

Department of Economic Security
Children, Youth and Families

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,249.9	1,361.6	1,361.6
Personal Services	34,930,000	43,929,200	43,929,200
Employee Related Expenditures	10,533,300	12,706,400	13,003,200
Professional and Outside Services	843,300	496,700	496,700
Travel - In State	1,456,300	1,808,300	1,808,300
Other Operating Expenditures	2,469,000	5,978,600	5,977,300
Equipment	587,800	206,900	206,900
OPERATING SUBTOTAL	50,819,700	65,126,100	65,421,600
SPECIAL LINE ITEMS			
Healthy Families	4,561,200	13,750,000	13,750,000
Family Builders Program	4,688,700	5,200,000	5,200,000
Intensive Family Services	1,985,600	1,985,600	1,985,600
Child Abuse Prevention	794,000	817,500	817,700
Homeless Youth Intervention	313,900	400,000	400,000
Children Services	54,341,400	52,302,700	49,456,900
Children Services/TANF Deposit to SSBG	25,259,700	22,613,100	22,613,100
Comprehensive Medical & Dental Program	1,715,100	2,057,000	2,057,000
Residential Drug Treatment	0	250,000	75,000
TANF Deposit to the Joint Substance Abuse Treatment Fund	3,941,600	2,000,000	2,000,000
Joint Substance Abuse Treatment Fund - General Fund	0	3,000,000	3,000,000
CPS Expeditied Substance Abuse Treatment Fund Deposit	220,300	224,500	224,500
Permanent Guardianship Subsidy	3,009,400	3,003,800	3,003,800
Adoption Services	25,398,900	25,946,800	25,946,800
Adoption - Family Preservation Projects	0	0	5,500,000
CPS Appeals	455,100	639,200	639,200
Attorney General Legal Services	4,169,100	8,397,600	8,395,200
PROGRAM TOTAL	181,673,700	207,713,900	210,486,400
FUND SOURCES			
General Fund	103,286,300	134,916,200	131,895,400
<u>Other Appropriated Funds</u>			
Child Abuse Prevention Fund	794,000	1,567,500	1,567,700
Children and Family Services Training Program Fund	74,600	209,600	209,600
Federal TANF Block Grant	77,518,800	71,020,600	76,813,700
SUBTOTAL - Other Appropriated Funds	78,387,400	72,797,700	78,591,000
SUBTOTAL - Appropriated Funds	181,673,700	207,713,900	210,486,400
Other Non-Appropriated Funds	396,300	890,000	890,000
Federal Funds	114,634,100	122,205,300	122,205,300
TOTAL - ALL SOURCES	296,704,100	330,809,200	333,581,700

CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	(3,020,800)	(2.2%)
Other Appropriated Funds	5,793,300	8.0%
Total Appropriated Funds	2,772,500	1.3%
Non Appropriated Funds	0	0.0%
Total - All Sources	2,772,500	0.8%

PROGRAM 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	FY 2004	FY 2005	FY 2006
	Actual	Actual	Estimate	JLBC
• % 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	30	30	37	--
• % of children in out-of-home care who have not returned to their families or been permanently placed elsewhere for more than 24 consecutive months	28	23	26	21
• Number of children with finalized adoption	772	788	909	--
• % of CPS reports responded to by CPS staff	84	87	100	100
• Substantiated reports of child maltreatment	2,726	3,477	2,800	--
• Average % rate at which CPS reports are substantiated	11	11.5	13	--
• % of CPS original dependencies cases where court denied or dismissed	3	<1	3	<1
• % of Office of Administrative Hearings (OAH) where CPS case findings are affirmed	86	79	90	85
• % of CPS complaints reviewed by the Office of the Ombudsman-Citizens Aide where allegations are reported as valid by the Ombudsman	16	16	17	17
• % of calls to the Family Advocate that relate to CPS complaints	88	89	89	--
• % of CPS cases where the Family Advocate is involved and is successful in facilitating a solution	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	NA	NA	85	--
• Average % of time spent on administrative paperwork as reported by CPS workers in an annual survey				
District 1	<5	NA	5	--
District 2	<4	NA	4	--
District 3	<4	NA	4	--
District 4	<1	NA	1	--
District 5	<1	NA	1	--
District 6	<1	NA	1	--

Comments: The agency did not submit information for any measure labeled as “NA.” The agency continues to report that 100% of newly hired CPS caseworkers complete training within 7 months of hire date. The percentage of children who have not been returned to their families within 24 months of initial removal from their homes decreased from 28% in FY 2003 to 23% in FY 2004. The percentage of OAH hearings where CPS case findings are affirmed decreased from 86% in FY 2003 to 79% in FY 2004. The JLBC recommends a performance goal of 85% for this measure in FY 2006.

