

ARIZONA STATE SENATE  
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TO: JOINT LEGISLATIVE AUDIT COMMITTEE  
Senator Robert Blendu, Chairman  
Representative John Nelson, Vice-Chairman

DATE: November 27, 2007

SUBJECT: Sunset Review of the Department of Economic Security

Attached is the final report of the sunset review of the Department of Economic Security, which was conducted by the Senate Public Safety and Human Services and the House of Representatives Human Services Committee of Reference.

**The Committee of Reference recommends that the Department of Economic Security be continued for ten years.**

This report has been distributed to the following individuals and agencies:

Governor of the State of Arizona  
The Honorable Janet Napolitano

President of the Senate  
Senator Timothy S. Bee

Speaker of the House of Representatives  
Representative James P. Weiers

Senate Members  
Senator Linda Gray, Cochair  
Senator Chuck Gray  
Senator Jack W. Harper  
Senator Leah Landrum Taylor  
Senator Victor Soltero

House Members  
Representative Pete Hershberger, Cochair  
Representative Nancy K. Barto  
Representative David Bradley  
Representative Chad Campbell  
Representative Andrew M. Tobin

Department of Economic Security  
Office of the Auditor General  
Arizona State Library, Archives & Public Records

Senate Majority Staff  
Senate Research Staff  
Senate Minority Staff  
Senate Resource Center

House Majority Staff  
House Research Staff  
House Minority Staff  
Chief Clerk

AO/jas  
Attachment

**Senate Public Safety and Human Services and  
House of Representatives Human Services  
Committee of Reference Report**

**DEPARTMENT OF ECONOMIC SECURITY**

***Background***

Pursuant to A.R.S. § 41-2953, the Joint Legislative Audit Committee (JLAC) assigned the sunset review of the Department of Economic Security to the Committee of Reference comprised of members of the Senate Public Safety and Human Services and the House of Representatives Human Services committees.

Established by the Legislature in 1972, the Department of Economic Security (DES) combined the Employment Security Commission, the State Department of Public Welfare, the Division of Vocational Rehabilitation, the State Office of Economic Opportunity, the Apprenticeship Council and the State Office of Manpower Planning. In 1974, the State Department of Mental Retardation was added to DES. For FY 2006-2007, DES has 5,680.8 full-time equivalent positions and a budget of \$2,512,345,600, including \$718,950,200 from the state General Fund.

DES is organized into nine divisions that provide protective, social and community services; employment and economic assistance; and operations support. There are three administrative divisions, and the following six program divisions:

- The Division of Children, Youth and Families (DCYF) provides child protective services, foster care services, kinship care, independent living services for young adults, adoption services, in-home family services, intensive family services and substance-abuse treatment services for families whose children are at imminent risk of out-of-home placement.
- The Division of Child Support Enforcement (DCSE) administers Arizona's child support enforcement program, providing services that include locating absent parents, establishing legal paternity for children born out of wedlock and establishing legal obligations to pay child support. DCSE enforces and collects child support through a variety of administrative and judicial remedies and is responsible for the State Disbursement Unit, which processes and distributes child support payments.
- The Division of Benefits and Medical Eligibility (DBME) administers the Temporary Assistance for Needy Families (TANF) Cash Assistance, Food Stamps and state-funded General Assistance programs. In addition, DBME determines eligibility for the state's medical assistance program (AHCCCS), as well as supplemental security income through its Disability Determination Services Administration.
- The Division of Developmental Disabilities (DDD) provides services to individuals with developmental disabilities and their families. Services include home- and community-based services, residential and day programs, children's services and services to children in foster care. In addition, DDD is the AHCCCS contractor for the Arizona Long Term Care System (ALTCS). ALTCS-enrolled individuals receive medical care from DDD in addition to the other services they need.

- The Division of Aging and Community Services (DACS) provides and contracts for services such as emergency and energy-related assistance, food distribution information for the hungry, rural food banks, shelter and supportive services to victims of domestic violence, refugee resettlement services and shelter for the homeless. Adult services programs include the supplemental payments program, home care, congregate and home-delivered meals, case management, the State Health Insurance Assistance program and legal assistance.
- The Division of Employment and Rehabilitation Services (DERS) administers Arizona's Unemployment Insurance, Job Service and Vocational Rehabilitation programs; provides job training opportunities through administration of the federal Workforce Investment Act and the Jobs program; and administers child care programs and independent living rehabilitation services.

In 2005, the Office of the Auditor General (OAG) performed a sunset audit of DES, issued six reports and made approximately 90 recommendations to improve performance. The OAG noted during its presentation at the public hearing held November 28, 2005, that DES agreed with the recommendations and that many of them had already been implemented. In 2006, the Legislature continued DES for two years and required the OAG to report in 2006 and 2007 the progress of DES in implementing the OAG's recommendations to the Senate Public Safety and Human Services and the House of Representatives Human Services committees and the Committee of Reference.

### ***Committee of Reference Sunset Review Procedures***

The Committee of Reference held one public meeting on November 19, 2007, to hear the OAG's presentation regarding the progress of the implementation of its 2005 recommendations; a response by DES, including the sunset factors and required agency factors (A.R.S. § 41-2954); and to receive public testimony.

### ***Committee Recommendations***

The Committee of Reference recommends that the Department of Economic Security be continued for ten years.

### ***Attachments***

1. Meeting Notice
2. Minutes of Committee of Reference Meeting
3. Statutory Sunset Factors and Required Agency Factors
4. Supplemental Questions
5. Department of Economic Security Annual Report: FY 2005-2006

Interim agendas can be obtained via the Internet at <http://www.azleg.state.az.us/InterimCommittees.asp>

## ARIZONA STATE LEGISLATURE

### INTERIM MEETING NOTICE OPEN TO THE PUBLIC

SENATE COMMITTEE ON PUBLIC SAFETY AND HUMAN SERVICES  
HOUSE OF REPRESENTATIVES COMMITTEE ON HUMAN SERVICES AND  
SENATE PUBLIC SAFETY AND HUMAN SERVICES AND HOUSE HUMAN SERVICES  
COMMITTEE OF REFERENCE FOR STATUTORY AUDITS RELATED TO THE DEPARTMENT OF  
ECONOMIC SECURITY

Date: Monday, November 19, 2007

Time: 9:00 A.M.

Place: SHR 109

### AGENDA

1. Call to Order
2. Opening Remarks
3. Presentation on TANF cash assistance
- 4. Presentation on question and answer documents and information briefs related to the Department of Economic Security prepared by the Office of the Auditor General: Child Abuse Hotline, Substance Exposed Newborns, Federal Grant Monies, Federal Deficit Reduction Act of 2005, In-Home Services Program, Confidentiality of CPS Information and Licensed Foster Homes
5. Presentation on the Department of Economic Security Sunset Reports by the Office of the Auditor General pursuant to Laws 2006, Chapter 330
  - Response by the Department of Economic Security and presentation of sunset factors
  - Public Testimony
  - Discussion
  - Recommendations by the Committee of Reference
6. Presentation on the Division of Children, Youth and Families Performance Audit by the Office of the Auditor General conducted pursuant to Arizona Revised Statutes, Section 41-1966
  - Response by the Department of Economic Security
  - Public Testimony
  - Discussion
  - Recommendations by the Committee of Reference
7. Presentation on the Division of Child Support Enforcement Special Audit by the Office of the Auditor General conducted pursuant to Laws 2006, Chapter 209
  - Response by the Department of Economic Security
  - Public Testimony
  - Discussion
  - Recommendations by the Committee of Reference
8. Adjourn

**Members:**

Senator Linda Gray, Co-Chair \*  
Senator Chuck Gray \*  
Senator Jack Harper \*  
Senator John Huppenthal  
Senator Leah Landrum Taylor \*  
Senator Rebecca Rios  
Senator Victor Soltero \*

Representative Pete Hershberger, Co-Chair \*  
Representative Mark Anderson  
Representative Nancy Barto \*  
Representative David Bradley \*  
Representative Judy Burges  
Representative Chad Campbell \*  
Representative Mark DeSimone  
Representative Barbara McGuire  
Representative Rick Murphy  
Representative Andrew Tobin \*

\*Committee of Reference Members

10/18/07

11/7/07

br

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the Senate Secretary's Office: (602)926-4231 (voice). Requests should be made as early as possible to allow time to arrange the accommodation.

ARIZONA HOUSE OF REPRESENTATIVES  
Forty-eighth Legislature – First Regular Session

**SENATE COMMITTEE ON PUBLIC SAFETY AND HUMAN SERVICES  
HOUSE OF REPRESENTATIVES COMMITTEE ON HUMAN SERVICES AND  
SENATE PUBLIC SAFETY AND HUMAN SERVICES AND HOUSE HUMAN  
SERVICES COMMITTEE OF REFERENCE FOR STATUTORY AUDITS  
RELATED TO THE DEPARTMENT OF ECONOMIC SECURITY**

Minutes of Meeting  
Monday, November 19, 2007  
SHR 109 -- 9:00 a.m.

Pursuant to Laws 2006, Chapter 330, Section 4, Cochairman Gray and Cochairman Hershberger called the committees to order at 9:07 a.m.

**Members Present**

Senator Jack Harper*	Representative Mark Anderson
Senator Leah Landrum Taylor*	Representative Nancy Barto*
Senator Rebecca Rios	Representative David Bradley*
Senator Victor Soltero*	Representative Chad Campbell*
Cochairman Senator Linda Gray*	Representative Barbara McGuire
	Representative Rick Murphy
	Representative Andrew Tobin*
	Cochairman Representative Pete Hershberger*

**Members Absent**

Senator Chuck Gray*	Representative Judy Burges
Senator John Huppenthal	Representative Mark DeSimone

\*Committee of Reference (COR) Members

Cochairman Gray explained that because of statutory requirements, the Senate Committee on Public Safety and Human Services and the House of Representatives Committee on Human Services were called to this meeting, but only the Committee of Reference members are permitted to make recommendations and vote.

**PRESENTATION ON TANF CASH ASSISTANCE**

Tracy L. Wareing, Director, ADES, narrated a presentation on Temporary Assistance for Needy Families Cash Assistance Program (TANF) (Attachment 1).

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House Of Representatives Committee On Human Services  
and Senate Public Safety And Human Services and  
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November 19, 2007

Ms. Wareing responded to questions posed by Committee members as follows:

- There are procedures to ensure that recipients of TANF have legal presence in the U.S. and are eligible to receive services according to federal law.
- There is not a state requirement that applicants or recipients of cash assistance must be tested for drugs.
- The disabled community would not reach the 60-month lifetime benefit limit. Technically, six-month extensions could continue to be granted. In addition, there are many programs available for the disabled through the Division of Developmental Disabilities and Vocational Rehabilitation programs.
- There are additional extensions for persons in rural areas.
- Ms. Wareing explained that according to state law, the 60-month time clock did not begin until October 2002.

Senator Harper inquired as to whether there were any Committee members who stated they would have a conflict of interest in renewing any section of ADES.

Cochairman Gray asked if Senator Harper was referring to COR members. He replied yes, and Cochairman Gray responded no.

Senator Harper requested that his written inquiry be placed in the minutes of the meeting (Attachment 2), along with any declaration of any member who might declare a conflict of interest. Cochairman Gray agreed with the request.

Dan Hunt, Office of the Auditor General, narrated a Presentation on ADES/DCYF/CPS information briefs and questions-and-answers documents (Attachment 3).

Ken Deibert, Deputy Director, Division of Children Youth and Families, ADES, answered questions posed by Committee members as follows:

- The department is in the process of evaluating the In-Home Services Outcome Goals for contracts awarded in 2006.
- Child abuse protection laws take effect at the time of a child's birth. ADES does not have jurisdiction to intervene with an individual who is using alcohol or legal substances during a pregnancy.
- If DCYF receives a report through CPS that a woman is pregnant and is abusing substances, the individual is referred to a substance abuse program for evaluation and assessment. DCYF has no legal authority to order or mandate the individual to comply with a referral. There is no penalty for an individual who uses alcohol or illicit drugs during a pregnancy.
- Access to Families First, the substance abuse program available through the child welfare system, is a tremendous asset for Arizona. According to data received through periodic

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House Of Representatives Committee On Human Services  
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drug testing, sixty percent of the individuals referred to the program complete the program and maintain abstinence.

- A medical doctor is required to report an incidence of potential abuse or neglect of a child.
- If illicit substances or drug paraphernalia were discovered during a home investigation, that information would be reported to law enforcement.
- Because of the Deficit Reduction Act, there will a \$17 million reduction in reimbursement from the federal government on an annual basis. Last year, ADES did request, and receive a supplemental appropriation from the Legislature.
- As to the \$10 million deficit, Mr. Deibert explained that when ADES receives definitive rules from the Children's Bureau at HHS as to what they will reimburse, the division would immediately change procedures to ensure the deficit does not grow.

### **ADES Follow-up to Sunset Review**

Shan Hays, Office of the Auditor General, narrated a presentation of the ADES Follow-up to Sunset Review (Attachment 4).

### **DES CONTINUATION HEARING**

Tracey Wareing, Director, ADES, responded to the Auditor General by narrating a presentation on DES Continuation Hearing (Attachment 5). Ms. Wareing answered questions posed by Committee members as follows:

- ADES has closely monitored eligibility and accuracy determinations have met most federal standards over the last few years. The improvement recommendations from the Auditor General have benefited the programs.

Ken Deibert, Deputy Director, Division of Children Youth and Families, ADES, explained that if a child is removed from a biological parent, and there is a current child support order for that child, the Child Welfare System could receive that payment to offset state and federal costs associated with providing out of home care for that child. With the permission of the biological caregiver parent, ADES can request a child support order from the Court for an absent parent.

Ms. Wareing continued with her presentation. She responded to questions posed by Committee members as follows:

- ADES has seen minimal impact from the increase in the minimum wage on the developmentally disabled community's ability to work, partly due to involvement of the Industrial Commission. It is important for those individuals who are capable of work to receive a full wage.

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Senator Leah Landrum Taylor commented that from the information presented to the Committee, many improvements have been made, and she believes that ADES should receive a ten-year extension.

Sharon Sergent, Deputy Director, ADES, in response to query from Representative Tobin regarding the accuracy of processing unemployment insurance and eligibility, explained that the percentage of overpayment is approximately 11 percent. She said she would verify that number and report back to the Committee.

Ms. Wareing responded to questions posed by Committee members as follows:

- The number of finalized adoptions has increased every year for the past several years.
- ADES is working on an innovative project in conjunction with the Department of Corrections. When a person who has children is being released from DOC, the Family Connection Team coordinates with the staff from DOC prior to, and after release, to determine what support services can be provided for the family.
- There are some circumstances under federal law wherein a person who is not a citizen may obtain a social security number.
- Ms. Wareing stated she would provide the Committee with information regarding the curriculum for cultural competency training.

**Senator Soltero moved that the Committee of Reference make the recommendation to continue the Arizona Department of Economic Security for ten years. Cochairman Hershberger seconded the motion.**

Mr. Tobin said he had not had all of his questions answered. He said he was uncomfortable with recommending a ten-year extension.

Cochairman Hershberger said that ADES receives extensive scrutiny by the Legislature on an on-going basis. He said he believes the completion of almost all of the ninety recommendations reflects the ADES process of continual improvement. He explained that regardless of the length of continuation, the Legislature would maintain responsibility for oversight of the agency. He said he respectfully disagreed with a shorter period of time.

Cochairman Gray stated there have been many improvements to the agency under the leadership of the new Director of ADES, and she commended the Director.

Senator Soltero said that the Committee could request an audit of ADES at any time if problems develop. Cochairman Gray agreed.

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**Question was called on the motion that the Committee of Reference make the recommendation to continue the Arizona Department of Economic Security for ten years. The motion carried by a voice vote.**

THE MEETING RECESSED AT 11:17 A.M.

THE MEETING RECONVENED AT 11:27 A.M. ALL MEMBERS WERE PRESENT EXCEPT SENATOR CHUCK GRAY, SENATOR HUPPENTHAL, SENATOR HARPER, REPRESENTATIVE BURGES, REPRESENTATIVE DESIMONE, REPRESENTATIVE ANDERSON AND REPRESENTATIVE TOBIN.

**Presentation on DES/DCYF Prevention Programs Performance Audit**

Catherine Dahlquist, Auditor General's Office, narrated a presentation on DES/DCYF Prevention Programs Performance Audit (Attachment 6).

Ms. Dahlquist responded to questions posed by Committee members as follows:

- A site visit by a contractor will typically take two days. The payment rate is approximately \$7,000 for each site visit report. The contract evaluator reviews family files, various supervisory internal controls, and contacts certain family members to ensure the quality of services received. The evaluator monitors the operation of the program site. Based on the review, the evaluator holds an exit meeting with the site supervisor and staff to discuss findings. If improvements are recommended, or the site staff request particular training, a follow up visit will be scheduled.
- Ms. Dahlquist said she reviewed approximately 10 of the 58 site visit reports, and generally, the sites seemed to be meeting requirements.

Ken Deibert, Deputy Director, Division of Children Youth and Families, ADES, thanked the Auditor General's staff for their work in evaluation of the DCYF Prevention Program. He explained the Healthy Families program served in excess of 6,000 people this past year, and 98 percent of those individuals served did not have contact with the CPS program. He said the DCYF believes that at the conclusion of the six-month review by the Auditor, all of the recommendations that were made will indicate the program has demonstrated full implementation of the recommendations.

Mr. Deibert responded to questions posed by Committee members as follows:

- DCYF provides both individual parenting classes, as well a group training programs.
- The evaluation that contractors provide assures that DCYF is meeting standards of accreditation for a Healthy Families Program. The monies charged for evaluations includes preparation and review of data before going to a site, training, special

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consultation with the program staff, preparation of reports, a long term corporate data analysis, and ongoing consultation and support.

- The five-year contracts are awarded through the typical procurement process.

Cochairman Gray asked if there were any recommendations by the Committee of Reference. Cochairman Hershberger noted these programs do not require a recommendation to continue. Cochairman Gray agreed.

### **Presentation on ADES – Division of Child Support Enforcement**

Anne Hunter, Office of the Auditor General, narrated a presentation on the Division of Child Support Enforcement, DES (Attachment 7).

Sharon Sergent, Deputy Director, ADES, explained that ADES has concurred with all of the Auditor General's Findings, has already implemented certain provisions, and will take steps to address the remaining recommendations. She provided a summary of the ADES response to the Findings.

Cochairman Hershberger thanked ADES and the Auditor General's Office for the presentations. Cochairman Gray voiced her thanks and noted that many improvements have been made.

Without objection, the meeting adjourned at 12:23 p.m.

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Yvette O'Connor, Committee Secretary  
November 19, 2007

(Original minutes, attachments and audio on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov/>)

Senate Committee On Public Safety And Human Services  
House Of Representatives Committee On Human Services  
and Senate Public Safety And Human Services and  
House Human Services Committee Of Reference

November 19, 2007



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano  
Governor

Tracy L. Wareing  
Director

AUG 31 2007

Amber O'Dell  
Arizona State Senate  
1700 West Washington  
Phoenix, Arizona 85007

Dear Ms. O'Dell:

Pursuant to A.R.S. §41-2594, the Arizona Department of Economic Security (DES) has prepared the attached response addressing the 12 Sunset Factors identified in statute, the six additional factors, and supplemental questions requested in Senator Linda Gray's letter dated July 9, 2007.

We are pleased to provide this information, which clearly demonstrates both the recent progress and continuous improvement at DES. Please note that the Department has fulfilled all of the actions required in response to the Auditor General's recommendations, except those that required funding that was not available. The Department looks forward to a 10-year renewal of the agency and the opportunity to answer any additional questions in the Sunset Review hearing.

If you have any questions, please contact Herschella Horton, DES Chief of Legislative Services, at (602) 542-4669, or me at (602) 542-3678.

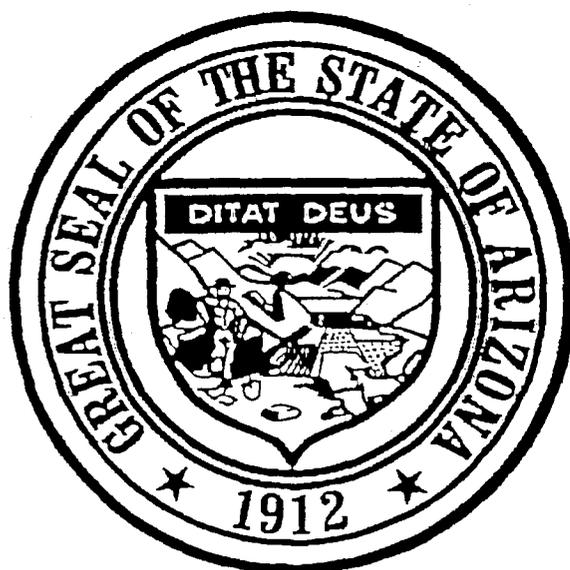
Sincerely,

Tracy L. Wareing  
Director

Attachment

cc: Senator Linda Gray  
Representative Peter Hershberger  
Eden Rolland, House Human Services Analyst  
Herschella Horton, Chief of Legislative Services, DES

# Arizona Department of Economic Security



Sunset Audit

2007

# Arizona Department of Economic Security

## Section 1: Sunset Factors

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4. The extent to which the rules adopted by the agency are consistent with the legislative mandate.....	7
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6. The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction .....	9
7. The extent to which the Attorney General or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation .....	11
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10. The extent to which the termination of the agency would significantly harm the public health, safety, or welfare .....	14
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2. Provide financial data, such as number of full-time employees, expenditures and revenues and fee structure, if applicable ..... 24

3. An identification of the problem or the needs that the agency is intended to address ..... 1

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*Section 1*

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Sunset Factors

## Arizona Department of Economic Security

### Sunset Factor 1: The objective and purpose in establishing the agency; and

### Additional Factor 3: An identification of the problem or the needs that the agency is intended to address

The Department of Economic Security (DES) is an integrated human services agency that provides critical protective and assistance services to Arizona's children, adults and families.

The Arizona State Legislature established DES (A.R.S. §41-1954) in 1972 by consolidating the authority, power and duties of five separate state agencies, followed by a sixth in 1974. The intent of the 1972 legislation and subsequent amendments was to provide an integrated approach to human services.

