

Department of Economic Security
Children, Youth and Families

A.R.S. § 41-1954

JLBC Analyst: Jay Chilton

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,535.5	1,535.5	1,616.7 ^{1/}
Personal Services	56,175,200	60,474,900	63,264,000
Employee Related Expenditures	20,988,300	19,762,500	20,793,100
Professional and Outside Services	1,864,900	774,700	767,900
Travel - In State	2,140,400	2,361,800	2,725,700
Other Operating Expenditures	6,121,700	9,726,900	10,684,400
Equipment	1,679,500	0	0
OPERATING SUBTOTAL	88,970,000	93,100,800	98,235,100^{2/3/}
SPECIAL LINE ITEMS			
Children Services			
Children Support Services	52,543,400	76,082,400	76,082,400 ^{4/5/}
CPS Emergency Placement	4,653,900	5,186,500	5,186,500 ^{4/5/}
CPS Residential Placement	24,474,400	17,710,000	17,710,000 ^{4/5/}
Foster Care Placement	21,673,900	23,362,600	23,362,600 ^{4/5/}
Family Support			
Healthy Families	10,749,900	10,750,000	10,750,000
Family Builders Program	5,200,000	5,200,000	5,200,000
Intensive Family Services	1,985,600	1,985,600	1,985,600
Child Abuse Prevention	35,700	826,900	826,900
Joint Substance Abuse - AZ Families F.I.R.S.T.	6,189,400	7,224,500	7,224,500
Other Services			
Independent Living Maintenance	0	3,136,000	3,136,000
Education and Training Vouchers	352,100	700,000	700,000
Homeless Youth Intervention	375,300	400,000	400,000
Comprehensive Medical & Dental Program	1,859,800	2,057,000	2,057,000
Permanent Guardianship Subsidy	6,182,600	8,051,600	8,935,300
Adoption Services	42,892,200	48,128,300	55,244,600
Adoption Services - Family Preservation Projects	18,700	1,000,000	700,000
Adoption Services - Academic Tutoring	0	0	0
CPS Appeals	710,100	732,900	733,100
Attorney General Legal Services	10,227,800	12,273,900	12,277,000
PROGRAM TOTAL	279,094,800	317,909,000	330,746,600^{6/}
FUND SOURCES			
General Fund	185,969,300	207,921,300	207,638,900
Other Appropriated Funds			
Child Abuse Prevention Fund	785,700	1,576,900	1,576,900
Children and Family Services Training Program Fund	84,600	209,600	209,600
Federal TANF Block Grant	92,255,200	108,201,200	121,321,200
SUBTOTAL - Other Appropriated Funds	93,125,500	109,987,700	123,107,700
SUBTOTAL - Appropriated Funds	279,094,800	317,909,000	330,746,600
Other Non-Appropriated Funds			
Other Non-Appropriated Funds	850,100	890,000	890,000
Federal Funds	186,572,000	178,173,800	178,173,800
TOTAL - ALL SOURCES	466,516,900	496,972,800	509,810,400

1/ Includes 161.3 GF and 1.3 OF FTE Positions funded from Special Line Items in FY 2009.

2/ The Department of Economic Security shall provide training to any new Child Protective Services FTE 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 use the funding in the Division of Children, Youth and Families to achieve a 100% investigation rate. (General Appropriation Act footnote)

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 2005	FY 2006	FY 2007	FY 2009
	Actual	Actual	Actual	Approved
• % of newly hired CPS specialists completing training within 7 months of hire	100	100	100	100
• % 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	23	21	23	19
• % of CPS reports responded to by CPS staff	100	100	100	100
• % of CPS original dependencies cases where court denied or dismissed	<1	<1	<1	<1
• % of Office of Administrative Hearings (OAH) where CPS case findings are affirmed	85	84	90	90
• % of CPS complaints reviewed by the Office of the Ombudsman-Citizens Aide where allegations are reported as valid by the Ombudsman	14	15	12	13
• Average # of days spent in shelter placements Comments: Reducing this measure was a stated goal of the department in their <i>Strengthening Families: A Blueprint for Realigning Arizona's Child Welfare System</i> .	--	--	37	15
• # of children in shelter care more than 21 days Comments: Reducing this measure to 0 by FY 2007 was a stated goal of the department in their <i>Strengthening Families: A Blueprint for Realigning Arizona's Child Welfare System</i> .	1,127	840	1,214	0
• # of children under 3 in shelter care Comments: Reducing this measure to 0 by FY 2007 was a stated goal of the department in their <i>Strengthening Families: A Blueprint for Realigning Arizona's Child Welfare System</i> .	108	44	36	0
• # of children under 6 in group homes Comments: Reducing this measure to 0 by FY 2007 was a stated goal of the department in their <i>Strengthening Families: A Blueprint for Realigning Arizona's Child Welfare System</i> .	154	49	24	0

