

**Department of Economic Security**  
**Children, Youth and Families**

A.R.S. § 41-1954

	<b>FY 2001 Actual</b>	<b>FY 2002 Estimate</b>	<b>FY 2003 Approved</b>
<b>OPERATING BUDGET</b>			
Full Time Equivalent Positions	946.4	1,188.4	1,143.3 <sup>1/</sup>
Personal Services	25,022,200	30,356,800	32,067,400
Employee Related Expenditures	5,597,200	7,042,500	7,631,700
Professional and Outside Services	1,234,700	505,500	505,500
Travel - In State	1,430,900	1,563,000	1,563,000
Other Operating Expenditures	3,070,500	2,806,500	2,806,100
Equipment	484,300	1,643,300	133,900
Lump Sum Reduction	0	0	(1,899,000)
<i>Operating Subtotal</i>	36,839,800	43,917,600	42,808,600 <sup>2/3/</sup>
Adoption Services	19,489,400	21,579,200	21,434,800
Children Services	42,917,100	41,186,500	29,549,500 <sup>4/</sup>
High Risk Infant Services	293,200	300,300	0
Intensive Family Services	2,309,900	3,035,600	1,985,600
Child Severance Project	146,500	0	0
Healthy Families	5,000,000	0	250,000
CPS Incentive Pay Program	240,000	0	0
Family Builders Program	7,664,700 <sup>5/</sup>	6,200,000	6,200,000 <sup>3/</sup>
CPS Appeals	391,300	593,700	618,800
Child Abuse Prevention	715,800	812,500	814,800
Comprehensive Medical & Dental Program	2,979,900	2,779,900	2,207,000
Attorney General Legal Services	4,159,700	4,079,900	4,451,600
TANF Deposit to SSBG	29,003,600	32,066,500	36,398,200 <sup>5/</sup>
TANF Deposit to the Joint Substance			
Abuse Treatment Fund	54,400	333,300	333,300 <sup>6/</sup>
Homeless Youth Intervention	400,000	400,000	400,000
Permanent Guardianship Subsidy	734,300	983,300	983,300
CPS Expedited Substance Abuse Treatment	224,500		
Fund Deposit		224,500	224,500
IV-E Cost Allocation Contingency	0	8,224,200	8,224,200
DHS Pregnancy Prevention and			
Perinatal Programs	471,100	0	0
Out-of-School Programs	0	500,000	0
<b>TOTAL APPROPRIATIONS</b>	<b>154,035,200</b>	<b>167,217,000</b>	<b>156,884,200 <sup>7/</sup></b>
<b>FUND SOURCES</b>			
General Fund	96,864,500	99,179,000	86,388,300
<u>Other Appropriated Funds</u>			
Federal Temporary Assistance for Needy			
Families Block Grant	56,444,900	67,015,900	69,221,500
Child Abuse Prevention Fund	715,800	812,500	1,064,800
Children and Family Services Training			
Program Fund	10,000	209,600	209,600
<i>Subtotal - Other Appropriated Funds</i>	57,170,700	68,038,000	70,495,900
<b>TOTAL APPROPRIATIONS</b>	<b>154,035,200</b>	<b>167,217,000</b>	<b>156,884,200</b>

**COST CENTER DESCRIPTION** — *The program provides staff resources, such as Child Protective Services (CPS) workers, an array of contracted services for abused, neglected or abandoned children, and medical and dental care for foster children. In addition, training resources are provided for CPS investigators, case managers and employees of child welfare agencies and community treatment programs.*

<b>PERFORMANCE MEASURES</b>	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Est./Actual	Estimate
• % of children in out-of-home care who exit the child welfare system who achieve permanent placement through reunification, adoption or legal guardianship	Baseline	NA/35	35/39	36/37
• % of children in out-of-home care who have not returned to their families or been placed in another type of permanent placement for more than 24 consecutive months since they were removed from their homes	NA/32	NA/32	31/37	30/29
• Number of children with finalized adoption	NA/640	NA/870	957/881	1,110/1,288
• % of CPS reports responded to by CPS staff	NA/81	NA/76	74/75	74
• % of CPS reports responded to by Family Builders	NA/19	NA/24	26/25	26
• Substantiated reports of child maltreatment	NA/5,589	NA/4,728	4,589/2,783	4,589
• Average % rate at which CPS reports are substantiated	NA	NA	NA/13.2	20.1
• % of newly hired CPS specialists completing training within 7 months of hire	93/41	93/48	93/79	93/100
• % of CPS original dependencies cases where court denied or dismissed	NA	NA	NA	3
• % of Office of Administrative Hearings where CPS case findings are affirmed	NA	NA	NA/83	86/89
• % of CPS complaints reviewed by the Office of the Ombudsman-Citizens Aide where allegations are reported as valid by the Ombudsman	NA	NA	NA	14
• % of calls to the Family Advocate that relate to CPS complaints	NA	NA	NA	4
• % of CPS cases where the Family Advocate is involved and is successful in facilitating a solution	NA	NA	NA	85/90