The DES Vision is that *every child, adult and family in the State of Arizona will be safe and economically secure.*

The Department strives to achieve this through its Mission to *promote the safety, well-being and self-sufficiency of children, adults and families.*

There are five core values that form the basis for the work that DES does in the fulfillment of its mission: collaboration, accountability, innovation, diversity and respect. These values serve several purposes and are applied in the daily work across DES.

DES' mission is best achieved through the holistic delivery of human services across programs. The Department's 10,000-plus employees in more than 50 programs and services at DES work together to help many of Arizona's vulnerable citizens, including low-income working families, abused and neglected children, individuals with developmental disabilities, the elderly, victims of domestic violence, and those seeking basic supports (food, utility and shelter). The Department provides services to more than 1 million Arizonans every year.

Together, DES' programs impact the safety, well-being and self-sufficiency of Arizonans. Some of these programs include: Child Protective Services; Children Services to provide families the tools they need to care for their children; child care assistance for working parents; Adult Protective Services; domestic violence shelter and supports; early intervention services for infants and toddlers at risk of developmental delays; home and community-based services for individuals with developmental disabilities and the aged; independent living programs for both seniors and young adults; unemployment insurance; employment assistance (including vocational rehabilitation and job training); and child support enforcement.

These programs and services are delivered through DES offices and staff statewide, and also through a network of contracted community-based providers. DES works collaboratively with the communities it serves, local and national advocacy organizations, other state agencies, the federal agencies that oversee DES' programs, the courts, and Native American tribes in the delivery of services to the citizens of Arizona.

**Arizona Department of Economic Security**

**Sunset Factor 1: The objective and purpose in establishing the agency;  
and**

**Additional Factor 3: An identification of the problem or the needs that the  
agency is intended to address**

Having one agency to provide services allows those in need to find assistance in an integrated fashion. DES staff are expected to work together across programs and to become familiar with the array of services that DES provides. Co-location of those services can make this coordination much easier. For example, the DES Avondale Multi-Service Center houses nearly 200 DES staff and contractors from seven different programs who all work together in one office. Individuals and families have access to services and staff including developmental disabilities, family assistance, child welfare, Family Connections, rehabilitation services, child care and the Jobs Program.

The Department's objective is to move beyond simply delivering services and to place greater focus on helping families gain the tools they need to effectively and permanently escape the hardships of poverty and other barriers that currently prevent them from being self-sufficient.

While some situations warrant more intensive and longer-term involvement between DES and families, the Department's primary focus is to prevent dependence and where possible, provide short-term, less intrusive services and supports that help the individual or family take ownership of their own success.

**Arizona Department of Economic Security**  
**Sunset Factor 2: The effectiveness with which the agency has met its objective and purpose and the efficiency with which it has operated**

Effectiveness and efficiency are both measured by the outcomes achieved by the families DES serves and are based on three overarching, interrelated goals:

- Strengthen Individuals and Families;
- Increase Self-Sufficiency; and,
- Develop the Capacity of Communities.

DES' integrated approach to doing business and the Department's collaboration with families, community partners, and other government entities provide greater accountability across the agency and generate a more efficient and comprehensive way of delivering services. On many occasions, DES staff and programs are the first contact families have with service providers when seeking help for their issues. The Department often serves as a triage point, working with families to identify their needs and strengths, which will determine the course of their service plan. The following are examples of three different client populations that may come to the attention of DES:

- **An individual who needs a single, often short-term service, wants it done efficiently and within their service needs.** Oftentimes, individuals interacting with a variety of DES' programs have the same need in order to achieve self-sufficiency: immediate employment assistance, such as helping with job search or writing a resume. These services are invaluable to many of the DES' client populations, including individuals with disabilities, those who have become unemployed, families involved in the child welfare system, and seniors. Once employed, these clients frequently no longer require other assistance.
- **People who need more than one service to achieve their desired outcome, but do not present any risk to themselves or their family. These individuals require some coordination in order to achieve this outcome.** This may include individuals who are receiving Cash Assistance, and are working toward finding employment through the Jobs program, which is providing supportive services such as child care assistance.
- **People with multiple service needs and multiple risks. These individuals often interact with multiple agencies at the state and community levels, and typically lack support systems. This level of client requires collaboration with the community to help with services that the state can not always provide and to sustain those services and stability for the individual.** Individuals and families in this group may benefit from the support of a Family Connections team, which provides a single point of a contact for a family to access an array of comprehensive, integrated services, with the goal of assisting the family in achieving self-sufficiency, safety, and overall well-being.

By working with clients to determine their strengths and what services they need to achieve safety, well-being and self-sufficiency, the Department ensures that services are provided that effectively meet those needs and efficiently utilize available resources. Additionally, DES' focus on prevention and early intervention helps to prevent problems from escalating into situations that may require more intensive and expensive services.

**Arizona Department of Economic Security**  
**Sunset Factor 2: The effectiveness with which the agency has met its  
objective and purpose and the efficiency with which it has operated**

Accountability for the effective and efficient delivery of services is a key priority for DES and is supported in numerous ways, including DES' Efficiency Review initiatives.

DES continues to avoid costs in the delivery of services through the development and implementation of Efficiency Review projects. The Department achieved Efficiency Review savings of \$29.9 million in fiscal year 2005 and \$58 million in fiscal year 2006. The Department will be submitting its Comprehensive Efficiency Review Tracking System report detailing fiscal year 2007 savings in the fall of 2007. Significant cost avoidance has been achieved through programmatic initiatives that have contributed to a reduction in the Cash Assistance caseload and to a reduction in the number of children placed in costly shelter and group home settings. Several other Efficiency Review projects involve the implementation of new technologies. Specific technological advancements within DES offer additional examples that the agency has met effectiveness and efficiency goals:

- The FAA Communications Center provides the ability for consumers and staff to process changes to Food Stamps, Cash Assistance and Medical Assistance eligibility information. There are more than 2.1 million annual client eligibility changes to process statewide. The old, paper-driven process required workers to constantly interrupt their other activities. The communications center centralized the handling of these changes in Maricopa County, resulting in reducing processing time by five minutes per change.
- AZTECS Replacement: Information is critical to DES' ability to work effectively with families. AZTECS will replace the antiquated eligibility, case management and payment systems for what were once three separate systems in the Family Assistance, Jobs and Child Care programs, with one modern, web-based, integrated system. The new system will enhance service delivery, help with recruitment and retention of staff, and reduce errors in the eligibility determination process. Upon full implementation of the replacement system, it is anticipated that annual total funds savings will be \$10 million beginning in fiscal year 2013.
- Quick Connect: This online service has streamlined family foster home licensing by allowing licensees to input information online for initial or renewal licenses. The new service provides: easier referrals of the family to a contracted service provider; access to information through any Internet connection; tracking of a family's application; requires only updates to current information when applying for a license renewal; improves turnaround time of application processing; and generates cost avoidance related to eliminating paper handling and storage. Quick Connect has effectively decreased the application processing time by 50 percent, while the number of applications has increased by 40 percent statewide. In addition, paper volume has been reduced from at least 60 pieces of paper to five pieces of paper via Quick Connect.

**Arizona Department of Economic Security**  
**Sunset Factor 3: The extent to which the agency has operated within the public interest**

DES operates within the public interest through programs and services that further the Department's three broad goals – *strengthen individuals and families, increase self-sufficiency, and develop the capacity of communities* – by focusing on:

- **Prevention and early intervention** designed to keep individuals and families from penetrating to deeper ends of the system.
  - Healthy Families Arizona, a voluntary program that reaches out to new parents experiencing multiple stressors that may put them at risk for child abuse or neglect, has expanded from 23 to 58 sites across Arizona, serving more than 140 communities statewide.
  - The Arizona Early Intervention Program coordinates with other state agencies and schools to provide services to infants and toddlers with, or at risk of, developmental delays. Early Intervention services enhance the development of children and the capacity of families, thereby reducing future costs.
- **Maximizing people's independence** by working with the community to provide services and supports.
  - DES, the eight regional Area Agencies on Aging, and a contracted provider network work together to provide home and community living supports – such as home-delivered meals, home health aids, and caregiver support – to Arizona's elderly population. The supports are designed to assist aging and vulnerable individuals to remain independent in their own homes.
  - Arizona remains best in the nation in helping individuals with developmental disabilities to live independently or with their families, tailoring the majority of supports and services to meet a person's needs in home and community-based settings. At the end of fiscal year 2007, 88.5 percent of consumers were provided services in their homes and communities.
- **Promoting self-sufficiency** by assisting families in obtaining the supports they need.
  - Establishing legal paternity for the regular monthly collection of child support payments helps to secure a child's financial future.
  - Providing child care subsidies to working families can help them overcome the only obstacle in their ability to secure employment.
  - Employment services are an integral part of many clients' case plans and are provided to individuals receiving Cash Assistance or Unemployment Insurance, youth aging out of foster care, and individuals with developmental disabilities.
- **Providing protective services** to vulnerable populations.
  - Through extensive work with community providers, DES has implemented a comprehensive in-home services model to prevent many children from coming into out-of-home care by providing services to children safely in their own homes.

**Arizona Department of Economic Security**  
**Sunset Factor 3: The extent to which the agency has operated within  
the public interest**

- In cases when children cannot remain with or return safely to their parents, DES assists in placing children in out-of-home care in the most family-like setting possible, including relative care, foster care, guardianship and adoption.
- Adult Protective Services annually investigates approximately 8,000 reports of abuse and neglect of vulnerable adults.
- DES contracts with domestic violence shelters to provide a safe haven for more than 11,000 victims of domestic violence.

In addition to the services DES provides, the Department works closely with community stakeholders to ensure that it is responsive to the needs of, and accountable to, the communities it serves. The Economic Security Advisory Council (ESAC) provides input from a community stakeholder perspective on such issues as planning, funding and implementation of programs that support the Department's mission.

The Department also promotes public involvement and community collaboration through 19 Community Network Teams and 20 Breakthrough Series Collaborative teams statewide.

Community Network Teams are broad-based and focus on community-wide issues and initiatives. Staff from DES are partners in those efforts. The goal of Community Network Teams is to develop self-reliant, self-sustaining community organizations that mobilize local, state and federal resources to improve the quality of life for the families in their communities.

The Breakthrough Series Collaborative consists of teams across the state, with equal representation from families, community partners and DES staff. The Breakthrough Series Collaborative ensures that the voice of the individual/family is heard and considered throughout the delivery of services and builds their capacity as leaders. The team works together to identify how DES programs, services, processes and even offices can change in order to be more family-focused, strengths-based, comprehensive and integrated. They also develop small tests of those changes and, when they find an effective strategy, they take leadership in spreading that strategy to other offices or areas.

DES services have a direct, positive impact on the lives of more than 1 million children, adults and families throughout Arizona each year, and the Department collaborates with stakeholders to ensure that it is operating in the public interest.

**Arizona Department of Economic Security**

**Sunset Factor 4: The extent to which the rules adopted by the agency are consistent with the legislative mandate;**

**and**

**Sunset Factor 5: The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.**

The Department of Economic Security complies with all legislative mandates for rulemaking, as required by A.R.S. §41-1021.02 and A.R.S. §41-1954(A)(3).

The Department derives its rulemaking authority from A.R.S. §41-1954(A)(3) and a variety of program-specific statutes that direct the Department to adopt rules addressing specific legislative mandates. The Department complies with all legislative mandates for rulemaking by adopting rules that set forth the requirements for the public to access its programs and benefits. As the Department amends and updates its regulations, it strives to draft rules that are clear, concise, understandable and consistent with current program objectives.

Prior to the formal rulemaking process, which includes review by the Governor's Regulatory Review Council (GRRC), the Department's draft rules undergo extensive review and editing to ensure that they comply with state and federal laws. The Department provides opportunities for both informal and formal public input during the rulemaking process and is constantly striving to update and improve its regulations to meet the needs of its clients. The Department publishes its regulatory agenda annually, as required by A.R.S. §41-1021.02, and has consistently met all statutory deadlines for mandatory reporting. Mandatory reporting includes five-year review reports, the licensing time frame report, the five-year review report progress report, and the substantive policy statement certification letter.

The Department actively seeks input from the public during all phases of the rulemaking process in order to best address the concerns and questions that are most important to DES stakeholders. In addition to uniform compliance with all statutory publishing and notification requirements, the Department engages its stakeholders through a variety of in-person and electronic communication methods. With virtually all of DES' rulemaking packages, DES surpasses statutory requirements for public input by including stakeholders at the very initial stages of the rulemaking process.

Each DES program that formulates rules maintains a list of its stakeholders and distributes draft versions of proposed amendments to its rules well before the statutory requirement to do so. When rule making or rule changes are applicable, public comments are sought and addressed early in the process so that stakeholders are aware of upcoming changes before the Notice of Proposed Rulemaking is published in the Administrative Register. The Department use a variety of methods to keep the public informed of rulemaking activities, including e-mail, newsletters, workgroups and the DES public Web site. Questions and comments are addressed and resolved by in-person meetings, e-mail, phone and letters.

**Arizona Department of Economic Security**

**Sunset Factor 4: The extent to which the rules adopted by the agency are consistent with the legislative mandate;**

**and**

**Sunset Factor 5: The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.**

The Department also strives to keep the public informed of policy developments, contract amendments and changes to general business practice. Through in-person meetings, program-specific pages on the Department's public Web site, e-mail, community forums, online policy manuals and participation in a variety of community advisory groups, the Department distributes information about policy and practice and seeks input, recommendations and feedback from the public on an ongoing basis.

Recently, the Department implemented rule changes necessitated by legislation passed in 2006 for the child care program. Although the changes were based on an exempt rulemaking package, the Department sought extensive input from stakeholders during the rule writing process. Department staff met over several months with a standing stakeholder committee on child care issues, which has broad representation from a variety of entities including: child care providers, advocates, governmental agencies and other stakeholders. Additional meetings were held with child care providers, the Arizona Child Care Association, and Children's Action Alliance to obtain feedback on the proposed implementation of the new rules and to assist with further refinement of the business processes that would be implemented as a result. The exempt rule package was filed with the Secretary of State's Office in December 2006 and the legislative changes were implemented by DES in January 2007.

Another example of DES' commitment to public input for addressing rule changes were the recent amendments to group home licensing rules. The Department held a meeting with stakeholders, including staff and providers who work directly with youth transitioning out of foster care and homeless youth, and partners from the Administrative Office of the Court, Juvenile Justice Services Division and the Arizona Department of Juvenile Corrections. The discussion focused on amendments required that pertain to how group home facilities could meet the needs of young adult clients while still complying with licensing regulations. As a result of this meeting and subsequent communication with the stakeholders, the Department amended the rules by Emergency Rulemaking in June 2006 and filed a Notice of Final Rulemaking in May 2007.

## Arizona Department of Economic Security

### **Sunset Factor 6: The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction**

The Department is proud of the work it does with communities across Arizona. Through the work that takes place with the Economic Security Advisory Council, Community Network Teams, Breakthrough Series Collaborative and Community Development Initiative (among others), DES maintains a presence in the community and provides several ways in which individuals can communicate issues they may have with the agency. Encouraging active participation of individuals, families and community members who have actually experienced the DES service delivery system has resulted in practices at the local level being adjusted to better meet needs, improved cross-agency and cross-program integration of policies, and demonstrated to community members, including the individuals and families that DES serves, that the programs, services and staff at DES are approachable, accessible and responsive to their concerns. The Department also looks to these groups to be a voice for other family and community members who may have concerns that need to be addressed and to assist with solutions.

Recognizing that complaints are typically a byproduct of miscommunication and/or a person not understanding what to expect or what options are available to them, DES seeks input from those on both sides of the front lines. As a result, DES is better able to respond to issues often before they happen or need further attention.

In addition, the DES Director's Office of the Ombudsman provides customers and partners with a confidential, neutral and informal manner to raise concerns and identify solutions, provide a communication linkage between community members and the Department, and serve as a change agent for resolving concerns.

The Department also responds to issues raised through the Legislative Ombudsman's Office, the Legislative Family Advocacy Office and the Governor's Office. The Department maintains an open, collaborative relationship with the state Ombudsman's Office and has a process in place by which responses are expeditiously carried out.

Other mechanisms for investigating and resolving complaints include:

- The Protective Services Review Team provides an impartial, external review process for individuals who wish to appeal cases of substantiated child abuse or neglect that have not been assigned to the formal dependency court process.
- Legislation in 2006 created an Adult Protective Services registry to include substantiated reports of abuse, neglect and exploitation of vulnerable adults. The statute also creates a process enabling a person about whom DES has substantiated an accusation of abuse, neglect or exploitation of a vulnerable adult to receive notice that the Department intends to add his or her name to the registry and information on the person's right to appeal the decision.
- Consumers with developmental disabilities who express dissatisfaction regarding the services they received have their issue investigated within 90 days.

**Arizona Department of Economic Security**

**Sunset Factor 6: The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction**

- Those who request an appeal regarding eligibility or benefit decisions are served by the Department's Appellate Services Administration (ASA).
- Child care and residential facilities are monitored for compliance with acceptable standards of care for clients by the Department's Office of Licensing, Certification and Regulation.
- The Family Advocacy Office within the Division of Children, Youth and Families reviews and responds to complaints regarding individual cases that involve the child welfare system and, upon request, reviews the decision to remove a child from his or her home before a dependency petition is filed.

## Arizona Department of Economic Security

### **Sunset Factor 7: The extent to which the Attorney General or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation**

The Attorney General has the authority to prosecute cases brought by DES, pursuant to A.R.S. §§ 25-509, 41-192, 41-1963, and 46-133. The Attorney General's Office provides representation to each of DES' programs, including legal defense when actions are taken against the Department in both administrative and other types of court proceedings, and through the prosecution of individuals who have committed fraud against DES, as well as other criminal acts authorized by statute.

In addition, the Attorney General's Office provides all required legal services for the administrative operations of the Department, such as procurement and personnel matters. And, the Child and Family Protection Division of the Attorney General's Office provides legal counsel to the Department in the areas of aging and community services, benefits and medical eligibility, child abuse and neglect, child support, developmental disabilities, employment and rehabilitation services.

## Arizona Department of Economic Security

**Sunset Factor 8: The extent to which the agency has addressed deficiencies in the enabling statutes which prevent it from fulfilling its statutory mandate;  
and**

**Sunset Factor 9: The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in the Sunset Laws**

The Department takes an active role in seeking legislation and making recommendations for legislative changes where necessary and appropriate. The Department's diverse stakeholders and community partners provide input in recommending legislation that promotes efficiency and effectiveness in fulfilling statutory mandates and improving outcomes for clients.

Through the DES Legislative Services office, proposed legislation is monitored and information is collected to determine the expected impact of legislative changes on DES' programs and the individuals and families served by DES. The Department continuously looks for potential unintended consequences that may arise from existing law and monitors changes at the federal level that impact DES' programs and clients, which includes reviewing best practice recommendations from national organizations and those implemented in other states. In addition to analyzing and determining what substantive legislative changes are required, the Department also carefully considers what budget issues must be addressed in order to effectively carry out DES' statutory mandate and to respond to changes in federal policy and in the social service environment.

In the past two years, DES has worked with the Legislature to enhance the current human service delivery network and DES operations. The following DES legislation has recently been enacted:

**Promote self sufficiency by clarifying the sanction process and improving the cash assistance diversion program:** Legislation passed in 2007 requires cash assistance clients to demonstrate compliance with the work requirements rather than show an "intent to comply" in order to avoid sanctions. This change should result in additional clients participating in work activities. The legislation also modifies the cash assistance Grant Diversion program to allow more clients to take advantage of grant diversion instead of using long-term cash assistance and allow grant diversion participants to receive employment assistance and other supportive services. These changes will make the Grant Diversion program more effective in preventing the need for long-term cash assistance.

**Conform with federal requirements for child support:** In 2007, legislation sought by DES was passed to implement a federal mandate included in the Deficit Reduction Act of 2005 (P.L. 109-171) that requires custodial parents who have never received public assistance to pay a fee of \$25 per child support case after \$500 of child support has been collected on their behalf.

**Improve DES' process for child support collection:** In 2007, legislation sought by DES was passed that will simplify the process for suspension of professional licenses by making it an

**Arizona Department of Economic Security**

**Sunset Factor 8: The extent to which the agency has addressed deficiencies in the enabling statutes which prevent it from fulfilling its statutory mandate;**

**and**

**Sunset Factor 9: The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in the Sunset Laws**

administrative, rather than judicial process, while retaining due process protections. The law also increases from two months to six months the arrearage threshold for license suspension and allows DES to assist child support payors who have paid a judgment to release liens when the obligee is unable to be located or is uncooperative. These changes will allow DES to improve collections owed to custodial parents.

**Streamline unemployment insurance services:** Legislation passed in 2007 will require the DES Appeals Board to prepare a written transcript in unemployment insurance hearings at DES' expense only in cases where judicial review is sought by an interested party. Each hearing is recorded, but written transcripts still had to be prepared regardless of whether they were requested. The new law also changes the unemployment insurance hearing postponement provisions to specify that a party is only entitled to a postponement upon a showing of good cause.

**Arizona Department of Economic Security**

**Sunset Factor 10: The extent to which the termination of the agency would significantly harm the public health, safety, or welfare;**

**and**

**Additional Factor 6: An assessment of the consequences of eliminating the agency or of consolidating it with another agency**

Terminating DES would harm the public health, safety and welfare because it is the Department's responsibility to provide critical services to Arizona's most vulnerable children, adults and families. Through the integration of programs that work with families and communities and collectively provide critical protective, early intervention and supportive services to more than 1 million Arizonans, DES is able to leverage resources across a number of programs.

Without the work that is done across DES, 35,000 reports of child abuse and neglect and 8,000 reports of abuse and neglect of vulnerable adults would not have been investigated, more than \$300 million in child support would not have been collected, working parents of nearly 45,000 children each month would not have been able to access child care with the help of the child care subsidy, more than 14,000 homeless individuals would not have been served in emergency shelters, and more than 24,000 individuals with developmental disabilities would not have the supports needed to live independently or with their families.

On many occasions, DES staff and programs are the first contact families have when seeking help for their issues. The Department's focus on prevention and early intervention and its coordination with its community provider networks to find and secure necessary services help to prevent problems from escalating into situations that may require more intensive and expensive services.

Without these and other critical services in Arizona, abuse and neglect of children and adults, including the elderly and individuals with disabilities, could go unreported and untreated, resulting in harm to individuals. Victims of domestic violence would have fewer options for shelter services and supports. The absence of prevention programs that are currently provided through the Department's integrated service delivery system would remove critical initiatives that address the root causes of abuse and neglect of Arizona's most vulnerable children and adults. The absence of employment, rehabilitation and training services combined with services that help families meet basic subsistence needs would result in a significant deficit in the ability of DES' community partners to meet individuals' and families' needs.

