DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Annual Report
State Fiscal Year 2012

Janice K. Brewer, Governor

Janice K. Brewer   Clarence H. Carter
Governor   Director

DEC 2 8 2012

The Honorable Janice K. Brewer
Governor of Arizona
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Brewer:

The Arizona Department of Economic Security's Annual Report for the period July 1, 2011, through June 30, 2012, 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. Also included in the report is a status report and an evaluation of the children and family services training program, as required by A.R.S. § 8-503.01.

This report provides an overview of the Department's achievements in meeting the needs of Arizonans over the previous fiscal year. The report highlights the Department's actions to enhance the safety and self-sufficiency of vulnerable individuals in our state by working toward a more person-centric service delivery model.

The Department is committed to continue to build on the successes highlighted in this report to achieve our mission to promote the safety, well-being, and self-sufficiency of Arizona's children, adults, and families.

If you have any questions, please contact me at (602) 542-5757.

Sincerely,

Clarence H. Carter

Clarence H. Carter
Director

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Section 1 – Department of Economic Security Overview

The Department of Economic Security (DES or Department) 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 a bold one: every child, adult, and family in the State of Arizona will be safe and economically secure. In order for this vision to be realized, DES has established four goals:

1. Strengthen individuals and families.
2. Increase self-sufficiency.
3. Collaborate with communities to increase capacity.
4. Increase efficiency and effectiveness through innovation and accountability.

This report highlights areas of focus for DES in its efforts to provide services to Arizona's children, adults, and families to ensure that they have an opportunity to live safely and become self-sufficient. These areas vary in scope, from those designed to provide families with a safety net to meet basic needs such as housing and food, to programs intended to ensure that children who are unable to reside with their birth parents are provided the opportunity to grow up in the homes of relative caregivers or in other secure environments.

As of the end of State Fiscal Year (SFY) 2012, DES had approximately 9,300 utilized FTE Positions and operated from 135 direct-service offices, 15 residential facilities, and 25 administrative and training offices. DES owns 30 of the facilities, and the remaining locations are leased. The Department is divided into six districts with the central administration located in Phoenix.

The Department has more than 18,000 contracts and agreements with nonprofit and for-profit organizations, governmental agencies, Tribal governments, and other community partners throughout Arizona. These contracts provide services to Arizonans across the human service delivery continuum and critical operational support to the Department and its staff.

DES and its provider networks promote the safety, well-being, and self-sufficiency of Arizonans. The broad program areas include: Child Protective Services (CPS); child welfare services to provide families the tools they need to care for their children; foster care and adoption support; child care assistance to help low-income parents become and remain employable; Adult Protective Services (APS) and a range of in-home supports for older Arizonans to help them remain independent; domestic violence and homeless shelters and supports; food and nutrition services; utility assistance; early intervention services for infants and toddlers with developmental delays; home- and community-based services for individuals with developmental disabilities; unemployment insurance; employment assistance, including vocational rehabilitation and job training; child support enforcement; refugee resettlement services; financial support; and eligibility determination for much of the state's Medicaid program, the Arizona Health Care Cost Containment System (AHCCCS).

**Section 2 – Trends in Human Services and the DES Response to the
State's Economic Security Needs**

Caseloads and Budget

During SFY 2012, Arizona continued to recover from the recent economic downturn. The economic recession continues to have a major impact on the state. This continues to fuel a demand for the Department's services, creating multiple challenges to meet the growing human services needs of Arizona's residents as more and more individuals and families are forced to request assistance for the first time. Cuts to the Department's budget from the beginning of SFY 2009 through the end of SFY 2011 resulted in steep reductions across the Department's programs and operations. Benefits were cut, waiting lists were implemented, programs and contracts were eliminated, provider rates were reduced, and the Department and private sector contractor agencies experienced staff reductions. In addition, in SFY 2012, the Department had to deal with the elimination of previously available federal stimulus funds, which were used in previous years to backfill a portion of the lost General Fund.

The Department continues to maintain high caseload levels in some critical safety net services such as the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program), child protective service investigations, and children's out-of-home care. Although the overall economy is showing signs of a comeback, these safety net services provided by the Department continue to be important to persons experiencing financial and social challenges.

During SFY 2012:

- The SNAP average monthly caseload increased slightly to a total of 481,901 cases ending June 2012. Since the beginning of SFY 2009, the SNAP monthly caseload has increased by over 77 percent or 209,696 cases.

- The number of CPS reports received for investigation increased by 16.2 percent, from 34,904 to 40,548 comparing SFY 2011 to SFY 2012.

- The number of children enrolled in out-of-home care increased by 21.6 percent, from 11,011 to 13,385 comparing June 2011 to June 2012.

Department Public-Private Partnerships

The Department has been finding ways to mitigate the impact of budget reductions by promoting administrative and programmatic efficiency. Across all aspects of the Department, changes have been made to focus activity on the customer in an effort to provide needed services in a more person-centric process. The purpose is to ensure that DES manages its resources so that persons in need receive required services with as few obstacles as possible.

The Department has, over the years, examined its operating support systems to help ensure that where it appeared that the private sector could more efficiently and cost-effectively provide support, DES has taken advantage of that opportunity.

- The following program services are currently outsourced by the Department through contracts:
  - Shelter and case management services for people experiencing homelessness;
  - Shelter and supportive services for victims of domestic violence;
  - Food and utility supports;
  - Independent living and other community-based supports for elders;
  - Refugee resettlement services;
  - The Jobs Program;
  - An array of child welfare services for children and families involved with CPS;
  - Home recruitment, study, and supervision services for targeted recruitment of potential foster families and of DES-certified family child care homes;
  - Child care services through payments to contracted child care providers on behalf of eligible families for services rendered;
  - Child support payment processing;
  - Employer new hire reporting, which is used to validate employment and the incomes of child support obligors;
  - Acute and long-term care services to individuals with developmental disabilities;
  - Rehabilitation and vocational services for individuals with disabilities to obtain or maintain employment and independence in the community; and
  - Service coordination and therapies for children who are referred to the Arizona Early Intervention Program.

- The following business functions are currently outsourced within the Department:
  - Mailroom services;
  - Office supply delivery;
  - Specialized printing;
  - Office-moving services;
  - Electronic Benefits Transfer (EBT) card issuance for cash assistance, nutrition assistance, unemployment insurance benefits, and child support;
  - Electronic pay card issuance for unemployment benefits and child support payments;
  - Translation and interpretation services;
  - Teleconferencing and digital recording of Appellate Services Administration (ASA) hearings; and
  - Telephone systems.

Meeting Needs through Technology

The Department requires a sound technological infrastructure to support person-centered service delivery, increased demand for services, and e-government expansion to improve access to services and facilitate improved outcomes for children, adults, and families throughout Arizona. In an environment of diminishing resources, DES is doing its best to expand the capability and functionality of aging Department systems to continue to meet internal and external business needs. DES is also continuing to provide enhanced customer self-service capabilities through the use of Internet and interactive voice response (IVR) systems and expanding its use of imaging and document solutions in order to reduce costs and increase staff efficiency. Listed are highlights of these efforts.

- Since 2010, applicants and participants in Cash Assistance (CA), SNAP, and Medicaid have been able to review ongoing case status, report family changes, and receive important help regarding their cases via the My Family Benefits (MFB) Web site. This Web site has become a proven tool for empowering clients to maintain and monitor benefits and activity from the point of application forward. This process has benefited clients by making the information they need to understand their cases more readily available. It has been effective in reducing lobby and call center inquiries by allowing the client to submit change reports through the Web site. During SFY 2012, there were 676,721 hits on the MFB Web site, an increase of 26 percent over SFY 2011. These hits resulted in over seven million page views and submittal of over 100,000 change reports by program participants.

The MFB site has also been successful with outreach by redirecting clients to additional information such as:
  - Electronic Benefit Transfer (EBT) account information;
  - Updates on potential benefit overpayments;
  - AHCCCS health coverage;
  - Use of the online Health-e-Arizona (HEA) application; and
  - Hunger Relief Program.

- In February 2012, the Division of Employment and Rehabilitation Services (DERS) successfully implemented a new AZ Job Connection Web site, a comprehensive source of employment opportunities and resources for job seekers, employers, and training providers. The site also provides tools for workforce development professionals to increase efficiency and improve employment outcomes for persons seeking job-locating assistance.

- In SFY 2012, the Division of Aging and Adult Services (DAAS) initiated a project to replace three legacy applications with a new Web-based application that will streamline and standardize statewide processes related to intake, referral, and case management for aging services, and contract and financial management services for all programs and services provided through the Division. The new system is scheduled to be fully implemented in SFY 2014.

- The Division of Children, Youth and Families (DCYF) implemented a new Web site for foster care parents to submit and verify their billings online. An online self-enrollment module is planned for SFY 2013 to facilitate widespread usage. This site will expedite payments to foster care providers and reduce the time and costs associated with paper bills and postage.

- The Department currently utilizes eight IVR telephone systems for applicant and recipient use. The IVRs provide many of the same services that have been provided by Department staff and allows users to receive information without staff intervention. One particular Department IVR allows users to move from Department services to connect directly with other state agencies such as AHCCCS. Usage of the IVR systems remains relatively high, with 2.2 million calls going through the Division of Benefits and Medical Eligibility (DBME) IVR system alone during SFY 2012.

- Overall usage of DES's self-service applications continues to increase, indicating widespread acceptance by DES customers:
  - The number of child support payments made through the Division of Child Support Enforcement (DSCE) Payment Gateway increased by 23 percent from SFY 2011 to SFY 2012. Electronic payments may be made over the Internet, by phone, or in person using point of sale terminals in a local office.
  - The number of Unemployment Insurance (UI) tax reports filed online increased by 45 percent over SFY 2011.
  - Eighty-seven percent of UI claims are consistently filed electronically via the Internet and IVR.
  - Use of the HEA application, which supports CA, SNAP, and Medicaid application processes, increased 40 percent to 556,910 applications from SFY 2011 to SFY 2012.

- DCYF partnered with a software vendor to provide training and support in the use of Dragon Speak software. DCYF has made Dragon Speak software available for more than two-thirds of its employees to increase documentation quality and decrease the time required to document case information. In SFY 2013, DCYF plans to purchase another six hundred units, which should make Dragon Speak available to any staff member wishing to use it.

- Most of the Department's programs use the OnBase document imaging process electronic case files for Department records that must be stored electronically for easy access and for cost effectiveness. In SFY 2012, the Department received a SNAP Process and Technology Improvement Grant that will allow it to pilot an automated document recognition and indexing software product in SFY 2013. The software product will be able to recognize the type of document that is scanned and then index the document into its online document management system, OnBase, without user input. The result of this program will save staff time by enabling quicker access to client documentation.

Section 3 – Use, Training, and Placement of the Department's Workforce

During SFY 2012, DES designed and implemented a new enterprise training function that featured a federated model, composed of a centralized enterprise training administration, the Training and Development Administration (TDA), working closely with division-owned training units. The TDA is responsible for ensuring all training is developed and delivered according to standards designed to ensure high quality; for providing training support services; and for developing agencywide training. Divisions continue to be responsible for identifying what training is to be developed, prioritizing projects, setting training resource levels, and developing division-specific training. This model provides the best blend of technical training expertise and accountability to the division. To better enable the close association of central and division training functions, Division Training Managers report equally to the division and to the TDA Program Administrator.

Division Training Managers and their staff were instrumental in the design and implementation of the enterprise function. Work groups composed of staff from all division training units determined the details of implementation; the Division Training Managers provided input and approved the final plan, and they have moved its implementation forward. The benefits of this collaborative approach and the impact that the division training units have had and will have on the eventual success of the enterprise training function cannot be overstated.

One aspect of this new approach has been the adoption of a single set of quality standards for training development, delivery, and evaluation. DES uses the widely recognized systematic approach to curriculum design (known by the acronym "ADDIE") for training development and the Phillips' Return on Investment (ROI) Methodology of Evaluation for evaluating the effectiveness of training. Both are industry standards. The ADDIE process helps ensure that training prepares the learner to perform the objectives set by the agency to the criteria established by the agency. Phillips' ROI evaluation is used to determine whether training is accomplishing that goal and to identify improvements if training is not having the desired impact.

Training staff have been learning to use these standards by participating in certification programs in Instructional Systems Design and Instruction. As of January 1, 2013, only certified staff will be authorized to develop or deliver Department training. DES also hosted an evaluation certification taught by Dr. Jack Phillips, founder of the Phillips' ROI model. The certification program was delivered to training professionals across the agency. Those who completed the evaluation certification are now certified to deliver a two-day evaluation workshop to others within DES.

Another important aspect is the recording of all training through the official learning management systems for DES (Lawson HRIS for employees and the Event Registration and Management Application (ERMA) for contractors and volunteers). Recording training centrally enables better training compliance reporting and eliminates waste associated with multiple learning management or hard copy filing systems. It also provides a control point for ensuring the quality standards referred to above are met.

A related component is the establishment of a centralized Training Support Center, which is responsible for training support and record keeping functions. The new unit began operations July 2, 2012.

The new standards, processes, and the enterprise function itself are being evaluated to determine success and to identify improvements.

