

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

A.R.S. § 41-1954

	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	1,616.7	1,591.7	1,557.7 <sup>1/</sup>
Personal Services	51,915,100	58,444,100	58,261,300
Employee Related Expenditures	22,634,000	20,878,400	21,851,500
Professional and Outside Services	1,513,600	767,900	767,900
Travel - In State	1,722,900	2,725,700	2,725,700
Other Operating Expenditures	10,719,700	14,527,500	15,466,100
Equipment	1,221,200	0	0
<b>OPERATING SUBTOTAL</b>	<b>89,726,500</b>	<b>97,343,600</b>	<b>99,072,500</b> <sup>2/3/</sup>
<b>SPECIAL LINE ITEMS</b>			
<b>Children Services</b>			
Children Support Services	66,733,200	65,262,600	65,940,700 <sup>4/5/</sup>
CPS Emergency Placement	4,859,300	4,927,200	4,927,200 <sup>4/5/</sup>
CPS Residential Placement	15,991,100	16,824,500	16,824,500 <sup>4/5/</sup>
Foster Care Placement	22,038,300	23,262,600	23,262,600 <sup>4/5/</sup>
<b>Family Support</b>			
Family Builders Program	3,192,400	0	0
Intensive Family Services	1,489,200	0	0
Child Abuse Prevention	43,100	827,400	0
Joint Substance Abuse Treatment	5,839,200	6,138,900	6,138,900
<b>Other Services</b>			
Independent Living Maintenance	3,215,300	2,979,200	2,979,200
Education and Training Vouchers	200,000	200,000	0
Homeless Youth Intervention	266,700	0	0
Comprehensive Medical & Dental Program	1,292,600	1,757,000	1,757,000
Permanent Guardianship Subsidy	7,746,800	8,815,300	8,815,300
Adoption Services	52,594,300	55,244,600	55,244,600
Adoption Services - Family Preservation Projects	480,800	0	0
CPS Appeals	711,600	698,100	711,300
Attorney General Legal Services	10,589,100	10,908,700	11,096,600
<b>PROGRAM TOTAL</b>	<b>287,009,500</b>	<b>295,189,700</b>	<b>296,770,400</b> <sup>6/7/</sup>
<b>FUND SOURCES</b>			
General Fund	172,041,500	181,178,600	182,244,900
<u>Other Appropriated Funds</u>			
Child Abuse Prevention Fund	793,100	1,577,400	1,578,100
Children and Family Services Training Program Fund	209,600	209,500	207,100
Federal TANF Block Grant	113,965,300	112,224,200	112,740,300
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>114,968,000</b>	<b>114,011,100</b>	<b>114,525,500</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>287,009,500</b>	<b>295,189,700</b>	<b>296,770,400</b>
Other Non-Appropriated Funds	548,200	890,000	890,000
Federal Funds	208,239,600	226,548,900	226,548,900
<b>TOTAL - ALL SOURCES</b>	<b>495,797,300</b>	<b>522,628,600</b>	<b>524,209,300</b>

<sup>1/</sup> Includes 161.3 GF and 1.3 OF FTE Positions funded from Special Line Items in FY 2011.

<sup>2/</sup> 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)

<sup>3/</sup> 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.

**Operating Budget**

The budget includes \$99,072,500 and 1,395.1 FTE Positions for the operating budget in FY 2011. These amounts consist of:

	<b>FY 2011</b>
General Fund	\$60,048,400
Federal Temporary Assistance for Needy Families (TANF) Block Grant	38,817,000
Children and Family Services Training Program Fund	207,100

These amounts fund the following adjustments:

**Statewide Adjustments**

The budget includes an increase of \$1,728,900 in FY 2011 for statewide adjustments. This amount consists of:

General Fund	\$1,215,600
Federal Temporary Assistance for Needy Families (TANF) Block Grant	515,700
Children and Family Services Training Program Fund	(2,400)

*(Please see the General Provisions section.)*

**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 \$51,902,600 in Other Appropriated Funds, \$50,325,200 is from the 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%. A total of \$22,613,100 in the line items are deposited into the federal SSBG; once deposited, the monies are spent on the Children Services program.