## Arizona Department of Economic Security

### **Sunset Factor 11: The extent to which the level of regulation exercised by the agency is appropriate and whether less or more stringent levels of regulation would be appropriate**

The Legislature has charged the Department with regulating family foster home licensing, child welfare and adoption agency licensing, child and adult developmental home licensing, and home- and community-based service provider certification. In addition, the Department issues licenses for participants in the business enterprise program and certifies family child care homes. The level of regulation exercised by DES is appropriate.

The Department exercises its regulatory authority in order to protect the children and vulnerable adults served by its licensed and certified entities. The monitoring and supervision exercised upon the Department's regulated community safeguards the health, safety and well-being of these populations while balancing the autonomy required by licensed and certified providers.

As part of DES' continuous improvement, the Office of Licensing, Certification and Regulation have recently debuted an online service for family foster home licensing, Quick Connect, which allows licensees to input information online for initial or renewal licenses. This new service, in addition to other recent efficiency efforts aimed at facilitating the timely and accurate processing of licensing and certification applications, has served regulated entities by eliminating some of the duplication encountered with handwritten applications for family foster home licenses. Quick Connect has effectively decreased the application processing time by 50 percent, while the number of applications has increased by 40 percent statewide. These efficiencies provide another indication of the Department's commitment to balancing the needs to regulate its programs with the responsibility to protect vulnerable Arizonans.

## Arizona Department of Economic Security

### Sunset Factor 12: The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished

The Department is a critical member of a larger community service delivery network, and the bulk of DES' work is done in partnership with private vendors. Department-administered programs and services form the foundation for providing a vast array of critical and essential services across the state, and private contractors constitute a core part of this service delivery network. Many of DES' services are best provided through contracts with community groups that are structured to more readily meet community needs. The Department contracts and coordinates with community-based organizations for the provision of critical services that contribute to vulnerable individuals' health, safety and welfare.

The Department has more than 14,500 contracts and agreements with nonprofit, for-profit and other community partners to provide services to Arizonans across the human service delivery continuum, including: home and community-based services for the elderly and individuals with developmental disabilities; shelter for victims of domestic violence and the homeless; employment services; programs designed to prevent entry into the child welfare system as well as in-home and out-of-home services for children who are in the system; education and training for low-income families; and child care.

Specific examples of ways in which the Department engages with contractors through specific performance-based expectations to improve the safety, self-sufficiency and well-being of Arizonans include:

**Jobs Privatization:** Contracts were awarded for the Jobs Program in March 2007 to two qualified vendors who combined will serve 17 service delivery areas across Arizona. In July 2007, the Jobs Privatization contracted vendors began working in partnership with DES to restructure how employment services to cash assistance recipients are delivered in order to assist individuals to achieve self-sufficiency. These performance-based contracts have well-defined performance and compliance measures to ensure program efficiency, community involvement and client confidentiality. The formal transition from the DES Jobs Program to the private contractors will be completed by October 2007.

**Services to Individuals with Developmental Disabilities:** The Department administers the largest fiscal intermediary program for persons with disabilities in the United States. This statewide program provides an avenue for consumers to hire their choice of independent providers for home and community-based services. The fiscal intermediary assists families in the management of authorizations of services and payments to providers. In addition, all services except support coordination are delivered through a contracted provider network.

**Rehabilitation Services:** The Department awarded 22 contracts to community rehabilitation service providers and individual employers for performance-based Employment Services in June 2007. Through a performance-based contract, the primary goals for these contracted services are to assist persons with disabilities, increase the number and rate of successful rehabilitations,

## Arizona Department of Economic Security

### **Sunset Factor 12: The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished**

ensure quality of job placements for clients, improve client satisfaction with achieved employment outcomes, and increase efficiency and effectiveness of service delivery. Additionally, the contracts incorporate services for persons with special needs that can be efficiently and effectively addressed by a private vendor, such as social services to refugees, crisis shelters for victims of domestic violence, day treatment and training, and housekeeping services.

**In-Home Services for Families referred to the Child Welfare System:** In January 2006, DES contracted with 10 community agencies to provide comprehensive in-home services statewide to children and family members referred by CPS. This program provides a wide range of services including, but not limited to: crisis intervention counseling; family assessment, goal setting and case planning; individual, family, and marital therapy; conflict resolution and anger management skill development; communication and negotiation skill development; problem solving and stress management skill development; home management and nutrition education; job readiness training; development of linkages with community resources to serve a variety of social needs; behavioral management/modification; and facilitation of family meetings. This program also assists families to access services such as substance abuse treatment, housing, child care, and many other supports. The average monthly number of children receiving contracted in-home services has increased from 4,376 in fiscal year 2005; to 4,829 in fiscal year 2006; to 5,154 as of June 2007.

**Home Recruitment, Study and Supervision (HRSS) Services:** In November 2006, DES contracted with 23 community agencies to provide home recruitment, study and supervision services for targeted recruitment of resource families including child-specific recruitment; resource family orientation; initial, advanced, and ongoing training for resource families; and licensed foster family placement, tracking, and monitoring services. The contract integrates new goals, objectives, payment points, and reporting requirements that align with the goals of Family to Family, and emphasize shared parenting between birth families and resource families. Specific outcomes and performance measures in the HRSS contracts promote shared parenting, sibling contact, placement stability, sibling group placements, placement within children's own neighborhoods, timely application processing and training and resource family retention.

**Area Agencies on Aging (AAA):** The AAAs are public or non-profit private agencies that DES contracts with to develop a network in local areas to foster the development of more comprehensive and coordinated service systems to serve older individuals. This includes funding, implementation and coordination of services to older adults such as family caregiver support, home and community living supports, legal services assistance, and the mature workers program.

*Section 2*

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Additional Factors

## Arizona Department of Economic Security

### Additional Factor 1: Describe the role and function of the agency, including major activities/projects, accomplishments, and obstacles to success

The mission of the Department of Economic Security is directed through three interrelated, overarching goals which are designed to improve outcomes for children, families and individuals in Arizona:

- Strengthen Individuals and Families;
- Increase Self-Sufficiency; and,
- Develop the Capacity of Communities.

#### Role and Function of the Agency:

The Department of Economic Security (DES) is an integrated human services agency that provides critical protective and assistance services to Arizona's children, adults and families. Approaching the way human services work is carried out from an integrated approach has helped to provide greater accountability across the agency and has generated a more efficient and comprehensive way of doing business through collaboration with families, community partners and other government entities.

The DES Vision – *Every child, adult and family in the State of Arizona will be safe and economically secure* – and Mission – *to promote the safety, well-being and self-sufficiency of children, adults and families* – are exemplified through the work of DES in more than 50 programs and services that work together to help Arizona's most vulnerable citizens. These programs and services are delivered through DES offices and staff statewide, and also through a network of community-based providers under contract with DES.

#### Major Activities and Projects:

Recent years at DES have seen a unique expansion in the concept of integrated services, sparking a new era of collaboration among families, community partners and the Department. The attached DES 2005-2006 Annual Report provides information that describes this work, including major activities that demonstrate how DES is achieving its goals. The following are a few examples of how DES is currently working through key partnerships on significant policy issues:

- **Family and Community Partnerships:** To enhance and expand family involvement and community collaboration, DES established an Office of Community Partnerships and Innovative Practices. This office combined the work that was formerly carried out in DES' Community Services Administration, Intergovernmental Services and Service Integration. It includes programs that administer basic safety net services (shelter, food and energy assistance), and DES' Family Connections, Breakthrough Series Collaborative and Community Network Teams. This office works with families and community partners in the change process and allows for the ability to test for effectiveness before broad-scale implementation.

## Arizona Department of Economic Security

### Additional Factor 1: Describe the role and function of the agency, including major activities/projects, accomplishments, and obstacles to success

- **Repositioning the DES Workforce:** DES' Human Resources Administration is working in partnership with several DES programs, state and national organizations to address staff recruitment, retention, and succession planning. This work is critically important because fewer students are entering the social work and related fields, and there is an increasing number of seasoned staff reaching retirement.
- **Office Modernization:** Across DES, it is recognized that work must be done to bring technology for human services into the 21st Century. Government is in the midst of a technology "revolution." For example, in 2006, 77 percent of state Web sites provided online services compared to just 22 percent in 2000. The Department is working to improve customer service through technology enhancements including implementation of a document management system and replacement of antiquated eligibility systems. Special consideration must be given to the potential adverse consequences modernization can have on certain populations, such as the elderly or homeless individuals and families, who do not always have the ability to use computers. And, the ASU School of Design is working with DES to help guide the design of DES offices and lobbies to provide for effective, customer-friendly delivery of services.

#### **Recent Accomplishments:**

DES' has achieved a number of significant accomplishments as it promotes the safety, well-being and self-sufficiency, of Arizona's children, adults, and families. The Department measures itself in terms of its three goals. Only a handful of these accomplishments are noted below, but they are indicative of DES' widespread successes.

#### Strengthen Individuals and Families

- By the end of fiscal year 2007, DES was providing in-home services for more than 15,000 children in families involved in the child welfare system or at risk of becoming involved, a significant increase from the beginning of fiscal year 2004 when fewer than 9,000 children were receiving in-home services. These services frequently provide families the tools and skills that they need to care for their children, avoiding the need for out-of-home placements.
- The creation of the Grandparent Kinship Care subsidy in fiscal year 2007 provides modest financial assistance to support grandparents caring for their grandchildren. DES has partnered with the Area Agencies on Aging to administer the program. Assistance has been provided for more than 1,700 children.

#### Increase Self-Sufficiency

- DES continued to invest in enhancements to the child support enforcement program and collected a record \$336 million in fiscal year 2007, an increase of 9.4 percent over fiscal year 2006.
- DES continued to move families from Cash Assistance to employment in fiscal year 2007. From its recent high point in fiscal year 2004, the Cash Assistance caseload has declined by more than 17,000 families. The average wage of individuals placed in employment increased

## Arizona Department of Economic Security

### Additional Factor 1: Describe the role and function of the agency, including major activities/projects, accomplishments, and obstacles to success

by approximately \$1 per hour, to more than \$9 per hour, in fiscal year 2007 compared to the previous year.

#### Develop the Capacity of Communities

- Thanks to the support of the Governor and Legislature and the efforts of DES' provider partners, fiscal year 2007 was the first year in which a victim of domestic violence looking for emergency shelter was more likely to find a bed than to be turned away. In prior years, as many as two-thirds of requests for shelter were turned away due to a lack of space. In fiscal year 2007, contracted shelters served almost 11,000 individuals.
- DES continued to be best in the nation in terms of providing supports and services to individuals with disabilities in their homes and communities rather than institutional settings. As of June 2007, more than 88 percent of these consumers were in their homes and communities.

#### **Current Human Services Environment:**

There are notable factors in the human services environment that present both challenges and opportunities for DES and for the individuals, families and communities the Department works with. This work requires a collaborative approach, rigorous dialogue, leadership at all levels of the organization and clear communication about purpose and direction.

At the same time, DES must address both opportunities and challenges in the human services environment – seeing both as a way to make an impact on continuous improvement for individuals and families, for staff, and for the state. The following are some of the current factors in the human services environment that DES recognizes and utilizes in its planning for both current and future service delivery to meet the requirements in the Department's enabling statutes:

- **Population Growth:** As reflected in the chart and table below, Arizona is now the fastest growing state in the nation. State statistics identify several populations that will grow significantly, including the birth-to-five year old population, and the number of individuals ages 65 and older.

The number of children in Arizona birth to five years of age will increase by almost 40 percent in the coming years, and there are a number of investments to be made in order to attain the best outcomes for children. Research shows that comprehensive, high quality care and early learning experiences are linked to children's success in school and in life, and investments in early learning save money by preventing future expenses for remedial education, incarceration and cash assistance. The Department is working with community partners and with other state agencies to meet the needs of this population. Additionally, the Department remains committed to improving outcomes in the early childhood development field through its work in the Arizona Early Intervention Program and the Child Care Administration's efforts to improve the quality of child care in the state. As Arizona

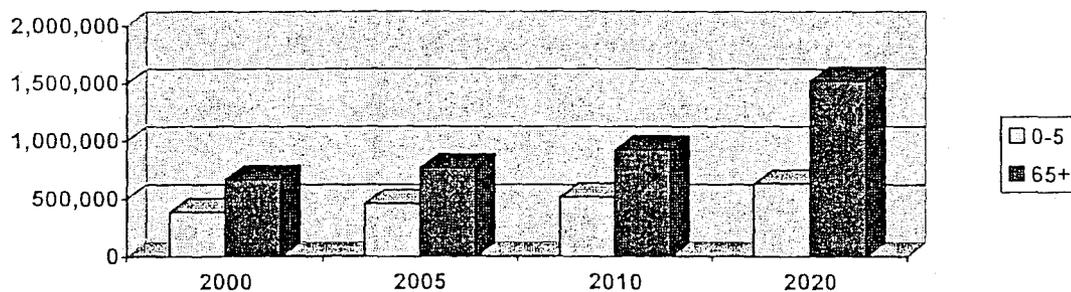
## Arizona Department of Economic Security

### Additional Factor 1: Describe the role and function of the agency, including major activities/projects, accomplishments, and obstacles to success

continues to grow, and the number of children under five years old increases, DES will be required to work with its partners in state government and in the community to assure that these challenges are effectively addressed.

Older adults, ages 65 and over, are the fastest-growing segment of the U.S. population. By 2020, 26 percent of Arizona's population will be over 60 years of age compared to 17 percent in 2003, and for those over 60, the fastest growing age group is of persons over 85 years of age. As the population ages, Arizona is likely to see an increase in people with medical complications that will limit their ability to live independently. These changes will likely produce a significant increase in demand for long-term care services. At the same time, Arizona's population will have unprecedented numbers of senior citizens as life expectancy edges higher each year. This will require us to change thinking about how to support independence in the elderly population and people with disabilities recognizing how this will impact all segments of society, not just human services – transportation, housing, etc. Additionally, as more and more people have children later in life, there is a growing segment of the population that are raising children at the same time they are taking care of their parents. This population growth also presents an opportunity for DES, through work with its partners, to develop civic engagement and volunteerism for the senior population.

**Arizona Population Growth**



**Arizona is the Fastest Growing State in the Nation**

	4/1/00 Census	7/1/05 Est.	7/1/10 Proj.	7/1/20 Proj.
Total	5,130,632	5,953,007	6,637,381	8,456,448
0-5	382,286	456,001	515,408	630,601
65+	667,839	765,957	922,010	1,520,622

## Arizona Department of Economic Security

### Additional Factor 1: Describe the role and function of the agency, including major activities/projects, accomplishments, and obstacles to success

The Department must engage in strategic short-term and long-range planning for this growth, engaging partners in other state agencies such as the Department of Health Services and AHCCCS as well as local governmental entities, public and private service providers, and the communities to meet the upcoming needs.

- **Social and Economic Stressors:** In Arizona, more than 14 percent of people live in poverty, and 20 percent of Arizona's children are living below the federal poverty level. The federal poverty level for a family of four is currently \$20,444 annual income. At DES, best practice research on anti-poverty practices is being utilized to develop strategies to meet these challenges. Strategies include: expanding knowledge for working families of the federal Earned Income Tax Credit (EITC) and the child care tax credit; helping families with relatives transitioning out of prison to successfully reintegrate back into their home communities; providing training and education for employment through the Jobs Program; and strengthening the role of fathers in supporting their families. Additional areas must be addressed through innovative program designs utilizing community partnerships.

Families face more complex issues. Violence against children continues to be an issue, oftentimes brought on by the compounding effect of multiple risk factors including poverty and substance abuse; thus establishing critical needs for protective, remedial and prevention services for children and families. Arizona leadership has recognized that Arizona faces a methamphetamine crisis. DES has been involved from the start in efforts to respond to the problem, particularly in the areas of prevention, treatment of adults and juveniles, improving access to treatment statewide, and with community efforts to establish Drug Endangered Children (DEC) protocols.

The challenges that families face are complex and are often interrelated. The strategies and remedies to address them call for a collective effort. The Department continues to innovate and integrate the spectrum of human services both internally and with the community in order to provide and coordinate the most effective services and delivery systems to assist the vulnerable individuals, children and families of Arizona.

- **Federal Funding Reductions:** In recent years, the federal government has shifted costs in a number of social services programs to the states, creating additional strains upon the agency and the state's budget. Most recently, DES was detrimentally impacted by the Deficit Reduction Act of 2005, which shifted costs to states for child welfare and child support enforcement services, as well as established new administrative burdens. While thankfully, the Governor and the Legislature provided funding to replace most of these cuts in the Department's fiscal year 2008 budget, these investments do not represent an increase the overall investment in human services programs. Since the state has limited resources, these backfills restrict Arizona's ability to strengthen existing programs or invest in new, innovative services.

## Arizona Department of Economic Security

### Additional Factor 1: Describe the role and function of the agency, including major activities/projects, accomplishments, and obstacles to success

- **Workforce/Service Delivery:** Repositioning the human services workforce is a major focus across the country. While fewer students are electing to enter the social work and related fields, more experienced staff are reaching retirement age. Across Arizona, DES and its partners are advocating for solutions and developing strategies to improve employee recruitment, retention and training. Arizona can be a national leader in this area through strong partnerships, and DES will continue to address workforce needs in a collaborative way.

Beyond addressing specific needs of the human services workforce, capacity is a key environmental factor in service delivery. Capacity issues include lack of early intervention services; substance abuse treatment; transportation; and other infrastructure issues. In addition, Arizona's smaller and rural communities, while sometimes facing capacity concerns themselves, also present an opportunity for DES engagement and improvement, by working together, and seeing the smaller size as an advantage.

**Arizona Department of Economic Security**

**Additional Factor 2: Provide financial data, such as number of full-time employees, expenditures and revenues and fee structure, if applicable**

The schedule of revenue and expenditures for the years ended June 30, 2005 and 2006 is included below in the format used by the Auditor General in the prior Sunset Audit.

	2005	2006
Revenues:		
Grants and reimbursements	1,890,772,736	2,030,771,430
State General Fund Appropriations	606,123,799	632,655,200
Employers' unemployment insurance contributions	268,894,477	311,826,259
Arizona Industries for the Blind sales	18,870,249	14,389,642
Fees	2,820,947	1,161,728
Fines, forfeits, and penalties	4,297,044	2,772,378
Interest	41,418,202	43,213,241
Other	70,670,300	61,421,558
<b>Total Revenues</b>	<u>2,903,867,754</u>	<u>3,098,211,436</u>
Expenditures and reversions:		
Personal services and employee related	430,458,268	479,269,136
Professional and outside services	39,637,467	39,285,634
Travel and food	7,210,299	7,612,315
Aid to individuals and organizations	1,977,434,969	2,073,027,446
Other operating	93,492,229	97,015,132
Capital outlay	7,626,543	9,340,350
Debt Service:		
Principal	1,057,824	1,717,343
Interest	117,506	170,392
Unemployment insurance benefit payments	292,126,736	226,171,154
Arizona Industries for the Blind operating expenditures	19,555,091	15,492,021
<b>Total expenditures</b>	<u>2,868,716,932</u>	<u>2,949,100,923</u>
Reversions to the State General Fund	3,433,749	10,465,026
<b>Total expenditures and reversions</b>	<u>2,872,150,681</u>	<u>2,959,565,949</u>
Excess (Deficiency) of revenues over expenditures and reversions	<u>31,717,073</u>	<u>138,645,487</u>

Data from DES' most recent full-time equivalent utilization report, through the final pay period in fiscal year 2007, is reported below.

Divisions	Utilization			Total
	Approp	Authority	Non Approp	
Administration	250.88	0.00	690.98	941.87
Developmental Disabilities	134.00	1,630.46	0.00	1,764.45
Benefits & Medical Eligibility	642.53	0.00	2,300.50	2,943.03
Children, Youth & Families	1,587.51	0.00	677.60	2,265.11
Employment & Rehabilitation Services	505.28	0.00	1,047.65	1,552.93
Aging & Community Services	87.92	0.00	89.82	177.74
Child Support Enforcement	280.95	545.35	0.00	826.30
Public Assistance Collections	7.70	-6.70	0.00	1.00
<b>Total Agency</b>	<b>3,489.08</b>	<b>2,175.80</b>	<b>4,806.55</b>	<b>10,471.44</b>

**Arizona Department of Economic Security**  
**Additional Factor 4: A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of the agency and its anticipated accomplishments**

As noted in DES' mission statement, the more than 50 programs and services in the Department work together to help Arizona's vulnerable citizens achieve greater safety, well-being and self-sufficiency. These programs and services are delivered through DES offices and staff statewide, and also through a network of community-based providers under contract with DES.

The Department's objective is to move beyond simply delivering services by focusing on helping families gain the tools they need to effectively and permanently escape the hardships of poverty and other barriers that currently prevent them from being self-sufficient. This objective is carried out in the daily work of staff, family and community partners who are key in both the development and implementation of how DES plans to chart its course.

DES holds itself accountable for achieving results that promote the safety, well-being and self-sufficiency of Arizona's children, adults and families through its three broad goals of strengthening individuals and families, increasing self-sufficiency, and developing the capacity of communities. The Department tracks and reports these and other outcomes in a number of documents, including its annual Master List (A.R.S. §35-122) and the Pay-for-Performance measures (Laws 2006, Chapter 1).

In addition, in order to execute the requirements of an organization that provides integrated services to individuals and families, DES must position itself within the community through a solid foundation that is grounded in qualified, motivated employees and high quality business systems, including a sound technological base. To facilitate integrated services and improved outcomes for children, adults and families in Arizona, the Department is placing particular focus on workforce planning and information technology improvements.

DES is poised to move forward in collaboration with its many community partners to accomplish the goals set forth by the Department. The integrated and innovative approach to human services that is inherent to DES is crucial to developing and incorporating how to best assist the populations DES serves in order to achieve the best possible outcomes for the vulnerable individuals, children and families of Arizona.

## **Arizona Department of Economic Security**

### **Additional Factor 5: An identification of any agencies having similar, conflicting, or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies**

The Department of Economic Security (DES) recognizes its inherent interdependence and interconnectedness with Arizona's communities in successfully providing the wide array of human services needed by the diverse population of Arizona. The Department coordinates with sister agencies and community organizations in program planning and service delivery to ensure there is no duplication of efforts.