As in previous years, DES maintained training-related relationships with several state agencies and academic institutions. The relationship with the Arizona Learning Center (AzLC) continues with DES representation on the state's training leaders committee hosted by AzLC. TDA also works with the Arizona Department of Administration's (ADOA) Information Services Division, Department of Emergency and Military Affairs, and the Fire Marshal's training units regarding the ERMA system. DES was also part of a team led by the Department of Health Services that produced an award-winning computer-based training regarding suspicious packages and mail (DES provided content input and developed the computer-based assessment for the course). Division training units maintain relationships with Arizona State University (ASU) and the University of Arizona (U of A) to provide training unique to those divisions.

Training units continue to look for methods to enhance while streamlining program-specific training. Computer-based formats—while not appropriate in every case—are being utilized more frequently. The establishment of a central resource for computer-based training programming (one of the components of the enterprise approach to training) is assisting in this effort. Work is underway to revise and improve much of the agency's mandatory training, primarily in response to changing agency and workforce needs. As an added benefit, these revisions give DES the opportunity to redesign training using new quality standards and to evaluate the effectiveness of the training.

In addition, during SFY 2012, the Department, in collaboration with AHCCCS and contracted providers, launched two major training curricula. Department staff developed several computer-based trainings and a two-day "Interviewing and Assessment" training that was delivered to all support coordinator staff, supervisors, and managers who serve persons with developmental disabilities.

Top priorities for the coming year include allowing the new enterprise training function and its related policies and procedures to mature and creating and revising training in response to agency needs such as the Address Confidentiality Program and the Affordable Care Act. Other high priorities are pursuing a supervisor development program in coordination with ADOA and establishing an onboarding program inclusive of a "New Employee Welcome."

Recruitment Activities

During SFY 2012, the Department used a wide variety of recruitment tools to identify and select qualified staff. These tools included the state government Web site www.azstatejobs.com, job fairs, the Department's Job Service offices, and local area newspaper advertising. Specialized positions, many of which are in specific health care professions, are recruited through trade associations and national publications relevant to the credentialed profession.

Within DCYF, the Department continued to focus on a strategy that began in SFY 2010. This effort partners the Department's Human Resources Administration (HRA) and TDA with DCYF to develop competency-based hiring and selection techniques for the CPS classification series with the goal of improving retention in DCYF. Another effort, initiated in SFY 2012, involved hiring a Staff Recruitment Manager. This individual streamlined hiring practices statewide and changed the format of CPS job postings so they better reflect the duties of the positions. Finally, the Staff Recruitment Manager implemented new outreach methodologies to rural communities to fill those critical vacant positions.

Realignment to Meet Identified Needs

A new part of the Division of Developmental Disabilities (DDD) workforce includes the Office of Consumer and Family Support Services (OCFSS). Beginning operations in May 2012, OCFSS handles all questions, concerns, and complaints that the Division receives by phone or electronically through the DDD Web site. Complaints may originate from an individual served by the Division, a family member, advocates, community members, providers, the Office of the Governor, the DES Director's office, the Ombudsman's office, and anonymously. All complaints that are considered urgent or moderately urgent are entered into the Consumer Resolution System (CRS) by Division staff throughout the state. All activity in the complaint is entered into the CRS and remains until the complaint is resolved and closed. All complaints are reviewed for trends to further identify areas for systemic change, such as additional training for support coordinators simplifying procedures, removing barriers, and opening lines of communication.

The OCFSS also provides advocacy services for individuals and families as requested. Should a family member feel that they would like an individual knowledgeable of the various systems, policies, and procedures to accompany them to an Individual Support Plan (ISP), or any other type of meeting, OCFSS is available.

Community outreach and presentations regarding DDD, as well as OCFSS, are conducted regularly by staff in this unit. Some recent recipients include: Raising Special Kids, Touchstone Behavioral Health, Developmental Disabilities Advisory Committee, Arizona Consortium for Children with Chronic Illness, West Valley Human Services Alliance, Maricopa Association of Governments, and National Adult Protective Services Association. Presentations to various Division staff throughout the state are also made.

Web Conferencing

During SFY 2012, the Department used iLinc online meeting software in over 1,200 sessions. The avoidance of travel costs related to meetings and training in SFY 2012 was approximately $190,500.

Section 4 – Children and Family Services Training Program Annual Report

Staff Training

DCYF's 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. Initial and ongoing training for child welfare staff are provided through a variety of methods and opportunities, including:

- Pre-core/New Employee Orientation training;

- CPS Specialist Core training;

- On-the-job/field training and support;

- Supervisor Core training and advanced courses for supervisors and managers;

- Parent Aide and Case Aide Core training;

- Specialized one-on-one training refreshers on the Children's Information Library and Data Source (CHILDS) and the Child Safety Assessment-Strengths and Risk Assessment-Case Planning (CSA-SRA-Case planning) process;

- Specialized and advanced training, including workshops and conferences on topics such as gangs, mental health issues, and methamphetamine abuse;

- CHILDS training;

- Policy training;

- Region-offered training;

- Out-service training (conferences and seminars in the community);

- The ASU School of Social Work MSW stipend and BSW scholarship programs;

- The part-time MSW program for permanent status agency employees residing in Maricopa County or Pinal County; and

- Training to other child welfare community partners, including the Foster Care Review Board, Juvenile Court, contracted service providers, and American Indian tribes.

Throughout SFY 2012, the CWTI has provided staff and supervisors with updated user guides and hands-on CHILDS training, as needed. Each significant migration in the CHILDS system has been accompanied by a clearly written user guide so that staff and supervisors can understand and use the new functions in CHILDS. The CWTI CHILDS Training Supervisor is

heavily involved in the development of changes to CHILDS to ensure his understanding of the changes and his ability to write user guides in clear and understandable language for field staff.

Training in accurate and relevant social work documentation for child welfare is a regularly provided segment of the CPS Specialist core training and is available upon request to all staff.

During SFY 2012, DCYF contracted with Change and Innovation Agency to work directly with field staff and supervisors to identify ways to streamline the work of child safety assessment, to create efficiencies in time expenditure, and to improve meaningful documentation of assessments. A format was created and piloted in SFY 2012, and the statewide rollout was completed. An additional work group has been making a similar assessment to streamline ongoing case management and case planning. Enhancements to the CHILDS system are being made to accommodate the recommended changes to practice and documentation.

In SFY 2011, the CWTI received approval to hire staff for an enhanced Field Training Program. This program is matrix-managed by the CWTI and regional Program Managers, and it provides one to two field training officers (FTOs) for each region. The FTOs' primary function is to support newly hired CPS Specialists during the approximately 22 weeks in training status, including the pre-core period, field week, and post-core period. This program was fully implemented during SFY 2012. The Field Training Program makes a local trainer accessible to all newly hired staff to provide support and enhance transfer of learning during this critical learning period. A part-time position dedicated to coaching and mentoring CPS Supervisors was added in SFY 2012. ASU is helping DCYF to formally assess these activities. If successful, the coaching and mentoring position may expand to full-time.

During SFY 2012, in collaboration with its partnership at ASU, DCYF's CWTI continued to augment the computer-based training (CBT) available to staff, using this resource to introduce the new employee evaluation method to all staff. Feedback from the surveys remains very positive, indicating that 96 percent of staff feel positive about this mode of delivery for selected courses and believe they learned skills they can apply to their job. During SFY 2013, DCYF will be transferring its CBT to the statewide Knowledge-Presenter system, and future CBT modules will be produced through that method. This is attached to a formal learning management system for state employee training and will improve DCYF's ability to track and evaluate all training.

In SFY 2012, 10 BSW students and 20 MSW students were interviewed for selection for the Title IV-E child welfare specialization programs. DCYF expects to hire 27 MSW graduates and 7 BSW graduates from these programs. Twenty MSW students are currently still enrolled in the two year program.

A committee of DCYF and ASU staff collaborated to create a part-time MSW program for employees, using eligible Title IV-E funds. Through a partnership with ASU, the Division is continuing a part-time, long-term training program for selected full-time employees to strengthen the agency's child welfare practice. This program uses Title IV-E funds to support a part-time course of study in an MSW program for permanent status agency employees who reside in Maricopa County or Pinal County. Staff can complete the program in either three or four years. Initially, 15 staff members began studies in the fall of 2011. An additional 15 staff members

were added in the spring of 2012, and the program was made available to four Pima County staff members in 2012. The intent is to add staff members to the program annually.

All CWTI training is currently accompanied by a Level 1 evaluation. Evaluations are completed online following CPS Specialist Core training and all computer-based training. Survey Monkey is also used to gather feedback about some training. During SFY 2012, the CWTI began to implement Level 2 evaluations in its CPS Specialist Core training. Evaluations for the CPS Specialist core, CPS Supervisor Core, and Case Aide Core are created, tallied, and managed through the Web site shared by ASU and DCYF via a contract with an ASU professor. In SFY 2013, these functions will be transferred to the learning management system, centrally operated for all Department employees.

Throughout SFY 2012, DCYF continued to develop, update, and deliver curricula with assistance from university partners:

- A Supervisor Core class in clinical supervision, which was created through the University Partnership, continued to be offered throughout SFY 2012 as a regular part of Supervisor core.

- DCYF contracted with the University Partnership to help the CWTI create an Advanced Training Academy. This project will continue to develop a menu of advanced training courses for CPS Specialists, CPS Supervisors, and Assistant Program Managers (APM). The first advanced course was a two-day class on Secondary Trauma for Supervisors. Two classes were provided in May 2011, and nine more were delivered during SFY 2012. The project also created a Leadership Academy for regional Assistant Program Managers in cooperation with ASU's Certified Public Manager program. Fifteen APMs attended in SFY 2012. The second class began in September 2012, with 15 managers attending training.

- During SFY 2012, the University Partnership has assisted DCYF in an extensive review of the content and structure of all three core trainings. ASU will make recommendations for changes in content and/or structure in early SFY 2013.

- During SFYs 2010 and 2011, the CWTI revised its entire Case Aide Core curriculum. The initial module has been delivered to all new Case Aides, and to existing Case Aides upon request. Modules two and three were delivered during SFY 2012 and will continue on a regular basis for all new Case Aides in CPS. When resources and space are available, DCYF will also make these training modules available to contracted provider parent-aides.

- In SFY 2012, DCYF and the University Partnership created a Web site to serve as a portal to internal and external training resources, the child welfare training schedule, a list of available classes, and other information. This site has been created and is currently in the implementation stage. Content and use of the site may be linked with ASU's overall recommendations for DCYF training.

To increase cultural competency, DCYF collaborated with Casey Family Programs in SFY 2010 to train DCYF staff as certified facilitators and provide staff training on "Knowing Who You

Are: Helping Youth in Care Develop Their Racial and Ethnic Identity." The training helps staff understand the challenges faced by youth of color who are in care, how the youth experience disparate outcomes, and what child welfare staff can do to support them. Delivery of this training by CWTI was temporarily suspended in SFY 2011 because of high vacancy rates and caseloads. In SFY 2012, CWTI provided two sessions. Maricopa County staff and CASA program volunteers continue to participate in workshops that are a pre-requisite for becoming a "Knowing Who You Are" certified facilitator. Potential facilitators attended a workshop in April 2012, and another session was held in July. These workshops focus on institutional racism, understanding a healthy racial and ethnic identity, the influences on racial and ethnic identity, and the building blocks to help youths' well-being for a successful transition into adulthood. The workshops help participants begin to have courageous conversations when confronted with stereotypes and institutional racism, and they ask participants to write down how they will bring this new information into their day-to-day practice with youth and families on their caseloads. As the pool of certified facilitators grows, DCYF is hopeful that "Knowing Who You Are" training will fully resume in SFY 2013.

To routinely deliver advanced and targeted skills training, DCYF began its Advanced Training Academy during SFY 2011, in collaboration with its ASU partnership. The initial target audience was APMs and CPS Unit Supervisors, statewide. Training for all CPS Supervisors and APMs on secondary trauma was delivered in SFY 2012. Additional advanced trainings will be provided following a needs assessment and the comprehensive assessment of all DCYF training.

In October 2011, DCYF held a two-day supervision conference for all CPS Unit Supervisors and APMs. Topics included sibling connections in child welfare, working with lesbian, gay, bisexual, transgender, and queer (LGBTQ) youth in CPS care, working with families affected by incarceration, working with fathers involved in the child welfare system, workplace violence, human trafficking, and assessing and managing regional performance measures and outcomes. In addition, ASU partnered with DCYF to deliver training at the Supervisor's Learning Summit in May 2012. The topics for this summit were identified through DCYF's recent extensive self-evaluation. Topics included joint investigations, assessing chronic neglect, enhanced clinical supervision, and workload management.

DCYF has implemented the provision of the Fostering Connections Act that allows access to Title IV-E funding for eligible short-term training by entering into an Interagency Service Agreement with the CASA program at the Administrative Office of the Courts and by developing a form that those eligible for the reimbursement can complete and submit to DCYF's Contracts Unit for reimbursement. Reimbursement is limited to training specific to Title IV-E-related activities.

An initial CBT for all staff on the Fostering Connections Act and related Arizona legislation was released in the summer of 2010. In SFY 2012, the CWTI implemented this same training as part of its CPS Specialist Core. DCYF has held regular meetings with the Arizona Association of Human Service Providers, quarterly meetings with Home Recruitment Study and Supervision (HRSS) Licensing Agencies, and periodic meetings with the Court Improvement Program Manager regarding the provisions in Fostering Connections. Within these meetings, information is provided about foster home licensing standard waivers for relatives who wish to become

licensed foster parents, the new windows of eligibility for Title IV-E Adoption Subsidy Agreements, and increased use of geographic information system (GIS) mapping to address the educational stability of children entering foster care.

