

Department of Economic Security
Children, Youth and Families

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DESCRIPTION	FY 2003	FY 2004	FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	1,113.9	1,249.9		1,249.9
Personal Services	32,916,100	36,746,100		41,079,500
Employee Related Expenditures	8,722,400	10,841,100		11,532,200
Professional and Outside Services	958,000	496,700		496,700
Travel - In State	1,691,300	1,678,700		1,831,700
Other Operating Expenditures	2,643,500	1,761,500		2,905,100
Equipment	127,000	1,698,000		206,900
OPERATING SUBTOTAL	47,058,300	53,222,100		58,052,100
SPECIAL LINE ITEMS				
Adoption Services	22,854,600	20,257,200		20,257,200
Children Services	28,134,200	34,305,900		36,760,200
Children Services/TANF Deposit to SSBG	36,398,200	25,259,700		25,259,700
Intensive Family Services	1,985,500	1,985,600		1,985,600
Healthy Families	250,000	5,034,200		5,034,200
Family Builders Program	4,765,200	5,200,000		5,200,000
CPS Appeals	508,800	623,400		623,400
Child Abuse Prevention	756,500	815,700		815,700
Comprehensive Medical & Dental Program	2,039,300	2,057,000		2,057,000
Attorney General Legal Services	4,096,800	4,170,200		4,170,200
TANF Deposit to the Joint Substance Abuse Treatment Fund	285,700	2,000,000		2,000,000
Homeless Youth Intervention	328,300	400,000		400,000
Permanent Guardianship Subsidy	940,000	983,300		983,300
CPS Expedited Substance Abuse Treatment Fund Deposit	224,500	224,500		224,500
Residential Drug Treatment	0	350,000		250,000
2nd Special Session Supplemental	0	10,300,000		10,300,000
PROGRAM TOTAL	150,625,900	167,188,800		174,373,100
FUND SOURCES				
General Fund	67,459,400	85,691,300		92,875,600
<u>Other Appropriated Funds</u>				
Child Abuse Prevention Fund	1,006,500	1,565,700		1,565,700
Children and Family Services Training Program Fund	142,700	209,600		209,600
Federal TANF Block Grant	82,017,300	79,722,200		79,722,200
SUBTOTAL - Other Appropriated Funds	83,166,500	81,497,500		81,497,500
SUBTOTAL - Appropriated Funds	150,625,900	167,188,800		174,373,100
Other Non-Appropriated Funds	1,400,000	890,000		890,000
Federal Funds	105,552,000	106,140,800		108,312,000
TOTAL - ALL SOURCES	257,577,900	274,219,600		283,575,100

CHANGE IN FUNDING SUMMARY

FY 2004 to FY 2005 JLBC

	\$ Change	% Change
General Fund	7,184,300	8.4%
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	7,184,300	4.3%
Non Appropriated Funds	2,171,200	2.0%
Total - All Sources	9,355,500	3.4%

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.

PERFORMANCE MEASURES	FY 2003 Appropriation	FY 2003 Actual	FY 2004 Appropriation	FY 2005 Recommend.
• % of newly hired CPS specialists completing training within 7 months of hire	100	100	100	100
• % of children in out-of-home care who exit the child welfare system who achieve permanent placement through reunification, adoption or legal guardianship	37	30	37	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	29	28	33	26
• Number of children with finalized adoption	1,288	772	909	909
• % of CPS reports responded to by CPS staff	74	84	80	80
• % of CPS reports responded to by Family Builders	26	16	20	20
• Substantiated reports of child maltreatment	4,589	2,726	4,882	2,800
• Average % rate at which CPS reports are substantiated	20.1	11	16.5	13
• % of CPS original dependencies cases where court denied or dismissed	3	3	3	3
• % of Office of Administrative Hearings where CPS case findings are affirmed	89	86	90	90
• % of CPS complaints reviewed by the Office of the Ombudsman-Citizens Aide where allegations are reported as valid by the Ombudsman	14	16	14	17
• % of calls to the Family Advocate that relate to CPS complaints	4	88	88	89
• % of CPS cases where the Family Advocate is involved and is successful in facilitating a solution	90	90	90	91
• % 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	85	NA	85	85
• Average % of time spent on administrative paperwork as reported by CPS workers in an annual survey				
District 1	Baseline minus 5%	<5	5	5
District 2	Baseline minus 5%	<4	4	4
District 3	Baseline minus 5%	<4	4	4
District 4	Baseline minus 5%	<1	1	1
District 5	Baseline minus 5%	<1	1	1
District 6	Baseline minus 5%	<1	1	1

Comments: The agency did not submit information for any measure labeled as “NA.” DES reports that changing how it screens Family Advocate calls led to the higher percentage of CPS complaints.