<sup>4/</sup> 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)

<sup>5/</sup> These amounts include monies originally appropriated in Laws 2009, Chapter 12 to make FY 2010 payments in FY 2011. Laws 2010, 7<sup>th</sup> Special Session, Chapter 1 also appropriates \$9,600,000 in FY 2012 to reflect the deferral of FY 2011 payments.

<sup>6/</sup> See agency summary for agencywide lump sum reductions.

<sup>7/</sup> General Appropriation Act funds are appropriated as an Agencywide Operating Lump Sum with Special Line Items by Program.

**Children Support Services**

The budget includes \$65,940,700 and 1 FTE Position for Children Support Services in FY 2011. These amounts consist of:

General Fund	34,433,500
Federal TANF Block Grant	29,929,100
Child Abuse Prevention Fund	1,578,100

These amounts fund the following adjustments:

**Statewide Adjustments**

The budget includes an increase of \$700 from the Child Abuse Prevention Fund in FY 2011 for statewide adjustments.

**Funding Shifts**

The budget includes an increase of \$1,027,400 and 1 FTE Position in FY 2011 to shift funding to the Children Support Services program from the Child Abuse Prevention and Education and Training Vouchers programs. This amount consists of:

General Fund	200,000
Child Abuse Prevention Fund	827,400

**DCYF Reductions**

The budget continues an FY 2010 supplemental reduction of \$(4,800,000) from the General Fund in FY 2011 for decreases to the Children Support Services program.

**Eliminate SSBG Planning Funds**

The budget includes a decrease of \$(350,000) from the General Fund in FY 2011 to annualize cuts to the SSBG planning funds that DES implemented as a result of the 5<sup>th</sup> Special Session lump sum reduction.

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 November 2009, the department reported 11,469 out-of-home clients and 4,339 in-home cases. Monthly reports of

abuse averaged 2,792 for FY 2010 though November 2009. About 73 per month were substantiated. There is no report of how many of these children received children support services.

The FY 2011 budget continues a total of \$42,000,000 in payment deferrals enacted in previous years. There are no savings associated with the deferrals in FY 2011. Of the total \$42,000,000 in deferred payments, \$6,200,000 is deferred from the Children Support Services Special Line Item (SLI). (Please see the Payment Deferral section in the DES Summary for additional information.)

**CPS Emergency Placement**

The budget includes \$4,927,200 for CPS Emergency Placement in FY 2011. This amount consists of:

General Fund	1,920,800
Federal TANF Block Grant	3,006,400

These amounts are unchanged from FY 2010.

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 October 2009, 183 children were reported in emergency placements at an average monthly cost of \$1,913 per child.

Of the \$42,000,000 in deferred payments discussed in the Children Support Services SLI, \$400,000 is deferred from the CPS Emergency Placement SLI. (Please see the Payment Deferral section in the DES Summary for additional information.)

**CPS Residential Placement**

The budget includes \$16,824,500 for CPS Residential Placement in FY 2011. This amount consists of:

General Fund	5,657,900
Federal TANF Block Grant	11,166,600

These amounts are unchanged from FY 2010.

The Residential Placement SLI 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 October 2009, 1,079 children were reported in residential placements at an average monthly cost of \$2,910 per child.

Of the \$42,000,000 in deferred payments discussed in the Children Support Services SLI, \$1,400,000 is deferred from the CPS Residential Placement SLI. (Please see the Payment Deferral section in the DES Summary for additional information.)