Foster and Adoptive Parent Training

Foster and adoptive parent pre-service training is provided in Arizona by certified leaders through contracted provider agencies using a nationally recognized and standardized curriculum: PS-MAPP Partnering for Safety and Permanence—Model Approach to Partnerships in Parenting (PS-MAPP) or Partnering for Safety and Permanence—Deciding Together (PS-DT). PS-MAPP was modified in 2009 to better reflect Arizona's needs. Arizona PS-MAPP Certified Leaders must complete an eight-day, 54-hour training session led by two of the state's four Arizona PS-MAPP Trainers. Completion of Arizona PS-MAPP or PS-DT training is required prior to licensure and prior to placement of a child (aside from court-ordered placement with unlicensed kin or significant others). A brief version of this training has been part of the CPS Specialist core training to ensure that all staff are exposed to the program philosophy. During 2012, a more extensive version of the Arizona PS-MAPP and content on effective partnership was added to the CPS Specialist core training as an in-service module.

The Arizona PS-MAPP curriculum stresses shared parenting and family-centered practice, which has resulted in significant role and practice changes within the Department's foster care and adoption programs. The curricula are structured around 5 core abilities and 12 critical skills for success.

The five core abilities are:

1. Meet the developmental and well-being needs of children and youth.
2. Meet the safety needs of children and youth.
3. Share parenting with a child's family.
4. Support concurrent planning.
5. Meet their own family's needs.

All licensed foster parents complete a minimum of six hours of in-service training annually. Foster parents with a professional foster home license must complete an additional six hours of in-service training annually related to the special needs of the children for whom they are providing care. Foster parents who will care for children with diagnosed behavioral health needs or developmental disabilities or a medically fragile child complete an additional 12 to 18 hours of advanced pre-service training. An annual individualized initial training plan is created with each foster parent to identify needs and in-service training for the next year. The number of licensed foster and kinship parents trained is between 5,800 and 6,300, with approximately 65 percent of the foster homes headed by married couples. In-service training is conducted by the provider agencies or through alternative means such as the Internet, conferences, video presentations, or community workshops. Alternative training is approved by the provider agencies when they determine it is relevant to the needs of the foster parent or the children that are or will be placed in the home. During 2011, an 18-hour advanced pre-service curriculum on caring for medically fragile children, developed in collaboration between DCYF and provider

agency staff, became available to the provider agencies. The provider agencies have the option to use this curriculum.

The Arizona PS-MAPP initial preparation curriculum is revised and updated as needed to meet Arizona's foster and adoptive parent training needs. The Arizona PS-MAPP curriculum, as revised in 2009, is not required under the existing contract with the contract providers; however, most contracted providers desired and requested the content change and now use the Arizona PS-MAPP curriculum. All agencies will be required to use the updated Arizona-approved training curriculum after the next HRSS contract renegotiation, which should occur in 2013. The Spanish-language Arizona PS-MAPP curriculum materials that are used by the potential resource parents were given to the provider agencies in June 2012.

In 2012, the *Go-To Guide*, which is now part of the Arizona PS-MAPP curriculum, was updated, revised, and delivered to current PS-MAPP Certified Leaders. The *Go-To Guide* contains specific information related to Arizona's child welfare system. The *Go-To Guide* is provided to most currently licensed foster parents by the contract providers. In March 2012, a workshop on anger and behavior management was presented by two Arizona PS-MAPP trainers to foster parents at the Maricopa County KIDS training blitz.

In September and October 2012, DCYF held three one-day conferences for resource parents in three geographic areas of the state. At each conference, Arizona PS-MAPP trainers offered a three-hour workshop to resource parents on managing the anger of children in their care. Linked to the three conferences, Arizona PS-MAPP Trainers offered a workshop to current Arizona PS-MAPP and PS-DT Certified Leaders to provide training updates and obtain feedback on training needs.

Section 5 – State Fiscal Year 2012 Highlights and Accomplishments

The following describes selected agency accomplishments during SFY 2012, in accordance with each of the agency's four goals:

Strengthen Individuals and Families

- Adoptions of foster children continue to increase, resulting in a bonus from the U.S. Department of Health and Human Services. Comparing SFY 2011 to SFY 2012, the number of adoptions finalized increased by 2.4 percent, from 2,195 to 2,248.

- DAAS provides many services to the community. As part of the Older Americans Act Nutrition Program, 1,421,954 home-delivered meals and 1,084,366 congregate meals were served in SFY 2012.

- During SFY 2012, Arizona emergency domestic violence shelters contracting with the Department provided 359,727 nights of safety, resulting in 9,569 women and children finding safe refuge.

- In SFY 2012, the Department contracted with 36 providers of services to the homeless throughout the state for emergency crisis shelter and transitional housing services. During SFY 2012, the number of individuals housed by DES-contracted emergency shelters was 13,188, and the total number of individuals housed by DES contracted transitional programs was 1,729, for a total of 14,917. Of those, 72 percent served were in Maricopa County, 17 percent were in Pima County, and 11 percent were in the balance of state.

- During SFY 2012, Community Action Programs and Services contracted with 12 agencies to provide comprehensive case management services through funding from the Community Services Block Grant (CSBG). The contracted agencies were then able to leverage this funding with other resources at a ratio of 35:1. In 2012, the Community Action Network provided emergency services to 291,150 low-income individuals and families. These services included utility assistance, emergency cash assistance, rental deposit, and food assistance. In SFY 2012, 69,053 low-income vulnerable individuals received services that secured or maintained an independent living situation.

- The Senior Medicare Patrol provides education and assistance to resolve health care fraud, abuse, and errors and to reduce costs to the Medicare/Medicaid systems resulting from these problems. During SFY 2012, 411 contacts (one-on-one counseling sessions) were made.

- The State Health Insurance Assistance Program (SHIP) is a federally funded state program that provides free help to Medicare beneficiaries who have problems with or questions about their health insurance, including: Medicare benefits and rights, complaints about medical care or treatment, billing problems, health plan and prescription drug coverage options, and health plan application and enrollment assistance to people with Medicare. The SHIP helps to educate the community about Medicare and related programs by hosting enrollment events and providing an array of information and materials. SHIP volunteer counselors are trained

to assist Medicare beneficiaries with enrolling in programs and plans and apply for the Extra Help and Medicare Savings Programs. During SFY 2012, over 30,400 Medicare/Medicaid clients were assisted.

- The Family Caregiver Support Program (FCSP) strengthens families by providing services that assist family and informal caregivers to care for their loved ones at home for as long as possible. With more than 855,000 caregivers in Arizona, families are the major provider of long-term care, but research has shown that providing this care exacts a heavy emotional, physical, and financial toll.

  In SFY 2012, the FCSP served 23,704 caregivers with support services, including respite care, support groups, stress management training, and other supplemental services that complement the care of the caregiver. According to the AARP-sponsored 2011 study, *Raising Expectations: A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers*, Arizona ranked third nationally in support of family caregivers.

- Non-Medical Home- and Community-Based Services provide the necessary support services to help individuals remain in their homes and communities. The Department contracts with eight Area Agencies on Aging to identify eligible recipients and provide services such as personal care, homemaker services, and case management. In SFY 2012, DES provided services to 15,559 older adults to help maintain their independence and avoid premature and costly institutionalization.

- In SFY 2012, the Department received 8,781 allegations of abuse, neglect, and exploitation of vulnerable adults. Allegations investigated showed reports of abuse at 23 percent, neglect at 69 percent, and exploitation at 28 percent (a case may have multiple allegations). All allegations of abuse, neglect, and exploitation were investigated. Staff also provided the needed resources and protective services in a timely manner.

- In SFY 2012, over 1,293 homeless and at-risk veterans participated in the 2012 Arizona StandDown. This was a 23 percent increase in the number of veterans seeking services over last year. The three-day event was again the largest veteran outreach event in the nation. Of the participants attending, 12 percent were living on the streets, 6.4 percent were residing in emergency shelters, and 22.5 percent were living in transitional housing. Chronically homeless veterans declined from 22 percent to 17 percent whereas participants residing in permanent housing increased to 56 percent. Seven percent of participants were female, 43 percent had been treated for substance abuse, 44 percent had been diagnosed with mental health issues, and 42 percent had been in jail or prison. Nearly 36 percent reported suffering from Post-traumatic stress disorder. More than 50 state and federal agencies participated in this event. Service providers included the Phoenix Veterans Administration Health Care System, the Arizona Department of Transportation's Motor Vehicle Division, City of Phoenix municipal and other court systems, the Social Security Administration, and DES. Department staff provided one-on-one case management services, including veteran's registrations, job referrals, referrals to support services, resume assistance, assistance with requesting forms, and accessing benefits.

Increase Self-Sufficiency

- Each year, the National United Cerebral Palsy Association (UPCA) conducts and publishes a study called "The Case for Inclusion," which analyzes the provision of Medicaid services for Americans with intellectual and developmental disabilities across the country. The report tracks states' progress in the percentage of people with disabilities living in the family home, the degree to which services are community based, and how people with disabilities live and participate in their communities. According to the UCPA report, Arizona took the top spot for its continued success through DDD in helping residents with disabilities live independently, whether with a family member or on their own with assistance. Arizona is one of only seven states that serve at least 90 percent of consumers in home-like settings. Arizona also scores well in working to keep families together through family support. Among the best performing states, Arizona ranks first while ranking 47th in total spending per consumer. In spite of recent economic challenges, in SFY 2012, DDD continues to work with consumers, families, the provider community, and stakeholders to provide much-needed services to over 32,354 consumers. This compares to 31,441 consumers served in SFY 2011.

- The Arizona Long Term Care Services (ALTCS) serves more individuals per 100,000 population than all but six other states, continues to expand the number of individuals served each year, and has no waiting list attributable to budget concerns. The percentage of people living in settings of six or fewer and the significant percent of people living in their own or their family's home further demonstrate the state's commitment to consumer choice, community inclusion, and support for families. Arizona is one of the most cost-effective programs in the country because of people living at home with their families or on their own, with only one state in the nation spending less per capita.

  The Department continues to participate in the National Core Indicators Project, a project that outlines approximately 100 consumer, family, systemic, cost, and health and safety outcomes. A variety of tools, including consumer surveys, measure areas such as the satisfaction with supports and services provided to people with developmental disabilities and their families. Preliminary data for SFY 2012 show a consistent level of satisfaction since 2000. With the information generated by this survey, DDD will determine areas to focus on when developing ALTCS implementation plans, such as the Network Plan and the Support Coordination Plan.

- The Refugee Resettlement Program provides, under direct contracts with voluntary agencies, culturally and linguistically appropriate employability and employment services. This assists refugees and other eligible beneficiaries with achieving economic self-sufficiency as quickly as possible after arrival in the United States. During SFY 2012, 946 refugees entered employment through this program, compared to 1,426 in SFY 2011.

- Through Community Action Programs and Services, 21,448 low-income households participated in asset development programs, receiving financial skills counseling in SFY 2012. During this same time frame, 62,689 low-income participants in employment initiatives obtained supports that reduced barriers to obtaining and maintaining employment,

acquired employment, obtained an increase in employment income, or achieved a "living wage" that included benefits.

- The Comprehensive Blind Adjustment Contracts have significantly improved the quality of services to individuals who are blind or visually impaired. The Rehabilitation Services Administration (RSA) has partnered with community providers to coordinate blind adjustment services, which has resulted in reducing the time required for clients to complete adjustment services and has improved the communication and partnering among individuals with a visual impairment, providers, and staff. The programs provide rehabilitation adjustment services for individuals who are blind or visually impaired. These services include Rehabilitation Teaching, Orientation and Adjustment to Disability, Orientation and Mobility, Assistive Technology Training, Assistive Technology Devices, Technology Installation and Configuration, Low Vision Assessment, Aids and Devices, and Training Services. The programs also provide many varieties of employment-related services, including Career Exploration, Job Readiness, Resume Writing and Interviewing, Job Development and Placement, Work Station Assessment, Post-Employment Retention Services, and many varieties of specific skill training such as Braille Instruction, English as a Second Language, and On-Site Life Coaches for managing life on one's own.

- DCYF Independent Living Subsidy Program (ILSP) continues to be a valuable resource by providing monthly stipends to older youth in care who are living on their own. This program provides eligible youth aged 17 through 20 with a monthly stipend to help pay for living expenses. Program youth continued to benefit from the ILSP with the total number of participants decreasing from 522 in SFY 2010 to 496 in SFY 2011. The number of participants for the first ten months of SFY 2012, the most recent data available, was 473, with expectations for it to increase prior to closure of the state fiscal year.

Collaborate with Communities to Increase Capacity

- On April 6, 2012, DDD, along with other community agencies, was a part of the Eighth Annual American Indian Disabilities Summit, sponsored by the Arizona Bridge to Independent Living (ABIL). Its theme was "Gather Native Voices to Transition Individuals with Disabilities toward Employment and Recreation." Its purpose was to facilitate training, outreach, and technical assistance for American Indians with disabilities residing in urban and rural areas, with attendees gaining an awareness of support services and becoming empowered to improve their lifestyles by learning strategies to eliminate barriers to service delivery. Other participants included United Cerebral Palsy, Raising Special Kids, Autism Arizona, Native Health, Phoenix Indian Center, Driving to Independence, the Brain Injury Association of Arizona, Goodwill-Youth with Disabilities, the Office for Children with Special Healthcare Needs, DES RSA, and the Social Security Administration. Approximately 100 individuals attended the event.