RECOMMENDED CHANGES FROM FY 2004

Laws 2003, Chapter 6, 2nd Special Session appropriated \$16,954,300 from the General Fund for the Division of Children, Youth and Families in FY 2004. In addition, these monies are estimated to generate approximately \$5,255,800 in Federal Funds in FY 2004.

The JLBC recommends annualizing the FY 2004 funding for a further GF increase of \$7,184,300 in FY 2005. The

General Fund increase is estimated to draw down an additional \$2,171,200 in Federal Funds. The amount appropriated in FY 2004 has already been incorporated in the amounts displayed in the recommendation table. *Table 1* below summarizes the FY 2004 supplemental appropriation as well as the recommended annualization amounts. There is more detail on each issue in the following section.

Table 1

Laws 2003, Chapter 6, 2nd Special Session

	FY 2004			FY 2005 Annualization		
	GF	Federal	Total	GF	Federal	Total
National Staffing Standards	\$1,953,500	\$ 344,700	\$ 2,298,200	\$ 2,013,100	\$ 355,300	\$ 2,368,400
100% Investigations	1,674,200	295,400	1,969,600	1,079,100	190,500	1,269,600
Caseworker Salary Adjustments	1,562,400	278,700	1,841,100	1,634,400	285,400	1,919,800
Replace IT Equipment	103,500	18,200	121,700	103,400	18,300	121,700
Family Foster Home Rate Increase	1,010,700	544,200	1,554,900	2,454,300	1,321,700	3,776,000
Residential Drug Treatment	350,000	0	350,000	(100,000)	0	(100,000)
2 nd Special Session Supplemental	10,300,000	3,774,600	14,074,600	0	0	0
TOTAL	\$16,954,300	\$5,255,800	\$22,210,100	\$7,184,300	\$2,171,200	\$9,355,500

Operating Budget

The JLBC recommends \$58,052,100 for the operating budget in FY 2005. This amount includes \$37,282,600 from the General Fund, \$20,559,900 from the Federal Temporary Assistance for Needy Families (TANF) Block Grant, and \$209,600 from the Children and Family Services Training Program Fund. These amounts would fund the following adjustments:

National Staffing Standards GF \$2,013,100

The JLBC recommends an increase of \$2,013,100 from the General Fund to annualize funding for caseworker and support staff positions added in FY 2004. Laws 2003, Chapter 6, 2nd Special Session appropriated part-year funding of \$1,953,500 and 79 FTE Positions from the General Fund to meet national staffing standards for Child Protective Services (CPS). Of the 79 FTE Positions appropriated, 51 are caseworker positions and 28 are support staff. The General Fund increase is expected to draw down additional federal monies, which will fund approximately 14 caseworker and support staff positions. With the additional funding, the department estimates that it will achieve the following caseload ratios: 1 caseworker for every 12 investigations; 1 caseworker for every 15 children in foster care; and 1 caseworker for every 17 families receiving in-home services.

100% Investigation of CPS Reports GF 1,079,100

The JLBC recommends an increase of \$1,079,100 from the General Fund to annualize funding for caseworker and support staff positions added in FY 2004. Laws 2003, Chapter 6, 2nd Special Session appropriated part-year funding of \$1,674,200 and 57 FTE Positions to fund a 100% investigation rate for all CPS reports. Of the 57 FTE Positions appropriated, approximately 49 are caseworker positions and 8 are support staff. The General Fund increase is expected to draw down additional federal monies, which will fund approximately 10 caseworker and support staff positions.

Previously, a portion of the lower risk CPS cases (Priority 3 and 4 cases) were referred to the Family Builders Program, and were not investigated by CPS caseworkers. All CPS reports will now be investigated by the department. The Family Builders Program will continue to provide services to families in the CPS system.

