## DES General Fund Fiscal Year 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year 2009 Original Appropriation</td>
<td>808,328,100</td>
</tr>
<tr>
<td>Fiscal Year 2009 Reductions</td>
<td>(90,403,400)</td>
</tr>
<tr>
<td>Federal Stimulus Backfill - Title XIX</td>
<td>(59,623,900)</td>
</tr>
<tr>
<td>Fiscal Year 2009 Supplemental for DDD</td>
<td>9,400,000</td>
</tr>
<tr>
<td>Fiscal Year 2009 Payment Deferral</td>
<td>(25,000,000)</td>
</tr>
<tr>
<td>Final Fiscal Year 2009 Appropriation</td>
<td>642,700,800</td>
</tr>
</tbody>
</table>
# DES General Fund Fiscal Year 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
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</thead>
<tbody>
<tr>
<td>Beginning Fiscal Year 2010 Base</td>
<td>727,224,700</td>
</tr>
<tr>
<td>Repay Fiscal Year 2009 Payment Deferral</td>
<td>25,000,000</td>
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<tr>
<td>Fiscal Year 2010 Payment Deferral</td>
<td>(42,000,000)</td>
</tr>
<tr>
<td>Net Funding Changes (Increases and Decreases)</td>
<td>(37,195,400)</td>
</tr>
<tr>
<td>Federal Stimulus Backfill - Title XIX</td>
<td>(100,644,600)</td>
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<tr>
<td>Federal Stimulus Backfill - Title XIX Fix</td>
<td>16,940,000</td>
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<tr>
<td>Federal Stimulus Backfill - Fiscal Stabilization Fund</td>
<td>(17,300,000)</td>
</tr>
<tr>
<td>5th Special Session Reductions</td>
<td>(25,944,500)</td>
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<tr>
<td><strong>Fiscal Year 2010 Appropriation</strong></td>
<td><strong>546,080,200</strong></td>
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</tbody>
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### DES GF Fiscal Year 2011 Recommendation

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
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</thead>
<tbody>
<tr>
<td>Current Fiscal Year 2010 Base</td>
<td>546,080,200</td>
</tr>
<tr>
<td>Backfill Federal Funds</td>
<td>101,251,700</td>
</tr>
<tr>
<td>Title XIX DD Caseload Growth</td>
<td>28,459,100</td>
</tr>
<tr>
<td>TANF Shortfall</td>
<td>18,385,600</td>
</tr>
<tr>
<td>Technical Adjustments</td>
<td>21,021,200</td>
</tr>
<tr>
<td>Additional Reductions</td>
<td>(35,950,000)</td>
</tr>
<tr>
<td>Annualize Reductions in Place</td>
<td>(293,000)</td>
</tr>
<tr>
<td><strong>Fiscal Year 2011 Appropriation</strong></td>
<td><strong>678,954,800</strong></td>
</tr>
</tbody>
</table>

*Your Partner For A Stronger Arizona*
Federal Funds Backfill

Backfill would offset expiration of Federal Stimulus Funds ($101.3 million)

- Title XIX Developmental Disabilities
- Supplemental Nutrition Administration
- Fiscal Stabilization Funds in Child Welfare and DD
Title XIX DD Caseload Growth

Would fund anticipated caseload and capitation rate growth in fiscal year 2011 ($28.5 million)

- Caseload Growth – 6.9 percent
- Capitation Increase – 3.0 percent
TANF Shortfall

- There is a shortfall in the federal TANF block grant of as much as $30 million in fiscal year 2010 and $58 million in fiscal year 2011
  - The Department has been notified that the December disbursement will be the final regular TANF contingency fund payment. The fund is now fully depleted.
  - The Department received approximately $8 million more than was anticipated in federal fiscal year 2010
- The Department is employing strategies to maximize the availability of ARRA TANF emergency contingency funds
- The Department has engaged other States and Arizona’s Congressional delegation in an effort to allow access to additional contingency funds. Since Congress has not acted, the Department has implemented expenditure reduction strategies beginning January 1, 2010.
TANF Shortfall

• Executive Recommended Solution
  – Maintain reductions enacted in fiscal year 2009
    • 20 percent reduction in cash assistance benefits
    • 20 percent reduction in foster care rates
    • 10 percent provider rate reduction in DD
    • Child Care waiting list
  – Restrict cash assistance eligibility to 36 months
  – $18.4 million General Fund appropriation
Annualize Reductions in Place

Would maintain all reduction strategies currently in place through at least fiscal year 2011

Recommends $4.5 million General Fund to backfill one-time reduction strategy employed in fiscal year 2010, avoiding further service reductions
Examples of Annualized Reductions

1. Administrative and Operating Efficiencies
2. Privatization
3. Eliminate Enhanced Rate for DD Contracts
4. Eliminate Grandparent Kinship Care
   • Including contracts with Navajo Nation and ITCA
5. Eliminate Sight Conservation
6. Reduce Adult Services Program
   • Would reduce available resources to Department contractors, including many Tribes
Reduction Strategies Recommended to be Implemented in Fiscal Year 2010 and Maintained in Fiscal Year 2011
New Reduction

6. Means Testing and Fee Increases ($7.6 million General Fund in fiscal year 2011)

• Means testing for child-only cash assistance
  – Would continue to exempt child welfare child-only cases
  – Would apply to all Tribes not operating their own Tribal TANF program directly with The U.S. Department of Health and Human Services
  – Tribes currently operating their own TANF programs
    • The Navajo Nation
    • The Salt-River Pima-Maricopa Indian Community
    • The Pascua Yaqui Tribe
    • The San Carlos Apache Tribe
    • The White Mountain Apache Tribe
    • The Hopi Tribe
Means Testing and Fee Increases (cont.)

- Increase the child support clearinghouse fee paid by non-custodial parents for payment processing from $2.25 to $5.00 per month
  - Clearinghouse contract would be fully supported by fees
- Division of Developmental Disabilities
  - Increase SSI billing for state-only services to 88 percent from 70 percent, consistent with the Arizona Long Term Care System’s Elderly and Physically Disabled program
- These provisions require statutory change prior to implementation
New Reductions

11. Reduce DCYF Programs ($5.3 million General Fund in fiscal year 2011)
   – Further reduces in-home as well as adoption placement services for vulnerable children

12. State-Only DDD Services ($3.7 million General Fund in fiscal year 2011)
   – Eliminates state-only services other than foster care, residential supports, and early intervention
   – Affects about 300 children and 400 adults
New Reduction

14. Restrict Cash Assistance Eligibility ($17.0 million General Fund; $10.0 million TANF in fiscal year 2011)

- Reduce the lifetime benefit limit from 60 months to 36 months
  - Would also apply to cases currently exempt from any time limit because the parent is not included on the grant
  - Would disqualify about 10,000 cases with 17,000 children
- Eliminate assistance for women in the third trimester of pregnancy if they do not have dependent children
- Requires statutory change prior to implementation
- Would only apply to Tribes not operating their own TANF program
New Reduction

15. Community Services Reductions ($2.4 million General Fund, $2.5 million total funds in fiscal year 2011)

• $0.8 million reduction to short-term crisis services
  – Equivalent to assistance for 1,100 families

• $1.7 million reduction to domestic violence services
  – Equivalent to emergency shelter for 1,600 victims
Questions?