funds annual lease-purchase payments or rental

agreements of computer equipment for automation projects.

Public Assistance Collections

The budget provides \$535,000 and 7 FTE Positions for Public Assistance Collections in FY 2008. These amounts consist of:

Federal TANF Block Grant	258,700
Public Assistance Collections Fund	276,300

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$16,000 in FY 2008 for statewide adjustments. This amount consists of:

Federal TANF Block Grant	7,200
Public Assistance Collections Fund	8,800

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 Public Assistance Collections Fund.

Attorney General Legal Services

The budget provides \$1,049,800 and 12.1 FTE Positions for Attorney General Legal Services in FY 2008. These amounts consist of:

General Fund	755,700
Federal TANF Block Grant	167,900
Federal CCDF Block Grant	17,300
Public Assistance Collections Fund	108,900

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$102,600 in FY 2008 for statewide adjustments. This amount consists of:

General Fund	92,700
Federal TANF Block Grant	5,400
Federal CCDF Block Grant	700
Public Assistance Collections Fund	3,800

Monies in this line item fund Attorney General Legal Services for the department in areas besides child welfare and child support.

Triagency Disaster Recovery

The budget provides \$271,500 from the Risk Management Fund for Triagency Disaster Recovery in FY 2008. This amount is unchanged from FY 2007.

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.