



Douglas A. Ducey
Governor

Gregory McKay
Director

June 30, 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 fourth 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, empty 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 June 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 and preliminary fourth quarter 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, third quarter and fourth quarter preliminary of FY 2016 is outlined below.

Table 1. Progress on Filled FTE Positions in Fiscal Year 2016 Qtr 4				
	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Quarter 4 Preliminary*
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	1,019.0
Filled Caseworkers (Training)	212.0	220.0	273.0	263.0
Filled Intake (Hotline)	71.0	74.0	74.0	74.0
Subtotal Filled	1,255.0	1,249.0	1,270.0	1,356.0
Authorized Non-Caseworker Personnel	1,416.9	1,416.9	1,416.9	1,416.9
Filled Supervisors (Unit, APM)	254.0	257.0	258.0	254.0
Filled Case Aides	279.0	280.0	276.0	252.0
Filled Other Non-Caseworkers	804.0	858.0	897.0	866.0
Subtotal Filled	1,337.0	1,395.0	1,431.0	1,372.0
Total Filled FTE	2,592.0	2,644.0	2,701.0	2,728.0

* Filled FTE Position counts are as of June 27, 2016 and actuals will be updated in the next quarterly report.

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

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; and
- 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; and
- Number of activated cases closed.

	Quarter 1 Actual ¹	Quarter 2 Actual ¹	Quarter 3 Actual ¹	Quarter 4 Preliminary ²
<u>Investigation Status</u>				
Open Investigation	2,886	2,028	1,436	999
Closed Investigation	9,981	10,844	11,448	11,896
No investigation documentation in CHILDS	157	152	140	129
<u>Case Status</u>				
Receiving In-Home Preventive Services	51	41	109	10
Receiving Out-of-Home Support Services and/or Placement	453	403	470	328
Cases with no service or placement payments in CHILDS	2,858	1,693	889	554
Cases Closed	9,662	10,887	11,556	12,026
Current number of non active cases	14,558	14,470	10,751	8,223
Original 13,024 backlog cases reverted to non active status	2,253	1,633	1,026	676
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 June 28, 2016				

Process to Address the Current Non-Active Cases

As of June 30, 2016, the total number of non-active cases (cases with no case note entered in the past 60 days) was 8,223. Significant progress was realized during Quarter 4 FY2016 resulting in a reduction of 2,528 cases since the end of Quarter 3 FY2016.

The continued progress made in Quarter 4 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*** – Utilization of selected assistance work teams continues to be a significant contributor in the reduction of inactive cases. The specific application of these resources in targeted offices has resulted in continued reductions of workload, thus allowing investigators to maintain incoming report volumes and preventing future inactive cases from occurring. In Quarter 4, the selected assistance work teams were transitioned to a new office in the Pima Region, as inactive cases were successfully reduced at the office where the work teams were assigned originally. Additionally, in Central and Southwest Regions, the assigned selected assistance work teams are nearing completion at the highest volume offices and transitioning to the next highest volume field offices in the respective regions. This deployment and transition of support for targeted high-volume offices will continue until the final objective of fewer than 1,000 open inactive cases is achieved.
- ***Regional Plans*** – Individualized regional plans have continued to generate the greatest reduction of inactive cases of the four reduction strategies. The regional plans include offline work periods permitting investigators to focus on workload completion without interruption which is the primary means for the progress. The regional plans have also addressed the need for continuous flow with reports and cases as they are submitted for final quality assurance checks. Through these efforts, investigators have been successful with completing more work than what is being assigned each week while the quality assurance checks verify that cases are closed appropriately, in accordance with quality standards and are no longer permitted to relapse inactive.
- ***Expanding Administrative and Case Review Capacity by Leveraging Partnerships*** – Contracted services have greatly supported the progress made reducing inactive cases in Quarter 3. The contracted services have supported the two highest backlogged Maricopa County field offices. During Quarter 4 the DCS team and contracted resources have worked together to reduce backlogs in these two offices by an average of 40 percent. As a result of the combined efforts, these two targeted offices are nearing elimination of their

respective backlogs, thus permitting the contract resources to transition to the second highest backlogged offices in each of the regions. It is anticipated that these resources will be fully transitioned to the new offices by late July 2016. As a result of recently provided Legislative funding, the contractor has been requested to double the amount of available work hours on this project with the intention of accelerating the backlog burndown plan in these respective offices.