Operating Budget

The budget provides \$98,235,100 and 1,454.1 FTE Positions for the operating budget in FY 2009. These amounts consist of:

General Fund	\$61,461,300
Federal Temporary Assistance for Needy Families (TANF) Block Grant	36,564,200
Children and Family Services Training Program Fund	209,600

New Statewide Adjustments

The budget provides an increase of \$32,400 in FY 2009 for new statewide adjustments. This amount consists of the following:

General Fund	14,300
Federal TANF Block Grant	18,100

(Please see New Statewide Adjustments section at the end of this appropriations Report for details.)

These amounts include the following adjustments:

- 4/ Notwithstanding A.R.S. § 35-173C, any transfer to or from the amounts appropriated for Children Support Services, CPS Emergency Placement, CPS Residential Placement or Foster Care Placement requires review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- 5/ Of the amounts appropriated for Children Support Services, CPS Emergency Placement, CPS Residential Placement, and Foster Care Placement, \$22,613,100 is appropriated from the Federal Temporary Assistance for Needy Families Block Grant to the Social Services Block Grant for deposit in the following line items in the following amounts: Children Support Services \$5,371,700, CPS Emergency Placement \$2,333,700, CPS Residential Placement \$9,833,300, Foster Care Placement \$5,074,400. (General Appropriation Act footnote)
- 6/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

Additional CPS Staff

The budget provides an increase of \$5,101,900 and 81.2 FTE Positions from the Federal TANF Block Grant in FY 2009 for new CPS Staff. This amount will fund additional case management staff of Children Services. The budget also continues FY 2008 supplemental funding of \$1,300,000 from the Federal TANF Block Grant in FY 2009 to annualize CPS staff for which DES received part-year funding beginning in FY 2006.

Children Services Overview

The budget provides funding for Children Services in 4 separate line items. This funding provides for out-of-home placements and in-home and out-of-home services for children and families in the CPS system.

Table 1 summarizes funding from all sources for children services in the current line item structure.

Of the \$51,075,200 in other appropriated funds, \$50,325,200 is from the Federal Temporary Assistance for Needy Families (TANF) Block Grant. The federal government caps the amount of TANF Block Grant monies that can be transferred to the federal Social Services Block Grant (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.

	FY 2009 Children Services			
	Children Support Services	CPS Emergency Placement	CPS Residential Placement	Foster Care Placement
Clients ^{1/}	14,587	247	1,320	7,432
General Fund	\$45,403,300	\$ 2,180,100	\$ 6,543,400	\$ 17,139,500
Other Appropriated	30,679,100	3,006,400	11,166,600	6,223,100
Appropriated Total	76,082,400	5,186,500	17,710,000	23,362,600
Federal Funds	16,756,200	2,574,600	15,509,300	18,078,200
Other Non-Appropriated	-	-	-	890,000
Total - All Funds	\$92,838,600	\$7,761,100	\$33,219,300	\$ 42,330,800
General Fund Total				\$ 71,266,300
Other Appropriated Total				51,075,200
Federal Funds Total				52,918,300
Other Non-Appropriated Total				890,000
Total				\$176,149,800

^{1/} Client counts are as of March 2008. The Children Support Services count includes only in-home services to avoid double counting.

Children Support Services

The budget provides \$76,082,400 for Children Support Services in FY 2009. This amount consists of:

General Fund	45,403,300
Federal TANF Block Grant	29,929,100
Child Abuse Prevention Fund	750,000

These amounts include the following adjustments:

Continue FY 2008 Supplemental

The budget continues an increase of \$13,800,000 from the TANF Block Grant in FY 2008 originally enacted as part of the FY 2008 budget revisions. The supplemental increase was intended to address rising in-home cases.

The Children Support Services line item provides support services for both in-home and out-of-home clients to ensure the well being of children who are abused and neglected. This does not include the cost of residential placement for children in out-of-home care. For March 2008, the department reported 9,721 out-of-home clients and 5,402 in-home cases. Monthly reports of abuse averaged 2,480 for FY 2008. About 121 per month were substantiated. There is no report of how many of these children received children support services.

