

## Department of Child Safety

	FY 2014 <sup>1/</sup> ACTUAL	FY 2015 ESTIMATE	FY 2016 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	2,859.0	3,045.1	3,057.1 <sup>2/</sup>
Personal Services	99,829,900	120,650,700	120,650,700
Employee Related Expenditures	45,305,000	52,335,200	52,336,400
Professional and Outside Services	6,919,800	7,868,200	7,868,200
Travel - In State	3,017,600	3,401,600	3,401,600
Travel - Out of State	1,600	30,000	30,000
Other Operating Expenditures	19,612,600	24,410,700	19,310,300
Equipment	7,220,800	8,047,300	6,580,100
<b>OPERATING SUBTOTAL</b>	<b>181,907,300</b>	<b>216,743,700</b> <sup>3/</sup>	<b>209,177,300</b> <sup>3/ 2/</sup>
<b>SPECIAL LINE ITEMS</b>			
<b>Additional Operating Resources</b>			
Attorney General Legal Services	18,684,800	18,563,300	19,615,600
General Counsel	0	157,300	156,100
Inspections Bureau	554,600	2,748,400	2,486,500
Internet Crimes Against Children	0	350,000	350,000 <sup>8/</sup>
Office of Child Welfare Investigations	3,041,100	10,500,400 <sup>3/</sup>	10,706,600 <sup>3/</sup>
Overtime	10,941,900	12,865,000 <sup>3/</sup>	8,400,000 <sup>3/9/10/</sup>
Records Retention Staff	0	597,400	595,600
Retention Pay	0	1,707,000	1,707,000
Training Resources	3,961,200	5,150,000	5,150,000
<b>Out-of-Home Placements</b>			
Adoption Services	160,851,900	188,483,300	206,301,000
Emergency and Residential Placement	74,618,700	86,166,300	78,106,300 <sup>11/15/</sup>
Foster Care Placement	47,898,800	57,832,000	60,981,300 <sup>9/10/11/</sup>
Grandparent Stipends	340,000	1,000,000	1,000,000 <sup>12/</sup>
Independent Living Maintenance	2,945,500	3,469,300	3,469,300
Permanent Guardianship Subsidy	10,832,300	11,215,300	12,215,300
<b>Support Services</b>			
DCS Child Care Subsidy	33,228,100	39,753,600	39,753,600
In-Home Preventive Support Services	28,518,800	32,605,200	35,214,400 <sup>9/10/13/</sup>
Intensive Family Services	5,000,000	8,500,000	8,500,000 <sup>14/</sup>
Out-of-Home Support Services	127,618,400	149,566,800	143,629,900 <sup>9/10/11/ 13/15/</sup>
<b>AGENCY TOTAL</b>	<b>710,943,400</b>	<b>847,974,300</b>	<b>847,515,800</b>
<b>FUND SOURCES</b>			
General Fund	261,048,400	361,005,400	356,448,200
<u>Other Appropriated Funds</u>			
Child Abuse Prevention Fund	1,459,100	1,459,100	1,459,300
Children and Family Services Training Program Fund	71,600	207,700	207,900
Federal CCDF Block Grant	28,272,200	27,000,000	27,000,000
Federal TANF Block Grant	133,419,100	132,000,400	132,000,400
Long-Term Care System Fund (Non-Federal Matched)	40,988,300	0	0
SUBTOTAL - Other Appropriated Funds	204,210,300	160,667,200	160,667,600
<b>SUBTOTAL - Appropriated Funds</b>	<b>465,258,700</b>	<b>521,672,600</b>	<b>517,115,800</b>
<u>Expenditure Authority Funds</u>			
Child Safety Expenditure Authority	245,684,700	326,301,700	330,400,000
SUBTOTAL - Expenditure Authority Funds	245,684,700	326,301,700	330,400,000
<b>SUBTOTAL - Appropriated/Expenditure Authority Funds</b>	<b>710,943,400</b>	<b>847,974,300</b>	<b>847,515,800</b>

	FY 2014 <sup>1/</sup> ACTUAL	FY 2015 ESTIMATE	FY 2016 APPROVED
Other Non-Appropriated Funds	400	1,703,500	1,703,500
<b>TOTAL - ALL SOURCES</b>	<b>710,943,800</b>	<b>849,677,800</b>	<b>849,219,300</b>

**AGENCY DESCRIPTION** — The department investigates reports of child abuse and neglect, promotes the safety of a child in a stable family or other out-of-home placement in response to allegations of abuse or neglect, works with law enforcement regarding reports that include criminal conduct allegations, and coordinates services to achieve and maintain permanency on behalf of children in the child welfare system. The state's child welfare function was previously located in the Department of Economic Security (DES) in the Division of Children, Youth and Families. In 2014, the Legislature established the Department of Child Safety (DCS) as a new stand-alone child welfare agency.

