

**DEPARTMENT OF ECONOMIC SECURITY - SUMMARY**

A.R.S. § 41-1951

John L. Clayton, Director

JLBC Analyst: Stefan Shepherd/Pat Mah

<b>General Fund and Other Appropriated Funds</b>	<b>FY 1999 Actual</b>	<b>FY 2000 Estimate</b>	<b>FY 2001 Approved</b>
<u>Program Summary</u>			
Administration	42,210,200	41,144,900	44,811,700
Developmental Disabilities	52,138,100	56,745,900	58,726,900
Long Term Care	90,854,700	102,282,700	116,061,500
Benefits and Medical Eligibility	173,757,600	174,833,300	174,269,400
Child Support Enforcement	11,673,600	13,980,600	14,317,400
Aging and Community Services	25,692,400	30,647,300	34,947,300
Children, Youth and Families	132,325,900	151,780,000	159,768,400
Employment and Rehabilitation Services	135,960,800	246,000,000	261,783,900
<b>Total Appropriations</b>	<b>664,613,300</b>	<b>817,414,700</b>	<b>864,686,500</b> <sup>1/</sup>
<u>Expenditure Detail</u>			
FTE Positions	3,917.4	3,425.0	3,456.9 <sup>2/3/</sup>
Personal Services	99,749,800	91,480,000	93,557,400
Employee Related Expenditures	21,647,900	19,802,300	20,211,700
Professional and Outside Services	4,224,900	5,088,900	4,865,400
Travel - In State	2,797,300	2,822,600	2,959,300
Travel - Out of State	46,700	42,000	45,300
Other Operating Expenditures	28,855,800	27,492,200	28,433,000
Equipment	1,396,000	1,341,300	2,779,700
<b>Operating Subtotal</b>	<b>158,718,400</b>	<b>148,069,300</b>	<b>152,851,800</b>
Special Line Items	505,894,900	669,345,400	693,869,000
Additional Appropriations	0	0	17,965,700
<b>Total Appropriations</b>	<b>664,613,300</b>	<b>817,414,700</b>	<b>864,686,500</b> <sup>1/4/5/6/7/</sup>
<u>Fund Summary</u>			
General Fund	417,056,400	434,171,300	449,783,200
General Fund Set-Aside	0	0	6,848,300 <sup>3/</sup>
General Fund Total	417,056,400	434,171,300	456,631,500
Federal Temporary Assistance for Needy Families Block Grant	163,114,800	249,401,000	272,338,400 <sup>8/</sup>
Federal Child Care and Development Fund Block Grant	62,672,300	58,002,000	58,578,400
Federal Welfare to Work Block Grant	49,500	0	0
Special Administration Fund	1,046,300	1,595,700	1,601,100
Public Assistance Collections Fund	255,600	285,200	289,200
Long Term Care System Fund	10,248,800	12,674,400	12,964,300
Long Term Care System Fund Set-Aside	0	0	346,800 <sup>9/</sup>
Long Term Care System Fund Total	10,248,800	12,674,400	13,311,100
Full Employment Demonstration Project Fund	0	0	0
Child Support Enforcement Administration Fund	8,210,800	9,135,400	9,313,500
Domestic Violence Shelter Fund	1,294,900	1,509,100	1,509,100
Child Abuse Prevention Fund	609,100	1,060,300	1,061,400
Children and Family Services Training Program Fund	54,800	156,000	156,000
Spinal and Head Injury Trust Fund	0	1,549,300	1,678,000
Workforce Investment Act Grant	0	47,875,000	47,875,000
Federal Reed Act Grant	0	0	343,800
<b>Total Appropriations</b>	<b>664,613,300</b>	<b>817,414,700</b>	<b>864,686,500</b>

**DEPARTMENT OF ECONOMIC SECURITY - SUMMARY (Cont'd)**

**Agency Description** — *The department provides an array of services for low-income households and others in need. These services are provided through the following divisions: Developmental Disabilities; Benefits and Medical Eligibility; Aging and Community Services; Children, Youth and Families; Child Support Enforcement; and Employment and Rehabilitation Services.*

**Federal Block Grants** — The approved FY 2000 and FY 2001 supplemental appropriation changes the state's Temporary Assistance for Needy Families (TANF) Block Grant allocation. *Table 1* indicates how much TANF Block Grant monies, including additional appropriations, are appropriated by cost center, as compared to the original

appropriations. In addition to the supplemental appropriation, the amounts below reflect Classification Maintenance Review and Motor Pool adjustments.