Caseworker Salary Adjustments GF 1,634,400

The JLBC recommends an increase of \$1,634,400 from the General Fund to annualize funding for caseworker salary increases implemented in FY 2004. Laws 2003, Chapter 6, 2nd Special Session appropriated part-year funding of \$1,562,400 for this purpose. The amount appropriated provides funding for a 10% salary adjustment on January 1, 2004 for all current and new CPS staff, as well as a \$1,000 Masters of Social Work adjustment and \$1,000 bilingual adjustment.

The JLBC recommendation annualizes the funding added in FY 2004 and does not include any further salary increases for FY 2005.

Replace Information**Technology (IT) Equipment GF 103,400**

The JLBC recommends an increase of \$103,400 from the General Fund to replace IT equipment in FY 2005. The recommended amount will provide funding to replace 650 computers and 68 obsolete servers through a 5-year lease-purchase plan. Laws 2003, Chapter 6, 2nd Special Session appropriated \$103,500 for the first year of lease-purchase costs. The recommended increase of \$103,400 will provide funding for the second year of the lease-purchase plan.

Special Line Items**Adoption Services**

The JLBC recommends \$20,257,200 for Adoption Services in FY 2005. This amount includes \$15,071,100 from the General Fund and \$5,186,100 from TANF. This amount is unchanged from FY 2004.

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.

Children Services

The JLBC recommends \$36,760,200 for Children Services in FY 2005. This amount includes \$20,835,900 from the General Fund, \$15,174,300 from TANF, and \$750,000 from the Child Abuse Prevention Fund. These amounts would fund the following adjustment:

Family Foster Home Rate Increase GF 2,454,300

The JLBC recommends an increase of \$2,454,300 from the General Fund to annualize funding for 2 foster care rate increases implemented in FY 2004. Laws 2003, Chapter 6, 2nd Special Session appropriated \$1,010,700 to fund a family foster home rate increase of \$3.75 per day on January 1, 2004 as well as an additional \$3.75 per day increase on June 1, 2004. The current base rate for a family foster home is approximately \$393 per month, or \$13 per day. The recommended amount will increase the family foster home base rate to approximately \$623 per month (or \$20.50 per day). In addition to the base rate, licensed family foster homes commonly receive personal and clothing allowances, as well as out-of-home services such as counseling and parenting skills training.

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 Children Services/TANF Deposit to the Social Services Block Grant (SSBG) Special Line Item described below.

Table 2 below summarizes funding from all sources, including monies reflected in the TANF Deposit to SSBG Special Line Item.

Table 2	
Funding Source	FY 2005
<i>Children Services</i>	
General Fund	\$20,835,900
Child Abuse Prevention Fund	750,000
Federal TANF	<u>15,174,300</u>
Subtotal	\$36,760,200
<i>Children Services/TANF Deposit to SSBG</i>	
	\$25,259,700
<i>Non-Appropriated Funds</i>	
Federal Funds	\$31,831,400
Other Non-Appropriated Funds	<u>890,000</u>
Subtotal	\$ <u>32,721,400</u>
TOTAL	\$94,741,300

Children Services/TANF Deposit to SSBG

The JLBC recommends \$25,259,700 from TANF for the TANF Deposit to SSBG line item in FY 2005. The amount is unchanged from FY 2004.

The federal government caps the amount of TANF Block Grant monies that can be transferred to the SSBG at 10%. The decrease helps bring TANF revenues and expenditures into balance. Monies in the line item are deposited into the

Federal SSBG; once deposited, the monies are spent on the Children Services program. (See Table 1 for additional details on Children Services funding.)

Intensive Family Services

The JLBC recommends \$1,985,600 from the General Fund for Intensive Family Services in FY 2005. This amount is unchanged from FY 2004.

The program provides intensive, time-limited services to 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 for 612 families.

Healthy Families

The JLBC recommends \$5,034,200 from TANF for Healthy Families in FY 2005. This amount is unchanged from FY 2004.

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.

Family Builders Program

The JLBC recommends \$5,200,000 from TANF for Family Builders in FY 2005. This amount is unchanged from FY 2004.