- Since 1988, the DDD Adaptation Station in the Southern Region has designed and constructed adaptive equipment for children and adults with developmental disabilities. This year the Adaptation Station was supported by more than 30 volunteers and 123 helpers contributing a total of 4,178 volunteer hours. The volunteers produced and adapted more

than 1,005 items to assist over 212 consumers by adapting such items as battery-operated toys with homemade switches, therapy positioning devices and furniture; sewing weighted vests, blankets and upholstery; designing other adaptations for home and work; and teaching University of Arizona students. Materials used to construct these items cost $16,428.54, where comparable catalog items would have been between $49,315.62 and $98,631.24. In addition, most items made are custom tailored to the individual and are not available on the market.

- Maricopa Workforce Connections has invited DCSE to refer unemployed parents to them. DCSE Outreach and Community Initiatives has developed the process of establishing noncustodial parent employment referral procedures. Selection of the target population began in late January 2012.

- DDD volunteer services in the southern region has over 70 active volunteers as well as many community helpers contributing 10,209 hours this past year. In Maricopa County, over 300 volunteers contributed approximately 18,000 hours. Trained volunteers assist in many areas, ranging from the Human Rights Committee, the Adaptation Station, staffing a donations room, to helping with office and clerical tasks. The value of a volunteer's time and talent is calculated each year by the Independent Sector. Although the volunteer contribution to DDD is immeasurable, the value of their commitment, effort, and participation as calculated by industry standards amounted to $649,472. Volunteers also give more than their time. Last year, DDD received community donations valued at over $34,798. The combined value of donations and volunteer contribution is $684,270.

- Governor Brewer signed a proclamation declaring the week of September l2–16, 2011, as Direct Support Professionals Appreciation Week. Arizona joined other states in recognizing caregivers who provide professional services to their citizens with developmental disabilities. Direct support professionals, also known as direct care workers, in-home support workers, or caregivers, support people with developmental disabilities to live independently in communities of their choosing. They are everyday heroes who make a positive impact on the lives of people with developmental disabilities, they promote greater inclusion in their community and better quality of life for those they work with and are integral to the economic fabric of our community and state.

  As part of the week's activities, DDD recognized four outstanding direct support professionals. Nominations from people with developmental disabilities, their families, support coordinators, and peers were received from all over the state. The event was held on Wednesday, September 14, 2011, at the Disability Empowerment Center in Phoenix. Approximately 100 friends, co-workers, and family members attended the event to honor the winners.

- DDD contracts with Raising Special Kids and Pilot Parents of Southern Arizona to provide peer counseling services throughout Arizona. Their services include offering self-help opportunities through education; training; information-sharing; encouragement; and support to individuals, families, and other caregivers. They also match trained peer support staff or volunteers with individuals, family members, or caregivers of individuals with

developmental disabilities. This service also communicates with professionals in fields such as education, healthcare, child protection, and law enforcement to increase awareness and understanding of developmental disabilities. During SFY 2012, these contractors provided more than 150 unique training opportunities, 2,000 hours of outreach and support, and 400 individual peer support matches for individuals with disabilities and their families.

- DDD asked the Sonoran University Center on Excellence in Developmental Disabilities (UCEDD) to partner on a project to improve outcomes for foster youth with developmental disabilities (DD). DDD then met with the Arizona DD Planning Council about collaborating on the project. The Arizona DD Planning Council has funded the UCEDD to carry out the project, "Creating a "Picture of a Life" for Transitioning Youth with DD in Foster Care."

    The project intends to improve transition outcomes for these youth, which include the following desired outcomes: a safe and stable home, self-determination and self-advocacy, framing a vision for their future, a support system to help with decision making, an ongoing circle of natural/informal support, and employment exploration and opportunities. Ultimately, the project will help improve services for individuals with DD exiting foster care in Arizona by offering a mechanism for youth to exercise meaningful choices about their living arrangements, work life, social networks, and services.

- The Department continues its partnership with two of Arizona's Centers for Independent Living to provide free training and support on self-determination and self-advocacy for adults with developmental disabilities. The training and support is offered by two community agencies: the Arizona Bridge to Independent Living (ABIL) located in Phoenix and serving Maricopa County and DIRECT Center for Independence located in Tucson and serving Pima County. The program, also known as "This is My Life," encourages and teaches adults to speak up so they can make more life choices and choose the direction in their own lives.

- DDD and its Office of Consumer and Family Support (OCSF) provides staff support to the Developmental Disability Advisory Council (DDAC) with meetings, public forums, and the Client Services Trust Fund. The DDAC was initially established in 1976 and re-established in 1992, 1997, and again in 2000. The statutory mandate (A.R.S. § 36-533) requires the council to review and make recommendations to the Assistant Director of the Division of Developmental Disabilities regarding the provision of services to people with developmental disabilities. DDAC membership is composed of 17 members, including persons with developmental disabilities who receive services from the Division; parents/guardians of children with developmental disabilities, including one whose child serviced through the Arizona Early Intervention Program (AzEIP); private sector agency providers of in-home services, residential services, and adult day services; a Human Rights Committee member; representatives from developmental disability advocacy organizations; the Director (or designee) of the AHCCCS; the Assistant Director of DDD; a member from the DDPC; and a foster parent representative. The mission of the DDAC is to provide, in partnership with DDD, advisory oversight on behalf of consumers, families, and providers by defining appropriate services from the consumer's perspective; providing realistic and practical recommendations for implementation of the duties in Arizona Revised Statutes; and assisting

in the design of a clear and responsive system that promotes access to service delivery and matches the needs of the consumer and serving as a forum for public input.

- DDD became a member of the State Employment Leadership Network (SELN) in January 2012. The SELN is a joint initiative of the National Association of State Directors of Developmental Disability Services and the Institute for Community Inclusion (ICI) at the University of Massachusetts, Boston. Its project teams support states in their efforts to improve integrated employment outcomes for their constituents. Since becoming a member, DDD has completed its comprehensive self-evaluation; distributed a *Strategic Employment Assessment Supplemental Survey* to a wide range of Division staff, consumers, family members, advocates, other state agency representatives, and stakeholders; and conducted focus groups. Using the project team's findings, observations, and recommendations, the Division is developing a detailed work plan to improve the employment outcomes for its program participants.

- Working with AHCCCS as the manager of a national Medicaid Infrastructure Grant, the Division assisted in the development of DB101, which are online tools that help individuals with disabilities make informed decisions about going to work by assisting them with planning for employment, learning how work and benefits (cash, medical, etc.) go together, and understanding how their individual benefits might be affected by work income. Each DDD Employment Specialist has been trained as a trainer to promote use of the tool by families and consumers interested in becoming employed.

- As a "community of practice," AzCOPT is a collaborative of state agencies and stakeholder groups that have come together around the shared interest of improving school and post-school outcomes for youth and young adults with disabilities. Currently chaired by the DDD's Director of Program Services, the AzCOPT Leadership Team includes DDD; the Arizona Department of Education, Exceptional Student Services; DERS Vocational Rehabilitation Services (VR); the Arizona Department of Health Services, Office of Children with Special Health Care Needs; the Arizona Department of Health Services, Division of Behavioral Health Services; the Youth Action Council of Arizona family support services, and the Tribal 121 VR programs. The overall purpose is to facilitate collaboration among the various supports and services available to students and young adults as they move into their adult lives. More specifically, AzCOPT provides guidance to all staff across the collaborative working with transitioning students to better create "linkages" through and after transition. The collaborative also introduces parents and students to what they might expect during and after transition. The statewide group has supported the development of local communities of practice and has begun to look at the state's Indicator 14, Post-School Outcome (PSO) data to determine barriers to better outcomes and assist local groups in examining the same at their local level.

- In 2006, Personally Delivered, LLC, a Tucson-based home health and incontinent distributor, approached DDD with a proposal of creating a diaper bank for adults with developmental disabilities. Managed by the Division's staff and volunteers, the diaper bank is now in its sixth year of operation by providing emergency supplies to low-income individuals with

disabilities. Referrals for undergarments are made by support coordinators. Personally Delivered, LLC actively encourages their suppliers to assist as well.

- DDD began partnering with ADOA's Interns-In-Action program in March 2012. Through June 2012, six students have participated in DDD internships statewide, from ASU, the U of A, and the Phoenix College of Law. They are assisting with legislative research, policies and procedures research and refinement, developing self-study courses for individual/families, and expediting the DDD intake process. Some students will resume their studies in the fall, having received credit for the internship; others might be available for part-time employment as they resume their studies, or possibly full-time work upon graduation. The DDD plan is to continue, as well as expand our participation in the Interns-In-Action program.

- DDD developed an e-learning course called "Aspiration and Asphyxiation Refresher," which is placed on its Web site to raise awareness about the increased risks of choking experienced by people with developmental disabilities. After viewing the online training, New York State's Office of People with Developmental Disabilities (OPWDD) sought permission from DDD to use its training and acknowledged DDD for allowing OPWDD to adapt their e-learning course on Choking Prevention based on the Arizona model.

- DES partners with faith-based organizations to engage, connect, and support them as partners in Arizona's economic recovery and safety net efforts. The needs of our communities are rising, and traditional places for help are overwhelmed. Government resources are scarce, and faith partners continue to offer to help meet the needs of our communities. Each partner has a unique talent, capability, or gift that compliments one another to help those in need. DES provides staffing resources for the Arizona Council on Faith-Based and Community Initiatives. The council is dedicated to engaging and mobilizing all faith communities to improve the quality of life for the most vulnerable and impoverished people through a statewide, action-oriented collaboration of faith-based, community, and governmental organizations.

- CommunityConnect, an e-newsletter for community leaders and community members across Arizona that is produced by the Department, provides those who deliver human services with resources and information and provides a platform for sharing community successes among groups and geographically dispersed communities. The e-newsletter reaches over 9,800 Arizonans.

- DES convenes statewide roundtables for municipal human service professionals for education and networking. The purpose of these roundtables is to allow municipal human services managers and staff the opportunity to meet their peers and to share ideas, concerns, solutions, and stories with one another. Attendees unanimously agree that the roundtables are of high value to them, and attendees especially appreciate being in direct contact with others who face the same issues that they grapple with every day. Twenty municipalities, mostly from the greater Phoenix area, participated in SFY 2012.

- The Volunteer Services Program was established in 1988 and continues to work to identify volunteer opportunities within the Department to ensure the successful integration as well as

positive contributions of volunteers. Annually, hundreds of volunteers assist the Department and contribute thousands of hours of work. During SFY 2012, volunteers contributed more than 90,000 hours to help ensure that DES families received needed services. They assisted with everything from administrative support and transporting children and vulnerable adults to medical and court-ordered appointments and providing quality federal and state-mandated services for Arizona's families in need.

- The Phoenix South Mountain Step Down Group Home has been in operation since September 2004. This home was a collaborative effort between DDD and the behavioral health entity, Magellan. Both groups continue to work collaboratively to support individuals who are transitioned through this setting from psychiatric hospitalization or crisis centers back into long-term placement in the community. This past year, the home has supported eight individuals with developmental disabilities or mental health challenges with an average length of stay of 90–120 days. The individuals who have transitioned out of the program have been successful in their long-term community placements.

- The RSA began conducting outreach and solidifying partnership agreements with community Employment Networks within the Partnership Plus model for Ticket to Work holders. These partnership agreements are designed to enhance the stability of employment for individuals with disabilities by creating a seamless transition through the state's VR Program to, upon successful employment of the client, less intensive supports provided by community agencies following the completion of state-sponsored services. These collaborative partnerships are being pursued with the 12 active Employment Networks in Arizona. The RSA is committed to strengthening the partnerships with current and future Employment Networks.

Increase Efficiency and Effectiveness through Innovation and Accountability

- The Department has formed the Office of Accountability (OA) that will help DES develop an enterprise approach to performance management and accountability. The Office encourages coordination of DES programs, unifying management, employees, stakeholders, and customers through a shared understanding of the agency's goals and objectives. Specifically, the office measures individual, team, organizational, and stakeholder accountability. This includes risk management and early warning and prevention of issues that may affect program quality. It recommends steps to mitigate and prevent fraud, waste, and abuse and seeks timely measures to resolve problems. Where necessary, it helps to develop corrective and preventive action plans, and it seeks measures that enable continual improvement of key business functions.

  OA is developing a performance management system that is integrated vertically and horizontally. Vertical integration will align employee efforts with the agency's goals and promote improvement through cascading goals and objectives to each level of the agency. Horizontal integration optimizes work flows across programs. This helps DES deliver customer-focused services and assesses individual processes from the customer's perspective.

OA is developing tools for forecasting, monitoring, and measuring performance at each level of the agency, including:

- o Quality control process that can be used by individuals and their supervisors.
- o Self-assessment. This is an ongoing process, used by each program and function, to monitor its own performance, evaluate its capacity, and find improvements.
- o Third-party reviews conducted by OA. These reviews will compare performance against projections, identify opportunities for improvement, and develop action plans.
- o Outcome evaluations are also conducted by OA. These evaluations will assess the extent to which programs contribute to outcome-oriented objectives for the entire agency.
- o Audits of programs and contractors performed by OA. Audits will be selected on the basis of an annual risk assessment. The assessment will concentrate audit efforts on areas with the biggest opportunities for improvement and will address several risk factors, including inability to meet objectives, fraud, waste, and abuse.

