

**Department of Economic Security**  
**Benefits and Medical Eligibility**

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DESCRIPTION	FY 2007 ACTUAL	FY 2008 ESTIMATE	FY 2009 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	569.9	575.6	575.6
Personal Services	21,151,500	19,322,500	19,322,500
Employee Related Expenditures	8,891,900	7,045,800	7,045,800
Professional and Outside Services	3,341,100	3,310,800	3,310,800
Travel - In State	270,900	258,500	258,500
Other Operating Expenditures	4,137,800	5,005,100	5,005,100
Equipment	1,027,300	987,500	987,500
<b>OPERATING SUBTOTAL</b>	<b>38,820,500</b>	<b>35,930,200</b>	<b>35,930,200</b>
<b>SPECIAL LINE ITEMS</b>			
TANF Cash Benefits	121,605,400	125,148,000	133,553,300
Tribal Pass-Through Funding	3,633,400	4,288,700	4,288,700
General Assistance	1,797,700	3,060,800	1,954,100
Tuberculosis Control Payments	23,500	32,200	32,200
Eligibility System Upgrade	0	963,300	963,300
Document Management	0	494,600	494,600
<b>PROGRAM TOTAL</b>	<b>165,880,500</b>	<b>169,917,800</b>	<b>177,216,400</b>

<b>FUND SOURCES</b>			
General Fund	76,528,500	80,242,300	87,540,900
<u>Other Appropriated Funds</u>			
Federal TANF Block Grant	89,352,000	89,675,500	89,675,500
SUBTOTAL - Other Appropriated Funds	89,352,000	89,675,500	89,675,500
<b>SUBTOTAL - Appropriated Funds</b>	<b>165,880,500</b>	<b>169,917,800</b>	<b>177,216,400</b>
Other Non-Appropriated Funds	223,600	215,000	215,000
Federal Funds	146,773,000	152,086,400	152,086,400
<b>TOTAL - ALL SOURCES</b>	<b>312,877,100</b>	<b>322,219,200</b>	<b>329,517,800</b>

CHANGE IN FUNDING SUMMARY	FY 2008 to FY 2009 JLBC	
	\$ Change	% Change
General Fund	7,298,600	9.1%
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	7,298,600	4.3%
Non Appropriated Funds	0	0.0%
Total - All Sources	7,298,600	2.3%

**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.

PERFORMANCE MEASURES	FY 2005	FY 2006	FY 2007	FY 2009
	Actual	Actual	Actual	JLBC
• % of Cash Benefits issued timely	97.5	96.7	96.3	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.	93.8	92.7	88.1	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.	93.1	92.7	95.4	96.0
• % of clients satisfied with Family Assistance Admin.	88.8	87.9	88.9	90.0

### Operating Budget

The JLBC includes \$35,930,200 and 569.9 FTE Positions for the operating budget in FY 2009. These amounts consist of:

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

These amounts are unchanged from FY 2008.

### TANF Cash Benefits

The JLBC includes \$133,553,300 for TANF Cash Benefits in FY 2009. This amount consists of:

General Fund	54,256,100
Federal TANF Block Grant	79,297,200

FY 2009 adjustments would be as follows:

#### TANF Caseload Increase                      GF      8,405,300

This adjustment would be an increase of \$8,405,300 from the General Fund in FY 2009 for increased caseloads. This amount provides 90,500 recipients an average monthly benefit of \$122.49. This increase reflects annualized growth rate of 5.8% for the remainder of FY 2008 and 5.8% growth in FY 2009.

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.

### Tribal Pass-Through Funding

The JLBC includes \$4,288,700 from the General Fund for Tribal Pass-Through Funding in FY 2009. This amount is unchanged from FY 2008.

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
<b>Total</b>	<b>\$4,288,700<sup>1/</sup></b>

<sup>1/</sup> Note: Numbers do not add due to rounding

### General Assistance

The JLBC includes \$1,954,100 from the General Fund for General Assistance in FY 2009. FY 2009 adjustments would be as follows:

#### Caseload Decline                                      GF      (1,106,700)

This adjustment would be a decrease of \$(1,106,700) from the General Fund in FY 2009 for caseload declines. This decrease represents a decline of about 1,000 clients or 42% from the budgeted FY 2008 amount. Reductions to the caseload began in late FY 2006 and continued through FY 2007. While appropriated \$3,060,800 in FY 2008, the program is expected to expend no more than the \$1,954,100 in FY 2009. This amount assumes 5.8% caseload growth in FY 2008 and FY 2009.

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 \$1,954,100 amount consists of the following estimated components:

- **Benefits:** \$2,627,900 for an average monthly benefit of \$154 paid to 1,422 clients.
- **Retroactive Payments:** \$(826,000) for federal reimbursement for recipients later accepted into the federal Supplemental Security Income (SSI) program.
- **Application Assistance:** \$152,200 to provide recipients with SSI application assistance.

***Tuberculosis Control Payments***

The JLBC includes \$32,200 from the General Fund for Tuberculosis Control Payments in FY 2009. This amount is unchanged from FY 2008. 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 JLBC includes \$963,300 and 4.1 FTE Positions from the General Fund for the Eligibility System Upgrade in FY 2009. These amounts are unchanged from 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.

***Document Management***

The JLBC includes \$494,600 and 1.6 FTE Positions from the General Fund for Document Management in FY 2009. These amounts are unchanged from 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.

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**FORMAT** — Operating Lump Sum with Special Line Items by Program

**FOOTNOTES**

*Standard Footnotes*

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.

Notwithstanding A.R.S. § 35-173C, any transfer to or from the \$131,466,900 appropriated for Temporary Assistance for Needy Families Cash Benefits requires review by the Joint Legislative Budget Committee.

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.

*Deletion of Prior Year Footnotes*

The JLBC deletes the footnote requiring a report on progress made in meeting the federal TANF work participation requirement. If DES at any time fails to meet the requirement and is charged a penalty assessment by the federal government, the agency will have to report the failure to the Legislature when it comes before the Legislature to request additional funding, regardless of the presence of this footnote.