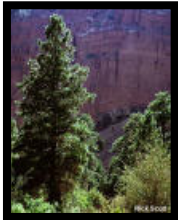# *Arizona*
Department of Economic Security

DES

Annual

Report

**Working with the people we serve
to achieve their self-sufficiency**

SFY
2001 - 2002

Jane Dee Hull, Governor   **John L. Clayton, DES Director**

MISSION

The Arizona Department of Economic Security is dedicated to promoting the well-being and self-sufficiency of individuals and families through the delivery of quality integrated services.

VISION

Our vision is a Department that is valued for its leadership and excellence in the delivery of quality human services in Arizona. We value employees and strive to create organizational pride.   We recognize that children are our greatest natural resource, individuals and their families are the foundation of a strong society, and that each must be afforded safe, secure and nurturing environments. The Department's service delivery is responsive and sensitive to individuals, cultural and community differences, and balances prevention and crisis assistance.

GUIDING PRINCIPLES

- We Lead by Example

- We Value Teamwork and Stakeholder Partnerships

- Customer Service is Vital to Our Success

- Employees are Valued

- Continuous Improvement is the Cornerstone of Our Agency

- We Manage by Facts

- Diversity is a Strength

Jane Dee Hull
Governor

DEC 3 1 2002

John L. Clayton
Director

The Honorable Jane Dee Hull
Governor of Arizona
State Capitol, West Wing
Phoenix, AZ 85007

Dear Governor Hull:

I am pleased to submit the Annual Report for the Arizona Department of Economic Security for the period July 1, 2001 through June 30, 2002. This report highlights many of the Department's programs that serve the needs of Arizona families during State Fiscal Year (SFY) 2002.

The Department implemented a number of major initiatives and continued important projects that helped us fulfill our mission during SFY 2002. Automation enhancements continued to improve customer service. We also received recognition and awards for innovative and successful human service achievements.

Arizona Families F.I.R.S.T., an innovative community-based substance abuse treatment program, received the 2002 Governor's Award for Excellence and was a semi-finalist for the Council for State Governments 2002 Innovations Award. Arizona was one of 13 states to implement the Social Security Administration's Ticket to Work Program to give individuals with disabilities more choice in obtaining rehabilitative services. During SFY 2002, the Department continued to work closely with our health care partners to implement the federal requirements of the Health Insurance Portability and Accountability Act of 1996.

The Department also enhanced its commitment to providing quality human services by developing and implementing Leadership for the Future, a leadership development program that ensures continuous quality leadership within the Department. Our successes in SFY 2002 give the Department a firm foundation to stand on as we face the challenges of the future. The Department looks forward to the opportunity to build on our accomplishments as we continue to fulfill our mission.

Sincerely,

John L. Clayton

Enclosure

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Historical Perspective and Overview

The Department was established by the State Legislature in July 1972 by combining the Employment Security Commission, the State Department of Public Welfare, the Division of Vocational Rehabilitation, the State Office of Economic Opportunity, the Apprenticeship Council, and the State Office of Manpower Planning. The State Department of Mental Retardation joined the Department in 1974.