Through the Family Builders Program, community based providers offer assessment, preservation, and support services to families of children who are in the CPS system.

CPS Appeals

The JLBC recommends \$623,400 from the General Fund for CPS Appeals in FY 2005. This amount is unchanged from FY 2004.

The line item funds a process for individuals accused of alleged child abuse or neglect to challenge the department's substantiated findings. The line item includes 10.5 FTE Positions.

Child Abuse Prevention

The JLBC recommends \$815,700 from the Child Abuse Prevention Fund for the Child Abuse Prevention line item in FY 2005. This amount is unchanged from FY 2004.

The program provides financial assistance to community treatment programs benefiting abused children and their parents or guardians. The line item includes 1 FTE Position.

Comprehensive Medical & Dental Program (CMDP)

The JLBC recommends \$2,057,000 from the General Fund for CMDP in FY 2005. This amount is unchanged from FY 2004.

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.

CMDP Funding	
Source	Amount
General Fund	\$ 2,057,000
Reimbursement from AHCCCS	<u>13,954,500</u>
Total	\$16,011,500

Attorney General Legal Services

The JLBC recommends \$4,170,200 for Attorney General Legal Services in FY 2005. This amount includes \$4,121,500 from the General Fund and \$48,700 from TANF. These amounts are unchanged from FY 2004.

Monies in this line item are used to contract for Attorney General representation. This line item includes 86.1 FTE Positions, of which 85.8 are funded from the General Fund and 0.3 are funded from TANF.

TANF Deposit to the Joint Substance Abuse Treatment Fund

The JLBC recommends \$2,000,000 from TANF for TANF Deposit to the Joint Substance Abuse Treatment Fund in FY 2005. This amount is unchanged from FY 2004.

The monies in this Special Line Item must be jointly administered by DES and the Department of Health Services 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.

Homeless Youth Intervention

The JLBC recommends \$400,000 from TANF for Homeless Youth Intervention in FY 2005. This amount is unchanged from FY 2004.

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 JLBC recommends \$983,300 for Permanent Guardianship in FY 2005. This amount includes \$124,000 from the General Fund and \$859,300 from TANF. This amount is unchanged from FY 2004.

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 JLBC recommends \$224,500 from the General Fund for the CPS Expedited Substance Abuse Treatment Fund Deposit in FY 2005. This amount is unchanged from FY 2004.

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.

Residential Drug Treatment

The JLBC recommends \$250,000 from the General Fund for Residential Drug Treatment in FY 2005. This amount would fund the following adjustment:

Enacted Adjustment **GF (100,000)**

The JLBC recommends a decrease of \$(100,000) from the General Fund in FY 2005 pursuant to appropriations in Laws 2003, Chapter 6, 2nd Special Session. The bill requires the department to contract for a continuum of services provided to families whose children have been taken into temporary custody and have been referred by the department. These services include, but are not limited to the following: case management; family assessments; child day care; parenting skills training; transportation assistance; and residential drug treatment. The legislation appropriated \$350,000 in FY 2004, \$250,000 in FY 2005, and \$75,000 in FY 2006 for this purpose.

2nd Special Session Supplemental

The JLBC recommends \$10,300,000 from the General Fund to maintain the funding provided in Laws 2003, Chapter 6, 2nd Special Session to supplement the Division of Children, Youth and Families budget. The appropriation may be spent on current staffing and service levels for CPS, including Adoption Services, Permanent Guardianship, and Children Services.

These monies currently appear as a separate line item since a specific distribution plan has not yet been determined. Once the allocation plan has been finalized, the \$10,300,000 will be incorporated into the agency's budget and will not appear as a separate special line item.

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JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Program

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

It is the intent of the Legislature that the \$25,259,700 appropriated from the federal Temporary Assistance for Needy Families Block Grant to the Social Services Block Grant for deposit in the CHILDREN SERVICES/Temporary Assistance for Needy Families

Deposit to Social Services Block Grant Special Line Item be allocated to the Children Services program.

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.

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~~ INVESTIGATION rate. *(See 100% Investigation of CPS Reports issue for additional information.)*

SUMMARY OF FUNDS - SEE AGENCY SUMMARY