- <sup>1/</sup> Monies in FY 2014 were originally appropriated to DES. The Legislature appropriated 260.2 new FTE Positions to DCS in FY 2015.
- <sup>2/</sup> Includes 345 GF, 1.3 OF, and 52.9 EA FTE Positions funded from Special Line Items in FY 2016.
- <sup>3/</sup> The appropriation for the Office of Child Welfare Investigations is solely for the costs of employees directly hired by the Office of Child Welfare Investigations. At least 30 days before any transfer into or out of the Office of Child Welfare Investigations line item, the department shall report the proposed transfer to the Director of the Joint Legislative Budget Committee (JLBC). (General Appropriation Act footnote) The FY 2015 budget included this same footnote. In April 2015, DCS notified JLBC of its intent to transfer \$5,000,000 of savings from unfilled Office of Child Welfare Investigations positions to the operating budget and the Overtime line item. The current display does not reflect these transfers.
- <sup>4/</sup> The Department of Child Safety shall provide training to any new child safety FTE Positions before assigning to any of these employees any client caseload duties. (General Appropriation Act footnote)
- <sup>5/</sup> It is the intent of the Legislature that the Department of Child Safety use its funding to achieve a 100% investigation rate. (General Appropriation Act footnote)
- <sup>6/</sup> On or before August 1, 2015, the Department of Child Safety shall issue a Request for Information to interested vendors on using private entities to address the backlog. The department shall report the results of its Request for Information to the Joint Legislative Budget Committee on or before October 1, 2015. For the purposes of this section, "backlog" means non-active cases for which documentation has not been entered in the child welfare automated system for at least 60 days and for which services have not been authorized for at least 60 days. (Laws 2015, Chapter 257)
- <sup>7/</sup> The Department of Child Safety shall forward a monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals to the President of the Senate, the Speaker of the House of Representatives, the Chairpersons of the Senate and House of Representatives Appropriations Committees and the Director of the Joint Legislative Budget Committee on or before the 30th of the following month. The report shall include a plan, if necessary, for eliminating any shortfall without a supplemental appropriation. (General Appropriation Act footnote)
- <sup>8/</sup> On or before September 30, 2015, the department shall submit an expenditure plan for the Internet Crimes Against Children appropriation for review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- <sup>9/</sup> For the purposes of this section, "backlog" or "backlog cases" means nonactive cases for which documentation has not been entered in the child welfare automated system for at least 60 days and for which services have not been authorized for at least 60 days. (General Appropriation Act footnote)
- <sup>10/</sup> The FY 2016 amounts appropriated to the Department of Child Safety include increases of the following amounts in the following line items to address backlog cases:
1. Overtime: \$0 from the state General Fund.
  2. In-Home Preventive Support Services: \$2,782,100 in FY 2016 and \$0 in FY 2017 from the State General Fund.
  3. Out-of-Home Support Services: \$5,082,200 in FY 2016 and \$0 in FY 2017 from the state General Fund.
  4. Foster Care Placement: \$4,543,900 in FY 2016 and \$0 in FY 2017 from the state General Fund.
- The appropriations to address backlog cases are based on the Executive Branch's May 2014 estimates. (General Appropriation Act footnote)
- <sup>11/</sup> Of the amounts appropriated for Out-of-Home Support Services, Emergency and Residential Placement and Foster Care Placement, the Department of Child Safety may transfer up to 10% of the total amount of Federal Temporary Assistance for Needy Families Block Grant monies appropriated to the Department of Economic Security and the Department of Child Safety to the Social Services Block Grant for use in the following line items in the Department of Child Safety: Out-of-Home Support Services, Emergency and Residential Placement and Foster Care Placement. Before transferring Federal Temporary Assistance for Needy Families Block Grant monies to the Social Services Block Grant, the Department of Child Safety shall report the proposed amount of the transfer to the Director of the Joint Legislative Budget Committee. This report may be in the form of an expenditure plan that is submitted at the beginning of the fiscal year and updated, if necessary, throughout the fiscal year. (General Appropriation Act footnote)
- <sup>12/</sup> The amount appropriated for Grandparent Stipends shall be used for a monthly stipend for a grandparent or any level of great-grandparent if a dependent child is placed in that person's care pursuant to department guidelines. (General Appropriation Act footnote)
- <sup>13/</sup> It is the intent of the Legislature that the funding in the In-Home Preventive Support Services line item be used for families whose children are at risk of out-of-home placement due to abuse, neglect or dependency, while the funding in the Out-of-Home Support Services line item is for children in out-of-home placements. (General Appropriation Act footnote)
- <sup>14/</sup> Before the expenditure of monies from the Intensive Family Services line item in FY 2016, the Department of Child Safety shall submit an expenditure plan for review by the Joint Legislative Budget Committee. The expenditure plan shall include an estimate of any comparable funding in the In-Home Preventive Support Services line item. (General Appropriation Act footnote)
- <sup>15/</sup> On or before December 31, 2015, the Department of Child Safety shall report to the Joint Legislative Budget Committee on its progress in implementing the Auditor General's recommendations for transportation services and emergency and residential placement. (General Appropriation Act footnote)

## Summary

DCS' FY 2016 General Fund spending decreases by \$(4,557,200), or (1.3)% from FY 2015. The \$(4,557,200) includes:

- \$8,000,000 for permanency caseload growth, including \$7,000,000 for Adoption Services and \$1,000,000 for the Permanent Guardianship Subsidy.
- \$4,000,000 for preventive services.
- \$1,000,000 to shift DCS-related funding from the Attorney General's budget to DCS.
- \$270,800 to provide full-year funding for the Office of Child Welfare Investigations (OCWI) staff added in FY 2015.
- \$(1,477,500) to remove one-time equipment funding for staff added in FY 2015.
- \$(2,000,000) to reduce emergency placements by shifting caseload to the Foster Care program.
- \$(3,000,000) to remove one-time funding used to pay off a portion of the deferral.
- \$(10,666,100) to remove one-time FY 2015 funding related to the backlog of 60-day non-active cases.
- \$(684,400) for statewide adjustments.

As part of the budget's 3-year spending plan, DCS General Fund costs are projected to decrease by \$(9,092,600) below FY 2016 and remain flat in FY 2018 compared to FY 2017. (See *Other Issues* section for more information.)

### Overall Funding

The Arizona Department of Administration (ADOA) was originally appropriated \$25,000,000 from the General Fund in FY 2015 for one-time costs associated with the establishment of DCS. The FY 2016 General Appropriation Act subsequently reduced this amount to \$19,500,000, but also made the monies available through the end of FY 2016.

Consistent with the Executive's May 2014 Special Session proposal and the Legislature's 3-year spending plan, the budget does not continue this one-time funding in FY 2016. (Please see *ADOA - DCS* section for further details.)

ADOA was also appropriated \$5,000,000 from the General Fund in FY 2015 through the Automation Projects Fund for the Children's Information Library and Data Source (CHILDS) replacement project. The FY 2016 budget does not include additional funding because the \$5,000,000 is sufficient until FY 2017. (Please see *ADOA - Automation Projects Fund* section for details regarding this information technology project.)

Most budget changes were based on the Executive's May 2014 Special Session proposal and the Legislature's 3-year spending plan, except for CHILDS replacement, permanency caseload growth, foster care savings and the funding shift from the Attorney General, which is technical in nature.

Beginning in FY 2014, the Legislature appropriated child welfare resources on a Total Expenditure Authority basis. The Total Expenditure approach acknowledges all of the resources available for child welfare but does not appropriate any specific non-appropriated fund. *Table 7* in the *Other Issues* section shows total fund spending since FY 2008.

### Backlog

On June 2, 2014, DCS reported 13,024 backlog cases. Backlog means non-active cases for which documentation has not been entered in the child welfare automated system (CHILDS) for at least 60 days and for which services have not been authorized for at least 60 days. A total of \$23,074,300 was appropriated from the General Fund in FY 2015 to address the backlog. The \$23,074,300 from the General Fund was matched with \$5,904,300 in Federal Funds for a total backlog appropriation of \$28,978,600. At the time of the May 2014 Special Session, the Executive estimated that the cost of the backlog population would decline to \$12,408,200 in FY 2016 and \$0 in FY 2017. The budget incorporates these estimates.

Relative to the 13,024 June 2 backlog cases, DCS had initially either activated the cases or closed them. In terms of the current activity, the department reported 15,473 backlog cases as of March 2015, including about 3,500 of June 2 cases that had fallen back into inactivity. DCS has suggested its intention to spend about half of the \$28,978,600 in backlog funding on post-June 2 cases, since the 13,024 June 2 backlog cases are less expensive than initially thought.

## Operating Budget

The budget includes \$209,177,300 and 2,657.9 FTE Positions in FY 2016 for the operating budget. These amounts consist of:

	<b>FY 2016</b>
General Fund	\$87,808,700
Children and Family Services Training Program Fund	207,900
Federal TANF Block Grant	46,928,000
Child Safety Expenditure Authority	74,232,700

These amounts fund the following adjustments:

**Remove One-Time Funding**

The budget includes a decrease of \$(1,467,200) in FY 2016 to eliminate one-time equipment funding for caseworkers and support staff added in FY 2015, as outlined in the Executive’s May 2014 Special Session proposal and the Legislature’s 3-year spending plan. This amount consists of:

General Fund	(1,229,500)
Child Safety Expenditure Authority	(237,700)

**Funding Realignment**

The budget includes a decrease of \$(5,101,700) from Expenditure Authority in FY 2016 to transfer these resources to where they are actually being used in the Foster Care and Adoption Services line items.