The Department was established in order to provide an integration of direct services to people in such a way as to reduce duplication of administrative efforts, services, and expenditures. This integrated structure improves coordination of economic opportunities and the delivery of human services. Children, families, the elderly, and disabled may access an array of programs and services through a single state agency. Many of the Department's services are provided through a comprehensive provider network.
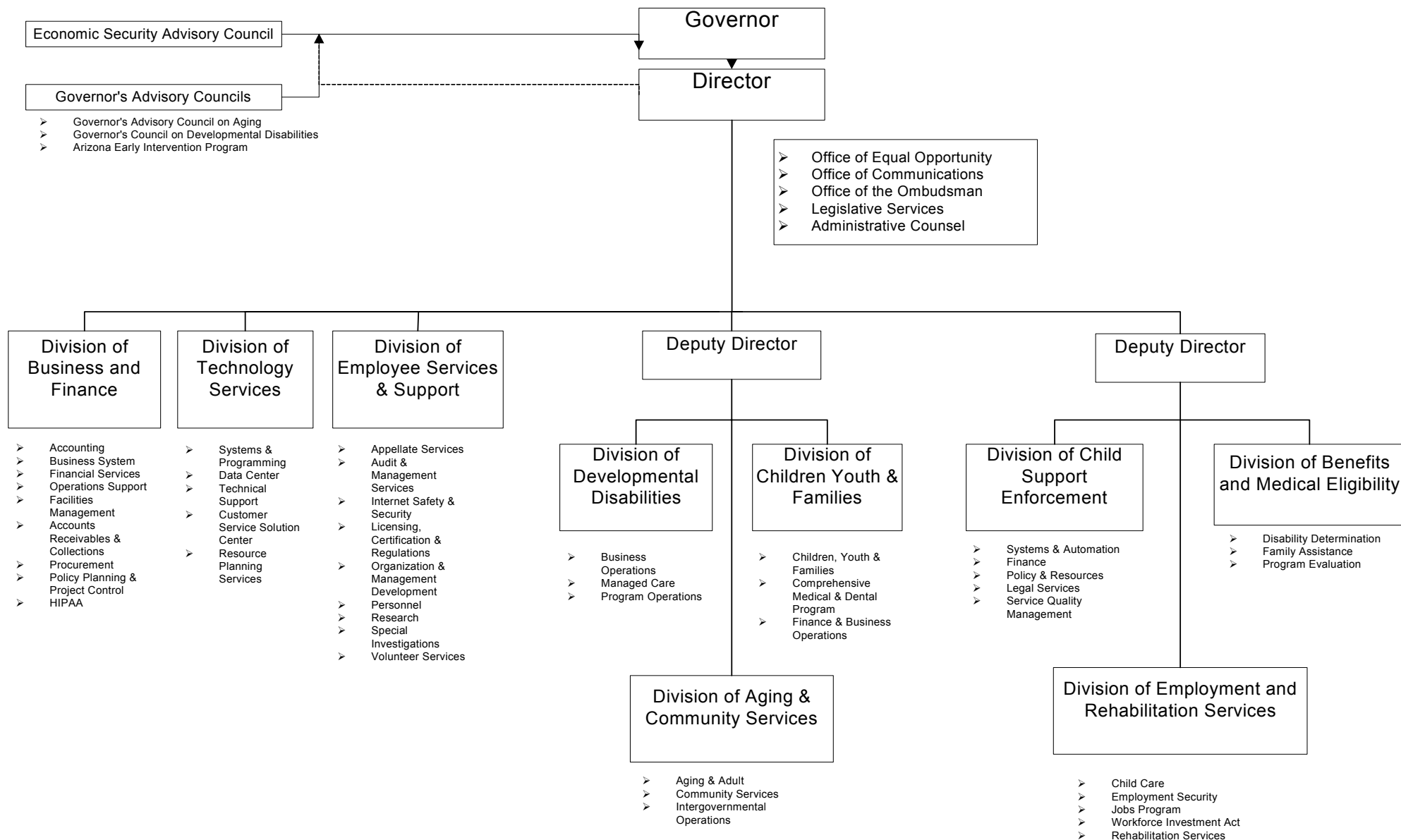
Organization and Services Provided

The Department is organized into divisions that provide protective, social, and community services; employment and economic assistance; and operations support, as follows:

- The Division of Aging and Community Services (DACS) provides and contracts for services, such as emergency assistance, food distribution information for the hungry, rural food banks, shelter and supportive services to victims of domestic violence, refugee resettlement services, and shelter for the homeless. Adult services programs include adult protective services, the supplemental payments program, home care, congregate and home-delivered meals, case management, long-term care ombudsman program, State Health Insurance Assistance Program, legal assistance, Senior Community Service Employment Program (Title V), the Foster Grandparent Program, and the Family Caregiver Support Program.

- The Division of Children, Youth and Families (DCYF) provides child protective services, foster care services, adoption services, in-home family services, intensive family services, and substance abuse treatment services for families whose children are at imminent risk of out-of-home placement. In addition, comprehensive medical and dental coverage is provided for foster children under the jurisdiction of the Department, juvenile probation offices, and the Department of Juvenile Corrections.

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

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

- The Division of Employee Services and Support (DESS) provides support services to all employees and programs, including appellate services; audit and management services; special investigations; internal security; research; organization and management development; volunteer services, and personnel.

- The Division of Benefits and Medical Eligibility (DBME) administers the Temporary Assistance for Needy Families (TANF) Cash Assistance, Food Stamps, and state-funded General Assistance programs. In addition, the Division determines eligibility for the State's medical assistance program (AHCCCS), as well as supplemental security income through its Disability Determination Services Administration.

- The Division of Employment and Rehabilitation Services (DERS) administers Arizona's Unemployment Insurance, Job Service, and Vocational Rehabilitation programs. In addition, the Division provides job training opportunities through administration of the Workforce Investment Act (WIA) and the Jobs Program. The Division also administers a comprehensive set of child care programs and Independent Living Rehabilitation services.

- The Division of Business and Finance (DBF) provides office and general business services to the Department, such as accounting, finance, budget, collections, procurement, facilities management, printing, and mail management. The Division is also responsible for the implementation of the federally mandated Health Insurance Portability and Accountability Act (HIPAA). DBF also provides the following services to the Department: development and coordination of Department policy, planning and project management; best practices and innovative approaches in human services; strategic planning and evaluation; analyzing and developing new policies and rules; and coordinating cross-divisional projects.

