

Department of Economic Security
Aging and Community Services

A.R.S. § 41-1954

JLBC Analyst: Russell Frandsen

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	80.6	107.6	109.6 ^{1/}
Personal Services	2,979,800	4,349,800	4,429,800
Employee Related Expenditures	1,084,000	1,458,100	1,529,300
Professional and Outside Services	105,000	153,300	153,300
Travel - In State	91,600	133,700	141,700
Travel - Out of State	0	0	1,400
Other Operating Expenditures	544,200	606,100	643,000
Equipment	117,400	171,400	179,500
OPERATING SUBTOTAL	4,922,000	6,872,400	7,078,000
SPECIAL LINE ITEMS			
Adult Services	10,403,500	17,899,300	19,277,700
Community and Emergency Services	4,693,500	5,924,900	5,924,900 ^{2/}
Coordinated Hunger	1,646,800	1,786,600	2,014,600 ^{3/}
Coordinated Homeless	2,580,100	2,804,900	2,804,900
Homelessness Trust Fund	0	850,000 ^{4/}	0
Domestic Violence Prevention	9,597,800	13,647,400	16,647,400 ^{5/6/}
Community-Based Marriage and Communication Skills Program Fund Deposit	1,200,000	1,200,000	1,200,000 ^{7/}
Lifespan Respite Care	0	0	500,000 ^{8/}
PROGRAM TOTAL	35,043,700	50,985,500	55,447,500^{9/}
FUND SOURCES			
General Fund	20,848,200	33,500,100	38,804,900
Other Appropriated Funds			
Domestic Violence Shelter Fund	1,700,000	1,700,000	1,700,000
Federal TANF Block Grant	12,229,100	14,435,400	14,442,600
Homeless Trust Fund	0	850,000	0
Utility Assistance Fund	266,400	500,000	500,000
SUBTOTAL - Other Appropriated Funds	14,195,500	17,485,400	16,642,600
SUBTOTAL - Appropriated Funds	35,043,700	50,985,500	55,447,500
Other Non-Appropriated Funds	553,800	1,220,300	1,220,300
Federal Funds	48,605,100	51,940,900	51,940,900
TOTAL - ALL SOURCES	84,202,600	104,146,700	108,608,700

1/ Includes 1 GF FTE Position funded from Special Line Items in FY 2008.

2/ It is the intent of the Legislature that the department use at least \$1,038,900 of Federal Temporary Assistance for Needy Families Block Grant monies in the appropriation for Community and Emergency Services to ensure that councils of governments and tribal governments receive at least the same amount of Federal Social Services Block Grant monies that those entities received in FY 2001. (General Appropriation Act footnote)

3/ The department shall report on activities of food distribution efforts funded through the monies in the Coordinated Hunger Special Line Item to the Joint Legislative Budget Committee by March 15, 2008. The report shall demonstrate how the food was distributed and shall include letters from each participating food bank stating its satisfaction with the distribution and the department shall verify that food products have been distributed through regional food banks to all rural areas of the state. (General Appropriation Act footnote)

4/ Any monies remaining unexpended and unencumbered on December 31, 2007 revert to DES for serving homeless persons and the working poor in any county. (Laws 2006, Ch. 243 footnote)

5/ All Domestic Violence Shelter Fund monies above \$1,700,000 received by the Department of Economic Security are appropriated for the Domestic Violence Prevention Line Item. The Department of Economic Security shall report the intended use of the monies above \$1,700,000 to the Joint Legislative Budget Committee. (General Appropriation Act footnote)

6/ The Department of Economic Security shall report to the Joint Legislative Budget Committee on the amount of state and federal monies available statewide for domestic violence funding by December 15, 2007. The report shall include, at a minimum, the amount of monies available and the state fiscal agent receiving those monies. (General Appropriation Act footnote)

COST CENTER DESCRIPTION — The program provides alternatives to institutional care for the elderly and physically disabled through a range of non-medical home and community-based services. It includes statewide programs of advocacy, social services, nutrition services, program development services, adult protective services, nursing home ombudsman services, volunteer services, and employment opportunities. The program also serves victims of domestic violence and individuals in need of food and shelter.

PERFORMANCE MEASURES	FY 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	Approved
• Adult Protective Services investigation % rate	74	83	87	100
Comments: Additional staff was added in FY 2007 to help the agency obtain a 100% investigation rate.				