- ***Model Field Offices*** – Standardization efforts extended to four additional offices during Quarter 3. The efforts to standardize the investigation process and transfer of cases to ongoing caseworkers continues to support the reduction and sustainment of backlog by freeing up time investigators were spending on management of dependency cases. This process is now being implemented in offices in geographic proximity to the three original Model Field Office sites, and will continue to roll out across the state through calendar year 2016.

Summary of outcomes and Q4 FY2016 projections

Quarter 4 performance realized a 23.5 percent improvement, and 2,528 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 reduction strategies described herein, while continuing to seek additional ideas and strategies to compliment these efforts. In the Quarter 3 report, DCS committed to realize less than 8,500 inactive cases by the end of Quarter 4, which was achieved. The Department is seeking to be less than 6,500 inactive cases by the end of Quarter 1 FY 2017.

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

Expenditures for Personal Services in FY 2016

The table below shows the preliminary Quarter 4 personal services expenditures, employee related expenditures and FTE for FY 2016.

Table 3. Projected Expenditures for Personal Services Monies Appropriated in Fiscal Year 2016 *				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Actual	Actual	Actual	Preliminary**
Case Specialists				
P/S	14,381,883	14,194,564	14,726,592	14,575,726
ERE	6,094,512	6,844,593	5,095,956	5,162,126
FTE	1,255	1,249	1,270	1,356
Field Supervisors				
P/S	2,910,756	2,872,844	2,881,290	2,319,231
ERE	1,233,471	1,385,280	997,035	853,564
FTE	254	257	258	254
Case Aides				
P/S	3,197,247	3,155,604	3,521,576	2,584,025
ERE	1,354,876	1,521,627	1,218,598	951,018
FTE	279	280	276	252
Filled Other Non-Case Specialists				
P/S	9,356,961	9,425,919	12,200,414	9,476,124
ERE	3,823,214	4,377,236	4,203,508	3,458,714
FTE	804	858	897	866
Total FTE	2,592	2,644	2,701	2,728
Total P/S	29,846,847	29,648,931	33,329,872	28,955,106
Total ERE	12,506,073	14,128,735	11,515,097	10,425,422
TOTAL PS/ERE	42,352,920	43,777,666	44,844,969	39,380,528
* Quarterly Backlog Report Personal Services and ERE financial projections are taken from across SLIs from General Operating, Overtime, Records Retention				
** Overtime Reduction efforts found in Quarters 3 and 4				
- 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.

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

Table 4 shows the preliminary Quarter 4 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 Actual¹	Quarter 2 Actual¹	Quarter 3 Actual¹	Quarter 4 Preliminary²	Total	Expenditures to Address New Inactive Cases	Total Appropriation
In-Home Support Services	88,765	104,318	35,114	22,632	250,829	2,531,271	2,782,100
Out-of-Home Support Services	1,327,112	1,304,902	1,148,996	512,465	4,293,475	788,725	5,082,200
Out-of-Home Placements	2,020,743	1,934,822	1,841,869	1,170,971	6,968,405	(2,424,505)	4,543,900
Total	3,436,620	3,344,042	3,025,979	1,706,068	11,512,709	895,491	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/ Fourth quarter projections, \$3.1M expenditures, the department is forecasted to use all of the dollars for backlog services.

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 Quarter 1 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 \$6,968,405 and the shortfall of (\$2,424,505) shown in this outline will be supported by Out-of-Home Placement SLIs. As an overall appropriation the Department intends to expend all of these dollars.