- The Division of Technology Services (DTS) provides the information technology solutions to meet the needs of the Department. DTS provides technical and systems services for the development, maintenance, and enhancement of automated business systems. DTS works to design integrated systems that are in compliance with the Government Information Technology Agency (GITA) and agency standards.

Arizona Department of Economic Security

Governor

Director

Economic Security Advisory Council

Governor's Advisory Councils
- ➢ Governor's Advisory Council on Aging
- ➢ Governor's Council on Developmental Disabilities
- ➢ Arizona Early Intervention Program

- ➢ Office of Equal Opportunity
- ➢ Office of Communications
- ➢ Office of the Ombudsman
- ➢ Legislative Services
- ➢ Administrative Counsel

Division of Business and Finance
- ➢ Accounting
- ➢ Business System
- ➢ Financial Services
- ➢ Operations Support
- ➢ Facilities Management
- ➢ Accounts Receivables & Collections
- ➢ Procurement
- ➢ Policy Planning & Project Control
- ➢ HIPAA

Division of Technology Services
- ➢ Systems & Programming
- ➢ Data Center
- ➢ Technical Support
- ➢ Customer Service Solution Center
- ➢ Resource Planning Services

Division of Employee Services & Support
- ➢ Appellate Services
- ➢ Audit & Management Services
- ➢ Internet Safety & Security
- ➢ Licensing, Certification & Regulations
- ➢ Organization & Management Development
- ➢ Personnel
- ➢ Research
- ➢ Special Investigations
- ➢ Volunteer Services

Deputy Director

Division of Developmental Disabilities
- ➢ Business Operations
- ➢ Managed Care
- ➢ Program Operations

Division of Children Youth & Families
- ➢ Children, Youth & Families
- ➢ Comprehensive Medical & Dental Program
- ➢ Finance & Business Operations

Division of Aging & Community Services
- ➢ Aging & Adult
- ➢ Community Services
- ➢ Intergovernmental Operations

Deputy Director

Division of Child Support Enforcement
- ➢ Systems & Automation
- ➢ Finance
- ➢ Policy & Resources
- ➢ Legal Services
- ➢ Service Quality Management

Division of Benefits and Medical Eligibility
- ➢ Disability Determination
- ➢ Family Assistance
- ➢ Program Evaluation

Division of Employment and Rehabilitation Services
- ➢ Child Care
- ➢ Employment Security
- ➢ Jobs Program
- ➢ Workforce Investment Act
- ➢ Rehabilitation Services

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Economic Conditions and Outlook

The following economic information has been obtained from the Department's Research Administration's "Forecast Update 2002-03" press release dated August 2002.

For more than two years, Arizona's economy has been caught in an employment contraction afflicting the national economy. The situation was exacerbated by the events of September 11, 2001. High-tech and durable manufacturing industries were most affected by this economic downslide, a process that began as capital investment shifted due to slackening demand. Manufacturing and high-tech service employers subsequently reined in costs and excess capacity by reducing production, closing plants, and furloughing or laying off employees. This weakness and subsequent cost reduction measures also spread to other areas of the economy. Arizona's economy began to show employment losses around the beginning of the second quarter of 2001.

Arizona's nonfarm payroll jobs are projected to shrink by 0.9 percent in 2002, with a modest improvement to 1.8 percent in 2003. In terms of the number of jobs both gained and lost, the forecast is for Arizona's economy to lose almost 21,000 jobs in 2002 and gain slightly more than 39,000 in 2003.

Arizona's manufacturing industry continues to grapple with investment shifts and slackened demand.   Cost containment pressures have continued to result in publicized layoff announcements, while at the same time, some growth is occurring in other areas. Forecasts call for the manufacturing industry to reduce its workforce by 5.9 percent in 2002 with a loss of more than 12,000 factory jobs. For 2003, job losses are expected to end with an unchanged employment level.

Although still a shining star industry in Arizona, construction is expected to weaken through the forecast horizon. The forecast predicts construction will shrink at a pace of 4.7 percent in 2002 and 1.1 percent in 2003, shedding 7,700 jobs in 2002 and 1,800 in 2003. Soft demand for commercial and industrial real estate combined with slowing growth in housing is expected to cause cutbacks over the forecast period.

Service jobs in Arizona are forecast to decline at a rate of 0.7 percent in 2001 and then increase by 2.0 percent in 2003.   Health, educational, and automotive services are expected to continue showing relatively strong upward trends. Decreased demand for business and pleasure travel continued in 2002 and placed downward pressure on jobs in the hotels, lodging, and other tourist-related industries. In addition to decreased demand for travel, a drought and summer forest fires in the state during 2002 increased pressure to reduce staffing levels in the tourist-related industries as visitors avoided Arizona and went to other locations.

