



Douglas A. Ducey
Governor

Gregory McKay
Director

March 31, 2016

The Honorable Justin Olson
Chairman, House Appropriations Committee
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Re: Department of Child Safety Quarterly Benchmark Progress Report

Dear Representative Olson:

Pursuant to Laws 2014, 2nd Special Session, Chapter 2, Section 6, the Department submits its report including quarterly benchmarks for the third quarter of FY 2016 for assessing the Department's progress increasing the number of filled FTE positions and in reducing the number of backlog cases, as well as updates to the quarterly expenditure plans for FY 2016 monies appropriated for personal services and for reducing the backlog.

If you have any questions, please contact our office at (602) 255-2500.

Sincerely,

A handwritten signature in black ink, appearing to read "G. McKay", written over a large, light-colored oval shape.

Gregory McKay
Director

Enclosure

cc: Richard Stavneak, Director, Joint Legislative Budget Committee
Lorenzo Romero, Director, Governor's Office and Strategic Planning and Budgeting
Ben Beutler, Joint Legislative Budget Committee
Laura Johnson, Governor's Office and Strategic Planning and Budgeting



DEPARTMENT OF CHILD SAFETY

Quarterly Progress Report for Filled FTE Positions and Reducing the Backlog March 2016

Laws 2014, Second Special Session, Chapter 2, requires the Department of Child Safety (DCS) to submit a report for review by the Joint Legislative Budget Committee (JLBC) containing the progress made in increasing the Department's number of FTE positions and in reducing the number of backlog cases. The backlog cases referenced in Laws 2014, Second Special Session, Chapter 2, are cases that have had no case note documentation entered in the Children's Information Library and Data Source (CHILDS) for the past 60 days. These cases are also referred to as non-active cases, which is the term used through the remainder of this report.

The filled FTE, case count, and expenditures provided in this report are actuals for first, second quarter 2016, third quarter 2016 preliminaries and projections for the remainder of fiscal year 2016 (FY 2016).

Filled FTE Positions

As of June 30, 2014, the Department had a total of 2,392 filled FTE positions, including 982 case-carrying staff, 225 staff in training, 76 FTE in Intake (Hotline), and 1,109 other staff. The total number of FTEs through the first quarter, second quarter and preliminary of FY 2016 is outlined below.

	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Preliminary ¹	Quarter 4 Projection
Total Authorized FTE	3,057.1	3,057.1	3,057.1	3,057.1
Authorized Attorney General FTE Positions	234.2	234.2	234.2	234.2
Total Authorized DCS FTE Positions	2,822.9	2,822.9	2,822.9	2,822.9
Authorized Caseworkers	1,406.0	1,406.0	1,406.0	1,406.0
Filled Caseworkers (Active)	972.0	955.0	923.0	940.0
Filled Caseworkers (Training)	212.0	220.0	285.0	283.0
Filled Intake (Hotline)	71.0	74.0	74.0	75.0
Subtotal Filled	1,255.0	1,249.0	1,282.0	1,298.0
Authorized Non-Caseworker Personnel	1,416.9	1,416.9	1,416.9	1,416.9
Filled Supervisors (Unit, APM)	254.0	257.0	254.0	254.0
Filled Case Aides	279.0	280.0	283.0	283.0
Filled Other Non-Caseworkers	804.0	858.0	911.0	911.0
Subtotal Filled	1,337.0	1,395.0	1,448.0	1,448.0
Total Filled FTE	2,592.0	2,644.0	2,730.0	2,746.0

1/ Filled FTE Position counts are as of March 16, 2016 and actuals will be updated in the next quarterly report.

Progress Reducing the Cases Inactive as of June 2, 2014

Laws 2014, Second Special Session, Chapter 2 requires DCS to report the disposition (outcome) of the 13,024 cases that were non-active as the close of business on June 2, 2014, including:

- Number of cases currently closed,
- Number of cases currently being investigated,
- Number of cases currently in an out-of-home placement,
- Number of cases currently receiving in-home preventive support services.