1/ Includes 86.5 GF and 1.3 OF FTE Positions funded from Special Line Items in FY 2003.

2/ The Department of Economic Security shall provide training to any new Child Protective Services full-time equivalent positions before assigning to any of these employees any client caseload duties. (General Appropriation Act footnote)

3/ It is the intent of the Legislature that the Department of Economic Security shall use the funding in the Division of Children, Youth and Families, including the operating lump sum appropriation and the Family Builders Program appropriation, to achieve a 100% response rate. (General Appropriation Act footnote)

4/ The Department of Economic Security shall provide the Joint Legislative Budget Committee Staff with bimonthly reports on all appropriated and non-appropriated expenditures for the Children Services program. Each bimonthly report shall compare for each month in the current fiscal year projected funding needs by funding source to client caseload levels and approved funding in the current fiscal year. (General Appropriation Act footnote)

5/ It is the intent of the Legislature that the \$36,398,200 appropriated from the federal Temporary Assistance for Needy Families Block Grant to the Social Services Block Grant for deposit into the Temporary Assistance for Needy Families Deposit to Social Services Block Grant Special Line Item be allocated to the Children Services program in FY 2003. (General Appropriation Act footnote)

6/ Monies appropriated from the federal Temporary Assistance for Needy Families Block Grant and deposited into the Joint Substance Abuse Treatment Fund pursuant to A.R.S. § 8-881, shall be administered jointly by the Department of Economic Security and the Department of Health Services. The program development costs shall be limited to 7% and shall include training opportunities for community collaboratives. The program evaluation costs shall be limited to 12% and shall include technical assistance to communities for developing and providing substance abuse prevention and treatment programs. The program evaluation costs shall also include expenditures for conducting meetings to ensure collaboration, coordination and integration of services and funding sources between public and private agencies, programs, service providers, advocates and consumers to meet prevention, treatment and other service needs. The amounts allocated for program development and program evaluation for the first 3 years of the program may be compared to total costs over those 3 years for purposes of meeting the cost limits. (General Appropriation Act footnote)

7/ General Appropriation Act (Laws 2002, Chapter 327) funds are appropriated as an Operating Lump Sum with Special Line Items for the Program.

PERFORMANCE MEASURES (Continued)	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Est./Actual	Estimate
• % of CPS cases where most or all of the Foster Care Review Board recommendations are agreed on before court action as reported by the Board	NA	NA	NA	85
• Average % of time spent on administrative paperwork as reported by CPS workers in an annual survey District 1 through 6	NA	NA	NA	Baseline/Baseline minus 5%

**Child Protective Services Reductions** — The approved amount includes a decrease of \$(1,504,700) TANF below FY 2002 for elimination of one-time equipment purchases related to the hiring of new Child Protective Services (CPS) workers. This reduction should not affect implementation of the “training academy” or Child Welfare League of America caseload standards.

As part of the division’s lump sum reduction, the approved amount includes a reduction of \$(700,000) TANF below FY 2002 for additional CPS-related reductions.

**Adoption Annualization** — The approved amount does not include an increase for annualization of funding for Adoption staff added in FY 2002. These monies were added to the Division of Aging and Community Services budget instead of this cost center. The appropriation will need to be modified in the FY 2004 budget in order to place the annualization in the correct cost center.

**Special Line Items**

**Adoption Services** — The approved amount, \$21,434,800 GF, includes an increase of \$1,000,000 above FY 2002 for caseload growth. The monies are used to subsidize the adoption of children who otherwise would entail high financial risks to prospective parents because of physical, mental, or emotional disorders or who, because of age, sibling relationship or racial or ethnic background, would be otherwise difficult to place in adoption. The funding provides for ongoing maintenance and/or payment for special services depending on each eligible child’s needs.