Trade jobs are anticipated to grow by 0.4 percent in 2002 and 2.8 percent in 2003. While most trade sectors are projected to reduce growth through the forecast period, Arizona's economy is expected to add 17,000 trade jobs over the 2002-03 forecast period.   In general, the forecast expects Arizona's consumers to take advantage of retailers offering sharp discounts.

The forecast update projects the transportation, communications, and public utilities (TCPU) group to shrink by 4.9 percent in 2002 and then recover with a growth rate of 0.9 percent in 2003. Overall, the TCPU industry is forecast to lose more than 5,400 jobs in 2002 with a slight gain of 1,000 jobs in 2003. All three sectors of TCPU are under the pressure of decreased demand, excess capacity, and the need to trim costs.

The finance, insurance, and real estate (FIRE) industry is forecast to decrease by nearly 0.5 percent in 2002 and then grow again in 2003 by 0.9 percent. For the 2002-03 forecast period, 700 additional jobs expected in 2003 more than compensate for losses in 2002. Despite a slow economy, low interest rates are helping to boost consumer spending, debt refinancing, and real estate activity that serve to curb job losses in FIRE.

Mining and government job growth offers vastly different news throughout the two-year forecast period. Each is expected to continue its earlier trend in 2002-03, with government (driven mostly by education) showing modest 2.4 percent growth in 2002 that increases to 2.8 percent in 2003 while mining has a substantial workforce reduction of 7.1 percent in 2002 that moderates to a lower rate of 3.9 percent in 2003.

Major Initiatives

During State Fiscal Year (SFY) 2002, the Department continued, initiated, and planned a number of projects aimed at streamlining processes and improving customer service. The most significant projects are outlined below.

- Proposition 204

On October 1, 2001, the State implemented the provisions of SB 1577, which provided for expanded medical assistance benefits to Arizonans.   The legislation also repealed the former Medically Indigent/Medically Needy county-administered medical assistance program and provided for the transfer of responsibility for eligibility determination for the new Medicaid categories to the Department. To implement the provisions of SB 1577, the Department integrated more than 650 county employees into state service.   The Department deployed staff in more than 80 new locations throughout the State.   These include 50 hospitals, with the balance in such sites as former county medical assistance eligibility office locations, neighborhood centers, and county health department offices.

Arizonans whose income is equal to or less than 100 percent of the Federal Poverty Level are now potentially eligible for medical assistance. As a result of these changes, there has been a 44 percent increase in the number of individuals receiving medical assistance.   The Department continues to work closely with the hospitals, community health centers, and AHCCCS to improve services to the indigent medical population in Arizona.

- Family Builders

The Family Builders Program, which began January 1, 1998, allows Child Protective Services (CPS) to refer selected low or potential risk child abuse reports to a network of community-based providers in four counties in Arizona, for family assessments, case management, and services after triage by CPS.   The program uses a strength-based, family-centered practice approach as opposed to an investigative approach and seeks to reduce the recurrence of subsequent substantiated child abuse and neglect reports.

The family-centered, community-based providers and collaborators work as partners with families who choose to participate in the program. Services available to families may include family assessment, case management, child care, behavioral health, financial assistance/supplies, emergency shelter services, parenting skills training, housing search and relocation, recreation, transportation, intensive family preservation, and substance abuse/detoxification. The goal of the program is to enhance parents' ability to create safe, stable, and nurturing home environments that promote the safety of all family members and healthy child development.

- Healthy Families Arizona Program

Healthy Families Arizona (HFAz), the home visiting program administered by the Department's Office of Prevention and Family Support, has been recognized nationally for excellence.   The program was highlighted in the Child Welfare League of America's (CWLA) publication *Children's Voice* in the July/August 2002 issue.   CWLA recognizes HFAz as an evidence-based family strengthening program. The article describes HFAz as a Research to Practice "Emergency Practice" initiative that has received national acclaim.

HFAz's program goals are to enhance parent and child interaction, promote child health and development, and prevent child abuse and neglect.

- Health Insurance Portability and Accountability Act of 1996

In 1996, Congress passed the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HIPAA mandates significant changes in the legal and regulatory environment to guarantee the security and privacy of health-related information and to standardize the format of electronic transmissions of health-related data. In collaboration with other state agencies involved with health care, the State is developing recommendations on a State HIPAA Governance Board. The Department also is assessing the impacts of HIPAA on internal business and program operations and has begun an assessment of required system modifications.

There are three major sub-projects within the HIPAA effort, each with its own implementation date. The first mandated deadline calls for the implementation of the HIPAA Privacy Regulations in April 2003. Next comes the October 2003 deadline for the implementation of electronic data interfaces based on federally defined transaction codes sets. The last deadline will be two years following the finalization of the HIPAA security regulation that is still pending resolution.

