

Department of Economic Security
Benefits and Medical Eligibility

A.R.S. § 41-1954

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	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	569.9	569.9	575.6 ^{1/}
Personal Services	20,867,300	20,661,500	21,282,200
Employee Related Expenditures	8,407,200	7,283,600	7,695,400
Professional and Outside Services	3,499,700	4,055,900	4,055,900
Travel - In State	180,100	174,800	174,800
Other Operating Expenditures	2,680,900	2,757,800	2,721,900
Equipment	726,200	0	0
OPERATING SUBTOTAL	36,361,400	34,933,600	35,930,200^{2/}
SPECIAL LINE ITEMS			
TANF Cash Benefits	137,159,600	135,605,400	125,148,000 ^{3/4/5/}
FLSA Supplement	444,000	508,900	508,900
Tribal Pass-Through Funding	4,288,700	4,288,700	4,288,700
General Assistance	2,816,000	4,260,800	3,060,800
Tuberculosis Control Payments	30,700	32,200	32,200
Eligibility System Upgrade	0	0	963,300
Document Management	0	0	494,600
PROGRAM TOTAL	181,100,400	179,629,600	170,426,700^{6/}
FUND SOURCES			
General Fund	77,581,700	89,768,700	80,242,300
<u>Other Appropriated Funds</u>			
Federal TANF Block Grant	103,518,700	89,860,900	90,184,400
SUBTOTAL - Other Appropriated Funds	103,518,700	89,860,900	90,184,400
SUBTOTAL - Appropriated Funds	181,100,400	179,629,600	170,426,700
Other Non-Appropriated Funds	193,600	215,000	215,000
Federal Funds	132,756,700	155,085,500	155,098,600
TOTAL - ALL SOURCES	314,050,700	334,930,100	325,740,300

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/} Includes 5.7 GF FTE Positions funded from Special Line Items in FY 2008.
- ^{2/} 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)
- ^{3/} Notwithstanding A.R.S. § 35-173C, any transfer to or from the \$125,148,000 appropriated for Temporary Assistance for Needy Families Cash Benefits requires review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- ^{4/} 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)
- ^{5/} 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)
- ^{6/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

PERFORMANCE MEASURES	FY 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	Approved
• % of Cash Benefits issued timely	92.0	97.5	96.7	98.6
• % of total Cash Benefits payments issued accurately Comments: The % of Cash Benefits payments issued accurately measure is based on a federal fiscal year.	90.9	93.8	92.7	95.0
• % of total Food Stamps payments issued accurately Comments: The % of Food Stamps payments issued accurately measure is based on a federal fiscal year.	93.6	93.1	92.7	95.0
• % of clients satisfied with Family Assistance Admin.	88.7	88.8	87.9	90.0

Operating Budget

The budget provides \$35,930,200 and 569.9 FTE Positions for the operating budget in FY 2008. This amount consists of:

	FY 2008
General Fund	\$25,551,900
Federal TANF Block Grant	10,378,300

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$1,000,300 in FY 2008 for statewide adjustments. This amount consists of:

General Fund	676,800
Federal TANF Block Grant	323,500

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

Administration Funding Shift

The budget provides a decrease of \$(3,700) from the General Fund in FY 2008 to shift rent funding from this division to the Administration Division. Rent payments for the department are paid out of the Administration Division. *(See Administration Funding Shift description in the Administration Division for more details.)*

Special Line Items

TANF Cash Benefits

The budget provides \$125,148,000 for TANF Cash Benefits in FY 2008. This amount consists of:

General Fund	45,850,800
Federal TANF Block Grant	79,297,200

These amounts fund the following adjustments:

TANF Caseload Decline

The budget provides a decrease of \$(10,457,400) from the General Fund in FY 2008 for caseload declines. This

amount provides 84,700 recipients an average monthly benefit of \$122.58. This is a decrease from the budgeted FY 2007 level of 92,000 recipients at \$122.80 per month and reflects a projected 2.5% increase in caseload from June 2007 to June 2008.

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 2008. This amount is unchanged from FY 2007.

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 2008. This amount is unchanged from FY 2007.

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 the Department of Economic Security (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.

In addition to monies in this line item, the 5 tribes independently receive \$20,156,900 of TANF Block Grant monies from the Federal Government.

Table 1
Tribal Pass-Through Funding Components

Tribes	Total
Navajo	\$2,361,700
Salt River Pima-Maricopa	322,400
Pascua Yaqui	721,600
White Mountain Apache	807,000
Hopi	75,900
Total	\$4,288,700 ^{1/}

^{1/} Note: Numbers do not add due to rounding

General Assistance

The budget provides \$3,060,800 from the General Fund for General Assistance in FY 2008. This amount funds the following adjustments:

Caseload Decline

The budget provides a decrease of \$(1,200,000) from the General Fund in FY 2008 for caseload declines. This decrease represents a decline of about 1,100 clients or 34% from the budgeted FY 2007 amount. Reductions to the caseload began in late FY 2006 and have continued through FY 2007. While appropriated \$4,260,800 in FY 2007, the program is expected to expend no more than the \$3,060,800 included for FY 2008 during the year. The included amount assumes flat caseload from current FY 2007 projected levels.

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 \$3,060,800 amount consists of the following estimated components:

- **Benefits:** \$4,504,900 for an average monthly benefit of \$154 paid to 2,440 clients.
- **Retroactive Payments:** \$(1,590,900) for federal reimbursement for recipients later accepted into the federal Supplemental Security Income (SSI) program.
- **Application Assistance:** \$146,800 to provide recipients with SSI application assistance.

Tuberculosis Control Payments

The budget provides \$32,200 from the General Fund for Tuberculosis Control Payments in FY 2008. This amount is unchanged from FY 2007. 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 for 20 clients.

Eligibility System Upgrade

The budget provides \$963,300 and 4.1 new FTE Positions from the General Fund for a new Eligibility System Upgrade line item in FY 2008.

These monies are part of a \$45,000,000 total fund multi-year information technology (IT) upgrade project to replace the current case management/eligibility determination system used by the division for Medicaid, TANF, General Assistance and other welfare programs. DES is expected to seek \$12,722,500 from the General Fund over the project lifetime. The remaining costs would be covered by \$7,547,500 in non-appropriated federal monies and \$24,730,000 in pass-through monies from Arizona Health Care Cost Containment System (AHCCCS). A small portion of DES' share is located in the DES Administration Division operating budget. Expenditures from this line include equipment, internal IT support, and contracted programming and system development. (See the *IT Specialist Rent discussion in the DES Administration Division and the DES Eligibly System Upgrade discussion in the AHCCCS Administration Division for more details.*)

Document Management

The budget provides \$494,600 and 1.6 new FTE Positions from the General Fund for a new Document Management line item in FY 2008.

These monies are part of a \$5,000,000 total fund multi-year project to implement an agencywide electronic document management system. DES is expected to seek \$2,194,800 from the General Fund over the project lifetime. The remaining monies would be provided by non-appropriated Federal Funds. In FY 2008, this funding will expand an existing pilot program in Maricopa County to the Food Stamp program statewide. Funding in subsequent years would expand the program to the rest of the agency. Expenditures from this line include equipment, internal IT support, and contracted programming and system development. (See the *IT Specialist Rent discussion in the DES Administration Division for more details.*)