CPS Emergency Placement

The budget provides \$5,186,500 for CPS Emergency Placement in FY 2009. This amount consists of:

General Fund	2,180,100
Federal TANF Block Grant	3,006,400

These amounts are unchanged from FY 2008.

The CPS Emergency Placement line item provides funding for immediate, short-term placement until a more permanent foster care or residential placement can be arranged. The department is working to decrease the number of out-of-home emergency placements. When out-of-home placements are necessary for the safety of the child, DES is working to place them in the most family-like setting possible. These efforts are expected to create a declining caseload in short-term congregate placements. In March 2008, 247 children were reported in emergency placements at an average monthly cost of \$2,030 per child.

CPS Residential Placement

The budget provides \$17,710,000 for CPS Residential Placement in FY 2009. This amount consists of:

General Fund	6,543,400
Federal TANF Block Grant	11,166,600

These amounts are unchanged from FY 2008.

The Residential Placement Special Line Item provides funding for the placement of children in the CPS system into group homes and treatment centers. These residential placement services are used for children who need

behavioral or other therapeutic treatment. In March 2008, 1,320 children were reported in residential placements at an average monthly cost of \$2,900 per child.

Foster Care Placement

The budget provides \$23,362,600 for Foster Care Placement in FY 2009. This amount consists of:

General Fund	17,139,500
Federal TANF Block Grant	6,223,100

These amounts are unchanged from FY 2008.

The Foster Care Placement Special Line Item provides funding for the placement of children in the CPS system into foster homes. This special line item only includes the cost of placement, not additional support services. In March 2008, 7,432 children were reported in foster care. Of that number, 3,079 children were placed with relatives in unlicensed foster care, which receives no placement funding. The remaining 4,353 children were in licensed foster care at an average monthly cost of \$890 per child.

Family Support

Healthy Families

The budget provides \$10,750,000 for Healthy Families in FY 2009. This amount consists of:

General Fund	5,715,800
Federal TANF Block Grant	5,034,200

These amounts include the following adjustments:

Continue FY 2008 Reduction

The budget continues a decrease of \$(3,000,000) from the General Fund in FY 2009 originally enacted as part of the FY 2008 budget revisions. This decrease removes funding that has been unused in recent years.

The Healthy Families program provides contracted services to children less than 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 5,000 clients in FY 2009 with a total cost of about \$3,700 per family.

Family Builders Program

The budget provides \$5,200,000 from the Federal TANF Block Grant for the Family Builders Program in FY 2009. This amount is unchanged from FY 2008.

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

There is an average of 218 referrals per month to the Family Builders Program.

Intensive Family Services

The budget provides \$1,985,600 from the General Fund for Intensive Family Services in FY 2009. This amount is unchanged from FY 2008.

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 budget provides \$826,900 and 1 FTE Position from the Child Abuse Prevention Fund for Child Abuse Prevention in FY 2009. These amounts are unchanged from FY 2008.

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

Joint Substance Abuse - AZ Families F.I.R.S.T.

The budget provides \$7,224,500 for the Joint Substance Abuse - AZ Families F.I.R.S.T program in FY 2009. This amount consists of:

General Fund	5,224,500
TANF Block Grant	2,000,000

These amounts are unchanged from FY 2008.

The entire TANF Block Grant amount and \$5,000,000 of the total General Fund amount are deposited into the non-appropriated Joint Substance Abuse Treatment Fund. The remaining \$224,500 from the General Fund is for the non-appropriated CPS Expedited Substance Abuse Treatment Fund. These monies 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 the Federal TANF Block Grant whose substance abuse is a significant barrier to maintaining or obtaining employment. In FY 2009, these funds will provide substance abuse services to approximately 6,700 individuals.

The Child Protective Services Expedited Substance Abuse Treatment Fund is used to provide expedited drug treatment to guardians and parents when a dependency case plan calls for such treatment.

Other Services

Independent Living Maintenance

The budget provides \$3,136,000 from the General Fund for Independent Living Maintenance in FY 2009. This amount is unchanged from FY 2008.

The Independent Living Maintenance program provides stipends to about 320 former foster youth between 18 and 21, who are now living on their own and are either enrolled in a postsecondary program or employed.