As can be seen in *Table 1*, the amounts appropriated by the supplemental exceed the amount of TANF Block Grant

**Table 1**  
**Comparison Between Original and Revised Federal TANF Block Grant Expenditures and Revenues**

<u>Cost Center</u>	<u>FY 2000 Original</u>	<u>FY 2000 Revised</u>	<u>FY 2001 Original</u>	<u>FY 2001 Revised</u>
Administration	\$ 4,777,700	\$ 4,777,800	\$ 5,349,400	\$ 8,764,200
Benefits & Medical Eligibility	92,768,100	92,858,400	92,779,100	93,161,700
Aging & Community Svcs	8,373,900	8,373,900	8,378,600	12,528,900
Children, Youth & Families	35,509,300	47,777,200	27,094,300	47,973,800
Employment & Rehab Services	<u>98,495,500</u>	<u>95,613,700</u>	<u>113,278,600</u>	<u>109,909,800</u>
DES Total	\$239,924,500	\$249,401,000	\$246,880,000	\$272,338,400
Department of Health Services	2,250,400	2,250,400	2,252,000	2,252,000
Northern Arizona University	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,000</u>
Total TANF Appropriation	\$242,174,900	\$251,651,400	\$249,132,000	\$275,090,400
Total TANF Revenues	<u>\$238,271,400</u>	<u>\$240,979,100</u>	<u>\$239,442,800</u>	<u>\$239,442,800</u>
Excess Appropriation Above Revenue	<u>\$ 3,903,500</u>	<u>\$ 10,672,300</u>	<u>\$ 9,689,200</u>	<u>\$ 35,647,600</u>

- 1/ By July 1, 1999, the Department of Economic Security shall report to the Joint Legislative Budget Committee its plan for implementing the \$1,573,800 lump sum reduction to the operating budget in FY 2000. The Department of Economic Security shall make a similar report for FY 2001 by July 1, 2000. (General Appropriation Act footnote)
- 2/ Includes 642.3 FTE Positions in FY 2001 funded from Special Line Items.
- 3/ The General Fund Set-Aside includes \$639,300 for State-Funded Long Term Care Services; \$149,600 and 3.1 FTE Positions for Case Management; \$10,956,400 for Home and Community Based Services; \$(3,474,600) for Children Services; and \$(1,422,400) for the Family Builders Program, for a total of \$6,848,300. The set-aside is not formally appropriated or ex-appropriated to the budget but reflects the current estimate of a potential FY 2001 supplemental.
- 4/ General Appropriation Act Funds are appropriated as an Operating Lump Sum with Special Line Items for the Program.
- 5/ The above appropriation is in addition to funds granted to the state by the federal government for the same purposes but shall be deemed to include the sums deposited in the State Treasury to the credit of the Department of Economic Security, pursuant to A.R.S. § 42-5029. (General Appropriation Act footnote)
- 6/ A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the President of the Senate, the Speaker of the House of Representatives, the Chairmen of the Senate and House Appropriations Committees and the Director of the Joint Legislative Budget Committee by the 25<sup>th</sup> of the following month. The report shall include an estimate of (1) potential shortfalls in entitlement programs, (2) potential federal and other funds, such as the statewide assessment for indirect costs, and any projected surplus in state supported programs that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, (3) shortfalls resulting from new leases or renegotiation of current leases and associated costs, and (4) total expenditure authority of the Child Support Enforcement program for the month and year-to-date as compared to prior year totals. (General Appropriation Act footnote)
- 7/ The Department of Economic Security shall report the receipt and intended use of all current and prior year reversions from nonappropriated sources to the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- 8/ For each appropriation containing federal Temporary Assistance for Needy Families Block Grant monies, the appropriations shall be reduced in FY 2000 by 2% of the Temporary Assistance for Needy Families Block Grant portion of the appropriations if the federal fiscal year 2000 federal budget maintains Temporary Assistance for Needy Families supplemental grant funding at federal fiscal year 1999 levels. For each appropriation containing federal Temporary Assistance for Needy Families Block Grant monies, the appropriations shall be reduced in FY 2001 by 2% of the Temporary Assistance for Needy Families Block Grant portion of the appropriations if the federal fiscal year 2001 federal budget maintains Temporary Assistance for Needy Families supplemental grant funding at federal fiscal year 1999 levels. (General Appropriation Act footnote)
- 9/ The Long Term Care System Fund Set-Aside includes \$346,800 for State-Funded Long Term Care Services. The set-aside is not formally appropriated to the budget but reflects the current estimate of a potential FY 2001 supplemental.

## **DEPARTMENT OF ECONOMIC SECURITY - SUMMARY (Cont'd)**

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monies the state is expected to receive in both years. This is possible because the state had \$85,547,200 TANF “on account” with the federal government on June 30, 1999. The excess amounts, \$10,672,300 in FY 2000 and \$35,647,600 in FY 2001, can be funded from this “reserve account,” leaving an expected balance of \$39,227,300 on June 30, 2001.

The approved FY 2000 and FY 2001 supplemental appropriations also include the appropriation of the state’s federal Child Care and Development Fund (CCDF) Block Grant. In FY 2000, the revised supplemental appropriation includes a total of \$58,002,000 CCDF; in FY 2001, the revised supplemental total is \$58,578,400 CCDF.

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