The \$1,000,000 increase above FY 2002 will fund caseload growth. In addition to the appropriated amount, the department will utilize federal Title IV-E monies and \$1,300,000 TANF from other, unspecified areas of the budget to provide these services.

The approved amount will fund services for an estimated 6,540 children in FY 2003. Funding from state funds is estimated at monthly average payments of approximately \$283.26 per adoption. The average total payment to adoptive parents is at approximately \$571 per month, including federal monies.

**Children Services** — The Children Services program provides in-home and out-of-home services to ensure the well being of children who are abused and neglected. This Special Line Item displays only a portion of the monies for the Children Services program. The remaining funds are displayed in the TANF Deposit to the Social Services Block Grant (SSBG) Special Line Item described later in this cost center.

Table 1 below summarizes funding from all sources, including monies reflected in the TANF Deposit to SSBG Special Line Item. Of the \$42,869,200 in Federal TANF to SSBG funding for FY 2003, \$6,471,000 is made available for spending in FY 2002 through a footnote in the General Appropriation Act. (See footnote #5 at the beginning of this cost center.) The monies are available for FY 2002 to address any unanticipated shortfalls in funding.

<u>Funding Source</u>	<u>Estimated FY 2002</u>	<u>Estimated FY 2003</u>
<i>Children Services</i>		
General Fund	\$31,012,200	\$19,375,200
Federal TANF	<u>10,174,300</u>	<u>10,174,300</u>
Subtotal	\$41,186,500	\$29,549,500
<i>Federal TANF to SSBG</i>		
TANF-SSBG SLI	32,066,500	36,398,200
SFY 02 Appropriation allocated for SFY 03	<u>(6,471,000)</u>	<u>6,471,000</u>
Subtotal	\$25,595,500	\$42,869,200
<i>Non-Appropriated Funds</i>		
Federal Funds	33,517,000	34,779,700
Other Non-Appropriated	<u>890,000</u>	<u>890,000</u>
Subtotal	\$34,407,000	\$35,669,700
<b>TOTAL</b>	<b><u>\$101,189,000</u></b>	<b><u>\$108,088,400</u></b>

**High Risk Infant Services** — This line item funds counselors/parent aides provide in-home services, including parent education. The line item, which previously received GF monies, was eliminated in FY 2003, but similar services are provided in the Children Services program.

**Intensive Family Services** — The approved amount, \$1,985,600 GF, includes a \$(1,050,000) GF decrease below FY 2002. The program provides intensive, time-limited services to approximately 612 families whose

children are at imminent risk of out-of-home placement due to abuse, neglect, or dependency. Cost per family is projected to be \$3,247.

**Child Severance Project** — Monies in this line item are used to expedite the procedures for making a child eligible for adoption after the original parent-child relationship has been severed. Funding for this line item, which previously received GF monies, was eliminated in FY 2002, but the department intends to continue these procedures.

**Healthy Families** — The approved amount, \$250,000 Child Abuse Prevention Fund (CAPF), includes an increase of \$250,000 above FY 2002. The Healthy Families program provides services to children under 5 years of age and members of their families and is designed to prevent child abuse or neglect and promote child development and wellness. In addition to these monies, the program will probably receive in excess of \$5,000,000 from Proposition 204 at the end of FY 2002, which the program can spend in FY 2003.

**CPS Incentive Pay Program** — Monies in this line item are used for a performance based incentives pilot program for eligible CPS I, II, and III workers. This line item, previously funded with GF, was eliminated in FY 2002.

**Family Builders Program** — Through the Family Builders Program, community based providers offer preservation and support services to families of children who, after initial assessment by Child Protective Service workers, are determined not to be in immediate danger (Priority 3 and 4 cases). The approved amount, \$6,200,000, is unchanged from FY 2002.

**CPS Appeals** — The approved amount, \$618,800 GF, includes 10.5 FTE Positions. The line item funds a process for individuals accused of alleged child abuse or neglect to challenge the department's substantiated findings.

**Child Abuse Prevention** — The approved amount, \$814,800 CAPF, provides financial assistance to community treatment programs benefiting abused children and their parents or guardians. It includes 1 FTE Position.