	<b>Children Services Funding</b>							
	<b>Children Support Services</b>		<b>CPS Emergency Placement</b>		<b>CPS Residential Placement</b>		<b>Foster Care Placement</b>	
	<b>FY 2009</b>	<b>FY 2011</b>	<b>FY 2009</b>	<b>FY 2011</b>	<b>FY 2009</b>	<b>FY 2011</b>	<b>FY 2009</b>	<b>FY 2011</b>
Clients <sup>1/</sup>	11,286	11,469	167	189	1,124	1,079	8,215	8,333
General Fund	\$38,758,500	\$34,433,500	\$1,955,000	\$1,920,800	\$ 5,197,000	\$ 5,657,900	\$15,992,000	\$17,039,500
Other Appropriated	<u>27,974,700</u>	<u>31,507,200</u>	<u>2,904,300</u>	<u>3,006,400</u>	<u>10,794,100</u>	<u>11,166,600</u>	<u>6,046,300</u>	<u>6,223,100</u>
Appropriated Total	66,733,200	65,940,700	4,859,300	4,927,200	15,991,100	16,824,500	22,038,300	23,262,600
Federal Funds	11,136,300	35,445,900	3,399,800	3,104,400	18,432,000	20,053,200	19,720,300	18,753,200
Other Non-Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>890,000</u>	<u>548,200</u>	<u>0</u>
Total – All Funds	\$77,869,500	\$101,386,600	\$8,259,100	\$8,031,600	\$34,423,100	\$37,767,700	\$42,306,800	\$42,015,800
							<b><u>FY 2009</u></b>	<b><u>FY 2011</u></b>
General Fund Total							\$61,902,500	\$59,051,700
Other Appropriated Total							47,719,400	51,903,300
Federal Funds Total							52,688,400	77,356,700
Other Non-Appropriated Total							<u>548,200</u>	<u>890,000</u>
<b>Total</b>							<b>\$162,858,500</b>	<b>\$189,201,700</b>

<sup>1/</sup> FY 2009 Client counts are as of June 2009. FY 2011 Client counts assume caseloads as of October 2009. The Children Support Services count includes only in-home services to avoid double counting.

### ***Foster Care Placement***

The budget includes \$23,262,600 for Foster Care Placement in FY 2011. This amount consists of:

General Fund	17,039,500
Federal TANF Block Grant	6,223,100

These amounts are unchanged from FY 2010.

The Foster Care Placement SLI provides funding for the placement of children in the CPS system into foster homes. This line item only includes the cost of placement, not additional support services. In October 2009, 8,333 children were reported in foster care. Of that number, 3,516 children were placed with relatives in unlicensed foster care, which receives no placement funding. The remaining 4,817 children were in licensed foster care at an average monthly cost of \$644 per child.

Of the \$42,000,000 in deferred payments discussed in the Children Support Services SLI, \$1,600,000 is deferred from the Foster Care Placement SLI. (*Please see the Payment Deferral section in the DES Summary for additional information.*)

### ***Family Support***

#### ***Family Builders Program***

The budget includes no funding for the Family Builders Program in FY 2011. This amount is unchanged from FY 2010.

The Family Builders Program offered assessment, preservation, and support services to families of children in the CPS system.

#### ***Intensive Family Services***

The budget includes no funding for Intensive Family Services in FY 2011. This amount is unchanged from FY 2010.

The program provided contracted intensive, time-limited services to families whose children are at imminent risk of out-of-home placement due to abuse, neglect, or dependency.

#### ***Child Abuse Prevention***

The budget includes no funding for the Child Abuse Prevention SLI in FY 2011. This amount funds the following adjustment:

### ***Shift Funding to Children Support Services***

The budget includes a decrease of \$(827,400) and (1) FTE Position from the Child Abuse Prevention Fund in FY 2011 to shift funding for this program to the Children Support Services SLI.

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 includes \$6,138,900 for the Joint Substance Abuse - AZ Families F.I.R.S.T program in FY 2011. This amount consists of:

General Fund	4,138,900
TANF Block Grant	2,000,000

These amounts are unchanged from FY 2010.