Operating Budget

The budget provides \$7,078,000 and 108.6 FTE Positions for the operating budget in FY 2008. These amounts consist of:

	FY 2008
General Fund	\$6,830,500
Federal Temporary Assistance for Needy Families (TANF) Block Grant	247,500

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$211,100 in FY 2008 for statewide adjustments. This amount consists of:

General Fund	203,900
Federal TANF Block Grant	7,200

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

Administration Funding Shift

The budget provides a decrease of \$(127,100) from the General Fund in FY 2008 to shift Information Technology (IT) support funding from this division to the Administration Division. General IT support for the department is funded out of the Administration Division. *(See Administration Funding Shift description in the Administration Division for more details.)*

Long-Term Care Ombudsman Director

The budget provides an increase of \$121,600 and 1 FTE Position from the General Fund in FY 2008 to increase services to seniors in their home. This money is part of a \$1,500,000 total increase for adult services that includes an increase in the Adult Services Special Line Item. The 1 FTE Position will be the State's Long Term Care

Ombudsman Director. *(See the Adult Services Special Line Item below for more details.)*

Special Line Items

Adult Services

The budget provides \$19,277,700 from the General Fund for Adult Services in FY 2008. This amount funds the following adjustments:

Independent Living Support

The budget provides an increase of \$1,378,400 from the General Fund in FY 2008 for Independent Living Support. The approved increase will allow an additional 600 individuals to receive home care services.

This line item provides an array of independent living supports to elderly persons. The amount is distributed as follows:

Adult Protective Contracted Services - Provides \$345,400 for services to elderly people who are abused or neglected.

Supplemental Payments - Provides \$1,856,600 for a continuation of care and services, such as housekeeper, home health aide, and visiting nurse services, for Supplemental Security Income (SSI)-eligible households. Any funds not expended on SSI recipients may be reallocated to pay for housekeeper, home health aide, and visiting nurse services provided to non-SSI recipients who are eligible for the Home Care services component of the Adult Services line item. In FY 2006, 374 individuals were served.

Home Care - Provides \$12,596,200 for supplemental services, plus personal care to non-SSI recipients who are disabled or elderly and do not qualify for the Arizona Long Term Care System. In FY 2006, 16,314 individuals were

7/ The department shall apply for the maximum allowable Federal Temporary Assistance for Needy Families Block Grant funding in FY 2008 available to the state through a grant program to promote healthy marriages and responsible fatherhood. These monies shall be deposited in the Community-Based Marriage and Communication Skills Program Fund established by A.R.S. § 41-2032, for at least the following purposes:

1. Marketing and advertising of marriage skills classes.
2. The Community-Based Relationship Skills High School Pilot Program. (General Appropriation Act footnote)

8/ Laws 2007, Chapter 263 appropriation of \$500,000.

9/ General Appropriation Act funds are appropriated as Operating Lump Sum with Special Line Items by Program.

served. The monies represent a \$1,378,400 increase over FY 2007.

Supportive Services - Includes \$500,000 to provide other supportive home and community based services, and/or supplies to maintain an individual in the home. Examples are home delivered meals and personal care supplies such as dietary supplements. This amount will serve an estimated 262 clients at an average cost of \$1,906 each.

Older Americans Act - Includes \$1,453,500 in General Fund monies that will draw down \$16,923,900 in federal Older Americans Act funds. The state and Federal Funds are for congregate and home-delivered meals, as well as other social services. In FY 2006, over 94,000 individuals were served through these programs.

Assessments and Case Management - Provides \$2,064,000 through contracted agencies to assess the service needs of the person by measuring ability to perform activities of daily living, family support, and financial status. In FY 2006, approximately 14,000 individuals were served.

Respite Care - Includes \$462,000 for providing services to prevent premature institutionalization by giving relief to care givers of the elderly. In FY 2006, approximately 700 individuals were served.

In FY 2007 the monies in this line item were expected to be distributed as shown in *Table 1*:

<u>Organization</u>	<u>Location</u>	<u>Funding</u>
Area Agency on Aging, Region One, Inc.	Phoenix	\$ 7,625,400
Pima Council on Aging	Tucson	3,464,000
Northern Arizona Council of Governments	Flagstaff	1,536,800
Western Arizona Council of Governments	Yuma	1,444,800
Pinal-Gila County for Senior Citizens	Casa Grande	1,253,800
Southeastern Arizona Governments Organization	Bisbee	1,178,600
Inter-Tribal Council of Arizona	Phoenix	311,500
Navajo Nation	Window Rock	290,800
Other		793,600
Total - Adult Services		\$17,899,300

Community and Emergency Services

The budget provides \$5,924,900 for Community and Emergency Services in FY 2008. This amount consists of:

Federal TANF Block Grant	5,424,900
Utility Assistance Fund	500,000

These amounts are unchanged from FY 2007.

Monies in this line item provide funding to 20 community action agencies to deliver a wide range of services related to the needs of low-income families and individuals. The line item also provides financial and technical assistance for local communities to identify priority problems and needs of individuals in poverty. In FY 2006 this line item, along with non-appropriated funds, provided case management services to 61,290 individuals, short-term crisis services to 3,692 individuals and utility assistance related services to 24,166 individuals.