RECOMMENDED CHANGES FROM FY 2005

Operating Budget

The JLBC recommends \$65,421,600 for the operating budget in FY 2006. This amount consists of:

	FY 2006
General Fund	\$44,649,400
Federal Temporary Assistance for Needy Families (TANF) Block Grant	20,562,600
Children and Family Services Training Program Fund	209,600

These amounts would fund the following adjustments:

Standard Changes **OF** **295,500**
 The JLBC recommends an increase of \$295,500 from TANF in FY 2006 for standard changes.

Special Line Items

Healthy Families

The JLBC recommends \$13,750,000 for Healthy Families in FY 2006. This amount consists of \$8,715,800 from the General Fund and \$5,034,200 from TANF. These amounts are unchanged from FY 2005.

The Healthy Families program provides contracted 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. The program will serve approximately 4,200 clients in FY 2006.

Family Builders Program

The JLBC recommends \$5,200,000 from TANF for the Family Builders Program in FY 2006. This amount is unchanged from FY 2005.

Through the Family Builders Program, community based providers offer assessment, preservation, and support services to families of children who are in the CPS system. In June 2004, there were 400 referrals to the Family Builders Program.

Intensive Family Services

The JLBC recommends \$1,985,600 from the General Fund for Intensive Family Services in FY 2006. This amount is unchanged from FY 2005.

The program provides contracted 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.

Child Abuse Prevention

The JLBC recommends \$817,700 and 1 FTE Position from the Child Abuse Prevention Fund for Child Abuse Prevention in FY 2006. These amounts would fund the following adjustments:

Standard Changes **OF** **200**
 The JLBC recommends an increase of \$200 from the Child Abuse Prevention Fund in FY 2006 for standard changes.

The program provides financial assistance to community treatment programs benefiting abused children and their parents or guardians.

Homeless Youth Intervention

The JLBC recommends \$400,000 from TANF for Homeless Youth Intervention in FY 2006. This amount is unchanged from FY 2005.

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.

Children Services

The JLBC recommends \$49,456,900 for the Children Services in FY 2006. This amount consists of:

General Fund	39,294,800
TANF	9,412,100
Child Abuse Prevention Fund	750,000

These amounts would fund the following adjustments:

Behavioral Health Savings **GF** **(2,845,800)**

The JLBC recommends a decrease of \$(2,845,800) from the General Fund in FY 2006 for savings associated with shifting behavioral health services for approximately 1,000 children from the Department of Economic Security (DES) to the Department of Health Services (DHS). These children were receiving behavioral health treatment through DES, but since they were identified as Title 19 eligible, these services will now be provided by DHS. DES has identified \$2,845,800 in estimated savings associated with this shift in FY 2006.

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. In June 2004, there were approximately 640 children receiving in-home services and approximately 8,700 receiving out-of-home services.

Table 1 summarizes funding from all sources, including monies reflected in the TANF Deposit to SSBG line item.

Funding Source	FY 2006
Children Services	
General Fund	\$39,294,800
Child Abuse Prevention Fund	750,000
Federal TANF	<u>9,412,100</u>
Subtotal	\$49,456,900
Children Services/TANF Deposit to SSBG	
	\$22,613,100
Non-Appropriated Funds	
Federal Funds	\$47,704,200
Other Non-Appropriated Funds	<u>890,000</u>
Subtotal	\$48,594,200
Total	\$120,664,200

Children Services/TANF Deposit to SSBG

The JLBC recommends \$22,613,100 from TANF for the TANF Deposit to SSBG line item in FY 2006. This amount is unchanged from FY 2005.

The federal government caps the amount of TANF Block Grant monies that can be transferred to the SSBG at 10%. 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.)

Comprehensive Medical & Dental Program (CMDP)

The JLBC recommends \$2,057,000 from the General Fund for CMDP in FY 2006. This amount is unchanged from FY 2005.

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 General Fund monies in this program provide medical services to children who are not eligible for coverage through the Arizona Health Care Cost Containment System (AHCCCS). AHCCCS reimburses DES for the costs associated with AHCCCS-eligible children.

