

**DEPARTMENT OF ECONOMIC SECURITY -  
EMPLOYMENT AND REHABILITATION SERVICES**

**A.R.S. § 41-1951**

<b>General Fund and Other Appropriated Funds</b>	<b>FY 1999 Actual</b>	<b>FY 2000 Estimate</b>	<b>FY 2001 Approved</b>
FTE Positions	409.5	449.5	451.5
Personal Services	10,942,800	12,266,100	12,572,600
Employee Related Expenditures	2,677,000	2,731,000	2,866,900
Professional and Outside Services	208,700	237,800	237,800
Travel - In State	317,200	364,100	368,000
Travel - Out of State	0	5,200	5,200
Other Operating Expenditures	823,300	995,200	1,042,500
Equipment	2,000	0	343,800
<b>Operating Subtotal</b>	<b>14,971,000</b>	<b>16,599,400</b>	<b>17,436,800</b> <sup>1/</sup>
<b>JOBS Administration</b>			
JOBS	13,017,200	17,738,600	26,104,300 <sup>2/</sup>
Work-Related Transportation	2,336,200	3,302,200	3,302,200
Wheels to Work Program	0	2,000,000	2,000,000
Tax Credit Promotion	0	400,000	400,000
Job Search Stipends	93,900	93,900	93,900
Employment Retention and Job Skills	31,100	1,000,000	1,000,000
Young Father Mentoring	0	1,000,000	1,000,000
Parenting Skills Classes	0	250,000	250,000 <sup>3/</sup>
Character Education Training	0	500,000	500,000 <sup>4/5/</sup>
Post-Employment Training	0	1,938,900	1,938,900
Domestic Violence Victims Job Training	0	250,000	250,000 <sup>3/</sup>
Rural Technical Business Assistance	40,700	200,000	200,000
TANF Employment Transition Program	0	9,000,000	9,000,000
<b>Child Care Administration</b>			
Day Care Subsidy	69,119,600	91,227,000	94,451,000 <sup>6/7/</sup>
Transitional Child Care	21,378,300	34,545,700	38,106,500
Enhanced Quality Reimbursement	0	500,000	500,000 <sup>4/</sup>
<b>Rehabilitation Services Administration</b>			
Vocational Rehabilitation Services	3,655,000	3,369,800	3,389,800
Developmental Disabilities Employment Support	7,224,600	9,433,300	9,433,300
Independent Living Rehabilitation Services	543,700	1,776,200	2,203,500 <sup>1/</sup>
<b>Job Training Partnership Act</b>			
Summer Youth Program	1,000,000	1,000,000	1,000,000
Project Intervention	1,000,000	1,000,000	1,000,000
Summer Youth Employment and Training	0	1,000,000	1,000,000
Welfare to Work Programs	1,549,500	0	0
Workforce Investment Act Programs	0	47,875,000	47,875,000 <sup>8/</sup>
<b>Total</b>	<b>135,960,800</b>	<b>246,000,000</b>	<b>262,435,200</b>
<b>Additional Appropriations -</b>			
Workers' Compensation; Arizona Works			
Participants, Ch. 393	0	0	(500,000) <sup>5/</sup>
Commerce; Apprenticeship Services, Ch. 51	0	0	(151,300)
<b>Total Appropriations</b>	<b>135,960,800</b>	<b>246,000,000</b>	<b>261,783,900</b> <sup>9/</sup>

**DEPARTMENT OF ECONOMIC SECURITY -  
EMPLOYMENT AND REHABILITATION SERVICES (Cont'd)**

Fund Summary

General Fund	45,740,600	42,895,600	43,340,600
Federal Temporary Assistance for Needy Families Block Grant	27,472,600	95,613,700	109,909,800 <sup>7/</sup>
Federal Child Care and Development Fund Block Grant	61,664,400	56,981,400	57,551,700
Federal Welfare to Work Block Grant	49,500	0	0
Special Administration Fund	1,033,700	1,085,000	1,085,000
Spinal and Head Injury Trust Fund	0	1,549,300	1,678,000 <sup>10/</sup>
Workforce Investment Act Grant	0	47,875,000	47,875,000
Federal Reed Act Grant	0	0	343,800
<b>Total Appropriations</b>	<b>135,960,800</b>	<b>246,000,000</b>	<b>261,783,900</b>