The Department established the following quarterly benchmarks for assessing progress in reducing the number of non-active cases:

- Number of cases that were non-active as of June 2, 2014 that have been activated
- Number of activated cases in the investigation phase
- Number of activated cases receiving in-home services
- Number of activated cases in out-of-home placements and receiving out-of-home support services
- Number of activated cases closed

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Actual ¹	Actual	Actual ²	Projection
<u>Investigation Status</u>				
Open Investigation	2,886	2,028	1,436	1,087
Closed Investigation	9,981	10,844	11,448	11,800
No investigation documentation in CHILDS	157	152	140	137
<u>Case Status</u>				
Receiving In-Home Preventive Services	51	41	98	42
Receiving Out-of-Home Support Services and/or Placement	453	403	456	351
Cases with no service or placement payments in CHILDS	2,858	1,693	914	554
Cases Closed	9,662	10,887	11,556	12,077
Current number of non active cases	14,558	14,470	10,751	8,500
Original 13,024 backlog cases reverted to non active status	2,253	1,633	1,026	850
1/ Previous quarter actuals are based on service date expenditures as of the point in time the data is extracted. Changes will occur if additional invoices are received and payments are issued, and as other billing issues are resolved.				
2/ Investigation and case status counts are as of March 28, 2016.				

Process to Address the Current Non-Active Cases

As of March 28, 2016, the total number of non-active cases (cases with no case note entered in the past 60 days) was 10,751. The number of non-active cases has decreased from a peak of 15,504 for the quarter that ended December 31, 2014. This is a net reduction of 4,753 non-active cases and a 30.6% reduction in the non-active case total since that peak.

The progress made in quarter 3 of FY 2016 is the direct result of continued work in the strategic areas described in the quarter 2 report: selected assistance work teams, regional action plans, leveraging partnerships and Model Field Offices. Additionally, the Department continues utilizing weekly performance huddle calls as means of maintaining progress and establishing performance accountability.

The efforts of addressing non-active cases continues in the area of completing investigations, based on the knowledge that the majority of non-active cases are investigation cases rather than in-home service or out-of-home placement cases.

Update on reduction strategies:

- ***Selected Assistance Work Teams*** - The Department continues to utilize a team of approximately 60 DCS employees who receive overtime or stipend pay to work eight hours per week, in addition to their normal work hours. These resources are assigned to specific field offices to review cases, identify actions required to complete the investigation, complete field response activities, and complete the final quality assurance review when a case has completed all required investigative process steps. Resource assignments are reviewed on a monthly basis to ensure continued engagement, productivity, and quality of work. As individual offices eliminate backlog of open investigations, resources are moved to other offices to provide support.
- ***Regional Plans*** – DCS regional Program Managers have continued refining action plans to address the backlog of inactive cases. These action plans include continuing “offline” time for case managers to complete actions on open cases while not being assigned new cases, and identifying additional resources at the regional level to support investigations and clinical reviews. Regional leadership established accountability for workload completion through data reporting at the unit, section, and regional levels. Data reporting is monitored weekly and monthly to ensure that accountability is maintained and any barriers are identified and addressed timely.
- ***Expanding Administrative and Case Review Capacity by Leveraging Partnerships*** – In the last quarterly report, the Department described that many cases remain in the investigations phase of the process. As a means of expanding capacity to complete investigations the Department, with grant support from Casey Family Programs, partnered with a qualified local service provider in Maricopa County to support field offices with response activities. In these targeted offices, these qualified resources engage with DCS workers to identify specific actions required to complete an

investigation. These responders, who are knowledgeable in the Department's policies, procedures and safety assessment model, then engage with families to complete the investigation activities. Through this partnership, the Department has increased the number of completed investigations each month. These efforts will continue until the grant funding is exhausted, which is currently estimated to be in November 2016. Based on the current rate of progress, the Department estimates that much of the backlog will be eliminated by that time.

- ***Model Field Offices*** – Standardization efforts continue in the three model offices in the state. Through these efforts, the Model Offices are now adhering to a standard investigation to ongoing case transfer process. Investigations cases are transferring to ongoing case managers quickly after a child's removal, so that investigators are no longer case managing dependency cases and are free to focus on investigations. This process is now being implemented in offices in geographic proximity to the three Model Office sites, and will continue to roll out across the state through calendar year 2016.