**Statewide Adjustments**

The budget includes a decrease of \$(997,500) in FY 2016 for statewide adjustments. This amount consists of:

General Fund	(511,800)
Children and Family Services Training Program Fund	200
Child Safety Expenditure Authority	(485,900)

*(Please see the Agency Detail and Allocations section.)*

**Additional Operating Resources**

**Attorney General Legal Services**

The budget includes \$19,615,600 and 234.2 FTE Positions in FY 2016 for Attorney General Legal Services. These amounts consist of:

General Fund	13,696,900
Federal TANF Block Grant	99,400
Child Safety Expenditure Authority	5,819,300

These amounts fund the following adjustments:

**Attorney General Realignment**

The budget includes an increase of \$1,194,700 and 12 FTE Positions in FY 2016 to shift funding from the Attorney General’s Child Safety and Family Services line item to the DCS Attorney General Legal Services line item, consolidating all DCS Attorney General resources into a single line item. There is no net change in child welfare resources. These amounts consist of:

General Fund	1,000,000
Child Safety Expenditure Authority	194,700

**Statewide Adjustments**

The budget includes a decrease of \$(142,400) in FY 2016 for statewide adjustments. This amount consists of:

General Fund	(101,600)
Child Safety Expenditure Authority	(40,800)

Monies in this line item fund Attorney General Legal Services for DCS.

**General Counsel**

The budget includes \$156,100 and 1 FTE Position from the General Fund in FY 2016 for General Counsel. These amounts fund the following adjustments:

**Statewide Adjustments**

The budget includes a decrease of \$(1,200) from the General Fund in FY 2016 for statewide adjustments.

Monies in this line item fund DCS General Counsel. The DCS General Counsel will provide legal advice to the Director, and the Attorney General will continue to represent DCS in administrative or judicial proceedings.

**Inspections Bureau**

The budget includes \$2,486,500 and 31 FTE Positions in FY 2016 for the Inspections Bureau. These amounts consist of:

General Fund	1,335,900
Federal TANF Block Grant	549,700
Child Safety Expenditure Authority	600,900

These amounts fund the following adjustments:

**Remove One-Time Funding**

The budget includes a decrease of \$(248,000) from the General Fund in FY 2016 to eliminate one-time equipment funding for staff added in FY 2015, as outlined in the Executive’s May 2014 Special Session proposal and the Legislature’s 3-year spending plan.

**Statewide Adjustments**

The budget includes a decrease of \$(13,900) in FY 2016 for statewide adjustments. This amount consists of:

General Fund	(10,200)
Child Safety Expenditure Authority	(3,700)

These monies fund the Inspections Bureau, which monitors DCS policies and procedures to ensure they are being followed by all staff in accordance with federal and state law. The Inspections Bureau also reviews vendor

invoices to ensure accuracy and compliance with DCS contracts.

The Office of Special Investigations (OSI) was part of the Inspections Bureau. DCS disbanded OSI as of February 2015. Since the majority of the filled Inspections Bureau positions were OSI staff, the status of this funding is to be determined.

**Internet Crimes Against Children**

The budget includes \$350,000 from the General Fund in FY 2016 for Internet Crimes Against Children. This amount is unchanged from FY 2015.

This line item was initially funded in FY 2015. The Arizona Internet Crimes against Children Task Force (AZICAC), led by the Phoenix Police Department’s Internet Crimes Against Children Unit, received the funds. AZICAC is a joint federal/local law enforcement task force that investigates child pornography. AZICAC plans to use the funds for a statewide mobile command vehicle, equipment and training, and compensation for 1 investigator.

Laws 2015, Chapter 245 established the Internet Crimes Against Children Fund, consisting of a \$900,000 allocation from state lottery proceeds to the Attorney General, who will distribute the monies to AZICAC. (Please see the Attorney General and the Arizona State Lottery Commission narratives for more information.)

**Office of Child Welfare Investigations**

The budget includes \$10,706,600 and 127 FTE Positions in FY 2016 for OCWI. These amounts consist of:

General Fund	9,562,700
Child Safety Expenditure Authority	1,143,900

These amounts fund the following adjustments:

**Annualize FY 2015 Staff Increase**

The budget includes an increase of \$270,800 from the General Fund in FY 2016 to annualize the cost of staff added in FY 2015, as outlined in the Executive’s May 2014 Special Session proposal and the Legislature’s 3-year spending plan.

**Statewide Adjustments**

The budget includes a decrease of \$(64,600) in FY 2016 for statewide adjustments. This amount consists of:

General Fund	(58,000)
Child Safety Expenditure Authority	(6,600)

Monies in this line item fund OCWI, which investigates criminal conduct allegations of child abuse in conjunction with local law enforcement. As required by a FY 2015 General Appropriation Act footnote, DCS notified JLBC of its intent in April 2015 to transfer \$5,000,000 of savings from unfilled positions to the operating budget and the Overtime line item in FY 2015. The \$5,000,000 in vacancy savings is possible because DCS had only filled 65 of the 127 authorized OCWI positions as of March 2015. The current display does not reflect these transfers in the FY 2015 estimates nor the FY 2016 appropriations.

**Overtime**

The budget includes \$8,400,000 in FY 2016 for Overtime. This amount consists of:

General Fund	2,610,700
Federal TANF Block Grant	3,859,500
Child Safety Expenditure Authority	1,929,800

These amounts fund the following adjustments:

**Remove One-Time Funding**

The budget includes a decrease of \$(4,465,000) from the General Fund in FY 2016 to eliminate one-time funding for action determination and investigation of the backlog, as outlined in the Executive’s May 2014 Special Session proposal and the Legislature’s 3-year spending plan. (Please see the Other Issues section for further discussion of the 3-year spending plan.)

Monies in this line item fund overtime for DCS.

**Records Retention Staff**

The budget includes \$595,600 and 5 FTE Positions in FY 2016 for Records Retention Staff. These amounts consist of:

General Fund	498,400
Child Safety Expenditure Authority	97,200

These amounts fund the following adjustments:

**Statewide Adjustments**

The budget includes a decrease of \$(1,800) in FY 2016 for statewide adjustments. This amount consists of:

General Fund	(1,600)
Child Safety Expenditure Authority	(200)

Monies in this line item fund staff that process information requests about children in the state child welfare system.

### **Retention Pay**

The budget includes \$1,707,000 from the General Fund in FY 2016 for Retention Pay. This amount is unchanged from FY 2015.

This funding provides retention pay of \$1,000 for 18 months of employment and \$3,000 for 36 months of employment, effective July 1, 2014. Retention pay is a one-time lump sum payment upon meeting the longevity requirements.

### **Training Resources**

The budget includes \$5,150,000 in FY 2016 for Training Resources. This amount consists of:

General Fund	150,000
Child Safety Expenditure Authority	5,000,000

These amounts are unchanged from FY 2015.

DCS has agreements with Arizona State University (ASU) and Northern Arizona University (NAU) to educate potential caseworkers. As part of that agreement, the federal government provides Title IV-E funding for the universities' social work programs while the universities provide the state match. The federal match rate is 75%. The majority of the funding in this line is for social work programs at ASU and NAU while the remainder is for student scholarships.

Students receive scholarships that cover their tuition, books, and university fees. Scholarship degrees include a Bachelors of Social Work (BSW) or a Masters of Social Work (MSW). The post-graduation DCS work requirement for scholarship students is equal to the length of the academic scholarship. For example, a scholarship student in the 2-year MSW program would be required to work at DCS for 2 years; a senior year-only BSW scholarship student would be obligated to work for 1 year at DCS, although BSW students can receive scholarships starting in their junior year.