In FY 2007, the monies in this line item were distributed to 15 organizations with funding ranging from \$10,000 to \$1,800,000.

Coordinated Hunger

The budget provides \$2,014,600 for Coordinated Hunger programs in FY 2008. This amount consists of:

General Fund	1,514,600
Federal TANF Block Grant	500,000

These amounts fund the following adjustments:

Food Bank Trailers

The budget provides an increase of \$228,000 from the General Fund in FY 2008 for food bank trailers. The approved increase will allow the Arizona Association of Food Banks to acquire and distribute statewide 15 food trailers with refrigeration and freezer capacity for the storage of perishable food products. The approved increase will allow 3,000 additional families to receive food boxes.

Monies in this line item are used to fund programs that address hunger issues throughout Arizona. State and federal dollars are used to administer a USDA commodities food program, assist in statewide food distribution and for food banks. Monies are also used to provide information on where to obtain food for individuals and families. In FY 2006, 181,000 individuals were served monthly through the USDA commodities food program.

Coordinated Homeless

The budget provides \$2,804,900 for Coordinated Homeless programs in FY 2008. This amount consists of:

General Fund	1,155,400
Federal TANF Block Grant	1,649,500

These amounts are unchanged from FY 2007.

In FY 2006, this line item, along with non-appropriated funds, provided emergency shelter services to 26 organizations that served 14,801 individuals. In addition, 1,459 individuals received transitional shelter services.

In FY 2007, the monies in this line item were distributed to 25 organizations with funding ranging from \$10,000 to \$730,400.

The General Revenues Budget Reconciliation Bill (Laws 2007, Chapter 260) revises the Lottery distribution formula and annually appropriates up to \$1,000,000 to DES. These monies will be non-appropriated in DES' budget. The department shall use the funding to distribute grants to nonprofit organizations, including faith-based organizations for homeless emergency and transitional shelters and related support services. DES is required to submit an annual report by December 31 to the Governor, Speaker of the House of Representatives, President of the Senate, and the Joint Legislative Budget Committee on the amounts, recipients, purposes, and results of each grant. *(Please see the Arizona State Lottery Commission narrative for more information.)*

Homelessness Trust Fund

The budget provides no funding for Homelessness Trust Fund in FY 2008. This amount would fund the following adjustments:

Eliminate One-Time Funding

The budget provides a decrease of \$(850,000) from the Homelessness Trust Fund in FY 2008. Laws 2006, Chapter 243 made a one-time appropriation of the remaining monies in FY 2007 from the Homeless Trust Fund for additional homeless services and eliminated the fund.

Domestic Violence Prevention

The budget provides \$16,647,400 for Domestic Violence Prevention in FY 2008. This amount consists of:

General Fund	8,326,700
Federal TANF Block Grant	6,620,700
Domestic Violence Shelter Fund	1,700,000

These amounts fund the following adjustments:

New Shelter Beds

The budget provides an increase of \$3,000,000 from the General Fund in FY 2008 to establish new shelter beds and increase the number of individuals served. The monies will help fund 257 new shelter beds which will serve an additional 3,200 individuals.

In FY 2006, this line item, along with non-appropriated funds, provided funding to 29 organizations that served approximately 9,483 women and children in emergency shelters, 480 women and children in transitional housing, and 8,414 victims with legal and lay legal advocacy.

Community-Based Marriage and Communication Skills Program Fund Deposit

The budget provides \$1,200,000 from the General Fund in FY 2008 for Community-Based Marriage and

Communication Skills line item. This amount is unchanged from FY 2007.

The General Fund monies are to be deposited into the non-appropriated Community-Based Marriage and Communication Skills Program Fund in A.R.S. § 41-2032. The appropriation consists of \$1,000,000 for grants to local communities and organizations. The monies are for implementing new or continuing existing programs which build marriage and communication skills and educate clients about family law and domestic violence issues. There also is \$100,000 to provide vouchers for attending training courses and \$100,000 for marriage handbooks for free distribution. As of April 2007, there have been 63 workshops with 1,373 participants.

A footnote indicates that the division shall apply to the federal government for the maximum amount of available Federal Funds for providing and marketing marriage skill classes.

Lifespan Respite Care

The Health and Welfare Budget Reconciliation Bill (Laws 2007, Chapter 263) appropriates \$500,000 and 1 FTE Position from the General Fund in FY 2008 for a new Lifespan Respite Care Special Line Item. DES shall establish a Lifespan Respite Care Program, which is a coordinated system of accessible, community-based respite care services for family caregivers of children or adults with special needs. Respite care is short-term care and supervision services that are provided to an individual to relieve the individual's caregiver. The appropriated FTE Position will administer the program. The program will terminate on July 1, 2017.