- DCSE focuses on making child support services more personal for customers. DCSE is continually striving to help customers by looking for opportunities to improve processes and procedures. DCSE wants to ensure that its customers are provided opportunities to become more financially secure and able to provide for their families. This is accomplished through outreach and education with the employer, community, and customers, early intervention with customers, increased collaboration with other state Title IV-D agencies to gain valuable assistance for improved enforcement of support obligations, and through the use of system tools and technology. DCSE has developed and implemented standards of operation in all of these areas to improve outcomes for the families DCSE serves. In addition, DCSE has centralized its financial units for consistency and improved debt efficiency. In the area of paternity establishment, DCSE continues to have the highest paternity establishment percentage among 54 national child support programs. DCSE seeks national best practices and research to maintain this upward climb.

- DCSE was invited to present information at this year's Western Interstate Child Support Enforcement Council (WICSEC). The presentation focused on the improvements to DES's modification process, along with ideas on processes to improve DCSE's overall business practices. DES continues to be consulted on issues of national relevance to the child support community.

- Since March 2009, the Department has been engaged in consolidating office space throughout Arizona to assist in reducing costs to mitigate the effects of the budget reductions on staff and clients. These efforts have resulted in 45 office closures since inception. The office consolidations have resulted in savings of approximately $12.5 million over the last three fiscal years and an expected $4.5 million for SFY 2013.

- Approximately one in six Arizonans received benefits administered by DBME during SFY 2011 and SFY 2012.[1] With such rapid and sustained caseload growth, the Department needed to address the underlying issues of caseload volume and limited staff before it completely overwhelmed the benefit programs. DBME began implementation of a new

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[1] 2010 U.S. Census Bureau Data for Arizona.

process management model during SFY 2011 and completed the statewide implementation in DBME offices during January 2012. The new model focuses on streamlining eligibility practices and processes for applications and interviews, verification and eligibility decisions, and maintenance and recertification of cases. DBME has improved its lobby management with a FAST tracker system to capture, assign, and track client lobby and phone traffic. This allows management to track "time in" and "time out" of applicants and allows management to direct staff resources to areas of the greatest volume. Furthermore, in conjunction with the electronic application process through HEA, emphasis is placed on completing the entire application and authorization process in one visit. This emphasis has allowed DBME to dramatically reduce the number of repeat office visits and phone calls, thereby minimizing lobby traffic while providing timely and more accurate eligibility determinations. The timeliness rate for SNAP applications in October 2010 was 79.6 percent. In March 2012, the timeliness rate for SNAP applications increased to 94.1 percent. In addition, the application processing backlog has been reduced by 75 percent from SFY 2011 through SFY 2012.

DBME also implemented comprehensive supervisor academies as part of the new process management model. These academy sessions focus on strengthening all supervisors' and managers' analytical skills by reinforcing the most effective use of tools and reports offered through the new FAST Tracker reporting system. All supervisors and managers will attend the academies by December 2012.

- Using the new process management model and the HEA application process, DBME has begun migrating from a labor-intensive and inefficient caseload assignment process to a team approach allowing greater collaboration between offices to manage the workload statewide. DBME has utilized current technology and is working to improve its telephony and computer network infrastructure to manage its workload. Staff may shift work from one office to another in order to reduce backlogs and maintain timeliness. The new process and technology improvements will allow DBME to manage and maintain an increasing workload while minimizing the need to maintain a proportionally increasing workforce.

- During SFY 2012, the Office of Special Investigations (OSI) began a review of all units and processes in an effort to increase efficiency and realign staff to better accomplish its mission. In addition, six field investigators have been assigned to coordinate with several narcotics and violent felony task forces in effort to identify individuals with specific drug convictions and outstanding arrest warrants from obtaining Cash and Nutritional Assistance benefits. In coordination with the U.S. Department of Agriculture, Office of Inspector General, Arizona Attorney General's Office, and the South Mountain Precinct of the Phoenix Police Department, the OSI Trafficking Detection Unit conducted an investigation by producing multiple Grand Jury indictments and arrest warrants for 18 people. Felony charges consisted of unlawful use of food stamps, unlawful use of a credit card, fraudulent schemes and artifices, and illegal control of an enterprise.

- In January 2012, DCYF established the Performance Improvement and Accountability (PIA) Section to ensure compliance and accountability for the Division's Title IV-E Foster Care and Adoption Assistance Program, contract management system, and provider payment operations. Although in its beginning stages, the PIA group has been able to:

- o Develop an internal audit tracking tool to monitor federal and state audit outcomes and corrective actions;
- o Assign tasks and duties related to recent Auditor General performance reviews to ensure implementation of corrective measures within required timelines;
- o Identify, recommend, and coordinate access of locate tools and processes to reduce Division costs, expedite actions, and improve outcomes (i.e., Facebook, Accurint, internal DES systems); and
- o Develop a Title IV-E pre-audit work plan that will assist in achieving consistent compliance with IV-E foster care requirements.

Section 6 – Economic Conditions and Outlook[2]

Introduction

The Office of Employment and Population Statistics (EPS) within the Arizona Department of Administration (ADOA) is forecasting gradual gains in nonfarm employment in Arizona for the 2012–2013 projections time period. In comparison to the employment forecast released earlier in May, nonfarm employment growth has been forecast to be slightly greater in both 2012 and 2013. An over-the-year gain of 51,200 nonfarm jobs is expected in 2012 and 60,900 in 2013. The previous forecast in May was for a 47,000 job gain in 2012 and 55,800 in 2013. In the current forecast, the rate of growth projected for total nonfarm employment is 2.1 percent in 2012 and 2.5 percent in 2013. A total of 112,200 nonfarm jobs are forecast to be gained over the two projected years (2012 and 2013).

The overall employment situation in Arizona is improving. An initial increase in home prices in Arizona and some other states is a positive sign.

There are a number of factors that have helped the U.S. as well as Arizona economy gradually pickup and add jobs:

- Continued improvement in real Gross Domestic Product (GDP), real personal income at the state and national levels, employment, and retail sales.

- Continued employment gains in the Private sector, increasing private domestic investment, gradual increase in the index of industrial production and rate of capacity utilization, high levels of corporate profit, and a gradual resurgence in private residential construction permits.

- Continued gradual climb in household net worth as the decline in U.S. home prices have slowed, a continued decline in the fraction of disposable income used for household debt payments, and continued growth in U.S. exports.

- Home prices have stabilized in Arizona and have begun to rise in the Phoenix metropolitan area. Residential real estate market in Arizona and Phoenix metropolitan area is showing an improvement as measured by various indicators. These include rising levels of building permits.

- While revolving consumer credit levels have remained flat, an expansion of non-revolving consumer credit since 2011 has served as an impetus to expanding economic activity. Consumer sentiment and consumer spending have shown signs of improvement.

With an improving domestic economy and employment growth in the Private sector, consumers are expected to spend more as their incomes rise. Increased spending will generate further

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[2] This section has been excerpted from the Arizona Department of Administration, Office of Employment and Population Statistics "Employment Forecast Update" November 1, 2012.

economic activity, creating a higher demand for goods and services. Outside of the U.S., the economies of Asia and Latin America are expected to grow at a slower pace during the forecast time period. These expanding foreign economies are projected to create growing demand for exports that are fabricated in the U.S. and Arizona.

Although positive signs of economic improvement continue, there are some domestic factors that could dampen the growth of the local economy. However, the positive factors listed above outweigh the uncertainties in the sections described below in support of our forecast:

- Constrained budgets as well as economic and financial uncertainty for a large majority of households. Despite some job growth, many consumers in the U.S. continue to face employment insecurity, lower wages and benefits, high levels of debt, rising gasoline costs, and rising prices for essentials such as food, energy, and healthcare that limits the amount of funds available for discretionary spending. The most recent drought in the Midwestern states, an important agricultural region, has already sent food prices soaring in the U.S. and the rest the world.

- Weak real estate markets in both the residential and commercial sectors could inhibit the overall economy. Signs of weakness include vacant properties, non-performing loans, underwater mortgages, and continued home mortgage foreclosures. The residential real estate market, although in the beginning stages of a gradual recovery, is showing more signs of a recovery than the commercial real estate market.

- Business reluctance to invest despite high levels of corporate profits and cash reserves as a consequence of demand uncertainty.

- Public sector fiscal consolidation through spending reductions and tax increases to reduce debts could have a bearing on the growth of the economy. The impending "fiscal cliff" is the conundrum that the U.S. government will face at the end of 2012, when the terms of the Budget Control Act of 2011 are scheduled to go into effect. According to a pre-arranged legislative agreement schedule, spending will be reduced and taxes will rise to reduce the federal government deficit and debt levels. Spending is scheduled to be reduced in both civilian and military programs. Tax cuts are scheduled to expire and new taxes have been legislated to begin soon in 2013. Reduced spending and increased taxes are expected to lower the level of aggregate demand in the U.S. economy and slow the rate of economic and employment growth.

- Besides the federal government, state and local governments continue to have budget problems. Many state and local governments have recently been using increases in tax revenues to build up emergency reserve funds to deal with any future economic downturns and have not been increasing their levels of spending.

In addition to the factors listed above, there is some uncertainty on the international front:

- Debt repayment problems in the Euro Monetary Zone economies and economic contraction. Countries in the Euro Monetary Zone serve as an important market for U.S. exports. They

also serve as a source of foreign investment funds for U.S. financial markets. U.S. investments in European banks could run the risk of devaluation and default in a recession. However, news of proposed European Central Bank support for sovereign debt reduces the risk. Although trade with Arizona is limited, it exposes the U.S. to the risk of European financial and economic problems.

- Potential international military conflict in the Persian Gulf with Iran. A military conflict could disrupt the flow of oil out of the Persian Gulf and the Middle East, restrict the global supply of petroleum, further increase gasoline prices, and restrict economic activity around the world.

- Economic growth is slowing in the People's Republic of China (PRC) resulting from a reduced pace of expansion in China's export markets. The Chinese government is beginning the process of changing the structure of the Chinese mainland economy, from being driven by low value added goods for export to Europe, the U.S., and the rest of the world to more value added manufactured goods, using higher technology and higher skilled labor for their internal demand. This could create a new middle class dependent on U.S. imports. In the short run, the magnitude of the impact of the slowdown in China is not certain.

Arizona Industry Employment Projections (2011–2013)

For the 2011 to 2013 forecast time period, the major sectors with the largest projected employment gains include: Professional and Business Services (21,500 jobs); Educational and Health Services (20,400 jobs); Trade, Transportation, and Utilities (19,900 jobs); Leisure and Hospitality (18,100 jobs); and Construction (13,100 jobs). The smallest forecast gains are in the major sectors of Information (200 jobs) and Natural Resources and Mining (300 jobs). The only major sector with a projected loss in employment for 2011 to 2013 is Other Services (2,500 jobs).

During the two-year forecast time period, the major industry sectors with the most rapid rate of job gains include: Construction (11.8 percent); Leisure and Hospitality (7.0 percent); Professional and Business Services (6.3 percent); Financial Activities (6.2 percent); and Educational and Health Services (5.7 percent). The slowest gains are projected in the major sectors of Information (0.7 percent) and Government (1.4 percent). Other Services is the only major sector with forecast job losses (-2.7 percent).

Professional and Business Services (PBS): The PBS sector is projected to have an increase of 9,800 jobs (2.9 percent) in 2012 and 11,700 jobs (3.3 percent) in 2013. The sub-sectors with the largest projected job gains over the projection period include Employment Services, Services to Buildings and Dwellings and Professional, Scientific and Technical Services. Business firms are expected to hire contingent labor as a lower cost means to expand output during the early, uncertain stages of an economic recovery. Management and Business Support Services are the sub-sectors with forecast job losses. A continued need to control costs and minimize expenditures is the cause of the projected employment decreases in Management and Business Support services.

Educational and Health Services (EHS): The EHS sector is forecast to gain 9,700 jobs (2.7 percent) in 2012 and 10,800 jobs (2.9 percent) in 2013. The largest projected increases in employment are forecast in the sub-sectors of Ambulatory Health Services and Hospitals. Government spending reductions have the potential to severely curtail growth in the healthcare sectors. Private Educational Services are the sub-sectors with the smallest projected gains in employment as a result of more people leaving school to re-enter the workforce in an improving economy.

Trade, Transportation, and Utilities (TTU): The TTU sector is forecast to gain 9,300 jobs (2.0 percent) in 2012 and 10,500 jobs (2.2 percent) in 2013. The order of sub-sectors with the largest to smallest forecast gains include: Retail Trade; Transportation Warehousing and Utilities; and Wholesale Trade. In the Retail Trade sub-sectors, Food and Beverage stores along with Motor Vehicles and Parts Dealers sub-sectors have the largest projected increases in employment. Improving consumer finances is anticipated to increase consumer spending and, therefore, contribute to job gains in Retail Trade. In the Transportation, Warehousing and Utilities sub-sectors, Truck Transportation is forecast to have the largest job gains. Increases in employment are projected across most other sub-sectors including Air Transportation and Utilities.