**Comprehensive Medical & Dental Program (CMDP)** — The approved amount, \$2,207,000 GF, includes a decrease of \$(572,900) GF below FY 2002 for increased federal funding. The program provides full coverage of the medical and dental expenses of foster children under the jurisdiction of DES, Juvenile Probation Offices, and the State Department of Corrections. The monies in this Special Line Item will fund medical and dental services in FY 2003 for an estimated 9,171 children at an average annual cost of \$1,190.76 per child.

**Table 2**

<b>CMDP Funding</b>	
<u>Source</u>	<u>Amount</u>
General Fund	\$ 2,207,000
Reimbursement from AHCCCS	8,669,000
Third Party Liability Payments	<u>38,100</u>
Total	<u>\$10,914,100</u>

**Attorney General Legal Services** — The approved amount, \$4,451,600, includes \$4,378,600 GF and \$47,500 TANF. Monies are used to contract for Attorney General representation. The monies fund 75.1 GF and 0.3 TANF FTE Positions.

**TANF Deposit to SSBG** — The approved amount, \$36,398,200 TANF, reflects an increase of \$4,331,700 above FY 2002. Monies in the line item are deposited into the federal Social Services Block Grant (SSBG); once deposited, the monies are spent on the Children Services program. (See Table 1 for additional details on Children Services funding.)

Federal legislation permits states to transfer up to 10% of their TANF Block Grant to the SSBG in Federal Fiscal Year (FFY) 2002. The approved amount assumes that federal legislation will be passed to permit states to transfer up to 10% in FFY 2003. Table 3 below has additional details on the transfers for FFY 2002 and FFY 2003.

**Table 3**

<b>TANF Transfers to SSBG</b>	
<u>Year</u>	<u>Transfer</u>
<b>FFY 2002</b>	
SFY 2002	\$ 6,471,000 <sup>1/</sup>
SFY 2003	<u>16,133,200</u>
Total - FFY 2002	\$22,604,200
<b>FFY 2003</b>	
SFY 2003	\$20,265,000
<b>SFY 2002</b>	
SFY 2002	\$ 6,471,000 <sup>1/</sup>
SFY 2003	<u>36,398,200</u>
<b>Total - Both Years</b>	<u>\$42,869,200</u>

<sup>1/</sup> This amount is only a portion of the SFY 2002 "TANF Deposit to SSBG" SLI. It was reserved for use in SFY 2003 but could be used in SFY 2002 upon JLBC review.

**TANF Deposit to the Joint Substance Abuse Treatment Fund** — The monies in this Special Line Item must be jointly administered by DES and Department of Health Services (DHS) for substance abuse services. The funds pay for services for parents, guardians, or custodians whose substance abuse is a significant barrier to preserving the family. The monies also pay for services to recipients of TANF whose substance abuse is a significant barrier to maintaining or obtaining employment.

In addition to the approved amount, \$333,300 TANF, which is unchanged from FY 2002, it is anticipated that

more than \$5,000,000 of the FY 2001 appropriation will still be available for spending in FY 2003.

**Homeless Youth Intervention** —The approved amount of \$400,000 TANF is unchanged from FY 2002. The program has 2 locations in the state for the purpose of helping homeless youth achieve self-sufficiency from services provided through collaborative partnerships with community and faith-based organizations.

**Permanent Guardianship Subsidy** — The approved amount, \$983,300, consists of \$859,300 TANF and \$124,000 GF and is unchanged from FY 2002. The program provides a subsidy to encourage placement of foster care children in private homes under permanent guardianship status. The amount of the subsidy is not to exceed the amount of a maintenance payment that is used in the adoption subsidy program.

**CPS Expedited Substance Abuse Treatment Fund Deposit** — The approved amount, \$224,500 GF, is unchanged from FY 2002. Monies are deposited into a non-appropriated Child Protective Services Expedited Substance Abuse Treatment Fund and used to provide expedited drug treatment to guardians and parents when a dependency case plan calls for such treatment.

**DHS Pregnancy Prevention and Perinatal Programs** — A total of \$700,000 TANF was appropriated to DES in FY 2001 by Laws 2000, Chapter 393 for teen pregnancy prevention and non-medical perinatal substance abuse treatment programs administered by DHS. Monies for this program were eliminated in FY 2002 in DHS' budget.

**Out of School Programs** — Laws 2001, Chapter 345 as amended by Laws 2001, Chapter 7, 2<sup>nd</sup> Special Session appropriated \$500,000 TANF in FY 2002 for an out-of-school program. The program did not receive a FY 2003 appropriation.

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