The Department's focus on service integration and expansion of these concepts and practices in recent years has resulted in an increased emphasis on partnerships at both governmental and community levels. DES regularly coordinates with many governmental entities at the local, state and national level. In addition, partnerships at the community level incorporate coordination with numerous councils, coalitions, advocacy bodies, associations and community human service organizations, which also offer feedback to the Department on improving service delivery and approaches. This coordination ensures not only that there is no duplication of effort in providing services, but also that complementary services are provided in the most efficient and effective manner.

Among the breadth of the services that DES provides in Arizona, the Department also collaborates and coordinates with other state agencies. Following are a few of the many examples of the relationships the Department maintains with other agencies:

#### **Health and Human Services:**

Staff and Department management work regularly with the Arizona Department of Health Services and the Arizona Health Care Cost Containment System on cross-agency efforts such as: coordination for eligibility determinations; Health-e-Arizona, a web-based enrollment application for Medical Assistance, Food Stamps and Cash Assistance; coordinated behavioral health service delivery to children and families; and other prevention activities related to improving healthy outcomes for Arizona's citizens.

#### **Infrastructure Support:**

Through DES' work with the Government Information Technology Agency, the Arizona Department of Administration and the Attorney General's Office, DES collaborates on multiple projects that provide infrastructure support. For example, DES' Human Resources Administration works with the Arizona Department of Administration's Human Resources Division on succession planning, recruitment and retention best practices for state employees.

#### **Workforce Development:**

DES partners with the Department of Education and the Department of Commerce to address multiple issues for developing Arizona's workforce capacity across the state. In addition, DES' Rehabilitation Services Administration works with the Department of Juvenile Corrections staff to help develop vocational rehabilitation services for at-risk youth.

## *Section 3*

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### Supplemental Questions

## Arizona Department of Economic Security Sunset Committee of Reference, Supplemental Questions

In addition to providing information on the list of Sunset factors for the Arizona Department of Economic Security's (DES) Sunset Review, you also asked DES to respond by September 1, 2007 to several questions related to immigration issues. Specifically, these questions relate to the number of illegal immigrants and people without social security numbers served by DES, the types of services, and cost of services provided to such individuals. In addition, you questioned whether or not, based on your review of DES' application on the website, DES policy complies with Proposition 200.

### I. Application

To address the last point first, DES has fully complied with the laws enacted by Proposition 200.

The eligibility requirements and the processes that DES staff use to determine eligibility ensure that only persons who meet the lawful standards receive those benefits. We do ask for information regarding citizenship and immigration status as required and/or permitted by applicable state and federal laws.

The integrated application for Cash Assistance, Food Stamps, AHCCCS Health Insurance (medical assistance) and General Assistance (FA-001) informs applicants that they are required to tell DES about the citizenship and immigration status for all persons for whom benefits are being requested. Specifically, the application states that, "You will be required to tell us about the citizenship and immigration status for:

- You, if you are *applying for* benefits for yourself.
- All persons that you are *applying for* benefits for."

The specific Web site to which your question is directed is this integrated application (FA-001). The language on this application is complicated by the multiple and varied requirements for the different programs, and we agree that it may not have been worded as clearly as it could have been with regards to citizenship requirements. DES reviewed the language on the application and revised it. A copy of the revised language is attached and is now on the DES Web site. In practice, however, the prior wording of the application on the website has not resulted in a failure to comply with any applicable state or federal laws.

DES uses a single, integrated application for the programs referenced above. This is more efficient, allowing the eligibility worker to process information once instead of multiple times, and is, therefore, less costly to the State in terms of time to review and process information. It is also less subject to error because the information is not replicated on numerous documents. Because there is some variance in the eligibility requirements among the programs on this integrated application, it does make the wording of the application instructions more complex.

Your specific question is related to the fact that the integrated application includes Federal Emergency Medical Services (FES), which is an AHCCCS medical benefit. Pursuant to 8 U.S.C. §1611(b)(1)(A), this emergency medical benefit is available to all immigrants regardless

of immigration status. Thus, if an individual wishes to apply for the FES benefit, we are required by federal law to take the application. Federal law prohibits DES, however, from requiring the applicant to provide verification of immigration status in order to qualify for FES.

Additionally, DES policies require eligibility workers to verify and document the identity of an applicant at each interview for Food Stamps, Cash Assistance, AHCCCS, and General Assistance. DES retains a copy of the documentation provided to verify identity. In the programs that have citizenship or alien eligibility requirements, potentially eligible alien applicants must provide their Alien Registration Number issued by the United States Citizenship and Immigration Services. Their immigration status is then verified through the automated Systematic Alien Verification for Entitlements (SAVE) process. Documentary evidence of U.S. citizenship is required for General Assistance and AHCCCS non-FES benefits. Such documentation is also required in the Cash Assistance and Food Stamp programs when there is an inconsistency in the applicant's claim of U.S. citizenship, such as when the applicant is born outside of the United States or its territories, or there is more than one birth place listed. DES retains a copy of the documentation in the case file.

## II. Tracking and Expenditures

You have also asked about the number of undocumented immigrants receiving benefits. State and federal laws prohibit providing benefits to undocumented persons with the exception of certain programs. Under federal law, 8 U.S.C. §§ 1611 and 1621, states may only provide certain assistance to persons who are U.S. citizens, U.S. nationals, or qualified aliens. DES is in compliance with the federal requirements for verification of U.S. citizenship, U.S. national status, or qualified alien status as to federal public benefits.<sup>1</sup> Additionally, in the past year, DES has implemented the new Medicaid documentation requirements regarding citizenship and legal status.<sup>2</sup> DES employees obtain information and documentation regarding citizenship and immigration status as required and/or permitted by state and federal laws.

In programs in which federal law allows for the provision of benefits to undocumented immigrants, such as FES, applicants do not have to provide proof of immigration status. Individuals who qualify for FES include undocumented immigrants and documented immigrants who do not meet the AHCCCS qualified non-citizen criteria.<sup>3</sup> Therefore, the fact that someone

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<sup>1</sup> 8 U.S.C. § 1642; 7 C.F.R. § 273.2(b)(1)(iii), (f)(1), and (f)(2); Department of Justice Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility Under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (62 FR 61344, November 17, 1997).

<sup>2</sup> 42 C.F.R. §§ 435.406-407

<sup>3</sup> Immigrants are classified as either qualified non-citizens or non-qualified non-citizens. In addition to immigrants that are undocumented, a non-qualified non-citizen may be lawfully present in the United States but not meet the federally prescribed qualified non-citizen criteria. Examples include:

- Lawful Permanent Residents whose date of entry is less than five years in the past.
- Applicants who are authorized to work temporarily in the U.S. and have been issued employment authorization documents by the United States Citizenship and Immigration Services (an I-688B Employment Authorization Card or I-766 Employment Authorization Card).
- Border Crossers who have either a Non-Resident Alien Canadian Border Crossing Card (I-185) or a Non-Resident Alien Mexican Border Crossing Card (I-186).

qualifies for FES does not mean that the individual is here illegally. As a result, it is not possible to calculate the amount of benefits provided to undocumented immigrants.

You also asked about persons without social security numbers (SSN) who are receiving benefits. Under the federal Privacy Act of 1974, found at Section 7 of Pub. L. 93-579 (the "Act"), state and local government entities may only require an applicant to provide a SSN when Congress has mandated that it be provided. Agencies that require a SSN are to cite the specific federal law authorizing them to require the SSN and indicate how the SSN will be used.

Government programs that are not mandated to use social security numbers may only ask a person to voluntarily provide a SSN. The program must also explain that the program will not deny services if the SSN is not provided and what uses the program will make of the SSN.<sup>4</sup> If the person voluntarily provides the SSN, the program may only use it for the purposes that were stated.

In many programs, including Food Stamps, Cash Assistance, and AHCCCS, all applicants who will receive benefits are required to provide SSNs. DES does not provide benefits to persons in programs in which SSNs are required if the SSN is not provided. In programs where the SSN is voluntary, DES does not track this information and cannot provide information as to the number of individuals who do not provide a SSN. It should be noted that many persons who are not U.S. citizens may legally obtain a SSN. Therefore, a SSN, by itself, does not provide proof of U.S. citizenship or immigration status.

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<sup>4</sup> 5 U.S.C. §552a in note; Section 7 of the Act.

*Appendix*

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Arizona Department of Economic Security Annual Report: SFY 2005–2006



# Arizona



## Department of Economic Security



## Annual Report



## SFY 2005 - 2006



Governor  
Janet Napolitano

DES Director  
Tracy L. Wareing

## **MISSION**

The Arizona Department of Economic Security promotes the safety, well-being, and self-sufficiency of children, adults, and families.

## **VISION**

Every child, adult and family in the State of Arizona will be safe and economically secure.

## **GUIDING PRINCIPLES**

### **Systems of care must:**

- Be customer- and family-driven
- Be effectively integrated
- Protect the rights of families and individuals
- Allow smooth transitions between programs
- Build community capacity to serve families and individuals
- Emphasize prevention and early intervention
- Respect customers, partners, and fellow employees

### **Services must be:**

- Evaluated for outcomes
- Coordinated across systems
- Personalized to meet the needs of families and individuals
- Accessible, accountable, and comprehensive
- Culturally and linguistically appropriate and respectful
- Strength-based and delivered in the least intrusive manner

### **Leaders must:**

- Value our employees
- Lead by example
- Partner with communities
- Be inclusive in decision making
- Ensure staff are trained and supported to do their job



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 -Phoenix, AZ 85005

Janet Napolitano  
Governor

Tracy L. Wareing  
Director

MAR 27 2007

The Honorable  
Janet Napolitano  
Office of the  
Governor  
1700 West Washington  
Phoenix, Arizona 85007

Dear Governor Napolitano:

The Arizona Department of Economic Security's Annual Report for the period July 1, 2005, through June 30, 2006, is enclosed. This report is submitted pursuant to A.R.S. §41-1960, which requires the Department to make an annual report of Arizona's economic security needs and resources; the use, training, and placement of manpower; and recommendations for the forthcoming fiscal year for the state's development of relevant programs.

During state fiscal year 2006, the Department continued, initiated, and planned a number of projects that will directly assist children, adults, and families to be safe and economically secure. The Cash Assistance caseload continued to decrease during the year, reflecting the Department's success at placing individuals in employment that leads to self-sufficiency. The Department continued to integrate services to focus on prevention and early intervention, launched a Breakthrough Series Collaborative effort that allows local teams to spread successful ideas, and expanded the use of multidisciplinary Family Connections teams.

In addition, the Department implemented a number of automation initiatives and administrative enhancements designed to increase Department efficiency and improve customer service.

This report includes highlights of many of the Department's accomplishments that will help improve outcomes for children and their families throughout the state.

Sincerely,

Tracy Wareing,  
Director

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## DEPARTMENT OVERVIEW

The Department of Economic Security has approximately 10,350 full-time equivalent (FTE) positions and has 234 offices throughout the state, including 183 direct service offices, 15 residential and medical facilities, and 36 administrative and training offices. Six district offices are located in Phoenix, Tucson, Flagstaff, Yuma, Casa Grande, and Bisbee.

For the past two years the Department has focused its attention on the methodologies used to provide necessary services to its clients. The Department has continued to integrate its service delivery as the standard method of how it does business. Service integration builds individuals' and families' capacities to improve their lives by focusing on prevention and early intervention. Through service integration, individuals and families are assessed for their strengths and engaged in developing plans to build on those strengths and reach progressive goals in the areas of safety and self-sufficiency. As is identified below, many of the major initiatives directly support the integration of program services.

## MAJOR INITIATIVES

### **Service Integration**

The Department continues to integrate its service delivery. A new era of collaboration among families, community partners, and the Department now drives the mission of promoting the safety, well-being, and self-sufficiency of children, adults, and families. The Department's objective is to move beyond delivering services and to garner a greater focus on helping families gain the tools they need to effectively and permanently escape the hardships of poverty and overcome barriers such as homelessness and family violence. The adoption of new business models that are holistic, inclusive, and strength-based in their approach will result in overall improved outcomes for families.

Service integration increases the likelihood that families and individuals will benefit when services are delivered in a more cohesive and coordinated manner. Service integration is:

- Flexible, progressive, and outcome-driven;
- Family-focused;
- Locally managed; and
- Collaborative.

Success requires the adoption of a methodology for performance measurement and evaluation. Although the Department monitors indicators of success in all program areas, three areas were selected for primary focus in FY 2006:

- (1) Reducing the Cash Assistance adult caseload by promoting self-sufficiency;
- (2) Safely reducing the number of children in out-of-home care by strengthening families;  
and
- (3) Safely reducing the number of children and adults in group homes, shelters, and institutional care by developing the capacity of families and communities.

Initial strategies being deployed involve the development and refinement of local service delivery models. These models incorporate collaborative efforts with some of the following elements:

- Developing coordinated case plans that encourage engagement in activities that best improve their families' circumstances;
- Accessing a range of activities and strength-based services to meet the families' needs;
- Embracing a work-focused, family-centered approach to case management that is customized to meet individual and/or family needs; and
- Improving services to customers by offering regular and frequent face-to-face contact.

In order to effectively guide and support local ownership, innovation, and implementation of service integration efforts, the following parameters have been defined:

- Activities must comply with federal and state law, rule, and regulation;
- Issues must be resolved at the lowest level of the agency, whenever possible; and
- All activities should move the Department toward its vision that every child, adult, and family in Arizona will be safe and economically secure.

Community partners bring a wealth of knowledge and resources that, when embraced, enhance and expand opportunities for mutual customers. It is critical that these partnerships continue to be developed at a grassroots level to ensure that the true needs of the community are met. These partnerships are exemplified by community network teams and business continuity planning teams, both of which comprise Department personnel and external community partners.

In an effort to build on the prior year's service integration improvements in reducing the Cash Assistance caseload and reducing the number of children in out-of-home care, the Department began a series of service delivery system changes. Components of the new service delivery approach include:

*Family Connections:* The Department initiated Family Connections (TANF/Child Welfare) teams in January 2005. The purpose of Family Connections is to engage families who are receiving TANF Cash Assistance and are at risk of involvement in the child welfare system in comprehensive integrated services with the goal of assisting the families in achieving self-sufficiency, safety, and overall well-being.

The mission of Family Connections is to promote and empower safe, healthy families by connecting them to suitable community resources that will assist them in achieving their highest potential. Services are family-focused, strength-based, voluntary, and coordinated.

During SFY 2006, there were ten Family Connections teams operating in Arizona. The teams continue to be multidisciplinary, composed of a team lead, child welfare specialists, a TANF specialist, Jobs employment staff, case aids, and domestic violence advocates. The Maricopa County teams are sharing a Rehabilitation Services Administration (RSA) staff person that completes individual assessments with family

members and qualifies them for rehabilitation services and/or benefits. Having a RSA staff assigned to a Family Connections team has been so effective and successful that assigning additional RSA staff to Family Connections is being considered.

The four additional Family Connections teams added during SFY 2006 have specific areas of focus based on the identified needs of Maricopa and Pima counties. Two of the teams have a focus of providing kinship care services. The focus is to become involved with a relative or nonrelative placement early in the placement process, complete a needs assessment, and provide services that support the kinship family and the child placed with them. The intent is to prevent disruptions, provide support, and, when applicable, be able to assist in transitioning the child back into the birth family home. The other two teams are focused on working closely with Child Protective Services (CPS) to review and accept cases that are closing with CPS within 30 days but that still have risk issues to be addressed. Family Connections also participates in the CPS team decision making process with the intent of sharing resources, participating with families to access services, or, in some situations, being available to accept an appropriate referral for long-term intervention.

Participation in Family Connections continues to be voluntary. Team members engage families in their homes, work, or wherever the family feels most comfortable, and work with them to develop goals of self-sufficiency, child safety, and well-being. Resources necessary to achieve stability and self-sufficiency are identified and coordinated through a team lead member. Resources include those available through the family, family support networks, the Department, other state agencies, and community- and faith-based organizations. This approach to working with families has been extremely successful and families consistently praise Family Connections team members for providing hands-on services.

The teams still serve only Maricopa and Pima counties. Ongoing target populations are the families that are the hardest to serve and include: kinship care; TANF/child welfare families referred by Department staff; families involved in the child welfare system with open CPS cases that are within 30 days of closure and do not present safety issues; families identified through family and juvenile court child welfare-related mediation; and homeless victims of domestic violence. Family Connections has expanded its referral base to include referrals from homeless shelters where families are residing and need permanent housing along with other services.

During SFY 2006, Family Connections teams took a lead in the integration of services at the Arizona Veterans Memorial Coliseum and Katrina Evacuation Center. These services included housing and furnishings, health and mental health care, employment, public benefits, legal aid, and emergency aid for displaced Hurricane Katrina and Hurricane Rita victims. Specifically, teams targeted some of the most difficult to engage evacuees and facilitated entry into housing and access to benefits and employment. Team members continue to assist many of these individuals and families through involvement in a long-term recovery effort. Family Connections is only one participant of several that includes faith-based and community agency personnel.

Assessments of families served through Family Connections and homeless shelters include an initial screening and use of a self-sufficiency matrix that has been tested for validity and reliability. Areas of assessment include income, housing status, education, health care, substance abuse, mental health, and community involvement. Data is

collected at intake, at three-month intervals, and upon exit. The desired outcome for the teams is the development and implementation of a service integration model that results in families achieving goals of self-sufficiency, safety, and well-being. The Self-Sufficiency Matrix was recently incorporated into a Family Connections mini-data system that has been designed to gather critical data about families served by Family Connections. The data will be reported during 2007.

Families that have come into contact with the Department are often struggling with issues of domestic violence and poverty. In Arizona, there has been consistent data from domestic violence shelters identifying the number of women receiving public benefits when they enter shelters. Those who enter the shelters with no resources are routinely referred to Department offices to apply for public benefits such as Cash Assistance and Food Stamps. In order to stabilize these families and to achieve the goals of increasing stability and self-sufficiency, four Family Connections teams, each consisting of experts in public benefits programs, including employment and TANF, child welfare, mental health, and domestic violence advocacy, work with victims of domestic violence exiting shelters in Maricopa and Pima counties.

In the past year, an emphasis of the project has been to increase disability awareness of Child Protective Services specialists for referrals to Vocational Rehabilitation counselors. Discussions are underway to incorporate the Division of Developmental Disabilities (DDD) as a partner in the project. RSA hired a Service Integration coordinator to work with the Family Connections program. Two RSA Vocational Rehabilitation counselors will be dedicated to serve individuals in the Family Connections units in Maricopa County. The service integration coordinator will also be involved in the coordination activities of the foster care projects with DCYF and DDD.

*Creation of the DES Customer Service Representative (CSR) position:* The CSR provides the first point of contact for families receiving services at designated Department multiservice facilities. The CSR is an integrated position that provides support to all programs within the Department. The CSR works for, and on behalf of, the entire Department by providing a comprehensive triage of individuals at the point of their first contact with the Department. These positions were created to have flexible duties so they can be adapted throughout the state based on the unique differences of each multiservice facility. The goal of the CSR is to improve the customer service the Department provides to families by increasing access to services based on up-front screening, assessment, and referral.

*Creation of the TANF Service Coordinator (TSC) position:* The TSC provides an integrated holistic approach to addressing barriers to self-sufficiency by coordinating the services of multiple programs both in the Department and outside the Department for families receiving TANF Cash Assistance. The TSC interviews applicants and determines eligibility for Cash Assistance, Food Stamps, and Medical Assistance and conducts the initial strength- and needs-based assessment to connect the family to employment and other self-sufficiency related services as early as possible. When appropriate, the TSC diverts eligible families from long-term receipt of Cash Assistance through the Grant Diversion Program.

*Breakthrough Series Collaborative on Service Integration:* This collaborative effort involves the use of a continuous quality and systems improvement methodology known as the Breakthrough Series Collaborative (BSC). Small, rapid tests of change are

developed by local teams that improve outcomes for specified target cases. To keep the tests small, the question is asked, "What can you do by next Tuesday?" that will directly improve outcomes for children, adults, and families in their local communities. What is unique about Arizona's implementation of this methodology is that the Department has invited families and community members to be equal partners at the table.

Activities are grounded in a standard, comprehensive Framework for Change that helps guide team members on principles and values for collaboration and improved outcomes. The Framework provides components for strategies to be tried, studied, adjusted, and, if successful, replicated. The BSC methodology bridges the gap between knowledge and practice. Collaboration allows for greater learning and spreading of successful ideas. Rapid Plan-Do-Study-Act (PDSA) cycles are used and are based on the premise that anyone can have and test ideas. Consensus is not needed, and power and influence within the team is equalized. Change happens at all levels. Local, organically grown strategies and improvements create a more sustainable culture for improved outcomes.

The Collaborative is supported by various methods of communication. Teams communicate through "all collaborative conference calls" and through use of an Extranet site in which each team has a unique page to report their progress and chronicle their activities along with the outcomes of their PDSAs. Ideas are "stolen shamelessly," and successes are spread quickly.

Arizona's BSC involves 20 statewide community teams comprising 18 members: six family partners, six community partners, and six agency partners. Two of the 20 teams focus on tribal interactions. Teams meet approximately biweekly and at times that are conducive to family and community partner participation. Teams are chaired by family and community partners serving in leadership roles. Agency staff are informed that all ideas are to be tested provided they are legal and in keeping with the agency's guiding principles.

The BSC lasts for 12 months and consists of three Learning Summits: an initial Learning Summit, a mid-cycle Learning Summit, and a Celebration Summit at the end of the 12 months. The agency has engaged Arizona State University-West to conduct an assessment and evaluation of the BSC and, most importantly, to document the process and the improved outcomes for families.

#### *Advancing the Goals of Service Integration*

During state fiscal year (SFY) 2006, the Department continued, initiated, and planned a number of improvements that will result in better outcomes for children and families. The most significant projects are outlined below. Many of the improvements advance more than one of the three goals of the Department's integrated service philosophy:

- (1) Promoting economic self-sufficiency;
- (2) Reducing the number of children in out-of-home care; and
- (3) Reducing the number of children and adults in institutional settings.

