

Department of Economic Security
Benefits and Medical Eligibility

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	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	574.0	565.0	553.0
Personal Services	19,582,100	25,249,000	25,249,000
Employee Related Expenditures	9,175,600	6,058,800	6,058,800
Professional and Outside Services	2,195,700	1,307,600	1,307,600
Travel - In State	85,200	43,900	43,900
Travel - Out of State	0	300	300
Other Operating Expenditures	8,398,600	4,426,300	4,426,300
Equipment	499,900	286,900	286,900
OPERATING SUBTOTAL	39,937,100	37,372,800	37,372,800
SPECIAL LINE ITEMS			
TANF Cash Benefits	115,887,700	115,485,000	115,485,000
Tribal Pass-Through Funding	4,875,900	4,680,300	4,680,300
General Assistance	1,514,200	0	0
Tuberculosis Control Payments	7,000	12,200	12,200
Eligibility System Upgrade	103,200	0	0
PROGRAM TOTAL	162,325,100	157,550,300	157,550,300
FUND SOURCES			
General Fund	83,203,400	54,292,500	54,292,500
<u>Other Appropriated Funds</u>			
Federal TANF Block Grant	79,121,700	103,257,800	103,257,800
SUBTOTAL - Other Appropriated Funds	79,121,700	103,257,800	103,257,800
SUBTOTAL - Appropriated Funds	162,325,100	157,550,300	157,550,300
Other Non-Appropriated Funds	175,400	180,000	180,000
Federal Funds	153,218,900	136,201,700	136,201,700
TOTAL - ALL SOURCES	315,719,400	293,932,000	293,932,000

CHANGE IN FUNDING SUMMARY

	FY 2010 to FY 2011 Baseline	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	0	0.0%
Non-Appropriated Funds	0	0.0%
Total - All Sources	0	0.0%

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.

Operating Budget

The Baseline includes \$37,372,800 and 553 FTE Positions for the operating budget in FY 2011. These amounts consist of:

General Fund	\$22,351,800
Federal TANF Block Grant	15,021,000

These amounts are unchanged from FY 2010.

TANF Cash Benefits

The Baseline includes \$115,485,000 for TANF Cash Benefits in FY 2011. This amount consists of:

General Fund	27,248,200
Federal TANF Block Grant	88,236,800

These amounts are unchanged from FY 2010.

As part of its implementation of lump sum reductions, DES reduced the amount of the monthly TANF Cash Benefit payment by 20%, to approximately \$99 per recipient. This reduction began in February 2009 and has been continued into FY 2010. Due to growth in the program and the 20% reduction, total spending in FY 2010 is estimated to be \$(6,388,400) lower than the amount originally appropriated.

The TANF Cash Benefits caseload is estimated to grow by approximately 7.2% in FY 2010 to 98,300 recipients in June 2010, or an average monthly caseload of 95,400 for the fiscal year. At this growth rate and if the rate reduction is continued, the program would cost an additional \$2,405,700 in FY 2011. With no additional funding, the benefit could be further reduced so that payments do not exceed the appropriated amount.

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 (FPL).

Tribal Pass-Through Funding

The Baseline includes \$4,680,300 from the General Fund for Tribal Pass-Through Funding in FY 2011. This amount is unchanged from FY 2010.

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 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 6 tribes independently receive \$22,129,900 of TANF Block Grant monies from the federal government.

Tribes	Total
Navajo	\$2,098,000
Salt River Pima-Maricopa	286,400
Pascua Yaqui	664,000
San Carlos Apache	802,600
White Mountain Apache	761,900
Hopi	67,400
Total	\$4,680,300

General Assistance

The Baseline includes no funding for General Assistance in FY 2011. This amount is unchanged from FY 2010.

This program was repealed by the Health and Welfare Budget Reconciliation Bill from the midyear FY 2009 budget revisions (Laws 2009, 1st Special Session, Chapter 4). The program provided financial assistance to persons who were unemployable because of a physical or mental disability.

Tuberculosis Control Payments

The Baseline includes \$12,200 from the General Fund for Tuberculosis Control Payments in FY 2011. This amount is unchanged from FY 2010.

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 \$51 for 20 clients.

Eligibility System Upgrade

The Baseline includes no funding for the Eligibility System Upgrade in FY 2011. This amount is unchanged from FY 2010.

This line item was 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 DES for Medicaid, TANF, General Assistance, and other welfare programs.

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FORMAT — Agencywide 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.

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 Baseline would delete the footnote requiring JLBC review of transfers of monies from the TANF Cash Benefits line items to facilitate the agency's allocation of its available funding.

STATUTORY CHANGES

The Baseline would, as session law, continue a provision requiring recipients of TANF Cash Benefits to pass a drug test in order to be eligible for benefits if DES has reasonable cause to believe that the recipient uses illegal drugs.