Leisure and Hospitality (L&H): The L&H sector is projected to have an increase of 8,600 jobs (3.3 percent) in 2012 and 9,500 jobs (3.5 percent) in 2013. The sub-sectors with the largest projected job gains are Food Services and Drinking Places and Arts, Entertainment, and Recreation. Despite a projected increase in employment from 2012 to 2013, Accommodations has a slight forecasted loss in jobs for 2012. Growing demand for domestic and international tourism is projected to bolster employment in the Leisure and Hospitality sectors.

Construction: This sector is forecast to gain 6,100 jobs (5.5 percent) in 2012 and 7,000 jobs (5.9 percent) in 2013. The largest forecast job gains from 2011 to 2013 are in the sub-sectors of Specialty Trades followed by Heavy and Civil Engineering Construction. Building construction is the only sub-sector with projected job losses. Repair and maintenance activities along with new infrastructure projects, such as the expansion of light rail in Phoenix, are expected to bolster employment in Specialty Trades and Heavy and Civil Engineering Construction sub-sectors. The vacant properties in residential and commercial real estate are anticipated to stop the growth of employment in Building Construction sub-sectors.

Financial Activities (FA): This sector is projected to have an employment increase of 5,000 jobs (3.0 percent) in 2012 and 5,400 jobs (3.1 percent) in 2013. During the 2011 to 2013 forecast time frame, the subsectors with the largest projected gains in employment are: Credit Intermediation and Monetary Authorities; Real estate, Rental and Leasing; and Securities, Commodities, Contracts, and Investments. Insurance, Funds, and Trusts also has projected job gains.

Government: This sector is forecast to gain 2,000 jobs (0.5 percent) in 2012 and 3,800 jobs (0.9 percent) in 2013. The majority of projected increases in employment from 2011 to 2013 are in the sub-sectors of public education at the state and local government levels. Slight job gains are also forecast for the non-education sectors of local government. However, job losses are projected for the Federal government and non-education sectors of state government.

Manufacturing: This sector is projected to have an employment increase of 2,000 jobs (1.4 percent) in 2012 and 2,900 jobs (1.9 percent) in 2013. From 2011 to 2013, job gains are forecast across most Durable Goods sectors including Fabricated Metals, Aerospace and Computer and Electronic Products and Non-Durable Goods. However, job losses are projected in the unreported Durable Goods sectors.

Natural Resources and Mining (NRM): The NRM sector is forecast to gain 200 jobs (1.9 percent) in 2012 and less than 50 jobs (0.4 percent) in 2013. From 2011 to 2013, slowing job gains are projected in Metal Ore Mining sub-sectors as a consequence of slowing economic growth in Asia and an emerging recession in Europe. Reductions in employment levels are forecast in the Non-Metal Ore Mining sub-sectors of NRM.

Information: This sector is projected to have a decrease in employment of 100 jobs (-0.1 percent) in 2012 and an increase in employment of 300 jobs (0.8 percent) in 2013. During the 2011 to 2013 projections time frame, slowing job losses are forecast in the Telecommunications sub-sectors. However, accelerating job gains are projected in the Non-Telecommunications sub-sectors.

Other Services (OS): OS is forecast to lose 1,600 jobs (-1.8 percent) in 2012 and 900 jobs (-1.0 percent) in 2013. Increased employment insecurity, reduced wages and benefits, large levels of consumer and mortgage debt and rising food, energy and healthcare costs have resulted in retrenchment of consumer spending toward establishments primarily engaged in raising funds for a wide range of social welfare activities. These establishments include foundations or charitable trusts and religious, professional, and civic organizations, etc. These projected reductions in employment reflect that.

Conclusion

Arizona is projected to gain 112,200 Nonfarm jobs, representing a growth rate of 4.7 percent, over the two projected years of 2012 and 2013. An over-the-year gain of 51,200 jobs is projected in 2012 and 60,900 jobs in 2013. The rate of growth projected for nonfarm employment is 2.1 percent in 2012 and 2.5 percent in 2013.

All sectors of the Arizona economy are projected to gain jobs during the 2011–2013 forecast time period with the exception of Other Services sector. For the 2011 to 2013 forecast time period, the major sectors with the largest projected employment gains include: Professional and Business Services (21,500 jobs); Educational and Health Services (20,400 jobs); Trade, Transportation, and Utilities (19,900 jobs); Leisure and Hospitality (18,100 jobs); and Construction (13,100 jobs). The sectors with the highest rates of growth in nonfarm employment are Construction (11.8 percent); Leisure and Hospitality (7.0 percent); Professional and Business Services (6.3 percent); Financial Activities (6.2 percent); and Educational and Health Services (5.7 percent).

There are risks that could add uncertainty to the forecast. Rising food and petroleum prices could absorb a greater fraction of household spending, leaving less disposable income. A potential military conflict in the Persian Gulf over Iran could disrupt supplies of petroleum,

sending prices spiraling and disrupting economic activity all over the globe. The public debt crisis in the Euro Monetary Zone has the potential to depress economic activity and European demand for exports, thus contributing to a slowing of economic growth in many parts of the world. Economic growth is slowing in the People's Republic of China (PRC) which would reduce imports from the U.S. In the domestic economy, constrained federal, state, and local budget, and the imminent "fiscal cliff" could potentially inhibit the growth of demand for goods and services. Continued weakness in the commercial and residential real estate markets could pose additional risks.

There are many positive indicators suggesting improvement in the overall economy as measured by various economic indicators such as GDP, employment, industrial production, wholesale and retail sales, capacity utilization rate, household net worth, rising income levels, increasing consumer spending, gradual improvements in residential real estate markets, increasing levels of private domestic investment, etc. However, there are also risks associated with uncertainties as mentioned above. Overall, with nonfarm employment gains projected across ten of the eleven major sectors in 2011–2013, this forecast suggests that the positives outweigh the risks.
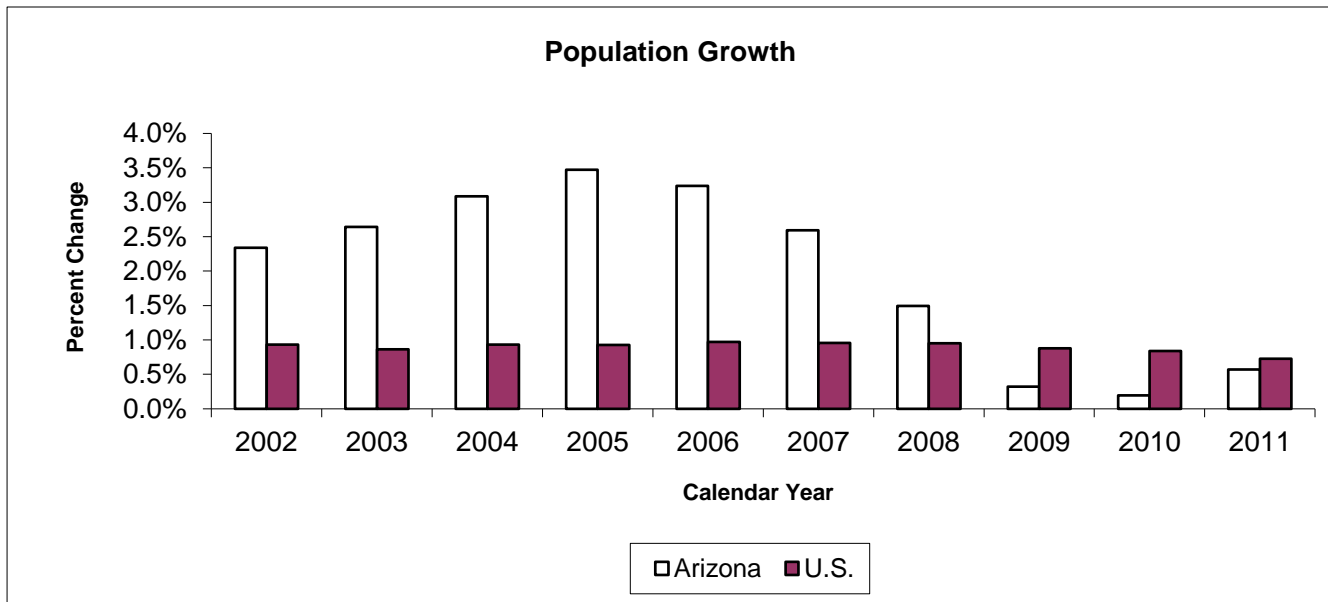
Section 7 – Statistics

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison between Arizona and United States Population
For Calendar Years Ended December 31
(2011 is the most recent data available)

Year	Arizona Population	United States Population	Percent Change In Arizona Population	Percent Change in U.S. Population
2002	5,411,164	287,625,193	2.3%	0.9%
2003	5,554,235	290,107,933	2.6%	0.9%
2004	5,725,610	292,805,298	3.1%	0.9%
2005	5,924,476	295,516,599	3.5%	0.9%
2006	6,116,409	298,379,912	3.2%	1.0%
2007	6,274,981	301,231,207	2.6%	1.0%
2008	6,368,649	304,093,966	1.5%	1.0%
2009	6,389,081	306,771,529	0.3%	0.9%
2010	6,401,569	309,349,689	0.2%	0.8%
2011	6,438,178	311,591,917	0.6%	0.7%

Sources: Arizona estimates by the Population Statistics Unit, Office of Employment and Population Statistics, Arizona Department of Administration; United States estimates the by U.S. Census Bureau.
Note: 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.


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ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison between Arizona and United States Per Capita Income
For Calendar Years Ended December 31
(2011 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
2002	27,459	31,481	1.4%	1.0%
2003	28,239	32,295	2.8%	2.6%
2004	30,080	33,909	6.5%	5.0%
2005	32,223	35,452	7.1%	4.6%
2006	34,326	37,725	6.5%	6.4%
2007	35,441	39,506	3.2%	4.7%
2008	36,059	40,947	1.7%	3.6%
2009	33,560	38,637	-6.9%	-5.6%
2010	33,773	39,791	0.6%	3.0%
2011	35,062	41,560	3.8%	4.4%

Source: Arizona and U.S. data provided by the Office of Employment and Population Statistics, Arizona Department of Administration.
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.
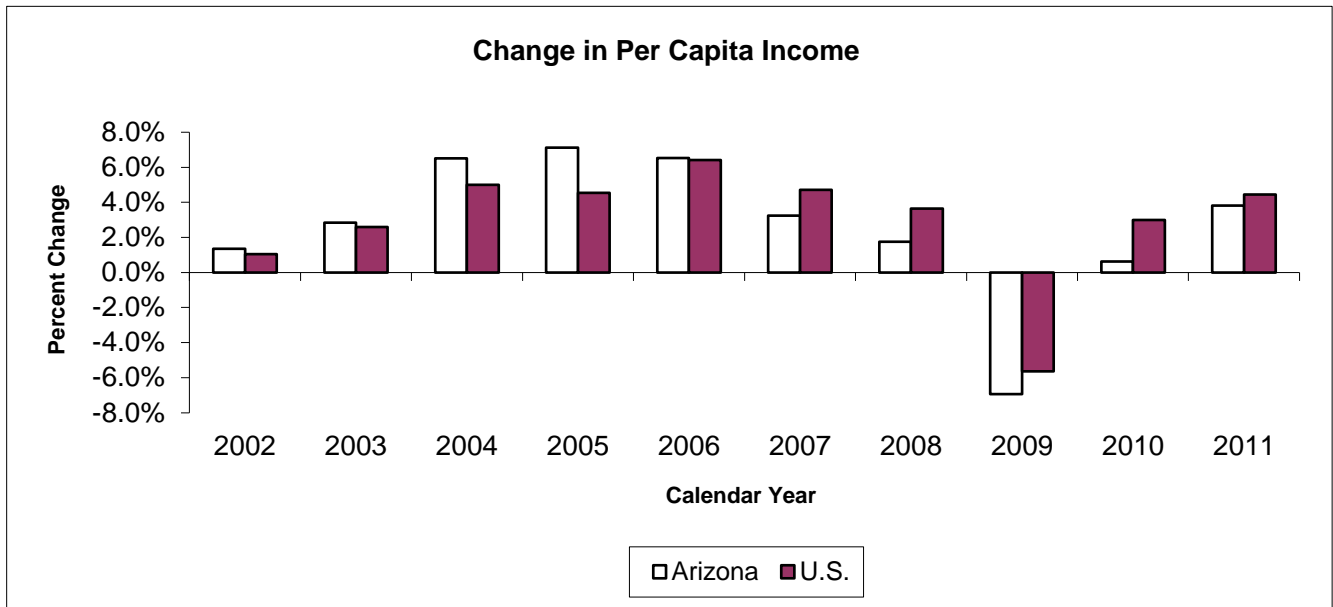
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Expenditures by Funding Source
(Governmental Funds and Unemployment Insurance Benefits)
For Fiscal Years Ended June 30

Year	State Funds	Federal Funds	Other Funds	Total Funds
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
2007	734,043,579	1,498,649,185	943,064,161	3,175,756,925
2008	801,862,086	1,703,396,765	1,080,817,875	3,586,076,726
2009	705,314,168	2,359,577,901	1,540,321,161	4,605,213,230
2010	512,735,693	3,804,712,359	1,667,553,184	5,985,001,236
2011	579,759,832	3,701,195,606	1,341,056,629	5,622,012,067
2012	604,219,713	3,293,038,152	1,277,799,638	5,175,057,503

Source: The Arizona Department of Economic Security, Financial Statements.
Note: The Federal Funds amounts include amounts for SNAP benefits distributed.