## Promoting Economic Self-Sufficiency

### **Reducing the Cash Assistance Caseload**

The Department continued to reduce Arizona's Cash Assistance caseload during SFY 2006. In June 2006, there were 40,630 Cash Assistance cases compared with 44,392 cases in June 2005. This represents a caseload decrease of more than eight percent during SFY 2006. The Cash Assistance caseload began decreasing in November 2003 after reaching a high of 55,495 cases in October 2003. The decline in the caseload reflects the Department's success at placing individuals in work that leads to self-sufficiency.

### **Workforce Development One-Stop Partners**

Arizona was recognized by the U.S. Department of Labor, Employment and Training Administration for being a national innovator for compliance with statutory and regulatory requirements to administer job training and employment programs according to standardized performance measures across the One Stop Partner programs. This was mandated to improve customer service, standardize customer data collection, and to ensure accuracy and timelines of performance results necessary when demonstrating program integrity and value. Arizona's partners worked together integrating program personnel as one team in the development of the training curriculum and the presentation of the training to all participating program staff throughout the state. This was the first time that such a comprehensive training had been attempted and successfully executed on such a large scale.

### **Workforce Investment Act Incentive Grant**

In 2006, Arizona was awarded a Workforce Investment Act (WIA) Title V Incentive Grant for exceeding the performance measures in workforce and education programs under the WIA Program Year for 2004. The partner programs that exceeded program goals to earn these incentive funds were: WIA, Adult Education Services (AES), and Career and Technical Education (CTE). The purpose of the grant is to carry out innovative workforce and education programs consistent with the three major programs involved in exceeding the performance measures. The grant funds of \$709,618 were evenly distributed between the three programs (WIA, AES, and CTE), that have implemented a statewide collaborative project called *Enhancing Arizona's Workforce Connections*. This project focuses on activities occurring at the state and local levels to prepare Arizona's job seekers for opportunities in health care disciplines. Activities under this project will continue through June 2008.

### **Unemployment Insurance Adjudication Training**

The U.S. Department of Labor called upon Arizona's Unemployment Insurance Training staff to participate in the development of a National Adjudication online training that could be delivered and accessed over the internet. Upon completion of the development

of the curriculum, a Department of Economic Security trainer continues to perform as the adjunct faculty for the U.S. Department of Labor, taking the lead role in the facilitation of the national training sessions.

### **Motivational Workshops for Cash Assistance Recipients**

Employment Services provided workshops to Cash Assistance recipients to reinforce skills needed to achieve self-sufficiency. Workshop topics include resume preparation, job interviewing skills, and job search techniques. The number of Cash Assistance recipients who attended the motivational workshops in SFY 2006 was 1,261.

### **Navigator Grant**

The Navigator Program secured \$1.6 million in funding through June 30, 2007, and continues to make significant systems change with staff and locations. The Rehabilitation Services "Navigators" continue to actively work in One Stop Career Centers on a statewide basis, opening the door for individuals with disabilities. The Navigators work with Centers for Independent Living and many others throughout communities in Arizona to increase assistive technology and resources for individuals with disabilities to access local resources to become employed.

### **Video Relay Services and Video Remote Interpreting for the Deaf**

The Department successfully completed work on a Video Relay Services (VRS) project. This pilot is successfully operating in five Vocational Rehabilitation offices. VRS permits deaf staff to communicate with consumers, vendors, and other stakeholders using American Sign Language, a much more natural communication mode for them. The Rehabilitation Services Administration is committed to moving communication standards for deaf employees and consumers into the 21st century, and plans to expand this VRS project to all other RSA/VR offices throughout the state.

### **Arizona's Statewide Needs Assessment Project (SNAP)**

The Rehabilitation Services Administration (RSA) contracted with the Northern Arizona University's (NAU), Social Research Laboratory (SRL), through an Interagency Service Agreement to conduct a comprehensive statewide assessment of the service needs of individuals with disabilities. The project is the Statewide Needs Assessment Project (SNAP). The purpose of the survey was to determine the employment-related needs of individuals with disabilities who may require Vocational Rehabilitation services in order to seek or maintain employment.

The SNAP employed Random-Digit Dialing and Computer Assisted Telephone Interviewing technology and software to contact households in Arizona that self-identified individuals with a disability. Surveys were completed on 406 Arizona residents, selected at random, who met the criteria above to be included in the survey. Findings suggest that RSA should outreach to individuals with physical disabilities to

more equitably serve them and, in addition, RSA should outreach to individuals age 50 or older.

Respondents were asked about needs in six major service areas: work tolerance, work skills, mobility, self-care, interpersonal skills, and communication. The two areas with the highest percentage of respondents indicating that they needed help were work tolerance (58 percent) and work skills (57 percent). RSA assessed specific needs within these major categories. These results will enable RSA to structure services and allocate resources to meet the employment-related needs of individuals with disabilities in the state.

The RSA also partnered with the Navajo Nation Vocational Rehabilitation Program using the same methodology, survey, and contractor to randomly survey American Indians living in Northern Arizona. This is one of the first collaborative efforts between the state and a tribal entity working together to satisfy federal requirements related to the federal Vocational Rehabilitation Program.

### **Automated Process for Telephone Assistance**

The Department is working with the City of Phoenix Human Services Department to enroll customers who are categorically eligible for the Qwest Lifeline Telephone Assistance Program through an automated process. The Qwest Lifeline Program provides eligible low-income households with an \$8.10 discount on their telephone bill every month. Households who are determined eligible for the Low Income Home Energy Assistance Program (LIHEAP) at the City of Phoenix Family Service Centers are automatically enrolled in the Lifeline Program with no additional actions required by the client. The funds to provide the discount are derived from Universal Service Charge funds obtained from the federal government. This brings additional funding to the state to further support services available to low-income households.

### **Homeless Evaluation Project**

The Department collaborated with the Arizona Department of Housing, and all three Homeless Continua of Care, to participate in the Arizona Homeless Evaluation Project. The project has four goals:

- Support activities that make a real difference in lives of homeless people;
- Evaluate the effectiveness of homeless projects;
- Implement method of understanding, what works and what doesn't; and
- Identify best practices.

The Arizona Homeless Evaluation project involves self-sufficiency matrix data, Homeless Management Information System (HMIS) data, and a statistical analysis of data. The self-sufficiency matrix is a case management tool used to collect data upon entry and exit of a program. It measures client stability and self-sufficiency by using a five-point scale for each of 17 domains, including income, employment, housing, childcare, and education. The HMIS collects primarily demographic information and length of stay in a given program. The Department funds the data analysis. Equations

are used to determine the predictors of change in client independence, dysfunction, level of difficulty of clients served, and total self-sufficiency for any participating agency.

The information is used to create profiles to identify agency strengths, opportunities for agency improvement, and objective feedback as to how agencies might become more effective with their homeless clients. The first analysis was completed for data collected from October 2005 to June 2006.

### Reducing the Number of Children in Out-of-Home Care

#### **Strengthening Families: A Blueprint for Realigning Arizona's Child Welfare System**

In September 2005, the Division of Children, Youth and Families published *Strengthening Families: A Blueprint for Realigning Arizona's Child Welfare System*. The *Blueprint* was created as a more detailed, second step to the strategies outlined in the 2003 report from the Governor's Commission on Child Protective Services Reform. The *Blueprint* outlines key strategies to achieve the goals of:

- Enhancing parents' ability to create safe, stable, and nurturing home environments;
- Strengthening families so children can remain safely in their homes;
- Finding more permanent homes more quickly for children entering foster care; and
- Placing children in foster care in the least restrictive, most family-like setting possible.

In the past state fiscal year, significant progress has been made in decreasing the number of children who came into the state's care because of abuse and neglect, and reducing the number of children, particularly young children, placed in group homes and shelters. The number of children placed in:

- Shelters and group homes decreased by almost 16 percent;
- Group homes, ages six years old or younger, decreased by almost 62 percent;
- Shelters, ages three years old or younger, decreased by 55 percent;
- Kinship foster care increased from 30 to 33 percent of the foster care population; and
- Family-like settings increased 5.5 percent.

*Blueprint* strategies continued to be implemented throughout the state to improve outcomes for children and their families.

#### **Foster and Adoptive Home Recruitment, Study, and Supervision**

In SFY 2006, the Division of Children, Youth, and Families planned for building system capacity to place children in family-like settings as the first placement option. Children placed in out-of-home care should continue to live, to the greatest extent possible, in their own neighborhoods with their siblings. Family based care is the most appropriate and healthy setting for children who cannot remain safely at home. Resource families,

including kinship caregivers, foster and adoptive parents, and non-related families with whom a child has a significant relationship, provide this type of family care.

In October 2006, DCYF awarded new foster and adoptive home recruitment, study, and supervision contracts statewide. The new service employs Family to Family, and Family Group Decision Making approaches for child-specific recruitment, and targeted recruitment efforts based on local community needs. A major focus of this new service is the recruitment of families willing and able to care for sibling groups and the recruitment expectation that families will accept children into their care 24 hours a day, seven days a week.

Resource parents are expected to serve as the child's primary caregiver and be available to provide direct services that include: transporting the child to appointments and visitation, sharing in parenting with the birth family when appropriate, attending team decision making and other case plan staffing meetings, and participating in Foster Care Review Board and court hearings. The resource family, with the support of the contractor, must assist in the transition of children to a permanent placement, develop and maintain life books, and connect to birth parents, siblings, kin, and other significant adults in the child's life, as appropriate.

### **Comprehensive In-Home Services**

In January 2006, the Division of Children, Youth, and Families implemented a comprehensive integrated services model for flexible in-home services through collaborative partnerships among Child Protective Services, community social service agencies, family support programs, and other organizations. Services are accessible, family-centered, and culturally responsive. This new model enhances the array of in-home services available for families by efficiently coordinating services between community partners, while ensuring that the appropriate intensity of services is provided. In addition to providing families with better wraparound services, this new service requires that the providers access Title XIX benefits for Medicaid eligible families, when appropriate.

DCYF also continued to implement specialized in-home services case management units and placed in-home case management specialists in other ongoing case management units in rural areas throughout the state. These in-home case management specialists support the delivery of the integrated services model and other in-home support services.

### **Responding to Arizona's Methamphetamine Crisis**

In response to the growth of methamphetamine-involved families served by CPS in Arizona, the Division of Children, Youth, and Families convened a panel of experts in September 2005, from substance abuse treatment organizations, behavioral health agencies, universities, and others to improve the system's response to families impacted by methamphetamine, in order to ensure child safety and improve well being. This collaboration resulted in improvements to the CPS Specialist training curriculum and the development of tools to help case managers better identify substance-related issues and engage families in training and support services. Training provided by experts in the field was held statewide for more than 1,000 CPS staff and other stakeholders. This

training increased awareness of the impact of methamphetamine use and increased participants' skills in engaging and providing services to families.

### **Enhancing the Knowledge and Skills of Resource Families**

The Division of Children, Youth, and Families continued, through the training of service providers, to provide quality training to both prospective and current resource families through the consistent use of the Partnering for Safety and Permanency Model Approach to Partnerships in Parenting (PS-MAPP) training curriculum. PS-MAPP is designed to provide resource families with much of the knowledge and skills necessary to meet the needs of children placed in their homes, and to provide a focus on maintaining contacts between a child's birth parents and resource parents. Within the past year, a core group of approximately 300 certified leaders was established through these efforts. In addition to the full PS-MAPP curriculum, a Mini-PS-MAPP curriculum was implemented for current foster parents, case managers, the courts, and child welfare professionals from other agencies and divisions. Mini-PS-MAPP training has been provided to approximately 600 child welfare professionals and current foster parents.

### **Family to Family**

The Division of Children, Youth, and Families continued to implement Family to Family strategies throughout Maricopa County. A key Family to Family strategy, Team Decision Making (TDM), was implemented for all anticipated or initial removals of children from their homes. By April 30, 2006, 1,670 children had been the subject of a TDM meeting. Of these, 55 percent (922 children) remained with their family, and dependency petitions were filed in regard to 31 percent, 519, of these children.

At a national leadership conference in May 2006, the Annie E. Casey Foundation announced that Arizona was selected as a regional anchor site for the group's Family to Family initiative. The Casey Foundation selected 15 sites in 10 states nationwide to be anchor sites. DCYF remains fully committed to rolling out Family to Family statewide. While Arizona is focusing attention on development of Family to Family in Maricopa County, other districts are gaining an understanding of the Family to Family approach and are developing systems to support future roll out, such as capacity for self-evaluation and designation of district recruitment liaisons.

### **Grandparent Kinship Care Support**

In SFY 2006, the Division of Aging and Adult Services (DAAS) planned for a Grandparent Kinship Care Support program and received an appropriation of \$1,000,000 for distribution to the Area Agencies on Aging for the program. Kinship care is the provision of full-time nurturing and protection of children by adults other than parents who have a family relationship bond with the children. Most of the time, this nurturing and protection is provided by grandparents when birth families are separated by circumstances such as substance abuse, incarceration, death, mental and physical illness, AIDS, or child abuse and neglect. Grandparents responsible for raising a grandchild or grandchildren in their home may receive the following transitional supports:

- One-time transitional assistance not to exceed \$300 per child to help cover the cost of additional beds and furniture and other necessary expenses related to transitioning the child into the home.
- Clothing and personal allowance of \$75 per month per child (examples: toiletries, food, school supplies).

Although income is not a disqualifying factor, priority is given to grandparents with legal guardianship who are caring for their grandchild or grandchildren and have the greatest social and economic need and/or those residing in a rural or geographically isolated area.

This new service is delivered as an additional component to the Family Caregiver Program, thus placing direct administration of the service in the hands of the Area Agencies on Aging. The Area Agencies on Aging were mandated to secure multiple partners within their service areas to provide outreach and referral related to the new service and DAAS provided a list of partners that could provide referrals and ancillary services such as legal assistance for grandparents to pursue guardianship of the grandchildren for which they have become responsible. New referral partners will be critical for the Area Agencies on Aging because almost 75 percent of grandparents raising grandchildren are under the age of 60, which is not their typical client population.

### **Arizona Early Intervention Program**

The Arizona Early Intervention Program (AzEIP) implemented a monitoring and quality improvement system to improve experiences and outcomes for families using a comprehensive, coordinated, interagency monitoring system that takes a multi-faceted approach to improving both compliance and program performance through direct linkages between monitoring and technical assistance systems. AzEIP is working in partnership with families, providers, and other state agencies to define and implement an interagency infrastructure and program practices, that improve family outcomes. AzEIP established an Interagency Agreement, which clarifies the roles and responsibilities for general supervision and aspects of program implementation of the AzEIP participating agencies. As part of an effort to contribute to the expansion of early intervention professional resources for children and their families, AzEIP established a "Recruitment Procedure" to disseminate and share early intervention job postings and related items of interest, in an effort to support and expand the early intervention community.

### **Educational and Training Vouchers for Youth**

Laws 2006, Chapter 338, amended A.R.S. § 8-521, to establish an educational case management unit consisting of two case managers to develop and coordinate educational case management plans for youth in the Independent Living Program. The legislation further specified that the purpose of the educational case management unit is to help youth graduate from high school; pass the Arizona Instrument to Measure Standards (AIMS) test, apply for postsecondary financial assistance, and apply for post-secondary education.

The Educational Training Voucher (ETV) portion of the Educational Case Management Unit serves current wards of the juvenile court in foster care or young adults who have

not attained age 21, but have previously been in state or tribal foster care at age 16 or older. Federal guidelines specify if a youth is making satisfactory progress in their education when the youth attains age 21, he or she may continue to apply for program funds up until their 23rd birthday.

During calendar year 2006 (September 21, 2006 through December 31, 2006), the Educational Case Management Unit provided Education and Training Vouchers to 63 youth statewide.

Although many current and former foster youth are experiencing great success in their lives, according to recent publications, youth aging out of foster care are more likely than their peers of the same age to commit a crime, experience poverty, or become homeless. The Educational Case Management Unit can play an essential role in reversing this trend for youth in Arizona. With a proactive service approach for youth in early adolescence, the bar will be raised for opportunities in both academic and vocational achievement.

### Reducing the Number of Children and Adults in Institutional Settings

#### **Arizona Planning Grant Project**

The Arizona Planning Grant Project allows the Division of Aging and Adult Services and the Area Agencies on Aging to move toward a coordinated, systematic, and consistent planning process to ensure that the plans developed for the compliance of Older Americans Act (OAA) requirements also reflect the comprehensive planning efforts of state units on aging and Area Agencies on Aging. The Arizona Planning Grant Project is a three-year grant which began in October 2005. The grant award is for \$40,000, with state matching funds of \$13,334, for a total of \$53,334. Funding is provided through the U.S. Department of Health and Human Services, Administration on Aging.

The Division of Aging and Adult Services, in collaboration with the Area Agencies on Aging, will build on the strengths of its existing planning process to achieve the following goal and objectives:

- Goal – Design a coordinated, systematic, and consistent planning process for state and Area Plans on Aging. The design will include the following elements: inclusion of performance outcome measures in planning processes; incorporation of the Administration on Aging Strategic Action Plan goals into planning processes; coordination of state and Area Agency on Aging planning activities; incorporation of program development initiatives within the planning process; and incorporation of internet technology systems management into the planning process.
- Objective 1 – Improve consistency and coordination in the planning process, ensuring that plans developed for the compliance of Older Americans Act requirements are also reflective of the comprehensive planning efforts of the state and Area Agencies on Aging.

- Objective 2 – Use the designed state and Area Plans as strategic documents to strengthen organizational capacity of service systems to meet current and future service needs.

Expected outcomes include: improved coordination in the planning process for state and area plans; improved consistency in the planning process for state and area plans; enhanced collective strength of collaborative partners to effectively plan for the future; empowerment of the management team to attain heightened performance; positive impact on decision making; positive responses to meetings, technical assistance and materials provided; high level of state and Area Agency knowledge of the planning process, and effective integration with program development initiatives. The product to be developed will include a report to replicate the planning process.

### **Fiscal Intermediary**

The Division of Developmental Disabilities administers the largest fiscal intermediary program for individuals with disabilities in the country. The program provides an avenue for consumers to hire their choice of independent providers for home and community-based services. The role of the fiscal intermediary is to assist consumers and families in managing authorizations of services and payments to caregivers that provide home-based services. The fiscal intermediary program supports nearly 3,000 consumers and over 3,000 independent providers.

### **Grant Awards from the Centers for Medicare and Medicaid Services**

The Division of Developmental Disabilities was awarded a Real Choice System Change Grant for Community Living, Community Integrated Personal Assistance Services and Supports in SFY 2004. Although the grant ended in 2006, the grant funded the development of, and sustains three Human Service Cooperatives that provide services to approximately 50 consumers. Owned by individuals and families, the cooperatives continue to provide an alternative to traditional service delivery by increasing consumer control and choice.

The Division of Developmental Disabilities was awarded a three-year Real Choice Systems Change Grant in SFY 2004 for the Consumer Driven Quality Improvement System Project, named "EAzi" (Empowering Arizona's Individuals with Developmental Disabilities). This grant was awarded to improve the division's home-based services by developing a new way to gather information about the quality of services. The project trains individuals with disabilities and families to interview other individuals and families about the quality of services they receive in their homes. Information received through consumer-to-consumer interviews provides the division with recommendations to better understand and improve its service delivery system.

## Improved Infrastructure

### **Child Care Quality Set Aside Activities**

The federal Child Care and Development Fund (CCDF) helps families receiving public assistance, families transitioning from public assistance or who are low income, by paying a portion of their child care costs, allowing parents or caretakers to engage in employment or employment-related activities. It also assists those who need child care as a result of special circumstances, such as CPS involvement. As the lead agency to administer the CCDF in Arizona, the Department uses specifically designated CCDF funds to improve the quality, availability, and affordability of child care.

In order to meet federal requirements, the State Legislature appropriates funding to allow the Department to support activities that are designed to improve the quality, availability, and affordability of child care. The Department uses these funds to contract with community-based organizations. The services delivered through these contracts improve child care in Arizona, and they are also important components of making Governor Napolitano's School Readiness Action Plan, which supports the learning and development of Arizona's youngest children, a reality.

The following activities, primarily delivered through community-based organizations, are designed to improve the quality of child care:

*Provider Quality Incentive Payments:* The Enhanced Rate for Accredited Program allows eligible low-income families to enroll their children in programs providing higher quality of care by paying accredited providers ten percent over their contracted rate. As of June 30, 2006, 4.5 percent (138) of licensed center and certified family child care providers who are contracted with the Department are accredited and eligible for the enhanced rates. This represents an increase of 21 percent from the previous fiscal year. The total is comprised of 106 licensed centers and 32 certified family child care providers. Approximately 2,601 eligible children per month benefit from receiving care in accredited programs, a 13 percent increase from last fiscal year when there were 2,299 eligible children per month in accredited programs.

*Child Care Resource and Referral System:* As required by A.R.S. § 41-1967, community-based contractors provide services to families who need assistance locating child care. The Child Care Resource and Referral System provides training and technical assistance to child care providers and matches parents seeking child care to all forms of state-approved child care. In SFY 2006, there were 20,365 calls for assistance in searching for child care providers, an increase of ten percent over SFY 2005. In addition, an estimated 33,000 users received internet referrals using the CCR&R Web site at [www.azchildcare.org](http://www.azchildcare.org) in SFY 2006.

*Child Care Provider Registry for Unregulated Providers:* A.R.S. § 41-1967.01 requires the Department's contracted Child Care Resource and Referral (CCR&R) system to list unregulated child care providers only if they meet certain minimal standards, such as Child Protective Service and criminal history background checks. As of June 30, 2006, 607 providers met the standards and were listed on the CCR&R Registry.

*Program Improvement Project:* The Arizona Self-Study Project (ASSP) provides technical assistance and resources to assist child care providers to improve the child care program they offer to children and families and to pursue national accreditation. There are 150 child care providers enrolled in the project on an annual basis. Twenty-one programs were accredited in SFY 2006.

*Opportunities for Child Care Provider Training:* Available training includes specialized topics such as infant/toddler care, and inclusion of children with special needs as well as more general coursework. Some classes are available for college credit. In SFY 2006, over 24,708 individuals participated in training courses. The number of participants benefiting from trainings increased from 22,581 in SFY 2005 due to an increased level of trainings being offered by the agencies that are contracted to provide the service as well as increased marketing efforts relating to the availability of trainings. In addition to the trainings, contracted agencies provided additional specific technical assistance to 869 child care providers who requested targeted assistance to address specific needs of their programs.

