

Department of Economic Security
Children, Youth and Families

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	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,616.7	1,591.7	1,557.7
Personal Services	51,915,100	58,451,600	58,451,600
Employee Related Expenditures	22,634,000	20,879,700	20,879,700
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	14,527,500
Equipment	1,221,200	0	0
OPERATING SUBTOTAL	89,726,500	97,352,400	97,352,400
SPECIAL LINE ITEMS			
Children Services			
Children Support Services	66,733,200	70,062,600	71,090,000
CPS Emergency Placement	4,859,300	4,927,200	4,927,200
CPS Residential Placement	15,991,100	16,824,500	16,824,500
Foster Care Placement	22,038,300	23,262,600	23,262,600
Family Support			
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 – AZ Families F.I.R.S.T.	5,839,200	6,138,900	6,138,900
Other Services			
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	500,000	500,000
CPS Appeals	711,600	698,200	698,200
Attorney General Legal Services	10,589,100	10,910,600	10,910,600
PROGRAM TOTAL	287,009,500	300,500,500	300,500,500
FUND SOURCES			
General Fund	172,041,500	186,489,300	186,489,300
<u>Other Appropriated Funds</u>			
Child Abuse Prevention Fund	793,100	1,577,400	1,577,400
Children and Family Services Training Program Fund	209,600	209,600	209,600
Federal TANF Block Grant	113,965,300	112,224,200	112,224,200
SUBTOTAL - Other Appropriated Funds	114,968,000	114,011,200	114,011,200
SUBTOTAL - Appropriated Funds	287,009,500	300,500,500	300,500,500
Other Non-Appropriated Funds	548,200	890,000	890,000
Federal Funds	208,239,600	226,548,900	226,548,900
TOTAL - ALL SOURCES	495,797,300	527,939,400	527,939,400

CHANGE IN FUNDING SUMMARY

	FY 2010 to FY 2011 Baseline	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	0	0.0%
Non-Appropriated Funds	0	0.0%
Total - All Sources	0	0.0%

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 Baseline includes \$97,352,400 and 1,395.1 FTE Positions for the operating budget in FY 2011. These amounts consist of:

General Fund	\$58,841,500
Federal Temporary Assistance for Needy Families (TANF) Block Grant	38,301,300
Children and Family Services Training Program Fund	209,600

These amounts are unchanged from FY 2010.

DES indicates that \$5,500,000 from the State Fiscal Stabilization Fund monies authorized by the American Recovery and Reinvestment Act of 2009 are intended to be used for unfunded growth in this program in FY 2010. Unlike the Developmental Disabilities offset, the FY 2010 budget did not reduce the General Fund appropriation due to the use of the Federal Funds. *(Please see the Federal Assistance – State Fiscal Stabilization Fund section of the DES Summary for more information.)*

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 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.

Children Support Services

The Baseline includes \$71,090,000 and 1 FTE Position for Children Support Services in FY 2011. This amount consists of:

General Fund	39,583,500
Federal TANF Block Grant	29,929,100
Child Abuse Prevention Fund	1,577,400

FY 2011 adjustments would be as follows:

Funding Shifts	GF	200,000
	OF	827,400

The Baseline 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. Of the total amount, \$200,000 is from the General Fund and \$827,400 is from the Child Abuse Prevention Fund.

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 August 2009, the department reported 9,611 out-of-home clients and 3,569 in-home cases. Monthly reports of abuse averaged 2,765 for FY 2009. About 166 per month were substantiated. There is no report of how many of these children received children support services.

DES indicates that \$18,000,000 from the State Fiscal Stabilization Fund monies authorized by the American Recovery and Reinvestment Act of 2009 are intended to be used for unfunded growth in this program in FY 2010. Unlike the Developmental Disabilities offset, the FY 2010 budget did not reduce the General Fund appropriation due to the use of the Federal Funds. *(Please see the Federal Assistance – State Fiscal Stabilization Fund section of the DES Summary for more information.)*

In FY 2010, the Legislature enacted a payment deferral of \$17,000,000. The deferral resulted in a one-time savings in that amount from the General Fund in FY 2010. This