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

Residential Drug Treatment

The JLBC recommends \$75,000 from the General Fund for Residential Drug Treatment in FY 2006. This amount would fund the following adjustments:

Special Session Appropriation GF (175,000)

The JLBC recommends a decrease of \$(175,000) from the General Fund in FY 2006 to reflect the appropriation approved in Laws 2003, 2nd Special Session, Chapter 6.

The special session legislation required DES 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. Therefore, this funding will not appear in the General Appropriation Act.

TANF Deposit to the Joint Substance Abuse Treatment Fund

The JLBC recommends \$2,000,000 from TANF for the TANF Deposit to the Joint Substance Abuse Treatment

Fund line item in FY 2006. This amount is unchanged from FY 2005.

The monies in this 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. In FY 2006, these monies, along with the General Fund deposit (see below), will provide substance abuse services to approximately 2,000 individuals.

Joint Substance Abuse Treatment Fund – General Fund

The JLBC recommends \$3,000,000 from the General Fund for deposit in the Joint Substance Abuse Treatment Fund in FY 2006. This amount is unchanged from FY 2005.

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 2006. This amount is unchanged from FY 2005.

Monies in this line item 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.

Permanent Guardianship Subsidy

The JLBC recommends \$3,003,800 for Permanent Guardianship Subsidy in FY 2006. This amount consists of \$2,144,500 from the General Fund and \$859,300 from TANF. These amounts are unchanged from FY 2005.

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. In June 2004, approximately 1,015 clients received permanent guardianship subsidies.

Adoption Services

The JLBC recommends \$25,946,800 for Adoption Services in FY 2006. This amount consists of \$20,760,700 from the General Fund and \$5,186,100 from TANF. These amounts are unchanged from FY 2005.

The monies in this line item 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. In June 2004, approximately 7,330 clients received adoption subsidies.

Adoption – Family Preservation Projects

The JLBC recommends \$5,500,000 from TANF for Adoption – Family Preservation Projects in FY 2006. This amount would fund the following adjustments:

Establish Adoption – Family Preservation

Projects Special Line Item OF 5,500,000

The JLBC recommends an increase of \$5,500,000 from TANF in FY 2006 to establish the Adoption – Family Preservation Projects Special Line Item. These monies are part of a 4-year \$22,000,000 project to evaluate ways to enhance family preservation and promote adoption and permanency for children in the foster care system. These monies will provide additional funding to the agency to recruit adoptive parents as well as to provide adoption subsidy increases and/or one-time payments. A budget footnote will require DES to evaluate the effectiveness of this additional funding.

Of the total project amount of \$22,000,000, \$5,500,000 will be appropriated in each fiscal year from FY 2006 through FY 2009. The FY 2006 budget legislation would include the appropriations through FY 2009. The \$22,000,000 represents a one-time surplus of TANF monies.

CPS Appeals

The JLBC recommends \$639,200 and 10.5 FTE Positions from the General Fund for CPS Appeals in FY 2006. These amounts are unchanged from FY 2005.

This line item funds a process for individuals accused of alleged child abuse or neglect to challenge the department's substantiated findings.

Attorney General Legal Services

The JLBC recommends \$8,395,200 and 151.1 FTE Positions for Attorney General Legal Services in FY 2006. These amounts consist of \$8,348,900 from the General Fund and \$46,300 from TANF. These amounts would fund the following adjustments:

Standard Changes OF (2,400)

The JLBC recommends a decrease of \$(2,400) from TANF in FY 2006 for standard changes.

Monies in this line item are used to contract for Attorney General representation.

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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 Department of Economic Security shall use the funding in the Division of Children, Youth and Families to achieve a 100% investigation rate.

It is the intent of the Legislature that the \$22,613,100 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.

New Footnotes

It is the intent of the Legislature that the \$5,500,000 appropriated to the Adoption – Family Preservation Projects Special Line Item be used to promote adoption as an option for children, including but not limited to promoting the agency's adoption program and temporary adoption subsidy payment increases to current adoption subsidy clients. The monies appropriated in FY 2006 are exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations. The department shall report the intended use of these monies to the Joint Legislative Budget Committee by August 1 of each year for the committee's review. The report shall include an evaluation of the most effective means of expending these funds and performance measures to gauge the program's success. *(The JLBC recommends adding this footnote in conjunction with adding the Adoption – Family Preservation Projects Special Line Item in FY 2006.)*

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote related to the 10% monthly stipend for CPS investigators. The footnote specified that the stipend shall be paid from monies currently available to the department and must be implemented in FY 2005, whether or not DES projects a fund shortfall for the fiscal year.

SUMMARY OF FUNDS - SEE AGENCY SUMMARY

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