*Professional Development Registry:* The Statewide Child Care and Early Education Development System (S\*CCEEDS) documents and tracks the education and work experience of child care practitioners using a career ladder system. As of June 30, 2006, 4,734 practitioners were registered, an increase of three percent over June 30, 2005; 638 trainers were registered, an increase of two percent from June 30, 2005; and, 1,960 trainings were registered, an increase of 48 percent from the previous year.

During SFY 2006, the Department initiated and maintained the following projects to assist communities in addressing the need for an adequate supply of quality child care through community-based contracts:

*Entry Level Training:* The Child Care Professional Training project provided a 60-hour employment preparation training to individuals interested in the field of child care. In SFY 2006, child care programs benefited from 462 individuals participating in this basic training course, an increase of 27 percent from SFY 2005.

*Recruiting Providers:* Home recruitment services recruit and provide orientation and training to individuals interested in becoming Department-certified family child care providers. As a result of increased recruitment efforts, 342 new certified child care homes became available in SFY 2006. Family child care is often the only option in certain areas of the state and is also the primary option when care is needed for atypical schedules (e.g. weekends and night time).

*Assisting Jobs Families in Finding Care:* Federal TANF requirements prohibit the state from sanctioning a parent if the parent is unable to engage in work program activities due to the inability to obtain child care. The Department assists families who are having difficulty in finding care. In SFY 2006, of the 15,310 referrals received for child care services for Jobs Program participants, there were only eight instances when child care was determined to be unavailable (a 99.95 percent success rate). In SFY 2005, there were 15,943 referrals and 11 instances when child care was unavailable (a 99.93 percent success rate).

## **Health-e-Arizona/AzSECURE/TIPS**

The Department's Family Assistance Administration, in collaboration with the Arizona Health Care Cost Containment System (AHCCCS) and El Rio Federally Qualified Health Centers (FQHC's), developed Health-e-Arizona (H-e-A), a Web-based enrollment application for Medical Assistance, Food Stamps, and Cash Assistance. This online application was implemented in 2004 with Medical Assistance, and enhanced in 2006 to integrate the Food Stamp and Cash Assistance applications.

This Internet-based application process is available at 65 health centers throughout Arizona, two hospitals in Pima County, and six community-based organizations participating in the Arizona Serving Eligible Customers and Utilizing Resources Efficiently (AzSECURE) Program. In addition, an electronic interface between H-e-A and the Department's AZTECS eligibility system was implemented in 2006 to eliminate duplicate data entry processes.

The number of applications submitted through H-e-A from the implementation date of July 2004 through October 2006 totaled 66,987. The primary cost savings are for the applicant. The new H-e-A system has made the application process easier for the public and has proven to be more efficient, as more reliable information is collected for eligibility determination. This has resulted in a significantly higher application approval rate than using paper. As more Department programs are integrated into the H-e-A process as the IT systems interfaces are expanded, and as the system rolls out to more user organizations, the Department will begin to realize more significant levels of cost avoidance through the reduction of manual worker effort and reduced paper management.

## **Document Management Systems**

The Division of Benefits and Medical Eligibility, Family Assistance Administration, piloted a Document Management System (DMS) in 2005 and fully implemented DMS in eastern Maricopa County in 2006. DMS allows the imaging and storage of case information on electronic media to be easily accessed and viewed by many workers simultaneously. This has eliminated duplication of manual effort, data redundancy, and administrative overhead costs associated with the collection, reproduction, review, processing, filing, retrieval, and archiving of hard copy case file documentation.

To date, over eight million pages of case files across nine FAA local offices have been imaged and are available for immediate viewing by appropriate staff. The Department has requested funding in fiscal year 2008 to roll out the system to additional Maricopa County offices and the remainder of the state.

## **Family Assistance Administration Communication Center**

Over a period of six months, the Family Assistance Administration developed and implemented the Maricopa County Centralized Communication Center and an associated Interactive Voice Response (IVR) System, which became operational in September 2006. Staff dedicated to processing changes were relocated to the Centralized Communication Center from offices throughout Maricopa County and

specialize in processing changes through telephone calls with clients and third party validation sources.

The telephone system has interactive voice response capabilities. This capability will allow clients to access case information using voice activation of specific data, 24 hours per day, seven days per week, 365 days per year, and/or speak with agents (Monday through Friday from 7a.m. to 5p.m., excluding holidays) if they choose while using the IVR system. The FAA Customer Service was also relocated to this center to respond to client inquiries and requests for case information that is not provided by the IVR.

### **Arizona's 2-1-1 Online**

The Department played a crucial role in the development and implementation of the Basic Services component within Phase I of the Arizona 211 Online Project. Through coordination with the Government Information Technology Agency (GITA) and AHCCCS, the Basic Services module allows the citizens of Arizona to obtain considerable information about human services offered in Arizona and service providers in their local communities that can provide them with immediate assistance.

### **Online Debtor Payment System**

The Division of Business and Finance, Office of Accounts Receivable and Collections (OARC), in partnership with Arizona@YourService IBM staff, implemented the Department's Online Debtor Payment System. OARC now accepts payments on the internet at <http://az.gov/webapp/desops/>. Individuals with Department debts in OARC can view their monthly statement of account, make payments, and print a receipt at this web site. The minimum payment accepted is \$10 and any of four major credit cards or a VISA debit card can be used to make a payment. There is no charge to the individual for using this payment method, and it is secure and easy to use. The feedback from the online survey has been 100 percent "very satisfied."

### **Payment Processing Tech Offices**

The Rehabilitation Services Administration initiated a philosophical change in the way business is done in the Vocational Rehabilitation (VR) offices. The surcharging and payment responsibilities have been shifted from VR Counselors to other para-professionals in order to provide more time for interaction between counselors and individuals needing services. The Tech Office approach created a division of labor that has improved the timely delivery of service, accuracy of recording and reporting of management information, efficient management of fiscal resources, and relationships with vendors.

All RSA offices statewide have been converted to Payment Purchasing Tech (PPT) offices in order to increase RSA's accountability in the payments and purchasing areas. In offices with a single PPT, a pilot is being conducted utilizing document imaging to scan authorizations and invoices in order to increase office efficiency and eliminate any need for travel or faxing of invoices to another office for payment.

## **RSA Videoconference System**

The Rehabilitation Services Administration (RSA) upgraded their videoconferencing network, adding the capability to connect to more outside networks. The videoconferencing network is used for statewide meetings, trainings, and university classes for staff. This results in significant savings in time away from the office, as well as cost savings on per diem and travel. Videoconferencing permits many consumers and stakeholders an opportunity to participate in the Governor's councils' meetings and enables local community perspectives to be more easily brought into the discussion.

## **Improved Information Security**

The Department, both as part of a continuing effort to improve information security and in response to the findings of a Performance Audit conducted by the Office of the Arizona Auditor General, implemented a number of initiatives during SFY 2006. These initiatives were designed to:

- Improve controls over data security;
- Improve protection for information in local area networks and computers, particularly against spyware and other malware;
- Improve management of computer program changes; and
- Achieve significant additional progress in disaster recovery planning.

The initiatives addressed each of the 31 specific recommendations in the audit report, of which 27 were implemented completely in SFY 2006. Actions to implement the remaining four are currently in process. The initiatives included actions to strengthen security procedures and related training; to implement new security tools to automate and centrally manage distribution and monitoring of software security patches and anti-virus updates; and to improve and standardize procedures for development and automated testing of computer program changes. Additionally, the Department made significant progress towards implementing background checks for employees in information technology positions and is on schedule to have this program fully implemented in SFY 2007. The Department has also established and implemented processes to ensure that disaster recovery planning is thoroughly updated on a regular basis.

In addition, the Department acquired and installed new information technology equipment that will result in increased staff productivity; implemented solutions to improve information technology services, minimize information technology equipment reliability problems, and reduce or avoid costs; developed over 30 new, and more than 1,100 enhancements to existing automated systems, to better meet the operating needs of the Department; and implemented organization and staffing actions to provide for improved internal and external customer service. Among the equipment acquisitions are a new Z9 IBM mainframe with greatly expanded processing capabilities and improved response times, new Direct Access Storage Devices (DASD), and a new backup system, both of which provide improved processing and disaster recovery capabilities at a lower cost.

## Emergency Preparedness

The Department and other state and federal agencies participated in emergency simulation exercises to prepare for a potential disaster involving the Palo Verde Nuclear Plant. The Federal Emergency Management Agency (FEMA) recognized the Department for its preparation and participation in the exercises.

In conjunction with Arizona's emergency preparedness initiatives, the Department maintains an agency Business Continuity Plan (BCP) to address what the Department will do in the event of a natural, man-made, or technological emergency incident. The Department's BCP contains direction and strategies to protect Department employees and clients in the event of an emergency incident capable of causing significant injuries to staff or customers, or disruptions to normal operations. The Department's BCP includes provisions for potential evacuations, as well as shelter in-place procedures.

Business continuity planning defines three tiers of agency business functions: critical functions (life safety), essential functions (services to the public not deemed critical functions), and administrative functions (internal management and administration). Critical business functions are: Child Protective Services, Adult Protective Services, and services for individuals with developmental disabilities. These critical business functions will be made operational as soon as possible following an emergency incident. The remaining Department programs and services to our external customers (such as child support enforcement, Cash Assistance and Food Stamps, employment services, child care, etc.) are deemed essential business functions, and will be operational as soon as possible following the restoration of the three critical functions. Other Department functions such as personnel, financial services, and other administrative activities necessary to Department operations are termed administrative business functions. These will be operational as soon as possible following restoration of the critical and essential functions.

## ORGANIZATION, MANPOWER AND TRAINING

The Department provides protective, social, and community services; employment and economic assistance; and operations through the following organizational structure:

*The Division of Children, Youth and Families (DCYF).* DCYF provides the following services: child protective, in-home family, intensive in-home family, kinship care, foster care, independent living, adoption, adoption subsidy, subsidized guardianship, and an array of early intervention, prevention, and other services to support children and families.

*The Division of Child Support Enforcement (DCSE).* DCSE administers Arizona's child support enforcement program. The division provides services that include locating absent parents, establishing legal paternity for children born out of wedlock, and establishing legal obligations to pay child support. The division enforces and collects child support through a variety of administrative and judicial remedies and is responsible for the State Disbursement Unit, which processes and distributes child support payments.

*The Division of Benefits and Medical Eligibility (DBME).* DBME administers the Temporary Assistance for Needy Families (TANF) Cash Assistance, Food Stamps, and state-funded General Assistance programs. In addition, the division determines eligibility for the state's medical assistance program by the Arizona Health Care Cost Containment System (AHCCCS) as well as Supplemental Security Income through its Disability Determination Services Administration.

*The Division of Employment and Rehabilitation Services (DERS).* DERS administers Arizona's Unemployment Insurance, Job Service, and Vocational and Independent Living Rehabilitation programs; provides an array of specialized services to individuals who have physical or mental disabilities that constitute barriers to employment or independent living; and provides job-training opportunities through administration of the Workforce Investment Act (WIA), Jobs, and Child Care Assistance programs.

*The Division of Developmental Disabilities (DDD).* DDD provides services to individuals with developmental disabilities through a 100 percent state-funded program and the Arizona Long Term Care System (ALTCS), which is funded by the Centers for Medicare and Medicaid Services through AHCCCS. Both programs provide home- and community-based services, residential and day programs, children's services, and services to children in foster care. In addition, the ALTCS program provides acute medical care to eligible individuals.

*The Division of Aging and Adult Services (DAAS)*<sup>1</sup>. DAAS and the Office of Community Services provide and contract for services such as emergency and emergency-related assistance, food distribution information for the hungry, rural food banks, shelter and supportive services to victims of domestic violence, refugee resettlement services, and shelter for the homeless. Adult services programs include Adult Protective Services, the supplemental payments program, home care, congregate and home-delivered meals, case management, long-term care ombudsman program, the State Health Insurance Assistance program, legal assistance, the Senior Community Service Employment program (Title V), the Foster Grandparent program, and the Family Caregiver Support program. The division also oversees Family Connections, a new initiative with multidisciplinary teams that engage families receiving Cash Assistance and at risk of involvement in the child welfare systems in comprehensive integrated services with the goal of assisting the families in achieving self-sufficiency, safety, and overall well-being.

*The Division of Employee Services and Support (DESS).* DESS provides support services to all employees and programs. The division comprises appellate services, internal audit, special investigations, licensing, risk management, economic research, and volunteer services.

*The Division of Business and Finance (DBF).* DBF provides office and general business services to the Department, including accounting, collections, procurement, facilities management, purchasing, payroll, printing, records retention, supplies distribution, and mail management. The division is also responsible for the implementation of the federally mandated Health Insurance Portability and Accountability Act (HIPAA). DBF

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<sup>1</sup> In FY 2006, the Division of Aging and Community Services was renamed to the Division of Aging and Adult Services. Beginning in FY 2007, the Office of Community Services has become the Office of Community Partnerships and Innovative Practices (CPIP).

also provides development and coordination of Department policy, strategic planning, and administrative rules.

*The Division of Technology Services (DTS).* DTS provides technical and systems services for the development, maintenance, and enhancement of the Department's information technology infrastructure in compliance with the Government Information Technology Agency (GITA) and Department information technology standards.

*The Arizona Early Intervention Program (AzEIP).* AzEIP was established by Executive Order 89-11 and A.R.S. § 8-652, which designated the Department as the lead agency responsible for the administration and supervision of the comprehensive interagency system of early intervention services. AzEIP is governed by the Individuals with Disabilities Education Act (IDEA), Part C (P. L. 105-97).

*The Office of Organization and Management Development (OMD).* OMD delivers training and provides development of organizational capability. OMD comprises three service units: training delivery, organizational development, and curriculum and standards.

*The Human Resources Administration (HRA).* HRA is responsible for the daily administration of all personnel related work activities. The four major areas in HRA include staffing, employee relations, operations, and administration.

*The Financial Services Administration (FSA).* FSA provides business services that facilitate and support the Department's administrative and program divisions. These services include: funding and financial management, budget services, financial systems management and analysis, coordination of federal reporting and funding issues, liaison with the Joint Legislative Budget Committee and the Office of Strategic Planning and Budget, and contact point for the Cash Management Improvement Act State Treasury Agreement.



## *Training*

Department staff training is conducted in two ways. First, program-specific training is conducted by each program using classroom, computer-based training, and on-the-job training mediums. Corporate training is conducted by the Department's Office of Organization and Management Development in coordination with the Arizona Government University.

In partnership with the Arizona State University School of Social Work, the Division of Children, Youth and Families continues to enhance training opportunities for new and experienced staff to improve outcomes for children and families involved in the Department's programs through the Child Welfare Training Institute (CWTI). CWTI staff have worked collaboratively with staff of the Arizona State University School of Social Work to develop competencies based training curriculum, and to provide ongoing evaluation of courses to assure our curriculum is meeting the needs of our workers. With the assistance of Arizona State University staff the Department is developing web-based learning tools to further improve access to appropriate learning opportunities in cost effective and efficient environments. Staff have continued to work with Arizona State University on the development of a child welfare specialization within the School of Social Work.

## **Children and Family Services Training Program Fund**

### *Training Program Description*

The Division of Children, Youth, and Families' Child Welfare Training Institute (CWTI) offers a comprehensive child welfare training program in support of the state's commitment to providing quality services to Arizona's children and families. Staff development and training opportunities are provided in a variety of ways. A comprehensive Case Manager Core training is provided to newly hired Child Protective Service Specialists. The CWTI also provides Supervisor Core training, Parent Aide Core training, in-service and out-service workshops, specialized trainings, and advanced trainings. The CWTI participates with the districts in rolling out new initiatives, such as the In-Home Interventions trainings provided in early 2006. In order to better support new staff in the field, the CWTI provides regular refresher trainings in the CHILDS computerized case management system, and also in utilization of the *Child Safety Assessment* and the *Strengths and Risk Assessment Tool*. The division encourages staff to attend community workshops and provides opportunities for the pursuit of Bachelor and Master Degrees to further improve the quality and professionalism of services.

Various audiences benefit from the Department's staff development and training program. Newly hired case managers, existing support and professional-level staff, supervisors, and managers all benefit from advanced and specialized trainings. Short-term training for current and prospective foster and adoptive parents and for staff of licensed group homes and shelters is also provided to prepare caregivers to provide support and assistance to foster and adopted children. Case Manager Core training is also shared with our community partners such as Value Options and case managers

from the Navajo and Hopi tribes. The CWTI also provides training in CHILDS for staff from designated provider agencies that have access to this system.

#### *Initial In-Service Case Manager Core Training*

Case Manager Core training (initial in-service training) provides a combination of classroom instruction and field practice experience. Case Manager Core training for newly hired investigative and ongoing services CPS Specialists provides learning activities for functions essential to performing job duties. Case Manager Core includes extensive content on agency policies and procedures, the use and benefits of the child welfare statewide information system (CHILDS), and child welfare best practice. The learning activities span approximately twenty-two weeks and include a comprehensive combination of classroom instruction and field experience. The curriculum is delivered using many different media, including lecture, discussion, practical activities, video/slides, Power Point presentations, role modeling, mentoring, and other resource materials.

The first component of Case Manager Core requires the trainees to attend six weeks of classroom training. The initial two weeks of the training focuses on foundational child welfare topics. The remainder of the training uses a pragmatic approach to learning by sequentially following and assessing a current Arizona case. Topics covered throughout the six weeks of classroom training include trauma/self-care, cultural diversity, the effects of child abuse and neglect on child development, centralized hotline (initial receiving and screening of child abuse reports), indicators of child abuse, sexual abuse, family dynamics, interviewing, child safety assessment, strengths and risk assessment, statewide automated child welfare system, legal, behavioral health, child placement, case plans and staffing, substance abuse, and domestic violence. A focus on family-centered practice is woven throughout all topic areas.

During the six-week Core training, trainees are given hands-on experience in assessing child safety, developing safety plans, holding case staffing, interviewing clients, and testifying. Staff from the Comprehensive Medical and Dental Program (CMDP), Arizona's medical and dental program for foster children, provide training on how to more effectively obtain physical and mental health services for children in out-of-home placement. The curriculum is delivered using many different mediums including, but not limited to, lectures, discussions, practical activities, videos/slides, Power Point presentations, role modeling, mentoring, and use of resource materials. The diverse training staff includes division trainers, field training supervisors, community providers, foster youth and alumni, and other child welfare stakeholders.

Case Manager Core training includes comprehensive training on CHILDS, the automated case management information system. This CHILDS training includes hands-on experience in a computer lab, where trainees enter case information into an automated training region. The training also includes "Lab" days for trainees to continue practicing their CHILDS skills in the lab. Trainees are also provided 'stand-alone' CHILDS classes on all aspects of child welfare (investigations, case management, adoption, etc.).

The Case Manager Core training incorporates a practical, hands-on instructional style through Field Training. Field Training exercises facilitate transfer of learning and provide

an opportunity for new case managers to apply the knowledge and skills learned in the classroom. Field Staff Development Training Supervisors, who ensure that the training is methodical and consistent with best practice, supervise all Field Training experience.

Field training experiences facilitate transfer of learning and provide an opportunity for new case managers to apply the knowledge and skills learned in the classroom. The field training experience is supervised by a field staff development training supervisor, who ensures that the training is conducted in a methodical and consistent manner. Field training is organized into three phases, as follows:

- *Pre-core* – The first phase, known as pre-core, occurs between the hire date and the starting date for Case Manager Core training. This two-week period is structured to offer the new CPS Specialist an orientation to the agency and to the work of a CPS Specialist. During this first phase, trainees are introduced to CHILDS and to district and state policies and procedures. If time allows, new case managers also shadow seasoned workers to gain an initial context for their work.
- *Core Training/Field Week* – Core training begins immediately following pre-core training. Core training is a four week course which begins with three weeks of classroom training. After three weeks in class, trainees have a “Field Week” in which they return to their assigned units. At this time, they have further opportunities to shadow other workers and apply their classroom knowledge to practical situations.
- *Post-core* – The third phase of field training begins the day after trainees complete core training and extends to the start of their 22<sup>nd</sup> work week. During this post-core phase, training is facilitated by both the field training supervisor and unit supervisor to enhance the trainee’s skills. The supervisors use a checklist to identify the accomplishment of various learning objectives and to hold trainees accountable for designated activities and competencies. For each trainee, the field training supervisor maintains an employee file that includes performance expectations, assessments, evaluations, communication logs, learning style survey, and any other documentation that supports and measures the trainee’s progress.

The field training phase is facilitated by both the field training supervisor and unit supervisor to offer mentoring experiences to further develop the skills of new case managers during their 22-week training phase. Core training programs are continually evaluated and revised. Evaluation forms are completed by the trainees after each class to solicit their suggestions for improving the training content or delivery. Suggestions are considered and appropriate revisions made to the curriculum. A Likert Scale measures the overall satisfaction new CPS Specialists have with the Core training program. Also, in partnership with Arizona’s universities, a self-assessment tool was developed to measure the knowledge, skill, and job satisfaction of new CPS Specialists. This assessment is completed by new employees four times during their first year of employment. Results of this assessment tool have been used to make improvements and modifications to the Core training.

### *Supervisor/Management Training*

The Supervisor Core training program occurs intermittently over a one-year time span so that field supervisors can continue to provide supervisory support while they attend the training. A new group of supervisors begins Supervisor Core training every six months. The first three months of Supervisor Core training include training on performance evaluations, ethical issues, and legal leadership. Months four through nine of Supervisor Core training include classroom training in areas such as leadership for high performance, CPS policy, clinical supervision, managing work through others (delegation), and management of conflict and change. Months ten through twelve provide the trainee opportunities to makeup any classes or requirements that were not completed during the initial nine months.

All supervisors are encouraged to have all of the training requirements completed by the end of the twelve month period. As noted later in this report, work is being done to revise the Supervisor Core curriculum. Future curriculum will utilize Arizona Government University curriculum for core leadership classes and will utilize CWTI to provide more hands-on training relative to the daily job needs and activities of new supervisors. Curriculum will also be expanded to include additional training to assist supervisors in the post-core training of newly hired CPS Specialists. These changes were implemented in January 2007.

### *Workshops and Advanced Training*

Workshops and advanced trainings are offered to division staff annually. Topics for the workshops/trainings include: Methamphetamines, Managing Conflict, Gangs, Working with Chemically Dependent Families, Arizona Families F.I.R.S.T. (Substance Abuse Program), and Independent Living/Arizona's Young Adult Program.