HIPAA will have an enormous impact on the Department's resources. With sensitive medical data being exchanged with providers and other state agencies, covered entities (such as DES) have been tasked with keeping this information both private and secure. Moreover, accountability for those who even view the data is also a federal requirement. With no funding provided to implement the complex requirements of HIPPA, it is going to be a major challenge to accomplish in a relatively short period of time.

- Reauthorization of Multiple Federal Programs

Congress has been considering the reauthorization of a number of federal programs administered by the Department. These include the Temporary Assistance for Needy Families (TANF) block grant, Child Support Enforcement, Child Care and Development Block Grant (CCDBG), and Child Abuse Prevention and Treatment Act (CAPTA). In addition, the Workforce Investment Act (WIA) is due to be reauthorized in 2003.

Arizona's annual TANF block grant is approximately $222 million. The funds are used to pay Cash Assistance benefits to welfare recipients and fund supportive services such as transportation and child care. The block grant also funds a variety of other programs and services including child welfare and domestic violence programs. The reauthorization of TANF also includes changes to the Child Support Enforcement Program.

Arizona's annual CCDBG allocation is approximately $93 million. CCDBG provides funding for child care services to low-income families. Compliance with CAPTA requirements is a prerequisite to receiving other federal child welfare funding. Arizona's annual CAPTA allocation is approximately $400,000. CAPTA provides funding for innovations in state child protective services and community-based preventive services as well as research, training, data collection, and program evaluation.

At the time this *DES Annual Report* went to publication, Congress had not yet enacted legislation to reauthorize these programs. In November 2002, Congress passed a Continuing Resolution (CR) that extended the TANF block grant through March 31, 2003. The Child Support Enforcement, CAPTA, and a portion of the child care programs have been extended through January 11, 2003 by a series of CRs. All of the CRs continued funding for these programs at the FFY 2002 level. The uncertainty over funding and program policy makes it difficult for states, including Arizona, to plan and operate their welfare, child support, child care, and child welfare programs. The possibility of additional federal funds for these programs could also assist Arizona in addressing some of the issues raised by the State's current budget situation.

- Food Stamp Reauthorization

The Farm Bill that was signed into law on May 13, 2002 included legislation to reauthorize the Food Stamp Program. The Division of Benefits and Medical Eligibility implemented the following mandatory provisions of the legislation effective October 1, 2002:

- ❖ Increased the standard deduction to 8.31 percent of the net income limit for each family.
- ❖ Increased the maximum resource limit for households with a member who is disabled from $2,000 to $3,000.
- ❖ Restored benefits to legal immigrants who are receiving disability benefits. This will allow those immigrants who receive these benefits to qualify for food stamps. Previous law required these individuals to have been in the United States on August 22, 1996.
- ❖ On October 22, 2002, the Department placed the application form on the Department's web site.

- Leadership for the Future

Leadership for the Future (LFF), a comprehensive leadership development program, was developed and implemented to help employees strengthen leadership competencies, promote career advancement, and ensure continuous quality leadership within the Department. The program was created to address an organizational gap in succession planning, and to meet the challenge of a growing number of personnel in key leadership positions becoming eligible for retirement. Twenty-four individuals were selected from more than 100 applicants representing several Divisions and Administrations throughout the Department.   As participants in the LFF program, each member will be given an individualized assessment that will be used to develop a plan aimed at providing and enhancing specific leadership competencies. A variety of components that make up the LFF program are in place to support this objective, including a comprehensive training curriculum, mentoring, shadowing, and "leadership experiences." Periodic networking events will be scheduled for the group with guest speakers as well as opportunities for other leadership development activities. The LFF program will be monitored and evaluated throughout the next year and will continue to be modified and improved.

- Arizona Families F.I.R.S.T.

Arizona Families F.I.R.S.T. (Families in Recovery Succeeding Together) is an innovative, community-based approach in the provision of substance abuse treatment that is built on research, best practices, and community involvement.

Through the key efforts of the legislature and support of the Governor's Office, SB 1280 was passed to appropriate TANF funding for this program to begin service delivery on March 1, 2001. The program provides the opportunity for families referred to CPS or participants in the Jobs Program to overcome the barrier of substance abuse in order to reach the outcomes of permanency for children, family re-unification, and self sufficiency.

The framework of the Arizona Families F.I.R.S.T. program was designed to do business through collaboration and innovation while weaving the goals of child welfare, TANF, and family-centered practice into the delivery of substance abuse treatment. The program provides a continuum of substance abuse and recovery services and emphasizes outreach, engagement, aftercare, and support services in addition to traditional substance abuse treatment.

Arizona Families F.I.R.S.T. has been recognized for program excellence as demonstrated by receipt of the 2002 Governor's Award for Excellence and as a semi-finalist for the Council for State Governments' 2002 Innovations Award.