**Program Description** — *This program provides rehabilitative services to individuals with disabilities, job training opportunities to economically disadvantaged adults and youth, child care subsidy programs, and employability services to Temporary Assistance for Needy Families (TANF) recipients through the Job Opportunity and Basic Skills Training (JOBS) program. Several 100% federally funded programs are located in this division, such as the Unemployment Insurance benefit program and the new Workforce Investment Act programs, replacing the old Job Training Partnership Act (JTPA) program.*

**Reed Act Computer Equipment** — The approved supplemental appropriation adds \$343,800 of federal Reed Act monies in FY 2001 to purchase additional computer equipment for the Division of Employment and Rehabilitation Services (DERS), Employment Security Administration. The state will receive these one-time monies from the federal Department of Labor, which redistributes administrative unemployment security insurance monies back to states to enhance their employment security programs. The monies will be used to connect 4 offices to the department's Wide Area Network and to purchase personal computers for Job Service counselors.

**Parenting Skills Classes** — This appropriation funds parenting skills classes for parents who are receiving TANF assistance. The FY 2001 total, \$250,000 TANF, was appropriated by Laws 1999, Chapter 328.

**Character Education Training** — This appropriation funds Character Education Training for TANF recipients under 19 years of age. Laws 2000, Chapter 393 reallocated the FY 2001 appropriation of \$500,000 TANF in Laws 1999, Chapter 328 from DES to Northern Arizona University's Arizona K-12 center.

<sup>1/</sup> Includes \$425,000 GF appropriated by Laws 1999, Chapter 310.

<sup>2/</sup> It is the intent of the Legislature that the \$17,738,600 appropriated for JOBS in FY 2000 and the \$26,104,300 appropriated for JOBS in FY 2001 may be used to support nonpermanent and seasonal positions to fulfill federal program requirements when contracts for services cannot be established with outside parties. The use of such positions shall be reported to the Director of the Joint Legislative Budget Committee. (General Appropriation Act footnote)

<sup>3/</sup> Includes \$250,000 TANF appropriated by Laws 1999, Chapter 328.

<sup>4/</sup> Includes \$500,000 TANF appropriated by Laws 1999, Chapter 328.

<sup>5/</sup> Laws 2000, Chapter 393 reallocated the FY 2001 appropriation for character education training from DES to Northern Arizona University.

<sup>6/</sup> Of the \$91,227,000 appropriated for Day Care Subsidy in FY 2000 and \$94,451,000 in FY 2001, \$57,895,200 in FY 2000 and \$57,895,200 in FY 2001 are for a program in which the upper income limit is 165% of the 1998 federal poverty level. This provision may not be construed to impose a duty on an officer, agent or employee of the state to discharge a responsibility or to create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the \$57,895,200 appropriation in FY 2000 and \$57,895,200 appropriation in FY 2001. (General Appropriation Act footnote)

<sup>7/</sup> It is the intent of the Legislature that \$33,917,000 of federal Temporary Assistance for Needy Families Block Grant monies be transferred by the Department of Economic Security on an as needed basis in FY 2000 and \$37,620,200 of federal Temporary Assistance for Needy Families Block Grant monies be transferred by the Department of Economic Security on an as needed basis in FY 2001 to the federal Child Care and Development Fund Block Grant, and the monies to be transferred are appropriated for Day Care Subsidy and Transitional Child Care. The Department of Economic Security shall report any use of untransferred federal Temporary Assistance for Needy Families Block Grant monies to the Director of the Joint Legislative Budget Committee. (General Appropriation Act footnote)

<sup>8/</sup> All federal Workforce Investment Act funds that are received by the state in excess of \$47,875,000 in FY 2000 and \$47,875,000 in FY 2001 are appropriated to the Workforce Investment Act Programs Special Line Item. Excess monies may not be spent until a proposed expenditure plan for the excess monies has been reviewed by the Joint Legislative Budget Committee. (General Appropriation Act footnote)

<sup>9/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items for the Program.