The Governor's CPS Reform Plan mandated that CPS staff receive 24 hours of advanced training per year. The division is currently implementing a plan to offer specific advanced training modules to enhance the skills and knowledge of employees at varying levels of experience. Topics for these advanced trainings include: 0-5 Mental Health; Permanency Planning for Adolescents; Trauma and Mental Health Disorders; Stress, Burnout, and Secondary Trauma; Adoptions Advanced Training; Client Engagement for the CPS Professional; Documentation for Investigators and Ongoing Workers; Visitation; and Working with Adolescents in Care. These training modules will be offered statewide at varying intervals to provide continuing education opportunities for all CPS staff.

Annual conferences are provided to management and field staff. These conferences include the:

- Division's Supervisor and Management Forum/Leadership Conference
- Summer Institute, sponsored by the Division of Behavioral Health Services
- Children Need Homes Conference, sponsored by the Arizona Foster Care and Adoption Coalition
- Child Abuse Prevention Conference, sponsored by Prevent Child Abuse of Arizona
- Cultural Diversity Conference, sponsored by the Department of Economic Security

- Inter Tribal Indian Child Welfare Conference, sponsored by the Inter Tribal Council of Arizona, Inc.
- Family Centered Practice Conference, sponsored by Prevent Child Abuse of Arizona

### *Specialized Training Programs*

Childhelp USA also conducts training on Legislative Advocacy, Neuropsychological and Behavioral Reactions to Abuse, Professional Testimony, and a series of classes on medical issues such as head trauma, bruises, burns, abdominal injuries, and fractures. These training programs occur six to nine times each year and are either a half-day or full-day in length. Childhelp USA also partners with the division to facilitate the Advanced Forensic Interviewing 40-hour training.

Community-based volunteers who are members of an Arizona Foster Care Review Board (FCRB) participate in training that provides the volunteers with a foundation of information on child welfare topics, including:

- Family Group Decision Making
- Indian Child Welfare Act
- Advocacy
- Removal Review Process
- Legislative Process
- Dually-adjudicated Children
- Family Drug Court
- Orientation to Child Protective Services
- Family-centered Strength Based Practice
- Medication Nutrient Interactions In Children
- Selected educational programs related to Arizona's abused and neglected children

### *Parent-Aide / Case-aide Training*

Parent Aide Core training is provided for all Parent Aides, Family Support Specialists, and Case Aides. This training provides the knowledge and skills necessary for working within the child welfare system. The training consists of eight classes, two to three days in length, completed over a four-month time span. Both community trainers and internal staff development personnel within the training unit and/or field units conduct this training. Trainers use various presentation methods, including lecture, group exercise, role play, Power Point, audio, and video.

### *Training Collaboration with the Arizona Office of the Attorney General*

The division partners with the Arizona Office of the Attorney General to enhance training on legal aspects of child welfare and the intersection of legal issues and social work practices. Assistant Attorneys General provide training to staff in case manager core, supervisor core, and other specialized training. To ensure that the attorneys representing the child welfare agency are informed about agency policy, best practices, and relevant social work issues, the Assistant Attorneys General also participate in relevant training.

## *Outcome Evaluation*

The CWTI uses the following methods to evaluate the effectiveness of its training program:

- Evaluations are used to measure performance in many of the workshops and conferences held throughout the state.
- Evaluation forms are completed by trainees after each case manager core class to solicit their suggestions for improving the training content or delivery. Suggestions are considered and appropriate revisions are made to the curriculum. A Likert Scale measures the overall satisfaction new case managers have with the core training program.
- In partnership with Arizona's universities, a self-assessment tool is used to measure the knowledge, skill, and job satisfaction of new case managers. This assessment is completed by new employees four times during their first year of employment.
- The division's case record review process measures strengths and areas needing improvement within its child welfare program. The review instrument is based on the federal Child and Family Services Review and includes a random selection and review of cases within each of the division's geographic districts. The case record review process assists the CWTI in determining the effectiveness of training and in identifying areas requiring additional training.
- Field supervisors provide clinical supervision for all cases involved in the division's child welfare system. This supervision includes assessment of staff's specific training needs. Feedback is provided to the CWTI through such mechanisms as the Continuous Quality Improvement Process and the Training Advisory Committee.

The CWTI also participates in statewide program managers' meetings to discuss issues pertinent to training and solicit feedback from the program managers. The feedback includes identification of strengths, gaps, and training needs for field staff, and it assists in planning for partnership in provision of training to new case managers and supervisors.

The results of the various outcome evaluation tools are used by the Department to continuously update and improve the training material and service delivery methodology.

## ECONOMIC CONDITIONS AND OUTLOOK<sup>2</sup>

Arizona is now the fastest growing state in population according to U.S. Census Bureau data released in late 2006. Arizona's economy is forecast to add nearly 228,000 nonfarm jobs during 2006–07. In comparison to 2005, job growth is projected to be moderate in 2006 and then continue to slow in 2007 as a result of rising interest rates and energy prices. Nonfarm job growth was revised upward to an annual rate of 5.3 percent in 2005. Current projections have an annual rate of 4.9 percent in 2006 with a modest deceleration to 4.0 percent in 2007.

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<sup>2</sup> Department of Economic Security Research Administration "Forecast Update 2006-2007" press release, dated August 2006, see also <http://www.workforce.az.gov/?PAGEID=67&SUBID=174>.

Meanwhile, according to Global Insight in the *August 2006 US Economic Outlook*, the national economy is forecast to add 3.3 million nonfarm jobs over the same period. Global Insight's forecast shows the national economy with annual growth rates of 1.4 percent in 2006 and 1.1 percent in 2007.

Growth in Arizona's manufacturing industry is expected to accelerate gradually over the forecast period as a result of increasing consumer demand and business spending from an improving economy. In addition, defense spending is expected to bolster employment in Arizona's factories to produce equipment and supplies for ongoing operations in Afghanistan and Iraq. An increase of almost 6,400 new jobs is anticipated in Arizona's fabrication plants during the forecast period. The largest gains are expected in the manufacturing sectors that create products for local use, especially for residential, commercial, and industrial real estate development; however, the weakest gains are projected for the computer and electronics sector because of continued difficulties of excess capacity and foreign competition.

Natural resources and mining growth is derived from rising demand and higher prices for locally produced minerals. For the forecast period, an increase of 2,600 jobs is expected.

Job growth in construction will continue as a result of local and regional development. Overall growth in Arizona and the Southwest is expected to remain relatively high during the forecast period; however, rising interest rates, coupled with higher energy and materials costs, will serve to temper growth. An increase of more than 40,000 new jobs is forecast in construction. Nonetheless, relatively strong gains are forecast in the building and heavy construction projects sectors because of increasing demand for improved and expanded infrastructure to support population growth. The largest and most rapid gains are anticipated in specialty trades.

Trade, transportation, and utilities job growth is forecast to slow over the forecast period as rising energy prices and interest rates claim a larger share of disposable consumer income. This industry group is forecast to increase by more than 39,000 jobs during the two-year period of 2006–07.

Despite a previously anticipated recovery in the information industry, the current forecast has this major industry group having continued job losses for 2006–07. Employment reductions are projected to total 1,100 as a result of continued automation, consolidation, and outsourcing.

As a result of an expanding local economy, the financial activities industry is projected to have healthy growth; however, rising interest rates, higher energy prices, and consumer debt levels have the potential to eventually slow the rapid rate of expansion. An increase of almost 16,000 jobs is forecast in the financial activities industry.

Professional and business services is forecast to add more than 58,000 jobs. The largest increases are expected to occur in employment services, followed by the professional, technical, and scientific services sectors.

Educational and health services is forecast to have an increase of almost 23,000 jobs over the two-year period. Growth in educational services is expected to slow because of a decrease in the rate of expansion in the school-age population. Expansion in social

assistance and health care is expected to slow because of limited resources and rising costs.

Leisure and hospitality is expected to add more than 20,000 jobs as a result of an improving economy with better prospects for tourism. With a cheaper dollar relative to foreign currencies, tourism is forecast to benefit as foreign tourists take advantage of more favorable exchange rates, while domestic travelers and vacationers opt to explore Arizona's local regions.

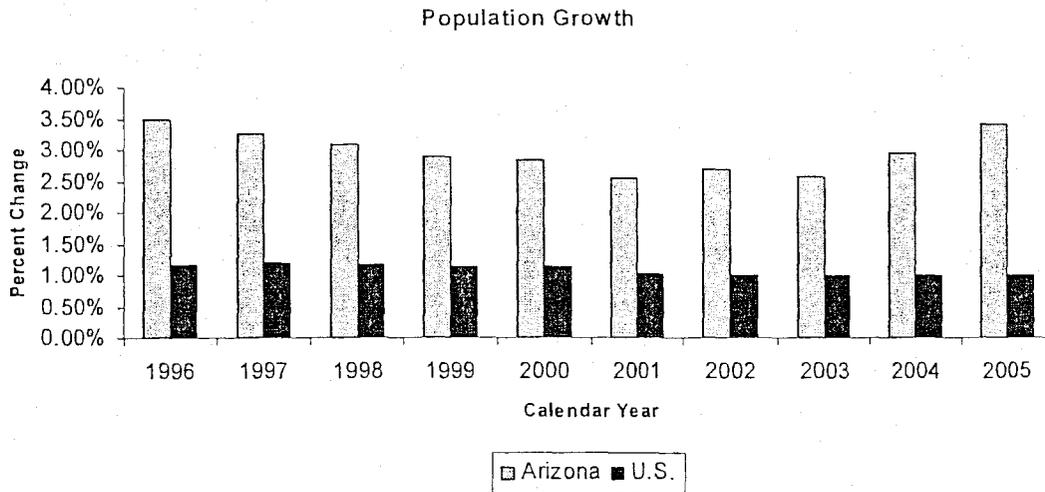
Other services will follow the overall trend of the economy. An increase of more than 7,000 jobs is forecast for the 2006–07 period.

# Statistics

**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**Comparison Between Arizona and United States Population**  
**For the Calendar Years Ended December 31**  
**(2005 is the most recent data available)**

Year	Arizona Population	United States Population	Percentage Change in Arizona Population	Percentage Change in U.S. Population
1996	4,586,940	269,394,284	3.5%	1.2%
1997	4,736,990	272,646,925	3.3%	1.2%
1998	4,883,342	275,854,104	3.1%	1.2%
1999	5,023,823	279,040,168	2.9%	1.2%
2000	5,165,944	282,192,162	2.8%	1.1%
2001	5,296,845	285,102,075	2.5%	1.0%
2002	5,439,091	287,941,220	2.7%	1.0%
2003	5,579,222	290,788,976	2.6%	1.0%
2004	5,743,834	293,655,404	3.0%	1.0%
2005	6,044,985	296,410,404	3.4%	1.0%

Source: Arizona data provided by the Population Statistics Unit, Arizona Department of Economic Security Research Administration. U.S. data provided by the Bureau of Economic Analysis (BEA)

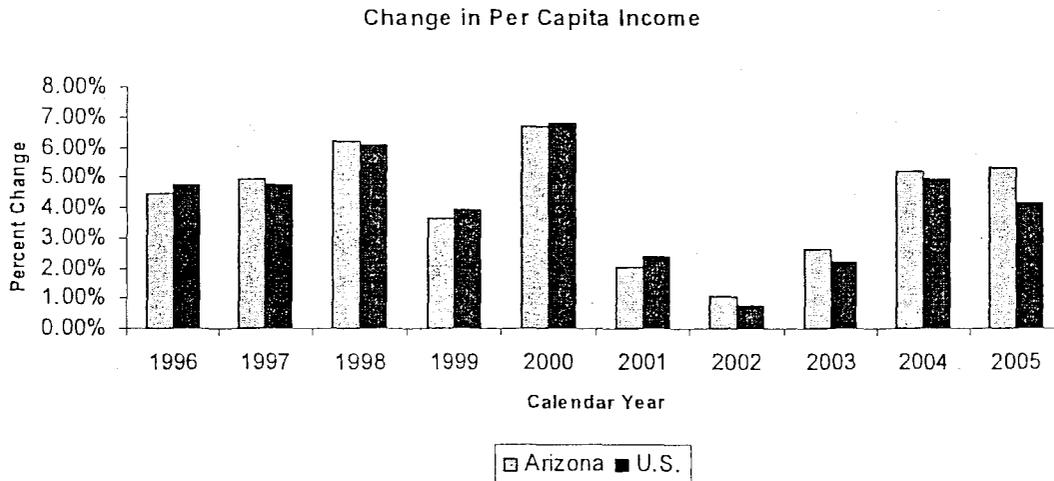


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**Comparison Between Arizona and United States Per Capita Income**  
**For the Calendar Years Ended December 31**  
**(2005 is the most recent data available)**

Year	Arizona Per Capita Income	U.S. Per Capita Income	Percentage Change in Arizona Per Capita Income	Percentage Change in U.S. Per Capita Income
1996	20,823	24,175	4.5%	4.8%
1997	21,861	25,334	5.0%	4.8%
1998	23,216	26,883	6.2%	6.1%
1999	24,057	27,939	3.6%	3.9%
2000	25,660	29,845	6.7%	6.8%
2001	26,219	30,574	2.2%	2.4%
2002	26,507	30,810	1.1%	0.8%
2003	27,044	31,463	2.0%	2.1%
2004	28,644	33,090	5.9%	5.2%
2005	30,157	34,495	5.3%	4.2%

Source: Arizona and U.S. data provided by the Bureau of Economic Analysis.

Note: The information contained in the sources used for this table is revised on a continuing basis and, accordingly, the amounts in the above table have been revised. Therefore, amounts presented may not match the amounts reported for prior years.



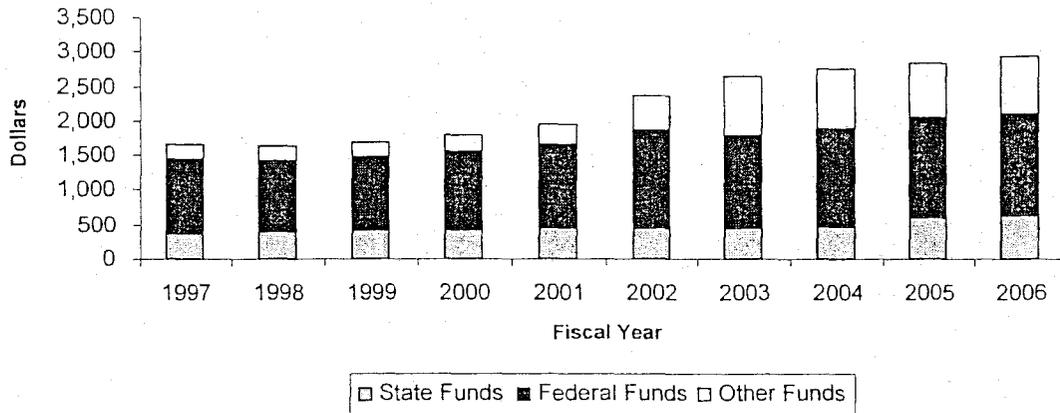
**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**Expenditures by Funding Source**  
**(Governmental Funds and Unemployment Insurance Benefits)**  
**For the Fiscal Years Ended June 30**

Year	Health and Welfare			Total Funds
	State Funds	Federal Funds	Other Funds	
1997	370,757,400	1,072,660,950	216,699,361	1,660,117,711
1998	400,340,700	1,018,548,228	202,518,001	1,621,406,929
1999	425,235,500	1,045,925,462	220,049,050	1,691,210,012
2000	422,155,816	1,134,907,352	241,950,698	1,799,013,866
2001	442,940,537	1,215,771,799	278,444,218	1,937,156,554
2002	449,946,977	1,406,217,101	511,087,455	2,367,251,533
2003	434,725,701	1,350,528,136	856,181,840	2,641,435,677
2004	472,442,402	1,420,389,817	846,938,314	2,739,770,533
2005	595,906,541	1,461,830,185	778,674,563	2,836,411,289
2006	626,707,813	1,543,938,187	771,890,762	2,942,536,762

Source: The Arizona Department of Economic Security, Audited Comprehensive Annual Financial Report 1996, 1997, 1998, 1999, 2000, and 2001; and Audited Financial Statements 2002, 2003, 2004, 2005, and 2006.

Note: The Federal Funds amounts include amounts for food stamp benefits distributed.

Expenditures by Funding Source (in millions)



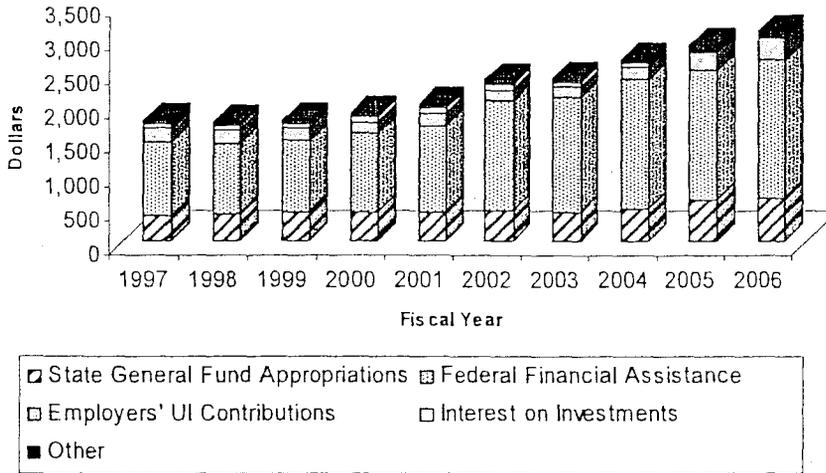
**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**Revenues by Funding Source**  
**(Governmental Funds and Unemployment Insurance Benefits)**  
**For the Fiscal Years Ended June 30**

Year	State General Fund Appropriation	Federal Financial Assistance	Employers UI Contributions	Interest on Investments	Other	Total
1997	373,669,400	1,078,901,892	225,101,956	43,414,155	47,406,581	1,768,493,984
1998	409,640,900	1,016,492,399	223,517,434	51,591,704	49,907,366	1,751,149,803
1999	425,530,200	1,045,521,174	191,326,704	58,281,429	56,212,888	1,776,872,395
2000	434,171,319	1,143,846,770	177,603,712	64,010,350	57,845,055	1,877,477,206
2001	434,834,859	1,267,241,399	175,736,341	69,609,832	61,579,318	2,009,001,749
2002	463,456,900	1,604,700,337	162,157,379	66,619,568	76,573,245	2,373,507,429
2003	422,581,074	1,683,066,873	160,962,888	58,776,481	72,830,370	2,398,217,686
2004	484,037,500	1,893,683,834	194,894,098	46,839,769	51,605,255	2,671,060,456
2005	606,123,799	1,892,812,895	267,264,774	41,401,296	77,732,065	2,885,334,829
2006	632,655,200	2,030,183,141	311,448,934	40,801,691	67,787,346	3,082,876,312

Source: The Arizona Department of Economic Security. Audited Comprehensive Annual Financial Report, 1995, 1996, 1997, 1998, 1999, 2000, and 2001; and Audited Financial Statements, 2002, 2003, 2004, 2005, and 2006.

Note: The Federal Financial Assistance amounts include amounts for food stamp benefits distributed.

Revenues by Funding Source (in millions)

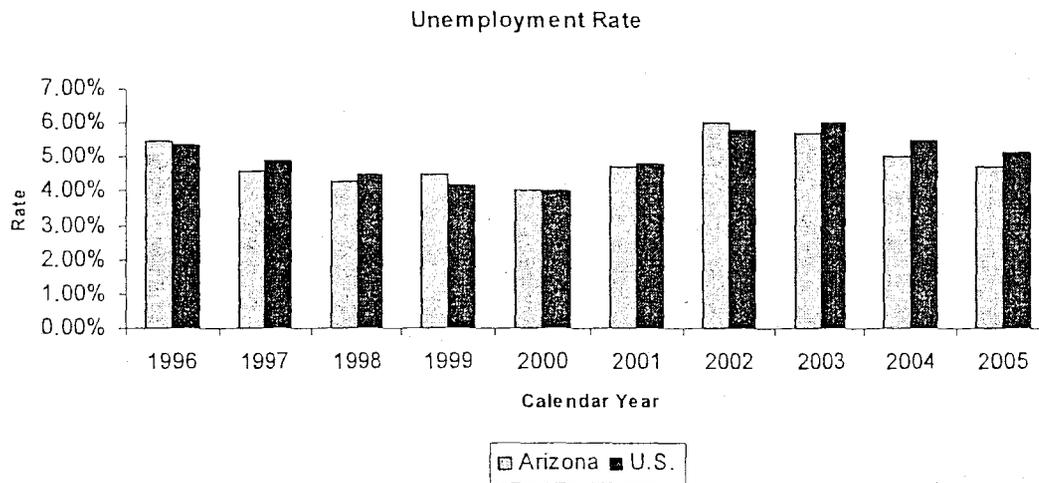


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**Comparison Between Arizona and United States Unemployment**  
**For the Calendar Years Ended December 31**  
**(2005 is the most recent data available)**

Year	Number of Unemployed - Arizona	Number of Unemployed - U.S.	Unemployment Rate - Arizona	Unemployment Rate - U.S.
1996	125,901	7,236,000	5.5%	5.4%
1997	105,833	6,739,000	4.6%	4.9%
1998	103,497	6,210,000	4.3%	4.5%
1999	110,924	5,880,000	4.5%	4.2%
2000	100,817	5,692,000	4.0%	4.0%
2001	120,751	6,801,000	4.7%	4.8%
2002	159,042	8,378,000	6.0%	5.8%
2003	153,765	8,774,000	5.7%	6.0%
2004	137,471	8,149,000	5.0%	5.5%
2005	133,900	7,591,000	4.7%	5.1%

Source: Arizona data provided by the Arizona Department of Economic Security, Research Administration.  
U.S. data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

Note: Unemployment rates are seasonally adjusted.