The 2-year MSW scholarship value is about \$36,000 (\$11,000 stipend and \$25,000 tuition/fees). The MSW scholarship student's \$11,000 stipend represents a monthly payment of \$600 during the 18 months of the program. Students who withdraw from the scholarship, do not fulfill their contractual obligation, or do not meet the employment requirement of DCS at the time of hiring are required to repay DCS the scholarship amount.

The Legislature appropriated \$150,000 from the General Fund in FY 2015 to streamline and shorten the classroom training of caseworkers.

DCS also operates a training academy. The training academy is funded out of the operating budget.

### **Out-of-Home Placements**

#### **Adoption Services**

The budget includes \$206,301,000 in FY 2016 for Adoption Services. This amount consists of:

General Fund	69,965,800
Federal TANF Block Grant	20,645,700
Child Safety Expenditure Authority	115,689,500

These amounts fund the following adjustments:

#### **Funding Realignment**

The budget includes an increase of \$3,491,100 from Expenditure Authority in FY 2016 to show these resources where they are actually being used in Adoption Services, rather than the operating budget.

#### **Caseload Growth**

The budget includes an increase of \$14,326,600 in FY 2016 for 1,584 new placements, or 7% growth. This amount consists of:

General Fund	7,000,000
Child Safety Expenditure Authority	7,326,600

*Caseload* – In December 2014, the most recent month for which data is available, 21,035 clients received adoption subsidies. The appropriation funds 22,803 total placements at an average monthly cost of \$754 in FY 2016.

*Background* – The program subsidizes 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 maintenance subsidies, special services subsidies, expenditures related to the legal process of adopting a child, and adoption home recruitment costs.

## Emergency and Residential Placement

The budget includes \$78,106,300 in FY 2016 for Emergency and Residential Placement. This amount consists of:

General Fund	33,028,000
Federal TANF Block Grant	16,423,000
Child Safety Expenditure Authority	28,655,300

These amounts fund the following adjustments:

### Foster Care Savings - Caseload Shift

The budget includes a decrease of \$(8,060,000) in FY 2016 for shifting 210 children from congregate care to foster care. This amount consists of:

General Fund	(5,100,000)
Child Safety Expenditure Authority	(2,960,000)

The \$(2,000,000) foster care savings policy issue consists of 3 General Fund components: 1) savings of \$(5,100,000) for shifting 210 teenagers from more expensive congregate care to foster care; 2) a cost of \$2,700,000 for an increased payment for teenagers in foster care and 210 new foster care placements; and 3) a cost of \$400,000 to provide vendor oversight of the 210 teenagers moved from congregate care to foster care.

*Caseload* – In December 2014, 457 children received emergency placement services while 1,862 children received residential (non-foster care) placement services. Including \$1,703,500 from the non-appropriated Client Trust Fund, \$79,809,800 is available for Emergency and Residential Placement in FY 2016. DCS plans to spend \$15,143,300 on emergency placements and \$64,666,500 on residential placements. At an average monthly cost of \$2,683 per emergency placement and \$3,273 per residential placement, funding in this line is sufficient for an average monthly caseload of 470 emergency placements and 1,647 residential placements in FY 2016.

*Background* – The Emergency and Residential Placement line provides funding for 1) short-term placement until a more permanent placement can be arranged and 2) behavioral or other therapeutic residential treatment.

The budget also includes \$1,800,000 in deferred FY 2015 General Fund payments appropriated in FY 2016 by Laws 2014, 2<sup>nd</sup> Special Session, Chapter 2 and it defers the same amount for FY 2016 to FY 2017. As a result, the FY 2016 General Fund amount of \$33,028,000 consists of \$1,800,000 from Chapter 2 and \$31,228,000 from Laws 2015, Chapter 8.

## Foster Care Placement

The budget includes \$60,981,300 in FY 2016 for Foster Care Placement. This amount consists of:

General Fund	28,187,500
Federal TANF Block Grant	6,973,100
Child Safety Expenditure Authority	25,820,700

These amounts fund the following adjustments:

### Remove One-Time Funding

The budget includes a decrease of \$(3,201,300) in FY 2016 to remove the FY 2015 backlog funding, leaving \$4,543,900 from the General Fund to service the backlog in FY 2016. This change is consistent with the Executive's May 2014 Special Session proposal and the Legislature's 3-year spending plan. This amount consists of:

General Fund	(2,272,000)
Child Safety Expenditure Authority	(929,300)

Based upon a projected removal rate of 9% in the 2<sup>nd</sup> Special Session, the Executive's 3-year spending plan estimated foster care placements for backlog cases at a cost of \$4,543,900 from the General Fund in FY 2016 and \$0 in FY 2017 because the children will have exited the system. The estimated monthly cost per backlog placement is \$805. (*Please see the Other Issues section for further discussion of the 3-year spending plan.*)

### Foster Care Savings - Caseload Growth

The budget includes an increase of \$4,740,000 in FY 2016 for shifting 210 children from congregate care to foster care and increasing the monthly subsidy for 12 to 18-year-olds from \$653 to \$816. This amount consists of:

General Fund	2,700,000
Child Safety Expenditure Authority	2,040,000

Of the \$4,740,000 increase, \$2,675,800 is for the teenage subsidy increase while \$2,064,200 is for the cost to place 210 additional teenagers in foster care.

### Funding Realignment

The budget includes an increase of \$1,610,600 from Expenditure Authority in FY 2016 to show these resources where they are actually being used in Foster Care, rather than the operating budget.

*Caseload* – In December 2014, 6,466 children received foster care placement services. Prior to the increased payment for teenagers in foster care, the average monthly cost per foster care placement was \$708, which

would have been sufficient to fund an average monthly caseload of 7,181 children in FY 2016.

*Background* – The Foster Care Placement line item provides funding for the placement of children in the child welfare system into foster homes. This line item only includes the cost of the maintenance payments, not additional support services.

The budget also includes \$1,900,000 in deferred FY 2015 General Fund payments appropriated in FY 2016 by Laws 2014, 2<sup>nd</sup> Special Session, Chapter 2 and it defers the same amount for FY 2016 to FY 2017. As a result, the FY 2016 General Fund amount of \$28,187,500 consists of \$1,900,000 from Chapter 2 and \$26,287,500 from Laws 2015, Chapter 8.

**Grandparent Stipends**

The budget includes \$1,000,000 from the General Fund in FY 2016 for Grandparent Stipends. This amount is unchanged from FY 2015.

*Caseload* – In FY 2014, an average of 935 clients received a \$75 monthly stipend. At \$75 monthly, the appropriation would fund 1,111 clients in FY 2016.

*Background* – The program provides a monthly stipend per child to an unlicensed foster grandparent or great-grandparent who has an income that does not exceed 200% of the Federal Poverty Level, does not receive TANF Cash Benefits, and does not receive a permanent guardianship subsidy.

**Independent Living Maintenance**

The budget includes \$3,469,300 in FY 2016 for Independent Living Maintenance. This amount consists of:

General Fund	2,719,300
Child Safety Expenditure Authority	750,000

These amounts are unchanged from FY 2015.