Education and Training Vouchers

The budget provides \$700,000 from the General Fund for the Educational and Training Vouchers program in FY 2009. This amount is unchanged from FY 2008.

Under this program, children in the foster care system with a financial need may apply for assistance in obtaining post-secondary education and training. Funding for the program also includes an \$800,000 match from the federal government. The match rate is 80% up to \$800,000. The program serves approximately 250 clients.

Homeless Youth Intervention

The budget provides \$400,000 from the Federal TANF Block Grant for Homeless Youth Intervention in FY 2009. This amount is unchanged from FY 2008.

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.

Comprehensive Medical & Dental Program (CMDP)

The JLBC includes \$2,057,000 from the General Fund for CMDP in FY 2009. This amount is unchanged from FY 2008.

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

FY 2009 CMDP Funding

<u>Source</u>	<u>Amount</u>
General Fund	\$ 2,057,000
Reimbursement from AHCCCS	27,931,200
Total	\$29,988,200

Permanent Guardianship Subsidy

The budget provides \$8,935,300 for Permanent Guardianship Subsidy in FY 2009. This amount consists of:

General Fund	7,192,300
Federal TANF Block Grant	1,743,000

These amounts include the following adjustments:

Permanent Guardianship Caseload Growth

The budget provides an increase of \$883,700 from the Federal TANF Block Grant in FY 2009 for caseload growth. With the increase, the total amount will fund an average monthly caseload of 2,439 children with an average monthly subsidy of \$305. This represents a 14% caseload increase over the budgeted FY 2008 levels or about 302 addition clients. This growth rate is in line with historical levels.

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 March 2008, 2,083 clients received permanent guardianship subsidies.

Adoption Services

The budget provides \$55,244,600 for Adoption Services in FY 2009. This amount consists of:

General Fund	35,942,200
Federal TANF Block Grant	19,302,400

These amounts include the following adjustments:

Adoption Caseload Growth

The budget includes an increase of \$7,116,300 from the Federal TANF Block Grant for caseload growth. This amount also continues a \$1,200,000 FY 2008 supplemental appropriation. This amount will provide adoption subsidies for an average monthly caseload of about 11,950 families at an average subsidy of \$714 per month. This represents 7% growth over estimated FY 2008 caseloads.

Adoption Services Fund Shift

The budget provides a decrease of \$(300,000) from the General Fund and a corresponding increase of \$300,000 from the Federal TANF Block Grant in FY 2009 to reduce General Fund spending.

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 would be otherwise difficult to place in adoption because of age, sibling relationship or racial or ethnic background. The funding provides for ongoing maintenance and/or payment for special services depending on each eligible child's needs. In March 2008, 11,350 clients received adoption subsidies.

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

Attorney General Legal Services

The JLBC includes \$12,277,000 and 151.1 FTE Positions for Attorney General Legal Services in FY 2009. These amounts consist of:

General Fund	12,224,800
Federal TANF Block Grant	52,200

These amounts include the following adjustment:

New Statewide Adjustments

The budget provides an increase of \$3,100 from the General Fund in FY 2009 for new statewide adjustments.

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

Adoption Services - Family Preservation Projects

The budget provides \$700,000 from the Federal TANF Block Grant for Adoption Services – Family Preservation Projects in FY 2009. This amount includes the following adjustments:

Family Preservation Projects Reduction

The budget provides a decrease of \$(300,000) from the Federal TANF Block Grant in FY 2009 for a shift to the Adoption Services Special Line Item to reduce General Fund spending.

These monies are part of a 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. Specific projects in FY 2007 included upgrading the adoption hotline, focused recruitment and retention efforts, and providing crisis intervention services to adoptive families.

Adoption Services - Academic Tutoring

The JLBC includes no funding for the Adoption Services - Academic Tutoring line item in FY 2009. This amount includes the following adjustments:

Eliminate Funding for Academic Tutoring

The budget continues a decrease of \$(300,000) from the General Fund in FY 2009 originally included in the FY 2008 budget revisions.

These monies provide tutoring services to adopted children who are at least 1 year behind in a core subject because of multiple out-of-home placements.

CPS Appeals

The JLBC includes \$733,100 and 10.5 FTE Positions from the General Fund for CPS Appeals in FY 2009. These amounts include the following adjustments:

New Statewide Adjustments

The budget provides an increase of \$200 from the General Fund in FY 2009 for new statewide adjustments.