Expenditures by Function and Funding Source (in millions)
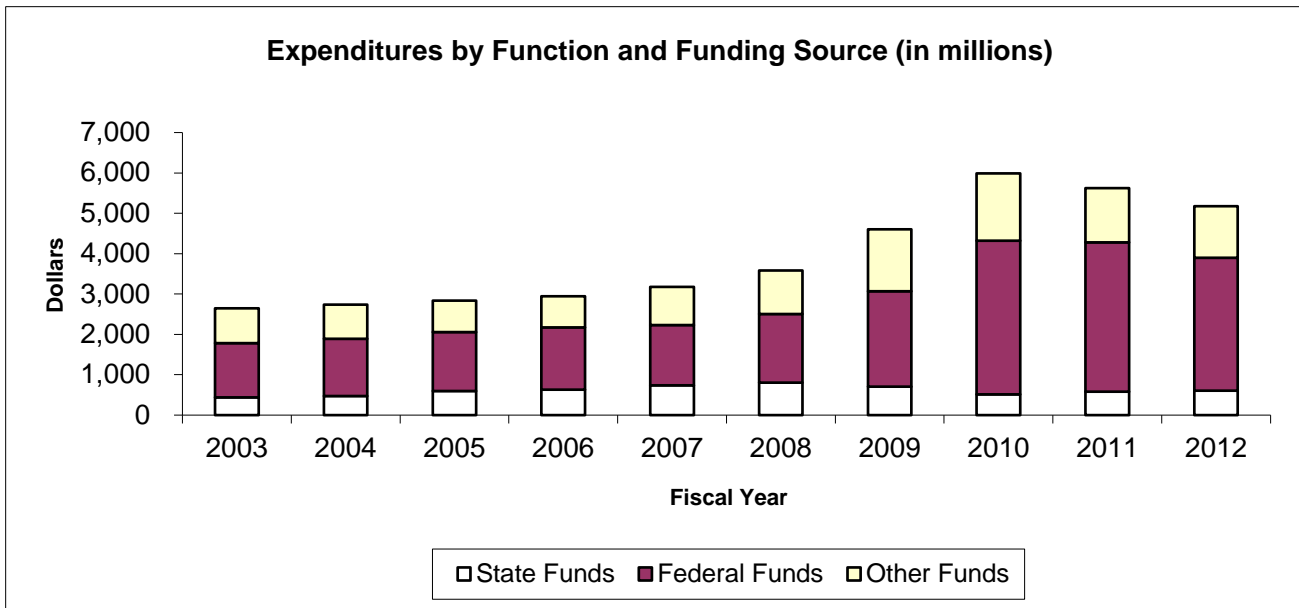
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Revenues by Funding Source
(Governmental Funds and Unemployment Insurance Benefits)
For Fiscal Years Ended June 30

Year	State General Fund Appropriations	Federal Financial Assistance	Employers' UI Contributions	Interest on Investments	Other	Total
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
2007	738,670,201	2,105,465,538	322,919,404	48,568,677	75,508,022	3,291,131,842
2008	796,735,199	2,313,806,342	300,370,732	52,175,707	45,081,303	3,508,169,283
2009	686,602,626	3,102,226,928	268,808,745	40,829,934	114,566,869	4,213,035,102
2010	518,620,000	4,588,870,453	355,638,066	10,776,494	108,314,873	5,582,219,886
2011	550,548,801	4,414,792,386	414,044,300	977,582	55,876,445	5,436,239,514
2012	597,429,200	3,972,085,235	437,052,743	1,129,695	154,992,653	5,162,689,526

Source: The Arizona Department of Economic Security, Financial Statements.
Note: The Federal Financial Assistance amounts include amounts for SNAP benefits distributed.


Revenues by Funding Source (in millions)
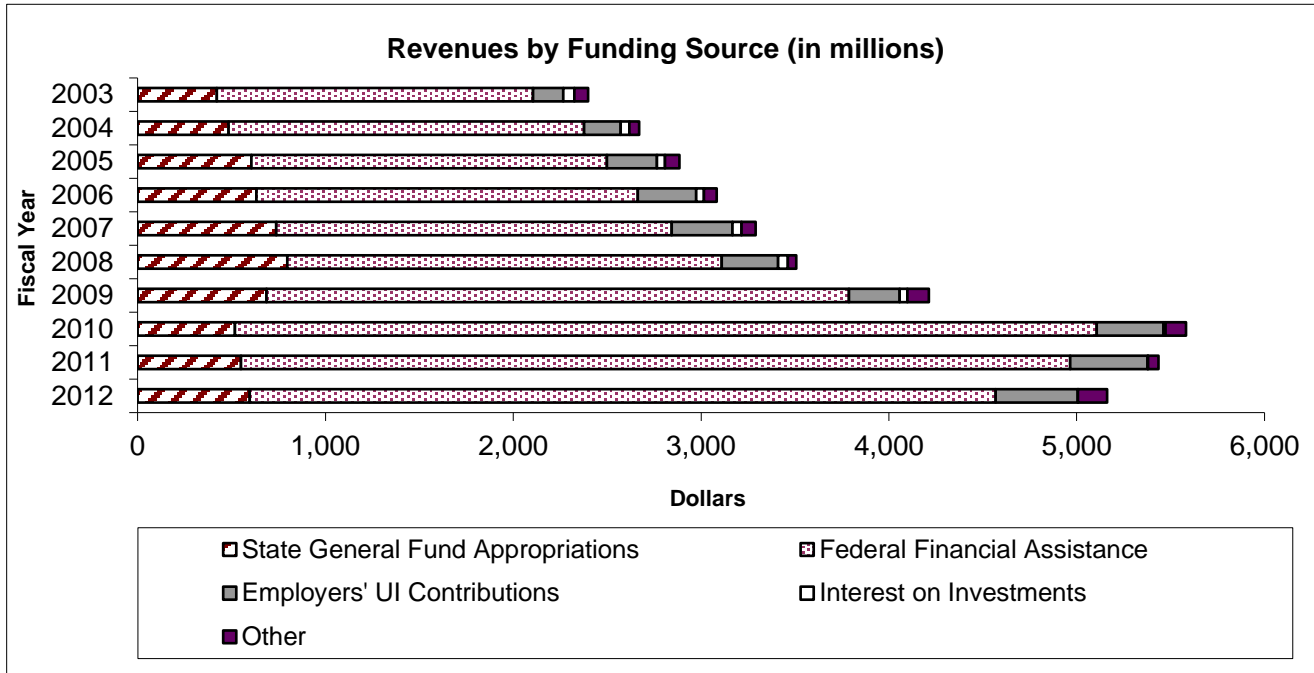
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison between Arizona and United States Unemployment
For Calendar Years Ended December 31
(2011 is the most recent data available)

Year	Number of Unemployed in Arizona	Number of Unemployed in U.S.	Unemployment Rate – Arizona	Unemployment Rate – U.S.
2002	161,600	8,378,000	6.00%	5.80%
2003	155,800	8,774,000	5.70%	6.00%
2004	138,700	8,149,000	5.00%	5.50%
2005	133,800	7,591,000	4.70%	5.10%
2006	121,200	7,001,000	4.10%	4.60%
2007	111,600	7,078,000	3.70%	4.60%
2008	184,500	8,924,000	6.00%	5.80%
2009	309,100	14,265,000	9.90%	9.30%
2010	325,500	14,825,000	10.50%	9.60%
2011	287,600	13,747,000	9.50%	8.90%

Source: Arizona data was provided by the Office of Employment and Population Statistics, Arizona Department of Administration; U.S. data was provided by the Bureau of Labor Statistics, U.S. Department of Labor.
Note: Unemployment rates are seasonally adjusted.
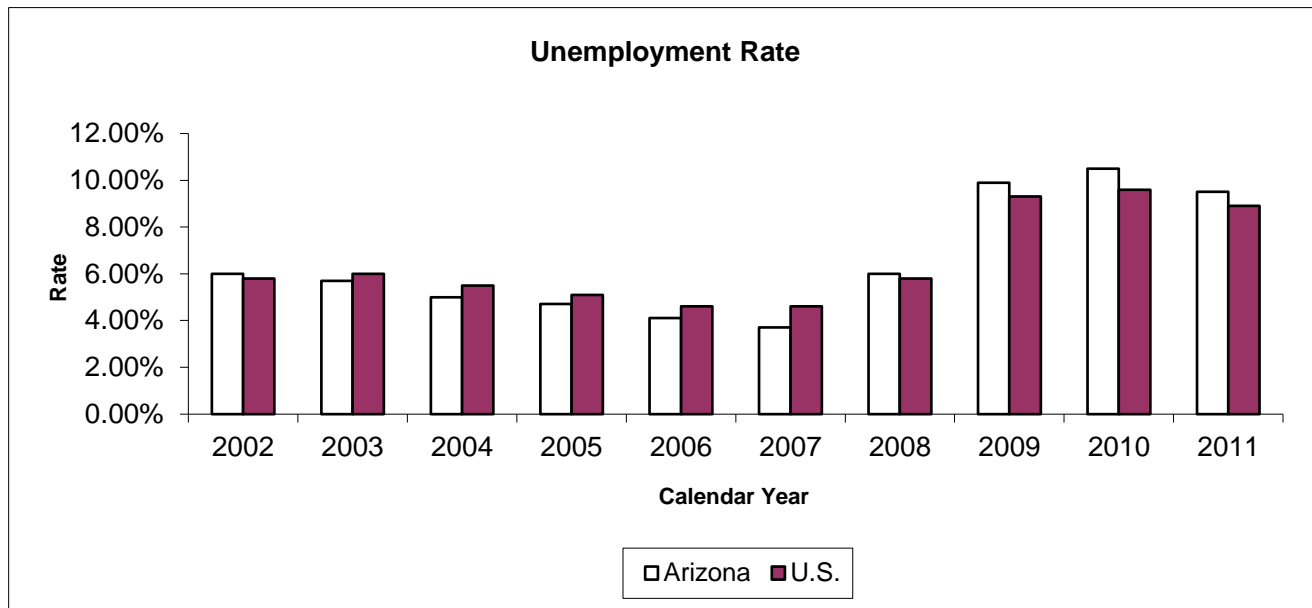
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ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Unemployment Insurance Financial Transaction Summary
For Fiscal Years Ended June 30

Year	Total Employers' Contributions	Total Benefits Paid	Fund Balance
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
2007	330,183,208	246,783,048	1,029,325,981
2008	309,214,081	354,892,511	1,032,075,498
2009	276,732,990	1,061,358,568	602,590,236
2010	339,745,124	2,123,766,228	16,689,508
2011	412,472,497	1,684,068,675	16,864,876
2012	434,253,686	1,053,948,338	4,113,696

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)
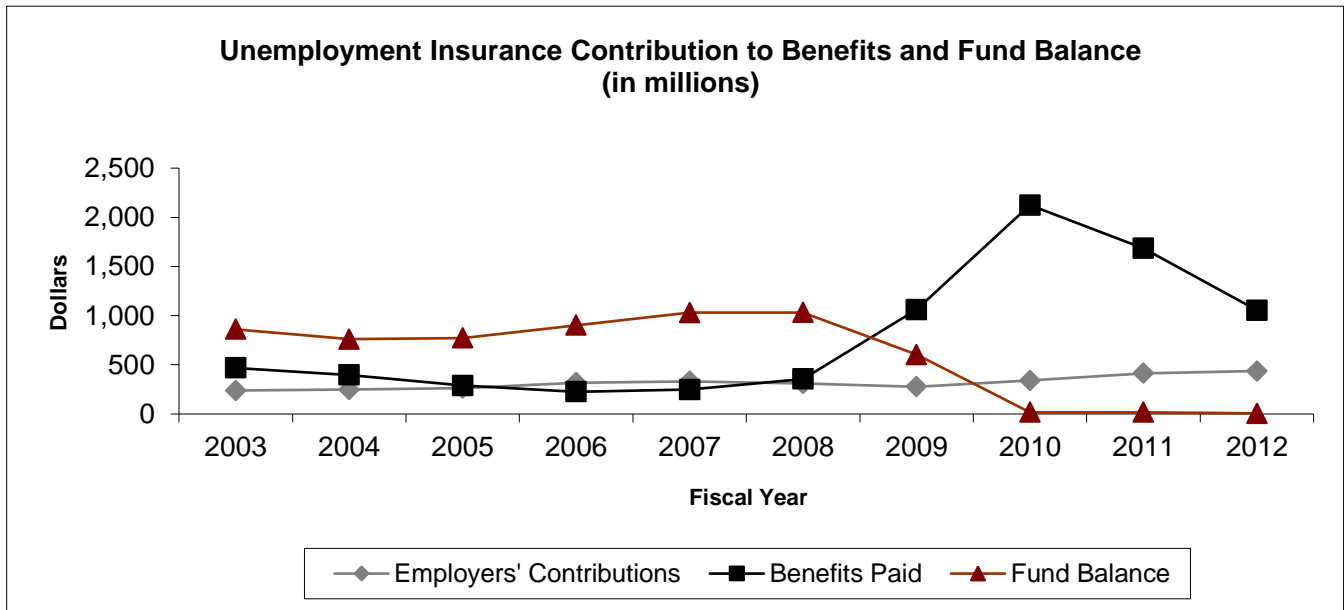
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Supplemental Nutrition Assistance Program (SNAP) Benefit Participants
For Fiscal Years Ended June 30