Programmatic accomplishments in the first year include:

- ❖ Over 1,400 individuals have received an opportunity to be screened and assessed for substance abuse treatment.
- ❖ More than 50 percent of all clients referred are engaged in treatment services.
- ❖ Seventy percent of the clients referred have participated in a substance abuse assessment.
- ❖ Fifty-five percent of Arizona Families F.I.R.S.T. clients receiving treatment between October and December 2001 had been engaged in services for more than 90 days.
- ❖ These engagement and retention rates are above the benchmarks of similar programs.
- ❖ Arizona Families F.I.R.S.T. providers are collaborating at the local level by leveraging funding from other sources, including the South Phoenix Families F.I.R.S.T. Collaboration as a grant recipient from the Virginia Piper Foundation for transitional housing for women with their children.
- ❖ Arizona Families F.I.R.S.T. is maximizing the use of federal dollars for substance abuse treatment as 58 percent of program participants are eligible for Title XIX services.
- ❖ According to the evaluation team of James Bell Associates, there has been a perceivable increase in the availability and timeliness of substance abuse treatment services.
- ❖ A quality improvement process across state agencies is contributing to systemic changes in the way in which substance abuse treatment is delivered.

- Workforce Investment Act (WIA) Eligible Training Provider List

Since the implementation of WIA in July 2000, the Workforce Development Administration has succeeded in overseeing the certification of approximately 1,250 training programs to the statewide Eligible Training Provider List. Training programs certified to the State list include a comprehensive mix of courses aligned with the occupations in demand in Arizona.

The providers of these training programs include community colleges, private postsecondary institutions, and community-based organizations. The State list, available on the Internet, assists WIA participants who are issued training vouchers in selecting training that best meets their abilities and interests. The list is also available to the general public and contains the Consumer Report System, which details the performance of each certified training program in terms of student completion rates, employment rates, and average wages. The Eligible Training Provider List serves as a prime example of customer choice and universal access under WIA.

- Relatives as Parents Program (RAPP)

The RAPP is a statewide initiative aimed at serving relative caregivers. RAPP has three primary objectives: (1) to facilitate the development of five new relatives as parents' support groups, (2) to expand the statewide RAPP network, and (3) to enhance the participation in the RAPP statewide task force. The RAPP initiative is funded through the Brookdale Foundation Group and is implemented through the Department's Aging and Adult Administration (AAA). AAA has contracted with the Beatitudes Center Developing Older Adult Resources (D.O.A.R.) to issue mini-grants in an effort to encourage and enable the development of local relatives as parents' support groups. Five support groups have been initiated under the sponsorship and support of local agencies in different parts of the State. Although the grant expired on June 30, 2002, the RAPP will become a part of the activities supplementing the National Family Caregiver Support Program.

- National Family Caregiver Support Program

The Older Americans Act Amendments of 2000 established a National Family Caregiver Support Program. Arizona received an allocation of $2.3 million to implement the Arizona Family Caregiver Support Program. The program calls for all states, working in partnership with area agencies on aging and local community-service providers, to have the five basic services for family caregivers, including the following:

> Information to caregivers about available services.
> Assistance to caregivers in gaining access to supportive services.
> Individual counseling, organization of support groups, and caregiver training to caregivers to assist the caregivers in making decisions and solving problems relating to their caregiving roles.
> Respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities.
> Supplemental services, on a limited basis, to complement the care provided by caregivers.

Services are to be provided to (1) family caregivers of older adults and (2) grandparents and other relative caregivers of children not more than 18 years of age. The statute requires states to give priority consideration to (1) persons in greatest social and economic need (with particular attention to low-income, minority individuals) and (2) older individuals providing care and support to persons with mental retardation and related developmental disabilities.

- Food Assistance and Nutrition for Seniors (FANS)

The Division of Benefits and Medical Eligibility, Family Assistance Administration, received a grant through the United States Department of Agriculture to implement FANS, an outreach program to assist seniors in Pinal and Yavapai Counties in filling out applications for food stamp benefits. The purpose of FANS is to provide the elderly community with special one-on-one assistance to complete food stamp applications, gather nutrition-related information, and provide nutrition education. The Aging and Adult Administration assisted the Family Assistance Administration in writing the grant and is a key collaborator in its program implementation. Older workers from the Senior Community Services Employment Program (SCSEP/TitleV) provide application assistance to seniors in non-traditional settings such as senior centers, senior housing, etc. In addition, the Aging and Adult Administration's nutritionist provides training to older workers on basic nutrition education and supplies educational materials for their use.

- Community Protection and Treatment

The Division of Developmental Disabilities established the Community Protection and Treatment program in response to litigation threatened by the Disability Law Center. Under this program, 25 individuals were successfully discharged from inpatient psychiatric facilities where they had languished in some cases for more than a year. With intense supports, these individuals are now working and living in community homes. In addition, the program has been able to divert six individuals from being placed in psychiatric settings.