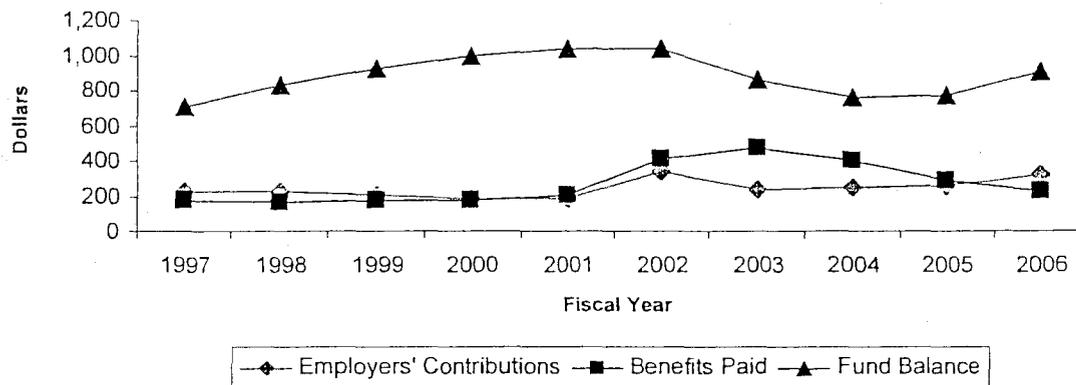
**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**Unemployment Insurance Financial Transaction Summary**  
**For the Fiscal Years Ended June 30**

Year	Total Employer Contributions	Total Benefits Paid	Fund Balance
1997	227,644,491	172,336,147	711,845,399
1998	228,236,334	159,930,580	831,262,488
1999	200,221,238	169,265,609	919,819,409
2000	188,348,457	177,980,914	993,052,630
2001	182,095,014	202,900,332	1,038,116,687
2002	338,555,460	407,021,875	1,033,275,970
2003	237,542,722	467,411,646	860,871,706
2004	247,481,831	394,987,858	759,016,265
2005	261,480,966	287,693,670	772,158,698
2006	317,941,840	224,142,148	902,130,314

Source: The Arizona Department of Economic Security, Unemployment Insurance Financial Transaction Summary Report.

Note: The total benefits paid amount for all fiscal years has been adjusted to include interstate benefits.

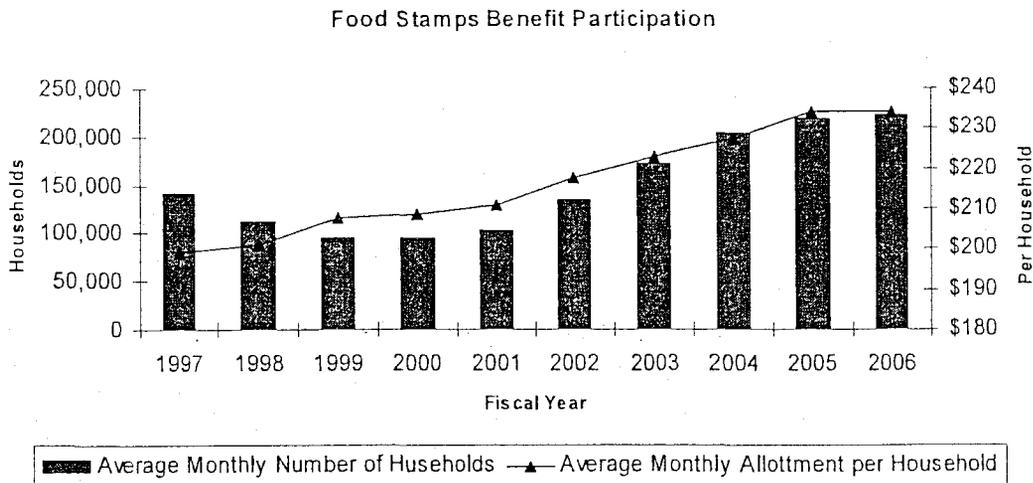
**Unemployment Insurance Contribution to Benefits and Fund Balance**  
(In millions)



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**Food Stamps Benefit Participants**  
**For the Fiscal Years Ended June 30**

Year	Average Monthly Number of Households	Average Monthly Number of Persons	Average Monthly Allotment Per Household	Average Monthly Allotment Per Person	Average Monthly Benefits Distributed
1997	141,981	385,061	199.34	73.50	\$28,302,483
1998	112,345	311,142	201.11	72.61	22,593,553
1999	95,938	260,736	207.73	76.43	19,929,511
2000	95,238	257,989	208.83	77.09	19,889,001
2001	102,307	277,192	211.04	77.89	21,590,998
2002	134,135	355,722	217.64	82.07	29,193,426
2003	171,247	442,320	223.06	86.36	38,198,140
2004	204,010	521,992	227.63	88.96	46,438,594
2005	217,983	546,369	234.06	93.38	51,021,394
2006	221,944	546,524	234.30	95.15	52,001,162

Source: The Arizona Department of Economic Security, Family Assistance Administration.

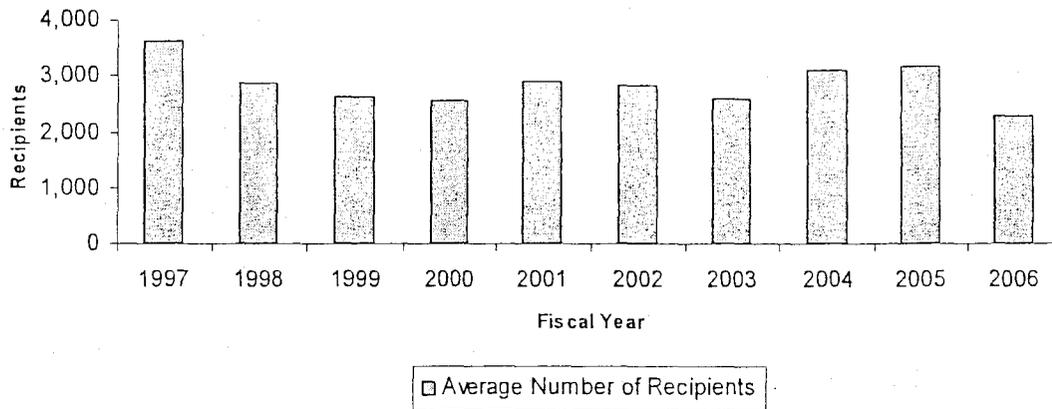


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**General Assistance**  
**For the Fiscal Years Ended June 30**

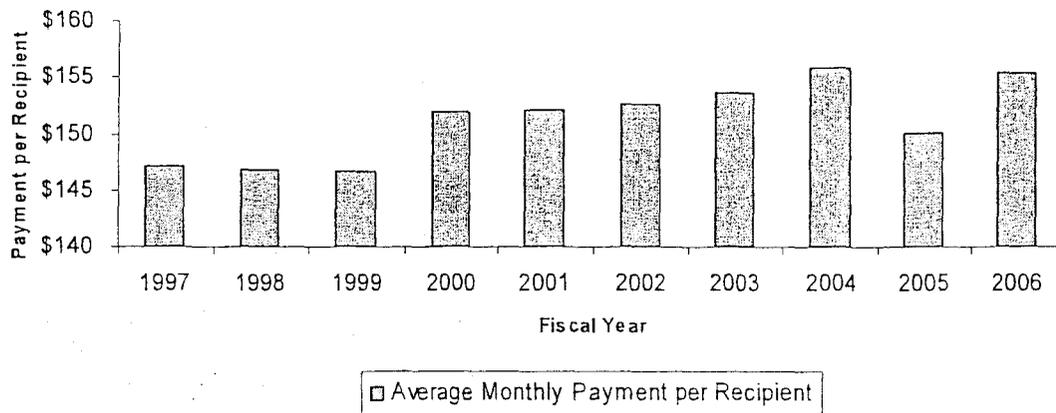
Year	Average Monthly Number of Recipients	Average Monthly Payment Per Recipient	Average Monthly Payments
1997	3,631	147.25	534,679
1998	2,883	146.87	423,430
1999	2,627	146.67	385,315
2000	2,566	151.93	389,855
2001	2,912	152.13	443,007
2002	2,847	152.67	537,348
2003	2,615	153.74	453,103
2004	3,125	155.87	485,900
2005	3,186	150.07	478,188
2006	2,289	155.47	352,987

Source: The Arizona Department of Economic Security, Family Assistance Administration.

**Average Number of Recipients**



**Average Monthly Payment per Recipient**

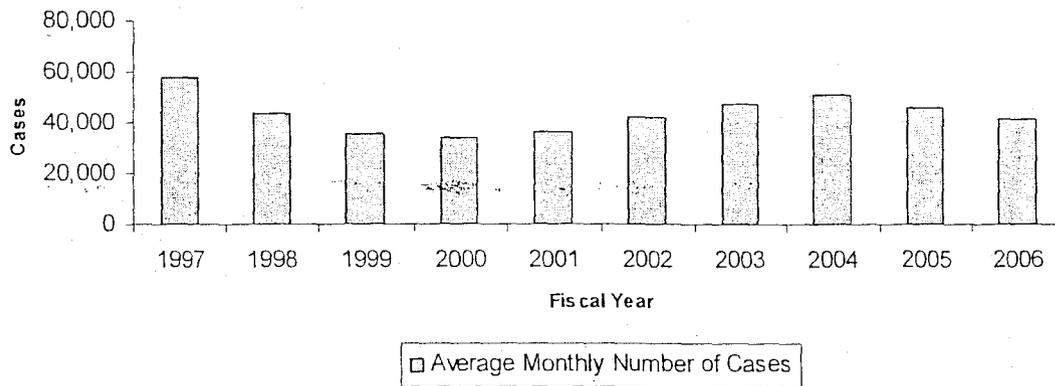


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**Temporary Assistance for Needy Families Cash Assistance**  
**For the Fiscal Years Ended June 30**

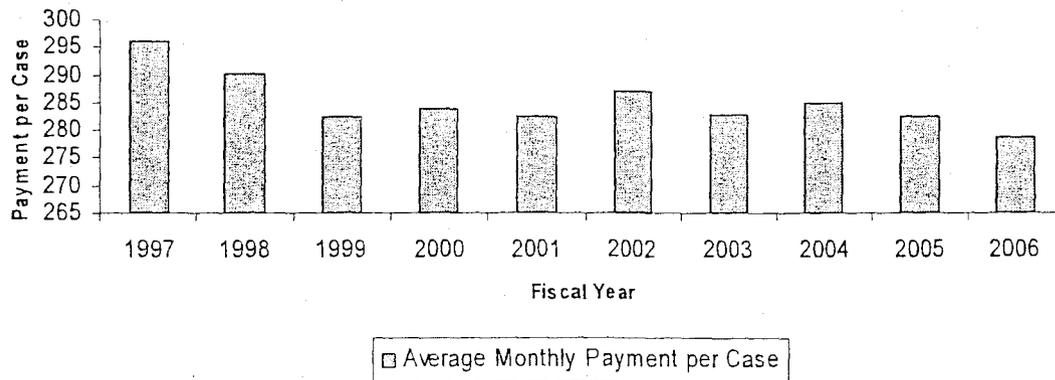
Year	Average Monthly Number of Cases	Average Monthly Number of Recipients	Average Monthly Payment Per Case	Average Monthly Payment Per Recipient	Average Monthly Payments
1997	57,526	155,037	296.30	109.94	17,045,065
1998	43,601	119,011	290.35	106.37	12,659,966
1999	35,730	95,556	282.66	105.69	10,099,685
2000	34,211	89,770	283.82	108.16	9,709,791
2001	36,146	93,857	282.66	108.86	10,216,987
2002	42,102	109,547	286.99	110.30	12,082,660
2003	47,298	121,193	282.76	110.35	13,373,618
2004	51,318	122,577	284.92	119.28	14,621,497
2005	45,742	105,517	282.38	122.41	12,916,521
2006	41,580	93,553	278.60	123.82	11,584,130

Source: The Arizona Department of Economic Security, Family Assistance Administration.

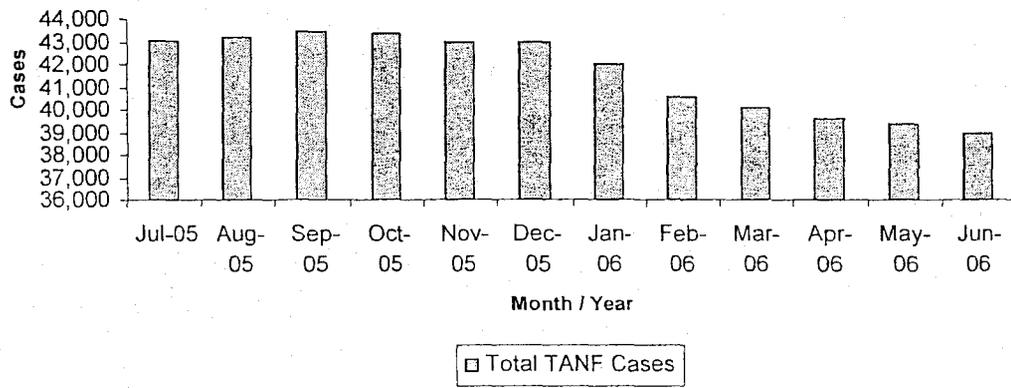
**Cash Assistance Cases**



**Average Monthly Payment per Case**



Total Cash Assistance Cases by Month for SFY 2006

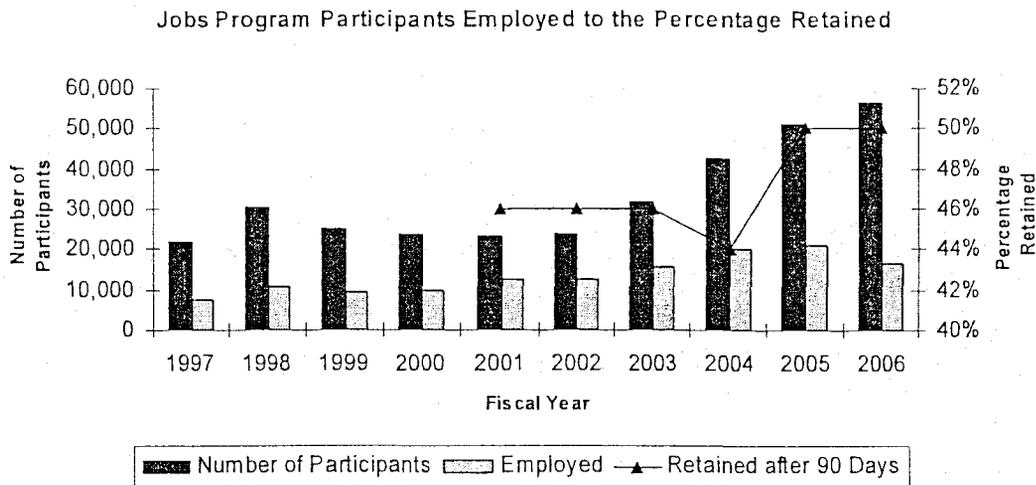


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY  
Jobs Program  
Comparison of Participants and Participants Employed**

Year	Number of Participants	Total Employed	Percentage Retained Employment For at Least 90 Days
1997	21,734	7,433	57%
1998	30,520	10,930	N/A
1999	25,209	9,604	N/A
2000	23,802	9,950	N/A
2001	23,290	12,405	46%
2002	23,818	12,513	46%
2003	32,008	15,490	46%
2004	42,565	20,185	44%
2005	51,130	20,940	50%
2006	56,393	16,426	50%

Source: The Arizona Department of Economic Security, Employment Administration.

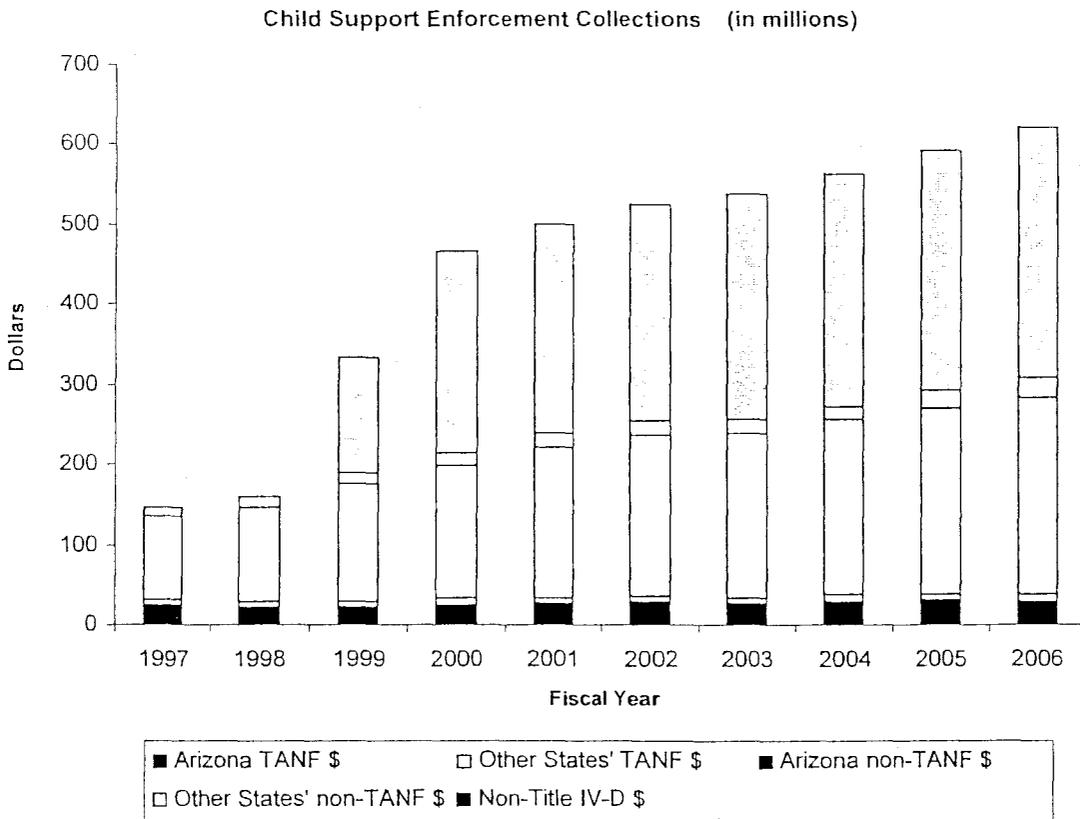
Note: The Jobs Program started in fiscal year 1991. In fiscal year 1998 and the first half of 1999, percentage retained after 90 days was not tracked as a performance measure.



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**  
**Child Support Enforcement Collections**  
**For the Fiscal Years Ended June 30**

Year	TANF Collected for Arizona	TANF Collected for Other States	Non-TANF Collected for Arizona	Non-TANF Collected for Other States	Non-IV-D Collected	Total Collections
1997	25,075,000	6,187,200	103,245,200	12,632,300	-	147,139,700
1998	21,938,000	7,205,600	117,104,400	13,532,600	-	159,780,600
1999	22,739,900	7,326,300	145,367,800	13,791,700	143,074,200	332,299,900
2000	25,100,000	8,212,400	165,356,200	16,248,800	251,380,400	466,297,800
2001	26,106,500	8,538,800	186,167,200	17,225,100	262,336,000	500,373,600
2002	28,407,500	8,193,600	199,834,500	17,659,300	270,510,400	524,605,300
2003	26,262,600	8,267,100	204,043,700	17,981,500	281,660,900	538,215,800
2004	29,889,000	8,061,600	217,531,600	17,989,100	290,084,200	563,555,500
2005	30,662,600	8,211,600	231,762,600	21,264,400	300,827,700	592,728,900
2006	29,474,800	8,487,900	246,437,800	22,883,800	312,881,500	620,165,800

Source: The Arizona Department of Economic Security, Division of Child Support Enforcement.



# DES Service Delivery Presence by District

## Director's Office

1717 West Jefferson Avenue  
Phoenix, AZ 85007  
(602) 542-5678

## District Offices

### District I

815 North 18th Street  
Phoenix, AZ 85006  
(602) 307-9016

### District II

400 West Congress, #420  
Tucson, AZ 85701  
(520) 628-6810

### District III

220 North Leroux  
Flagstaff, AZ 86001  
(928) 779-2731

### District IV

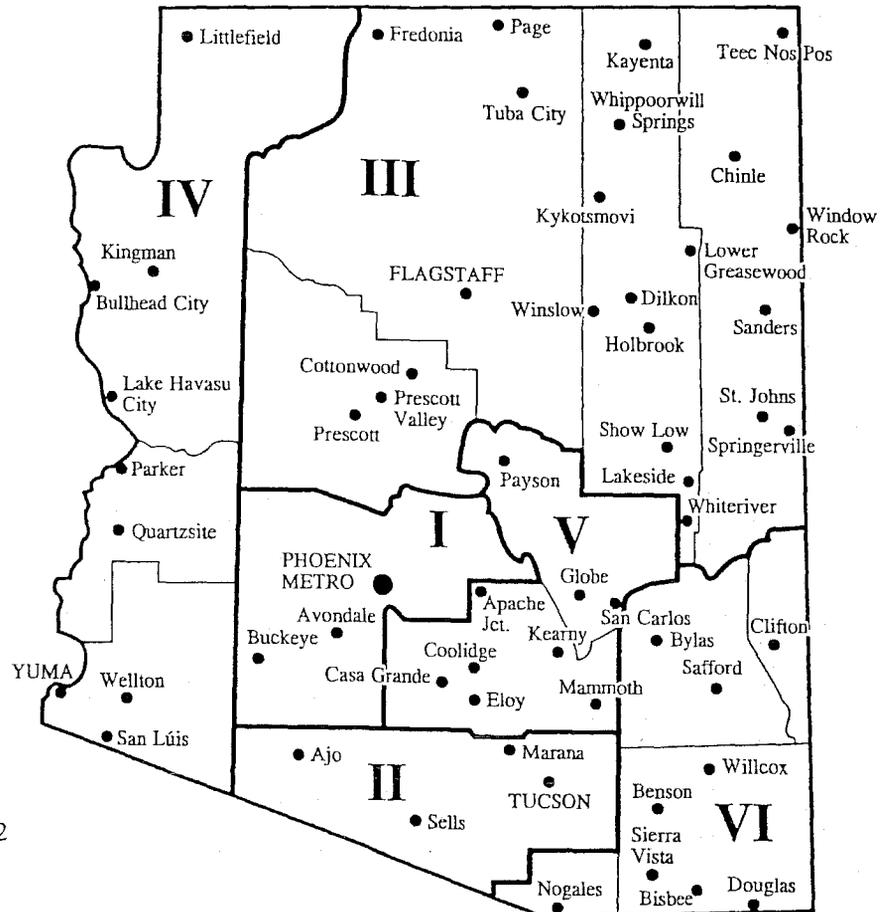
350 West 16th Street, #232  
Yuma, AZ 85364  
(928) 782-4343

### District V

2510 North Trezell Road  
Casa Grande, AZ 85222  
(520) 836-2351

### District VI

209 Bisbee Road  
Bisbee, AZ 85603  
(520) 432-5703





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