*Caseload* – In December 2014, 467 former foster youth between the ages of 18 and 21 participated in the Independent Living Maintenance program. Based on an average monthly cost of \$801 per independent living stipend, the funding in this line is sufficient for an average monthly caseload of 361 clients in FY 2016.

*Background* – These youth are living on their own and are either enrolled in a postsecondary program or employed. Besides the stipends funded in this line item, the

independent living program also provides training and support services to children who will likely reach the age of 18 while in out-of-home care. The Out-of-Home Support Services line item funds these support services. The services provided include life skills training, educational support and assistance, an education training voucher, employment assistance, counseling, allowances and financial incentives for reaching certain milestones, voluntary foster care, after care services, health care, post-secondary education and training, and other services. In 2014, the program spent \$5,200,000 on non-stipend independent living services.

**Permanent Guardianship Subsidy**

The budget includes \$12,215,300 in FY 2016 for the Permanent Guardianship Subsidy. This amount consists of:

General Fund	10,472,300
Federal TANF Block Grant	1,743,000

These amounts fund the following adjustments:

**Caseload Growth**

The budget includes an increase of \$1,000,000 from the General Fund in FY 2016 for 218 new placements, or 9% growth.

*Caseload* – In December 2014, 2,483 clients received permanent guardianship subsidies; the average monthly subsidy for FY 2015 is \$381. Based on an average monthly cost of \$381 per permanent guardianship subsidy, funding in this line is sufficient for an average monthly caseload of 2,669 children in FY 2016.

*Background* – The Guardianship Subsidy program supports permanent placements for children who cannot return home and for whom adoption is not an option. The guardianship subsidy is intended to be only a partial reimbursement for expenses involved in the care of the child. The funding only provides for maintenance subsidies, which are provided to assist with the expenses involved in addressing the special needs of the child.

**Support Services**

**DCS Child Care Subsidy**

The budget includes \$39,753,600 in FY 2016 for the DCS Child Care Subsidy. This amount consists of:



General Fund	5,000,000
Federal CCDF Block Grant	27,000,000
Child Safety Expenditure Authority	7,753,600

These amounts are unchanged from FY 2015.

**Caseload** – In February 2015, 9,100 children received DCS child care; the average monthly subsidy for FY 2015 is \$400. Based on this monthly rate, the funding in this line item is sufficient for an average monthly caseload of 8,282 children in FY 2016.

**Background** – Monies in this line item fund child care for children in the DCS system. DES continues to administer the state’s child care program, so this funding is passed through to DES. Children who qualify for the DCS child care subsidy are not subject to a time limit, copay, or waiting list. DCS child care is provided for children in licensed foster care, unlicensed foster care and their own homes who are receiving preventive services. *(Please see the Child Care Subsidy line item in the DES narrative for other state child care funding.)*

**In-Home Preventive Support Services**

The budget includes \$35,214,400 and 1 FTE Position in FY 2016 for In-Home Preventive Support Services. These amounts consist of:

General Fund	15,794,000
Federal TANF Block Grant	5,911,200
Child Abuse Prevention Fund	1,459,300
Child Safety Expenditure Authority	12,049,900

These amounts fund the following adjustments:

**Additional Preventive Services**

The budget includes an increase of \$4,000,000 from the General Fund in FY 2016 to provide additional preventive services, as outlined in the Executive’s May 2014 Special Session proposal and the Legislature’s 3-year spending plan. This same plan would allocate another \$4,000,000 (for a total of \$8,000,000) to preventive services in FY 2017.

**Remove One-Time Funding**

The budget includes a decrease of \$(1,391,000) from the General Fund in FY 2016 to remove the FY 2015 backlog funding of \$4,173,100, leaving \$2,782,100 from the General Fund to service the backlog in FY 2016. This change was outlined in the Executive’s May 2014 Special Session proposal and the Legislature’s 3-year spending plan.

Based upon a projected 9% of the cases in the backlog requiring in-home services, the Executive believed the cost would be \$2,782,100 from the General Fund in FY 2016 and \$0 in FY 2017 because the children will have exited the system. The estimated total funds cost per case is \$4,600. *(Please see the Other Issues section for further information about backlog funding.)*

**Statewide Adjustments**

The budget includes an increase of \$200 from the Child Abuse Prevention Fund in FY 2016 for statewide adjustments.

**Caseload** – For January 2015, the department reported 7,961 in-home cases.

**Table 1**

**In-Home and Out-of-Home Support Services<sup>1/</sup>  
Estimated FY 2016 Expenditures by Subcategory**

<u>Services</u>	<u>Amount</u>
Parent Aide	\$ 39,762,700
CMDP	38,092,000
Foster Home Recruitment	28,492,100
Transportation	22,557,000
In-Home <sup>2/</sup>	13,165,200
Allowances <sup>3/</sup>	10,452,700
Substance Abuse Treatment	7,784,400
Behavioral Health Services	6,793,300
Lab Services	6,014,700
Independent Living	5,545,400
Other	<u>9,083,400</u>
<b>Total<sup>4/</sup></b>	<b>\$187,742,900</b>

<sup>1/</sup> Includes the Intensive Family Services line item.

<sup>2/</sup> In-home services can include crisis intervention counseling, marital and family therapy, respite care, home management and nutrition, and linkages with community resources.

<sup>3/</sup> Includes a clothing allowance, personal allowance, and special allowance. Some examples of special allowances are emergency clothing, special needs, books/education, graduation, and diapers.

<sup>4/</sup> The appropriated resources in the support services line items total \$187,344,300. DCS is planning to make monies available from other areas of its budget so that \$187,742,900 can be used for support services.

**Background** – Monies in this line item fund support services for families whose children are at risk of out-of-home placement due to abuse, neglect, or dependency. These support services include parent aide, in-home services, counseling and psychology, lab services, substance abuse treatment, and other miscellaneous services.

Table 1 shows DCS’ estimated FY 2016 expenditures for the In-Home Preventive Support Services line item, the Intensive Family Services line item, and the Out-of-Home Support Services line item by subcategory. The current

CHILDS system has limitations that prevent a clear distinction between expenditures for children receiving In-Home Preventive Support Services and children receiving Out-of-Home Support Services.

**Intensive Family Services**

The budget includes \$8,500,000 from the General Fund in FY 2016 for Intensive Family Services. This amount is unchanged from FY 2015.

In FY 2014, the Legislature restored funding for Intensive Family Services. The program provides contracted intensive, time-limited services to families whose children are at risk of out-of-home placement due to abuse, neglect, or dependency. In FY 2014, this program served 1,501 families at an average cost per case of \$3,330. Based on that average case cost, funding is sufficient to provide Intensive Family Services to 2,552 families in both FY 2015 and FY 2016.

During the 2013 Legislative Session, some proponents of the new funding thought that DES would contract with a specific vendor that would coordinate a package of services to high risk families to keep the children in the home. To distinguish these funds from existing DES services, the monies were placed in a new budget line item. Other proponents may have viewed the funding as a supplement to existing funding.