These appropriations are deposited into the non-appropriated Joint Substance Abuse Treatment Fund and CPS Expedited Substance Abuse Treatment Fund. The monies are 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 2011, these funds will provide substance abuse services to approximately 5,500 individuals.

### ***Other Services***

#### ***Independent Living Maintenance***

The budget includes \$2,979,200 from the General Fund for Independent Living Maintenance in FY 2011. This amount is unchanged from FY 2010.

The Independent Living Maintenance program provides stipends to about 340 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 includes no funding for the Education and Training Vouchers program in FY 2011. This amount funds the following adjustment:

### Shift Funding to Children Support Services

The budget includes a decrease of \$(200,000) from the General Fund in FY 2011 to shift the funding for this SLI to the Children Support Services SLI.

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 350 clients.

### Homeless Youth Intervention

The budget includes no funding for Homeless Youth Intervention in FY 2011. This amount is unchanged from FY 2010.

The purpose of the program was to help homeless youth achieve self-sufficiency from services provided through collaborative partnerships with community and faith-based organizations.

### Comprehensive Medical & Dental Program (CMDP)

The budget includes \$1,757,000 from the General Fund for CMDP in FY 2011. This amount is unchanged from FY 2010.

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 summarizes FY 2011 CMDP funding.

Table 2	
FY 2011 CMDP Funding	
Source	Amount
General Fund	\$ 1,757,000
Reimbursement from AHCCCS	24,699,100
<b>Total</b>	<b>\$26,456,100</b>

### Permanent Guardianship Subsidy

The budget includes \$8,815,300 for Permanent Guardianship Subsidy in FY 2011. This amount consists of:

General Fund	7,072,300
Federal TANF Block Grant	1,743,000

These amounts are unchanged from FY 2010.

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 October 2009, 2,243 clients received permanent guardianship subsidies.

### Adoption Services

The budget includes \$55,244,600 for Adoption Services in FY 2011. This amount consists of:

General Fund	35,442,200
Federal TANF Block Grant	19,802,400

These amounts fund the following adjustments:

#### Fund Shift

The budget continues a FY 2010 supplemental decrease of \$(500,000) from the General Fund and a corresponding \$500,000 supplemental increase from the Federal TANF Block Grant in FY 2011 for a fund shift.

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 October 2009, 13,130 clients received adoption subsidies.

### Adoption Services - Family Preservation Projects

The budget includes no funding for Adoption Services - Family Preservation Projects in FY 2011. This amount funds the following adjustments:

#### Eliminate Funding for Adoption Services - Family Preservation Projects

The budget continues a FY 2010 supplemental decrease of \$(500,000) from the Federal TANF Block Grant in FY 2011 to eliminate funding from the Adoption Services - Family Preservation Projects SLI.

These monies were 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 provided additional funding to the agency to recruit adoptive parents, as well as to provide adoption subsidy increases and/or one-time payments.

### ***CPS Appeals***

The budget includes \$711,300 and 10.5 FTE Positions from the General Fund for CPS Appeals in FY 2011. These amounts fund the following adjustments:

#### **Statewide Adjustments**

The budget includes an increase of \$13,200 from the General Fund in FY 2011 for statewide adjustments.

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 budget includes \$11,096,600 and 151.1 FTE Positions for Attorney General Legal Services in FY 2011. These amounts consist of:

General Fund	11,043,900
Federal TANF Block Grant	52,700

These amounts fund the following adjustments:

#### **Statewide Adjustments**

The budget includes an increase of \$187,900 in FY 2011 for statewide adjustments. This amount consists of:

General Fund	187,500
Federal TANF Block Grant	400

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

### ***5<sup>th</sup> Special Session Reduction***

*Please see the agency summary for agencywide lump sum reductions.*

### ***Fund Transfers***

The budget includes transfers from this agency's funds to the General Fund. *(Please see the Fund Transfers section at the back of this report for more details.)*