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
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	546,424	234.30	95.15	52,001,162
2007	218,598	537,072	238.18	97.10	52,150,403
2008	246,767	600,549	244.49	100.44	60,340,187
2009	313,126	752,772	277.44	115.41	86,875,088
2010	422,583	986,413	302.07	129.41	127,649,820
2011	458,580	1,049,522	291.35	127.30	133,607,965
2012	484,785	1,123,068	292.40	126.22	141,752,178

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

Supplemental Nutrition Assistance Program (SNAP) Benefit Participation
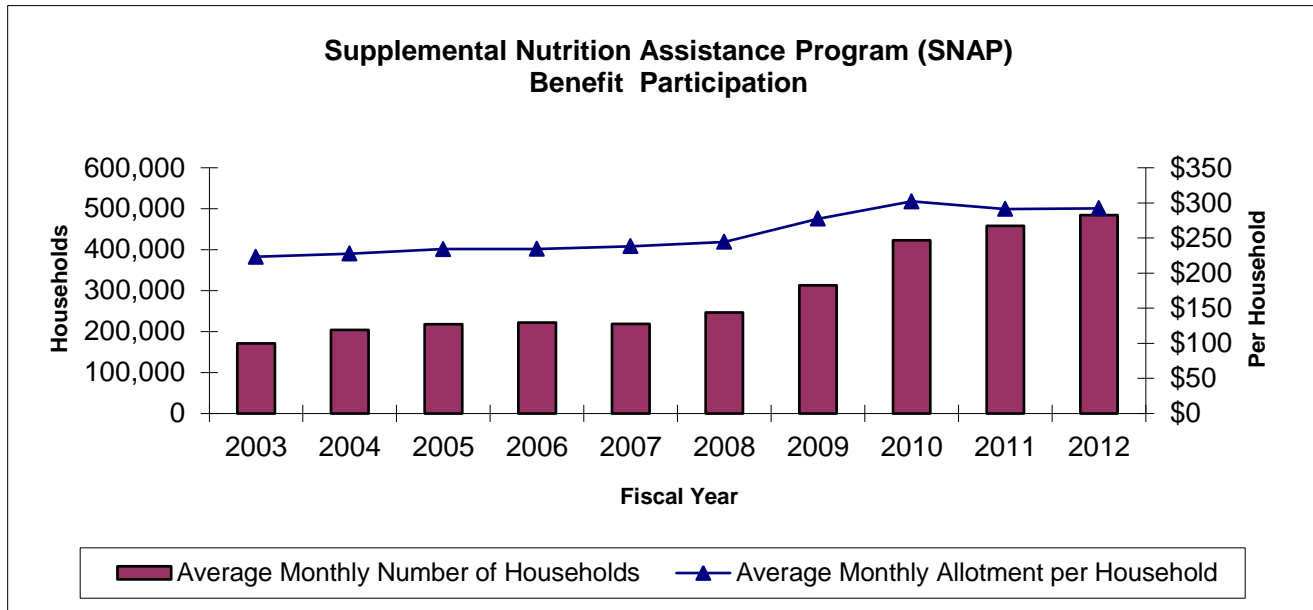
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Temporary Assistance for Needy Families Cash Assistance
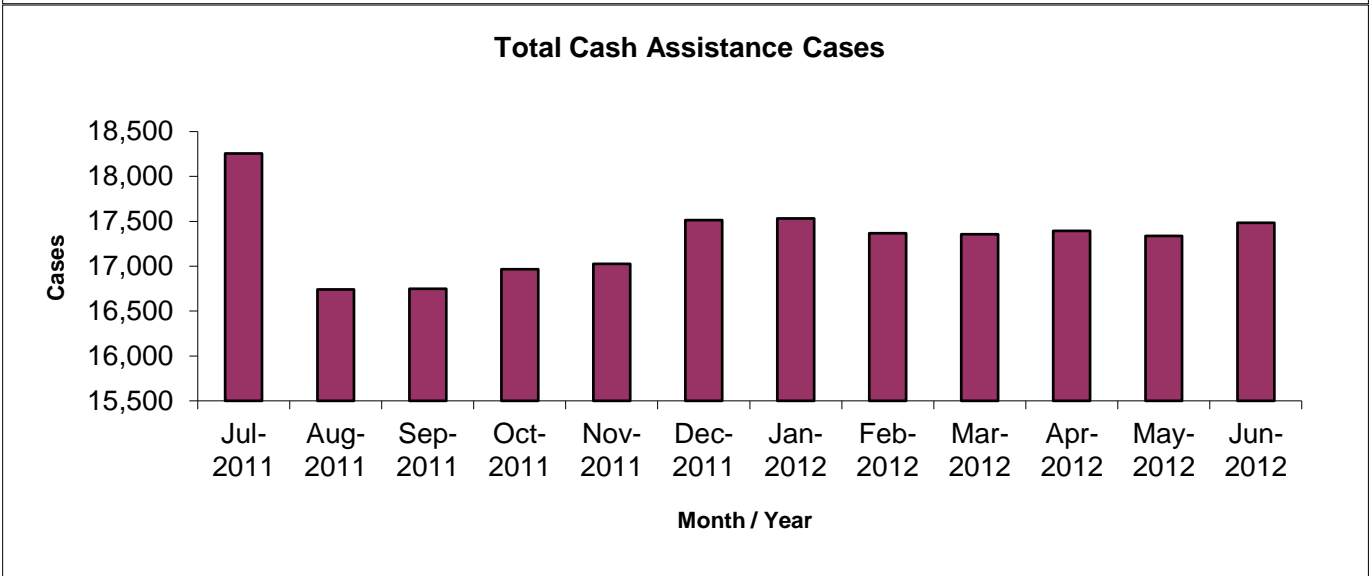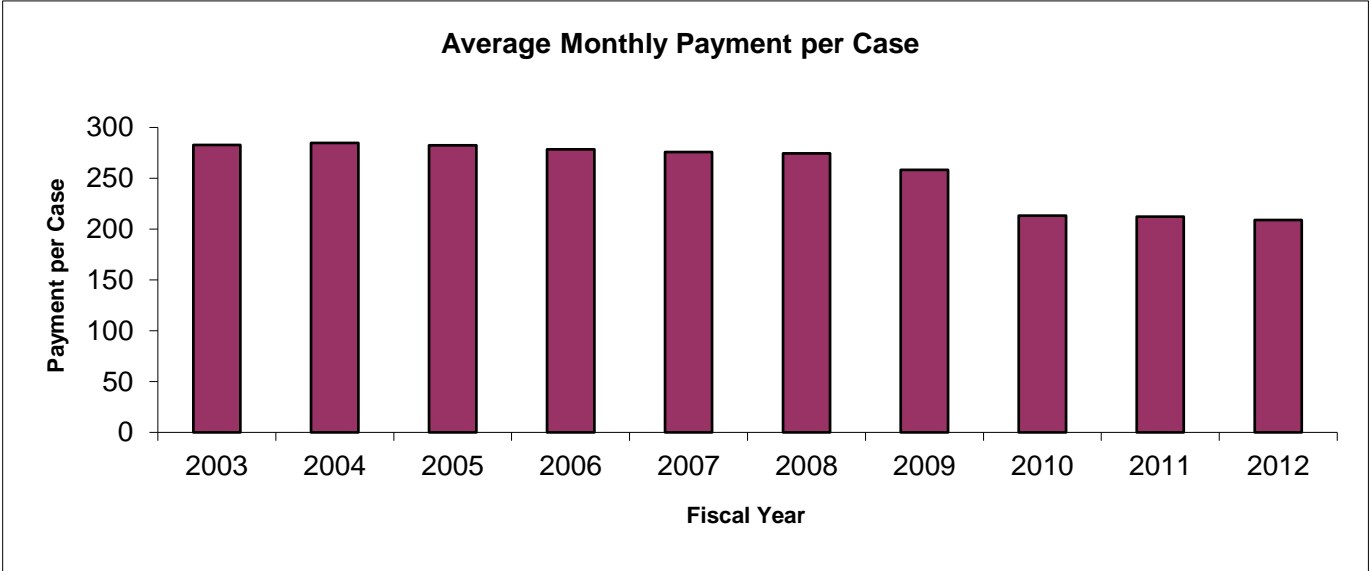**For Fiscal Years Ended June 30**

Year	Average Monthly Number of Cases	Average Monthly Number of Recipients	Average Monthly Payment Per Case	Average Monthly Payment Per Recipient	Average Monthly Payments
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
2007	37,616	82,408	275.83	125.90	10,375,533
2008	37,030	80,221	274.59	126.75	10,167,799
2009	38,467	83,969	258.19	118.28	9,931,702
2010	37,779	82,127	213.21	98.08	8,054,784
2011	19,827	44,842	212.42	93.92	4,211,688
2012	17,310	39,194	208.89	92.26	3,615,885

Source: The Arizona Department of Economic Security, Family Assistance Administration.
Note: Effective July 2010, the maximum state time limit to receive monthly Cash Assistance benefits was reduced to 36 months. Effective August 2011, the maximum state time limit to receive monthly Cash Assistance benefits was further reduced to 24 months.


Average Monthly Number of Cases

Average Monthly Payment per Case

Total Cash Assistance Cases

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Jobs Program
Comparison of Participants and Participants Employed
For Fiscal Years Ended June 30

Year	Number of Participants	Total Employed	Percentage Retained Employment for at Least 90 Days
2003	32,008	15,490	46%
2004	42,565	20,185	44%
2005	51,130	20,940	50%
2006	53,377	21,067	48%
2007	42,405	16,780	37%
2008	46,558	18,101	33%
2009	53,800	13,097	27%
2010	46,010	8,416	45%
2011	31,380	7,052	40%
2012	29,643	6,662	18%

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

Jobs Program Participants Employed to the Percentage Retained
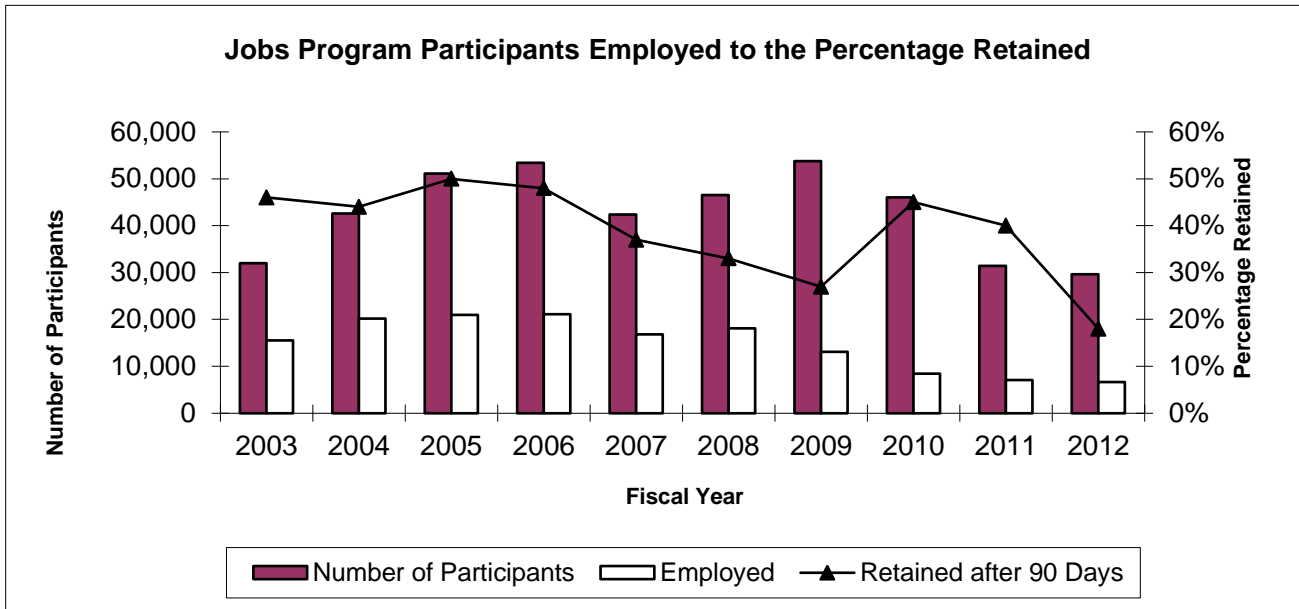
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Child Support Enforcement Collections
For Fiscal Years Ended June 30

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
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
2007	31,837,800	8,505,300	270,570,900	25,309,500	327,108,300	663,331,800
2008	33,362,400	5,926,800	291,069,400	19,853,500	332,425,300	682,637,400
2009	31,337,600	7,402,700	294,618,000	27,266,400	328,738,000	689,362,700
2010	25,854,600	7,086,300	299,449,600	28,356,400	321,096,000	681,842,900
2011	21,248,700	6,757,400	301,646,700	29,625,500	329,574,400	688,852,700
2012	19,651,800	6,679,900	304,956,800	30,516,200	340,901,500	702,706,200

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

Child Support Enforcement Collections (in millions)

Legend:
- ■ IV-D TANF Collected for Arizona $
- □ IV-D TANF Collected for Other States $
- IV-D Non-TANF Collected for Arizona $
- □ IV-D Non-TANF Collected for Other States $
- Non-IV-D Collected $