In June 2014, the Joint Legislative Budget Committee favorably reviewed DCS' FY 2015 Intensive Family Services expenditure plan with the condition that DCS update the Committee on the Request for Information (RFI) and Request for Proposals (RFP) process regarding the redesign of its service delivery mechanism. As of May 2015, the department was still in the process of redesigning the service array for Intensive Family Services to comply with Title IV-E waiver requirements, pushing back the RFP to later in 2015. DCS plans to spend the FY 2015 funding in the same manner as in FY 2014 by supplementing in-home services. *(Please see the Other Issues section for further details on the IV-E waiver.)*

**Out-of-Home Support Services**

The budget includes \$143,629,900 in FY 2016 for Out-of-Home Support Services. This amount consists of:

General Fund	63,904,900
Federal TANF Block Grant	28,867,800
Child Safety Expenditure Authority	50,857,200

These amounts fund the following adjustments:

**Remove One-Time Deferral Funding**

The budget includes a decrease of \$(3,000,000) from the General Fund in FY 2016 to remove one-time funding that reduced the DCS deferral from \$14,000,000 to \$11,000,000.

**Remove One-Time Backlog Funding**

The budget includes a decrease of \$(3,576,900) in FY 2016 to remove the FY 2015 backlog funding, leaving \$5,082,200 from the General Fund to service the backlog in FY 2016, as outlined in the Executive's May 2014 Special Session proposal and the Legislature's 3-year spending plan. This amount consists of:

General Fund	(2,538,100)
Child Safety Expenditure Authority	(1,038,800)

Based upon a projected 9% of the cases in the backlog requiring out-of-home support services, the Executive's 3-year spending plan projected a cost of \$5,082,200 from the General Fund in FY 2016 and \$0 in FY 2017 because the children will have exited the system. The estimated monthly cost is \$900. *(Please see the Other Issues section for further discussion of the 3-year spending plan.)*

**Foster Care Savings - Vendor Oversight**

The budget includes an increase of \$640,000 in FY 2016 for the foster home recruitment vendor to provide foster home supervision of the 210 children shifted from congregate care to foster care. This amount consists of:

General Fund	400,000
Child Safety Expenditure Authority	240,000

*Caseload* – For December 2014, the department reported 17,102 out-of-home children were receiving support services.

*Background* – The Out-of-Home Support Services line item provides support services for out-of-home clients, in the categories displayed in *Table 1*. This line item does not include the cost of residential placement.

This line item and the In-Home Preventive Support Services line item fund Arizona Families F.I.R.S.T. Individuals must meet 1 of the following 2 requirements to qualify for the program:

- Any parent, guardian or custodian of a child who is named in a child maltreatment report as a victim of abuse or neglect and whose substance abuse is a significant barrier to maintaining, preserving or reunifying the family.

- A person whose substance abuse is a significant barrier to obtaining or maintaining employment if the person is receiving TANF Cash Benefits.

The budget for Arizona Families F.I.R.S.T. is outlined in *Table 2*. This funding is part of the Substance Abuse Treatment and Lab Services categories in *Table 1*. In FY 2014, 6,509 child safety clients were referred to the Arizona Families F.I.R.S.T. program for substance abuse treatment services, and it is anticipated that 6,600 and 6,900 child safety clients will be referred to the program in FY 2015 and FY 2016, respectively.

<b>Arizona Families F.I.R.S.T.</b>				
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
<i>Appropriated</i>				
General Fund	\$ 46,600	\$ 6,200	\$ 30,000	\$ 30,000
TANF	9,449,800	9,050,300	9,786,000	10,218,200
<i>Non-Appropriated</i>				
DCS Expedited Substance Abuse Treatment Fund	247,000	-	-	-
Joint Substance Abuse Trtmt Fund	-	610,800	-	-
<b>Total</b>	<b>\$9,743,400</b>	<b>\$9,667,300</b>	<b>\$9,816,000</b>	<b>\$10,248,200</b>

The Out-of-Home Support Services line item also provides full coverage of the medical and dental expenses of foster children. The General Fund monies in this Comprehensive Medical and Dental program (CMDP) provide medical services to children who are not eligible for coverage through the Arizona Health Care Cost Containment System (AHCCCS). The Department of Health Services (DHS) provides behavioral health services for foster children.

The budget also includes \$7,300,000 in deferred FY 2015 General Fund payments appropriated in FY 2016 by Laws 2014, 2<sup>nd</sup> Special Session, Chapter 2 and it defers the same amount for FY 2016 to FY 2017. As a result, the FY 2016 General Fund amount of \$63,904,900 consists of \$7,300,000 from Chapter 2 and \$56,604,900 from Laws 2015, Chapter 8.

### **Additional Legislation**

#### **Joint Report on Child Welfare**

The FY 2016 Human Services Budget Reconciliation Bill (BRB) (Laws 2015, Chapter 18) continues to require the Early Childhood Development and Health Board and DCS to report with DCS on their collaborative efforts to address child welfare issues of common concern.

#### **Auditor General Report**

The FY 2016 Human Services BRB requires the Auditor General to evaluate DCS child removal processes by

September 30, 2015, the effectiveness of a differential response system by March 31, 2016, and DCS permanency practices by September 30, 2016. (*Please see the Other Issues section for a summary of the Auditor General's most recent DCS audit.*)

#### **Child Safety Omnibus**

Laws 2015, Chapter 257 transfers the Child Restraint Fund from DES to DCS. Revenues to the fund are derived from fines or penalties from parents, guardians, or legal custodians who fail to sufficiently restrain children under the age of 8 in motor vehicles.

### **Other Issues**

This section includes information on the following topics:

- Long Term Budget Impacts
- Auditor General Recommendation
- Title IV-E Waiver
- CMDP Reform
- Independent Consultant
- Child Safety Funding
- Payment Deferral
- TANF Block Grant

### **Long-Term Budget Impacts**

As part of the budget's 3-year spending plan, DCS General Fund costs are projected to decrease by \$(9,092,600) below FY 2016 and remain flat in FY 2018 compared to FY 2017. This reduction includes \$(12,408,200) to remove one-time backlog funding, \$(684,400) to annualize the health insurance statewide adjustment and \$4,000,000 for preventive services. *Table 3* shows the General Fund budget changes by line item. These estimates are based on the Executive's May 2014 Special Session proposal and the Legislature's 3-year spending plan.

<b>3-Year Plan - General Fund Change</b>			
<b>Line Items</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Overtime	\$ 7,075,700	\$ 2,610,700	\$ 2,610,700
Foster Care	27,759,500	28,187,500	23,643,600
Out-of-Home Support Services	69,043,000	63,904,900	58,822,700
In-Home Preventive Support Services	13,185,000	15,794,000	17,011,900
Other Line Items	<u>243,942,200</u>	<u>245,951,100</u>	<u>245,266,700</u>
<b>Total General Fund</b>	<b>\$361,005,400</b>	<b>\$356,448,200</b>	<b>\$347,355,600</b>
<b>Change from Prior Year</b>			
Subtotal - Backlog	-	(10,666,100)	(12,408,200)
Subtotal - Other	-	2,108,900	(684,400)
Subtotal - Preventive	-	<u>4,000,000</u>	<u>4,000,000</u>
<b>Total Change</b>	<b>-</b>	<b>\$ (4,557,200)</b>	<b>\$ (9,092,600)</b>

## Auditor General Recommendation

Pursuant to the FY 2015 Health and Welfare BRB (Laws 2014, Chapter 11), the Auditor General has produced a report evaluating Arizona relative to national child welfare data. Specifically, the legislation asked the Auditor General to (a) compare Arizona's reporting rate and substantiation rate for child maltreatment to other states, and (b) report on any redundancies among child safety caseworkers, child safety law enforcement (OCWI) and local law enforcement when investigating criminal child abuse.