Summary of outcomes and Q3 FY2016 projections

Quarter 2 performance realized a 25.7% improvement, and nearly a 3,700 case reduction, in the total number of inactive cases. These efforts have been possible through the significant efforts of the investigations specialists, support resources from around the Department, and actions plans that are continually refined to be most productive. The Department continues to hold a commitment to safely and sustainably reducing this backlog by completing investigations rather than adding case notes to activate incomplete investigations. This is evident not only in the reduction of the overall inactive cases, but the reduction of cases that relapsed into inactive status.

The Department will continue efforts in the four strategic areas described herein, while continuing to seek additional ideas and strategies to compliment these efforts. Through this focused approach, the Department is projecting quarter 3 FY2016 to end with approximately 8,500 inactive cases.

Expenditures for Personal Services in FY 2016

The table below shows the preliminary third quarter personal services expenditures, employee related expenditures and FTE for FY 2016.

	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Preliminary	Quarter 4 Projection
Case Specialists				
P/S	14,381,883	14,194,564	17,392,952	16,056,354
ERE	6,094,512	6,844,593	6,788,416	6,684,723
FTE	1,255	1,249	1,282	1,298
Field Supervisors				
P/S	2,910,756	2,872,844	3,643,966	3,122,246
ERE	1,233,471	1,385,280	1,425,931	1,276,998
FTE	254	257	254	254
Case Aides				
P/S	3,197,247	3,155,604	3,526,398	1,983,685
ERE	1,354,876	1,521,627	1,383,662	811,327
FTE	279	280	283	283
Filled Other Non-Case Specialists				
P/S	9,356,961	9,425,919	13,028,889	11,559,125
ERE	3,823,214	4,377,236	5,009,320	4,971,673
FTE	804	858	911	911
Total FTE	2,592	2,644	2,730	2,746
Total P/S	29,846,847	29,648,931	37,592,206	32,721,408
Total ERE	12,506,073	14,128,735	14,607,329	13,744,721
TOTAL PS/ERE	42,352,920	43,777,666	52,199,535	46,466,129
* Quarterly Backlog Report Personal Services and ERE financial projections are taken from across SLIs from General Operating, Overtime, Records				
- All appropriations other than the General Operating appropriation are intended solely for PS/ERE use only				

Expenditures for Reducing the Backlog

The FY 2016 budget includes \$12.4 million from the General Fund to reduce the backlog of non-active cases. This appropriation includes funding for services and placement costs for non-active cases already in placements and receiving services, or for children who receive services after their case is reactivated and investigated of the 13,024 inactive cases as of June 2, 2014.

Table 4 shows the preliminary third quarter expenditures for FY 2016 related to the cases that were non-active as of June 2, 2014, and projected costs for the remaining quarter.

	Quarter 1 Actual ¹	Quarter 2 Actual ¹	Quarter 3 Preliminary	Quarter 4 Projection	Total	Expenditures to Address New Inactive Cases	Total Appropriation
In-Home Support Services	88,765	104,318	38,621	72,800	304,504	2,477,596	2,782,100
Out-of-Home Support Services	1,327,112	1,304,902	431,208	956,795	4,020,017	1,062,183	5,082,200
Out-of-Home Placements	2,020,743	1,934,822	1,223,260	1,513,477	6,692,302	(2,148,402)	4,543,900
Total	3,436,620	3,344,042	1,693,089	2,543,072	11,016,823	1,391,377	12,408,200

1/ Previous quarter actuals are based on service date expenditures as of the point in time the data is extracted. Changes will occur if additional invoices are received and payments are issued, and as other billing issues are resolved.

2/ Investigation and case status counts are as of March 14, 2016 and actuals will be complete in the next quarterly report.

While the Department only reports expenditures related to the 13,024 cases that were inactive on June 2, 2014, significant work is also required to address the additional cases that have continued to become inactive since June 2.

The FY 2016 first quarter actual expenditures include closed cases with outstanding payments for services already rendered and for current cases that remain open because in-home or out-of-home services are being provided to the family. These expenditures do not include those cases that were closed after June 2, 2014 and then reopened at a later date due to another Hotline report as previously published in the report.

The Department anticipates that the total expenditures for Out-of-Home Placements for cases that were inactive on June 2, 2014 will be \$6,692,302 and the shortfall of (\$2,148,402) shown in this outline will be supported by Out-of-Home Placement SLIs.