<sup>10/</sup> All Spinal and Head Injury Trust Fund receipts received by the Department of Economic Security in excess of \$1,678,000 in FY 2001 are appropriated to the Independent Living Rehabilitation Services Special Line Item. Before the expenditure of any Spinal and Head Injury Trust Fund receipts in excess of \$1,678,000 in FY 2001, the Department of Economic Security shall submit the intended use of the monies for review by the Joint Legislative Budget Committee. (General Appropriation Act footnote, as added by Laws 2000, Chapter 3 and adjusted for state employee pay increase).

## DEPARTMENT OF ECONOMIC SECURITY - EMPLOYMENT AND REHABILITATION SERVICES (Cont'd)

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**Domestic Violence Victims Job Training** — This appropriation funds training vouchers to domestic violence victims receiving TANF assistance. The FY 2001 total, \$250,000 TANF, was appropriated by Laws 1999, Chapter 328.

**Day Care Subsidy** — The approved supplemental appropriation shifts a total of \$2,887,200 of day care funding in FY 2000 and FY 2001 from the federal TANF Block Grant to the federal Child Care and Development Fund (CCDF) Block Grant. These additional CCDF monies are available because it was recently discovered that monies spent on child care licensure and regulation in the Department of Health Services (DHS) qualify as matching monies for CCDF.

**Enhanced Quality Reimbursement** — This appropriation funds enhanced reimbursement for child care subsidies to nationally accredited child care providers. The FY 2001 total, \$500,000, was appropriated by Laws 1999, Chapter 328.

**Vocational Rehabilitation Services** — The approved supplemental appropriation adds \$20,000 of Spinal and Head Injury Trust Fund monies in FY 2001 to provide additional Vocational Rehabilitation services to persons with head and spinal injuries. These monies will be used to match approximately \$73,900 of non-appropriated federal Vocational Rehabilitation monies.

**Independent Living Rehabilitation Services** — The approved supplemental appropriation adds \$100,000 of Spinal and Head Injury Trust Fund monies in FY 2001 to provide additional Independent Living services to persons with head and spinal injuries.

In addition to the supplemental appropriation, the approved supplemental adds a footnote appropriating Spinal and Head Injury Trust Fund receipts in excess of \$1,678,000 in FY 2001 and permitting the department to spend those excess receipts subsequent to submitting the intended use of those monies to the Joint Legislative Budget Committee for its review.

**Workforce Investment Act FTE Positions** — The approved supplemental appropriation adds 33 FTE Positions in FY 2000 and FY 2001 associated with the appropriation of the federal Workforce Investment Act (WIA) grant in DERS. WIA programs replace the old federal Job Training Partnership Act (JTPA) programs.

The supplemental FTE Positions represent the non-appropriated JTPA employees who will become appropriated WIA employees.

**Additional Appropriations: Workers' Compensation; Arizona Works Participants (Chapter 393)** — Modifies Laws 1999, Chapter 328 by shifting the appropriation of

\$500,000 TANF Block Grant monies in FY 2001 for Character Education Training from DES to Northern Arizona University. The legislation also appropriates \$5,616,963 TANF Block Grant monies to DES in FY 2001 for a variety of welfare-related programs. (*Please see the other divisions' narratives for further details on appropriations in Chapter 393.*)

In addition to the appropriation-related items above, the legislation makes the following other changes:

- Permits unmarried custodial parents to attend postsecondary educational programs full-time to the extent the state meets federal work participation rates.
- Expands participation in Wheels to Work program to former TANF clients and parents whose household income does not exceed 150% FPL.
- Expands Short Term Crisis Services assistance to individuals currently sanctioned under TANF.
- Increases eligibility for transportation and post-employment education for TANF recipients from 1 year to 2 years.
- Requires state maintenance of effort (MOE) monies be used for TANF recipients receiving less than \$100 per month.
- Permits Arizona Works participants to be covered by workers' compensation.

**Commerce: Apprenticeship Services (Chapter 51)** — Transfers personnel, property, and records, along with all appropriated monies, associated with apprenticeship services from DES to the Department of Commerce. The amount of appropriated monies that will be transferred out of DES is estimated at \$(151,300) GF. This amount includes funding for an estimated 3 FTE Positions.

[Click here for more information from the initial biennial appropriations report \(June 1999\)](#)