### Child Welfare Data

The Auditor General reports that Arizona's number of child maltreatment reports per capita was lower than the national average from federal fiscal years (FFY) 2008 to 2012, but it slightly exceeded the national average in FFY 2013. The Auditor General believes legislative changes expanding the definition of child maltreatment in 2009 and administrative changes to the hotline that screened-in domestic violence referrals for investigation in 2010 are possible explanations for the increased reports.

Arizona's rate of substantiated child maltreatment grew from 3.2 to 9.2 substantiated cases per 1,000 between FFY 2008 and FFY 2013, reports the Auditor General. This compares to a national average that ranged from 10.9 to 11.6 substantiated cases of child maltreatment during the same time period. Substantiated reports are cases where DCS determines that at least one of the allegations in the report of child abuse or neglect is true.

The Auditor General points to legislative changes in 2009 that expanded the definitions of child maltreatment and automatically substantiated child maltreatment for children in state custody as the likely sources for the growth in the substantiation rate. The Auditor General notes, however, that Arizona was not the only state to have its substantiation rate change significantly in the past 5 years. Substantiation rates vary among states because of different definitions of child maltreatment, burden of proof, and caseworker perception of risk, according to the Auditor General.

### OCWI

The Legislature established OCWI in 2012. Initially, OCWI had 34 staff, but the Legislature increased the level of staff to 127 FTE Positions in FY 2015. OCWI investigates criminal conduct allegations of child maltreatment in conjunction with local law enforcement.

The Auditor General found that there were some initial redundancies among OCWI, caseworkers, and local law enforcement, but those redundancies have since been

resolved. The Auditor General also indicated that Arizona and Texas are the only states with an organization like OCWI.

The report recommends that DCS should (1) continue its efforts to co-locate OCWI staff, caseworkers, and other staff; (2) work with the Maricopa and Pima County Attorneys to update investigation protocols; and (3) enhance its training related to criminal conduct investigations.

## Title IV-E Waiver

The U.S. Department of Health and Human Services (HHS) has granted DCS' request for a Title IV-E waiver focused on reducing the number of children in congregate care. "IV-E" refers to the section of federal law authorizing federal government payment of foster care and related expenses. DCS plans to start operating under the waiver in 2015. Title IV-E funding has been the state's primary source of Federal Funding for out-of-home children in the child welfare system. HHS has not approved the department's plan for reducing the number of children entering congregate care, but the department tentatively plans to (1) establish a risk and needs assessment tool focused on uniform caseworker decision making, (2) provide evidenced-informed in-home services, and (3) emphasize caseworker training.

The IV-E waiver effectively establishes a maximum federal funding level. The ceiling is adjusted upward each year for projected caseload growth. Based on the federal medical assistance percentage (FMAP), the state's federal match rate may also be adjusted. *Table 4* shows the level of IV-E funding the waiver allocates to the state each federal fiscal year. In the first year of the waiver in FFY 2015, the cap grows to \$164.6 million. By FFY 2019, the cap is \$226.6 million. The waiver does not cap IV-E funding for administration, independent living, CHILDS, training, and pre-placement activities. Since these areas are not capped, their IV-E funding is not included in *Table 4*.

**Table 4**

### **Arizona Title IV-E Capped Allocation**

<u>FFY</u>	<u>Amount</u>
2015	\$164,642,200
2016	\$179,348,300
2017	\$192,705,400
2018	\$209,119,800
2019	\$226,592,400

Under the waiver, any IV-E funding DCS does not spend on traditional IV-E purposes, such as congregate care

maintenance payments, can now be spent on in-home services, which are not normally eligible for IV-E funding.

To ensure that its in-home service mechanism meets the federal IV-E waiver standards, the department has pushed back the Intensive Family Services RFP from December 2014 to July 2015.

### **CMDP Reform**

Laws 2013, Chapter 220 requires AHCCCS, DCS and DHS to determine and report on the most effective method for delivering medical, dental and behavioral health services to children who qualify for CMDP, considering the possibility of an administratively integrated system. The report is due by October 1, 2015.

As discussed in the Out-of-Home Support Services line item, CMDP provides full coverage of the medical and dental expenses of foster children under the jurisdiction of DCS. The department estimates a CMDP caseload of about 19,000 children in FY 2016, with a total funds cost of approximately \$46.6 million. Of the children in CMDP, 96% are eligible for Medicaid coverage, while the Medicaid-ineligible children are covered solely with General Fund monies.

DHS administers CMDP behavioral health coverage through its Regional Behavioral Health Authorities, who subcontract with providers. DCS, however, administers acute care CMDP by directly contracting with providers. The cost for DCS to administer acute care CMDP is about \$5.0 million annually. The state's General Fund match for acute care CMDP Medicaid is appropriated to AHCCCS, and AHCCCS reimburses DCS for costs associated with Medicaid-eligible CMDP children. In its FY 2016 budget submittal, AHCCCS proposed that the CMDP appropriation be shifted to DCS so that the program cost is aligned with the agency responsible for the program, but the FY 2016 budget retains the funding in AHCCCS.

### **Independent Consultant**

Laws 2014, 2<sup>nd</sup> Special Session, Chapter 1 requires the Auditor General to retain an independent consultant with expertise in child welfare system planning and operations to examine the current child safety system and consider best practices to improve the delivery of services in Arizona and provide consultation on the effective establishment of DCS with a focus on certain challenges.

The Auditor General has chosen Chapin Hall at the University of Chicago as the independent consultant. Chapin Hall is a research and policy center that focuses on

improving the well-being of children and youth, families, and their communities. Chapin Hall will report its findings on July 1, 2015.

### **Child Safety Funding**

Table 5 shows the growth in state funding for child safety year over year since FY 2013. Table 6 indicates the specific job titles of the 718 new child safety FTE Positions added since FY 2013, while Table 7 displays total child safety expenditures since FY 2008.

### **Payment Deferral**

The budget continues the \$11.0 million payment deferral from FY 2016 to FY 2017. DCS plans to defer a total of \$11.0 million in payments from the line items specified below:

Out-of-Home Support Services	7,300,000
Foster Care Placement	1,900,000
Emergency and Residential Placement	1,800,000

The \$11.0 million in FY 2016 to pay the amount deferred from FY 2015 to FY 2016 was appropriated in Laws 2014, 2<sup>nd</sup> Special Session, Chapter 2, so this adjustment does not appear in the General Appropriation Act; however, the amount is included in the General Fund amount for DCS in this section. As a result, the FY 2016 General Fund amount of \$356.4 million consists of \$11.0 million from the deferral appropriation and \$345.4 million from the General Appropriation Act.

### **TANF Block Grant**

The federal TANF Block Grant can be deposited into the federal Social Services Block Grant (SSBG); once deposited, the monies are spent on DCS programs. The federal government caps the amount of TANF Block Grant monies that can be transferred to the SSBG at 10%. A footnote in the General Appropriation Act allows DCS to make this transfer of TANF monies in the Out-of-Home Support Services, Emergency and Residential Placement, and Foster Care Placement line items to the SSBG. This amount is estimated at \$20,014,100 in FY 2016. The transfer to SSBG provides additional funding flexibility to DCS.