Table 1

	Children Services Funding							
	Children Support Services		CPS Emergency Placement		CPS Residential Placement		Foster Care Placement	
	FY 2009	FY 2011	FY 2009	FY 2011	FY 2009	FY 2011	FY 2009	FY 2011
Clients ^{1/}	14,286	9,611	209	162	1,295	1,270	7,816	8,199
General Fund	\$38,758,500	\$39,583,500	\$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>31,506,500</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	71,090,000	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	\$106,535,900	\$8,259,100	\$8,031,600	\$34,423,100	\$37,767,700	\$42,306,800	\$42,015,800
							FY 2009	FY 2011
General Fund Total							\$61,902,500	\$64,201,700
Other Appropriated Total							47,719,400	51,902,600
Federal Funds Total							52,688,400	77,356,700
Other Non-Appropriated Total							<u>548,200</u>	<u>890,000</u>
Total							\$162,858,500	\$194,351,000

^{1/} FY 2009 Client counts are as of July 2009. FY 2011 Client counts assume caseloads as of July 2009. The Children Support Services count includes only in-home services to avoid double counting.

was in addition to a \$25,000,000 payment deferral enacted in FY 2009. The Baseline continues the payment deferral in FY 2011. Of the total \$42,000,000 in deferred payments, \$6,200,000 is deferred from the Children Support Services SLI. (Please see the Payment Deferral section in the DES Summary for additional information.)

CPS Emergency Placement

The Baseline 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 July 2009, 162 children were reported in emergency placements at an average monthly cost of \$2,068 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 Baseline 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 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 2009, 1,108 children were reported in residential placements at an average monthly cost of \$2,892 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.)

Foster Care Placement

The Baseline includes \$23,362,600 for Foster Care Placement in FY 2011. This amount consists of:

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

These amounts are unchanged from FY 2010.

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 July 2009, 8,199 children were reported in foster care. Of that number, 3,504 children were placed with relatives in unlicensed foster care, which receives no placement funding. The remaining 4,695 children were in licensed foster care at an average monthly cost of \$766 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 Baseline 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 Baseline 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 Baseline includes no funding for the Child Abuse Prevention SLI in FY 2011. FY 2011 adjustments would be as follows:

Shift Funding to Children Support Services OF (827,400)

The Baseline 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 Baseline 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 2010, these funds will provide substance abuse services to approximately 5,500 individuals.

Other Services

Independent Living Maintenance

The Baseline 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 Baseline includes no funding for the Education and Training Vouchers program in FY 2011. FY 2011 adjustments would be as follows:

Shift Funding to Children Support Services GF (200,000)

The Baseline 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 Baseline 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 Baseline 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.

<u>Source</u>	<u>Amount</u>
General Fund	\$ 1,757,000
Reimbursement from AHCCCS	24,699,100
Total	\$26,456,100

Permanent Guardianship Subsidy

The Baseline 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 July 2009, 2,193 clients received permanent guardianship subsidies.

Adoption Services

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

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

These amounts are unchanged from FY 2010.

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 July 2009, 12,780 clients received adoption subsidies.

DES indicates that \$5,604,800 from the Fiscal Stabilization Fund monies authorized by the American Recovery and Reinvestment Act of 2009 are intended to be used for unfunded growth in this program in FY 2010. Unlike the Developmental Disabilities offset, the FY 2010 budget did not reduce the General Fund appropriation due to the use of the Federal Funds. (Please see the Federal Assistance – State Fiscal Stabilization Fund section of the DES Summary for more information.)

Adoption Services - Family Preservation Projects

The Baseline includes \$500,000 from the Federal TANF Block Grant for Adoption Services - Family Preservation Projects in FY 2011. This amount is unchanged from FY 2010.

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 2008 included focused recruitment and retention efforts, as well as providing crisis intervention services to adoptive families.

CPS Appeals

The Baseline includes \$698,200 and 10.5 FTE Positions from the General Fund for CPS Appeals in FY 2011. These amounts are unchanged from FY 2010.

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 Baseline includes \$10,910,600 and 151.1 FTE Positions for Attorney General Legal Services in FY 2011. These amounts consist of:

General Fund	10,858,300
Federal TANF Block Grant	52,300

These amounts are unchanged from FY 2010.

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

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FORMAT — Agencywide Operating Lump Sum with Special Line Items by Program

FOOTNOTES

Standard Footnotes

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.

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.

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.

Deletion of Prior Year Footnotes

The Baseline would delete the footnote requiring the Joint Legislative Budget Committee to review transfers from the appropriations for Children Support Services, CPS Emergency Placement, CPS Residential Placement and Foster Care Placement to facilitate the agency's allocation of its available funding.