- Fatherhood Program

The Division of Child Support Enforcement has been awarded a federal grant to increase child support collections from low-income parents. The program will form an alliance of government, community, and faith-based organizations to evaluate and expand the current fatherhood program. Principle objectives of the program include helping fathers improve employment and increased earnings opportunities through the development of a customized curriculum, "Fatherhood Academy". The curriculum will focus on job readiness, money management, life skills training, relationship building, and the role of marriage.   The program will also work on producing realistic child support orders for noncustodial parents with limited incomes and will encourage the prompt payment of support through these supportive services.

- Consumer Protection (Voluntary Registry for Unregulated Providers Listing with DES-Funded Child Care Resource and Referral)

HB 2185, which was passed by the legislature in the spring of 2001, amended current state statute (A.R.S. § 41-1967.01) to establish a child care home provider registry, relating to unregulated child care providers who receive compensation to care for four or fewer children and who voluntarily choose to register with the state-funded Child Care Resource and Referral System (CCR&R). This law impacts the broader child care community and provides a greater degree of consumer protection and information about unregulated child care home providers.

HB 2185 specified that in order to participate in the registry, an unregulated provider would be:

> ➢ Required to apply for a Fingerprint Clearance Card from the Department of Public Safety,
> ➢ Required to clear a Child Protective Services background check,
> ➢ Required to maintain current training and certification in first aid and infant/child CPR,
> ➢ Required to certify that any swimming pool on their premises is fenced, and
> ➢ Required to certify that all firearms and ammunition are separately stored and locked.

HB 2185 also specified that a consumer education campaign be developed to inform parents (searching for care) of the new safeguards in place for providers registered with Child Care Resource and Referral. All providers not licensed or certified by the Arizona Department of Health Services (DHS) or DES now need to meet the requirements of the legislation in order to be on the Child Care Resource and Referral database.

Effective April 1, 2002, the DES Child Care Administration and its contracted CCR&R partners implemented this registry for unregulated child care providers listed with the CCR&R system. As part of the CCR&R services, consumers can call a toll-free telephone number and receive information on child care issues and referrals to child care providers throughout Arizona.

- Employers Disability Resource Network

The Rehabilitation Services Administration and the Employment Security Administration have recently created an Employers Disability Resource Network that is a coalition of employment and rehabilitation organizations that are available to provide employers with information and resources. The goals of the network include increasing employer awareness, being responsive to employers needs, coordinating employer contacts, maximizing coordination for common clients, establishing an appropriate referral system, and sharing training and job listings. An informational brochure was developed by the partnership and an Employers Disability Resources Network Guide is being finalized.

- Ticket to Work Program

Arizona was one of the first 13 states to implement the Social Security Administration's Ticket to Work Program. The goal of this program is to increase the choices of Social Security beneficiaries with disabilities for obtaining employment, vocational rehabilitation, or other support services from public and private providers. The Rehabilitation Services Administration has established memorandums of understanding with Employment Networks (ENs) in the community giving disability benefit beneficiaries the choice of obtaining services from the EN or from the State's Vocational Rehabilitation program. The Ticket to Work Program is fully implemented in Arizona. Nearly 130,000 tickets and packets have been mailed to eligible beneficiaries during 2001-2002. As of June 30, 2002, 168 tickets have been assigned to the 26 ENs in Arizona.

- DES Procurement Card Program

The Department's Office of Procurement, Administrative Counsel and the Business Systems Administration has designed and implemented the Procurement Card program. The program allows Department employees to purchase goods within their assigned limits from suppliers in accordance with the State procurement laws. The Procurement Card program is the first internet-based program at DES and the new software program designed at DES is the first of its kind in the country specific to government. The program will leverage several benefits and efficiencies for the Department: reduced paperwork, prompt receipt of purchased items, reduced administrative costs, increased transaction speed, improved management information, more efficient invoicing, higher customer (employee) satisfaction, and a reduction in the number of invoices and inquiries regarding government payments.

- Partnership with Department of Administration (DOA) Risk Management and Attorney General's (AG) Office

Senior management from the Department's Office of Procurement and Administrative Counsel have established an effective networking system with staff from DOA Risk Management and the AG Office regarding potential and actual claims and lawsuits against the Department. The DOA Risk Management and AG Office have supported the Department's desire to appeal and defend negative case law, which if left in place, would hamper our ability to provide services to clients. These partners have taken Departmental issues all the way to the U.S. Supreme Court. Quarterly meetings are conducted at which time sensitive policies are discussed and mediation of future claims and litigation is accomplished. By examining the litigation trends, the Department is able to train employees to avoid potential accidents and mitigate client exposure to harmful situations. It is estimated that this initiative has saved the Department and state taxpayers millions of dollars in the past year.