TANF is a major funding source for DCS. A comprehensive view of the federal TANF Block Grant is found in the narrative for DES in the *Other Issues* section.

Table 5

**Increase in State Child Safety Funding <sup>1/</sup>**  
**(\$ in Millions)**

<b>Staffing</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2015 SS</b>	<b>FY 2016</b>	<b>Total (FY 16 Above FY 12)</b>
Child Safety Staff (caseworkers & others)	\$ 4.8	\$ 12.9 <sup>2/</sup>	\$ 15.3	\$ 6.2	\$ (1.2) <sup>3/</sup>	\$ 38.0
Child Safety Staff Pay Raise/Retention Stipend	1.0	-	-	1.7	-	2.7
OCWI Staff	2.3	-	1.8	5.3	0.2	9.6
Records Retention Staff	-	-	0.5	-	-	0.5
Child Safety Legal Staff	-	1.5	1.0	-	-	2.5
Internal Legal Counsel	-	-	-	0.2	-	0.2
Inspections Bureau	-	-	-	2.2	(0.2) <sup>3/</sup>	2.0
<b>Residential Placements</b>						
Congregate Care	-	13.0	-	-	(5.1) <sup>4/</sup>	7.9
Congregate Care Backfill	-	-	<sup>5/</sup>	-	6.5	6.5
Foster Care	-	4.8	-	-	2.7 <sup>4/</sup>	7.5
Grandparent Stipends	-	1.0	-	-	-	1.0
Permanent Guardianship	2.4	-	-	-	1.0	3.4
Adoption Services	17.0	2.9	6.0	-	7.0	32.9
<b>Services</b>						
Intensive Family Services	-	5.0	3.5	-	-	8.5
Children Support Services	-	4.0	5.6	-	4.4 <sup>4/</sup>	14.0
Child Safety Child Care	-	9.0	-	-	-	9.0
<b>Backlog</b>						
Backlog - Action Determination	-	-	-	0.2	(0.2)	-
Backlog - Investigation	-	-	-	4.2	(4.2)	-
Backlog - Out-of-Home Care Placement	-	-	-	6.8	(2.3)	4.5
Backlog - Out-of-Home Care Services	-	-	-	7.6	(2.5)	5.1
Backlog - In-Home Care Services	-	-	-	4.2	(1.4)	2.8
<b>Other</b>						
Training Resources	-	-	-	0.2	-	0.2
Internet Crimes Against Children	-	-	-	0.4	-	0.4
Partial Deferral Payoff	-	-	-	3.0	(3.0)	-
Federal Funds Backfill	18.5	-	-	-	-	18.5
Contingency	-	10.5	-	-	-	10.5
Statewide Adjustments	-	-	-	-	(0.7)	(0.7)
<b>Other Agency Funding</b>						
New Agency One-Time Funding (ADOA) <sup>6/</sup>	-	-	20.0	5.0	(25.0)	-
CHILDS Replacement (ADOA)	-	-	5.0	-	(5.0)	-
Auditor General	-	-	-	0.3	(0.3)	-
<b>Total <sup>7/</sup></b>	<b>\$ 46.1</b>	<b>\$ 64.7</b>	<b>\$ 58.6</b>	<b>\$ 53.8</b> <sup>8/</sup>	<b>\$ (35.8)</b>	<b>\$ 187.4</b>

<sup>1/</sup> Each year shows the increase over the prior fiscal year. The FY 2015 and FY 2016 amounts are General Fund, while the FY 2014 and FY 2013 amounts include General Fund and Long Term Care System Fund.

<sup>2/</sup> The \$5.7 million supplemental (2nd Regular Session) is not shown so as not to double count the funding.

<sup>3/</sup> Represents elimination of one-time equipment funding.

<sup>4/</sup> Foster care savings policy of \$(2.0) million consists of \$(5.1) million in congregate care, \$2.7 million in foster care, and \$0.4 million in support services.

<sup>5/</sup> The \$5.1 million supplemental (2nd Special Session) is not shown so as not to double count the funding.

<sup>6/</sup> Total appropriation of \$25.0 million subsequently reduced to \$19.5 million.

<sup>7/</sup> Numbers do not add due to rounding.

<sup>8/</sup> Excludes \$0.8 million for the Legislative Council Ombudsman.

**Table 6**

**New Child Safety FTE Positions  
(All Funds)**

	<u>FY 2013</u>	<u>Part 1 FY 2014</u> <sup>1/</sup>	<u>Part 2 FY 2014</u> <sup>2/</sup>	<u>FY 2015</u>	<u>FY 2015 SS</u> <sup>3/</sup>	<u>Total Change</u> <sup>4/</sup>
Caseworkers/Hotline Staff	50	93	126	32	54	355
OCWI Staff	28 <sup>5/</sup>	-	-	20	73	121
Assistant Program Managers	4	2	4	-	2	12
Unit Supervisors	-	16	20	6	10	52
Case Aides	-	23	30	9	15	77
Records Retention Staff	-	-	-	5	-	5
AG Legal Staff via DCS	-	22	-	-	-	22
AG Legal Staff (Direct) <sup>6/</sup>	-	-	-	12	-	12
In-House Counsel	-	-	-	-	1	1
Inspections Bureau	-	-	-	-	21	21
Support Staff/Other	-	16	12	3	9	40
Subtotal - New	82	172	192	87	185	718
Transferred Staff	-	-	-	-	99 <sup>7/</sup>	99
Subtotal - New and Transferred	82	172	192	87	284	817
<b>Total Child Safety Staff</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3,057</b>

<sup>1/</sup> Represents original FY 2014 budget.

<sup>2/</sup> Represents FY 2014 supplemental in 2nd Regular Session.

<sup>3/</sup> Reflects 2nd Special Session.

<sup>4/</sup> Total change in FTE Positions since FY 2012.

<sup>5/</sup> The agency indicates that 34 OCWI staff were hired.

<sup>6/</sup> Shifted to DCS in FY 2016.

<sup>7/</sup> Represents administrative staff transferred from DES, including 10 Inspections Bureau Staff.

**Table 7**

**Child Safety Total Fund Expenditures  
(\$ in Millions)**

<u>Year</u>	<u>Expenditures</u>	<u>Reports of Child Maltreatment</u>
FY 2008	\$509.9	34,989
FY 2009	\$487.6	33,186
FY 2010	\$448.9	33,839
FY 2011	\$478.8	34,904
FY 2012	\$561.2	40,517
FY 2013	\$625.8	44,119
FY 2014	\$710.9	45,368
FY 2015 Estimate <sup>1/</sup>	\$850.9	24,605 <sup>2/</sup>
FY 2016 Appropriation <sup>3/</sup>	\$849.2	-

<sup>1/</sup> Excludes \$25.0 million for start-up funding appropriated to ADOA, \$5.0 million for CHILDS replacement, \$0.8 million for the Ombudsman and \$0.3 million for the Auditor General. Includes \$1.2 million for Attorney General expenses appropriated to the Attorney General.

<sup>2/</sup> Represents data through December 2014, which is 16% higher than at this same time last year.

<sup>3/</sup> Excludes \$0.8 million for the Ombudsman.