- Diversity Task Force

The Director created a Diversity Task Force because of the importance that diversity plays in employee satisfaction and productivity as well as excellent customer service. The Vision established by the Task Force is to make the Department "a world-class leader in diversity practices." "World-class" includes best practices discovered via research and benchmarking as well as implementation of recommendations put forth by the Task Force based on employee input.

The Task Force completed the recommendation phase during the summer of 2001 after receiving diversity training and completing significant analysis. The recommendations are intended to provide a comprehensive, systemic Department diversity culture change strategy. Recommendation was made in the areas of enhancement of current Department personnel policies to incorporate principles of diversity. Major recommendations included establishment of diversity as an integral part of the agency's community outreach and procurement practices, development of a strategy to market the diversity philosophy both internally and externally, and development and implementation of a diversity curriculum, which will provide training to all Department employees. Work groups were established to implement the recommendations that were approved and funded. The main thrust of implementation at the Department has been to increase diversity awareness and improve work conditions related to diversity using the main areas of recommendations as a guide.

<u>Automation Initiatives</u>

The Department continues to enhance its automation capabilities. Automation can have a positive impact on the way the Department provides services to the public and can enhance the productivity of Department staff. Several major automation initiatives have been completed or are underway in the Department, including the following:

- Health-E-Arizona

Through a partnership between AHCCCS, the Department, and the Community Health Center Collaborative Ventures, Inc., a new web-based enrollment application called "Health-E-Arizona" is being piloted at Health Center locations, AHCCCS, and Department offices in Pima County. Health-e-app is a paperless application process for public health insurance. It was designed for use by application workers in community-based organizations, clinics, and private businesses to help individuals and families apply for public health insurance.

The application process is more efficient for both administrators and clients. Preliminary eligibility and health plan/provider preference are integrated real-time during the application process. Supporting documents are faxed and associated electronically with the application data. It offers English and Spanish versions. Outreach workers or applicants can toggle between at any point in the application process.

In the pilot project performed in San Diego County, application errors were reduced by nearly 40 percent. In addition, the time between application submission and eligibility determination decreased by 21 percent. A survey of applicants showed that 90 percent would rather apply using Health-e-app, and 95 percent liked the confirmation that the application was received and the immediate preliminary decision.

- Risk Incident Management System

The Division of Developmental Disabilities implemented a web-based Intranet system to mange incident reports statewide. The initial implementation began in November 2001 and a second improved version was implemented in October 2002. This system provides the Division with real time incident reports from offices around the State to all levels of the Division. The Division tracks and trends serious incidents to identify areas of concern regarding customers. Data continues to be reviewed and improvements identified that allow the Division to address problem areas as they occur. District and Central Office staff review reports of incidents by type, by provider, or by individual involved for any time period specified.

- Disaster Recovery Plan

The Department is developing a disaster recovery plan (DRP) so it will be in a better position to recover the data center from a disaster. The Department's data center is the largest in Arizona state government. The process is about 60 percent complete in developing the agency's first meaningful disaster recovery plan.

- Mainframe Saturation

To meet the increased workload of DES personnel and the timely processing of client services, DES will need to upgrade the processing capacity of its mainframe computer system. DES program operations are almost totally dependent on computer technology. It is not possible for the Department to provide benefits and services to the citizens of Arizona without the support of its complex automated systems. The application systems, which the agency is dependent on, are run and supported by the Department's mainframe computer system. This computer environment has grown through replacement and expansion since the formation of DES in order to address growth in the Department's increased client base.

Our projections from about six months ago had DES looking at needing an upgrade in the first half of this fiscal year. Since then, there has been a leveling off of peak usage and in fact, a decline. It is hoped that DES can get through the rest of the year without needing to upgrade the mainframe. DES is currently experiencing around mid-80 percent average hour utilization rates, and the industry standard for upgrading mainframe-processing capacity is 75 to80 percent usage during peak processing hours.

- E-Government (e-Gov)

E-Government (e-Gov) is a continuation of the Inter/Intra/Extranet initiative. It is meant to eventually provide the ability to obtain government services through non-traditional means allowing access to government information and the completion of government transactions on an anywhere, anytime basis in conformance to equal access requirements. E-Government is segmented into three transactions and information types: E-Employee (Intranet), business-to-government (Extranet), and constituent-facing services (Internet). Three committees, comprised of representatives from each division, are providing recommendations for web infrastructure, standards, projects, and resources.

- Benefit Audit Reporting and Tracking System

In January 2002, the Employment and Security Administration (ESA) implemented the Benefit Audit Reporting and Tracking System (BARTS). It is a customized system for benefit fraud investigations. BARTS allows Unemployment Insurance agents to monitor and track possible fraud cases automatically. BARTS determines if an overpayment exists, automatically calculates the amount overpaid, and generates subsequent notices and determinations. BARTS has automated an archaic manual system.

- Unemployment Insurance Adjudication System

The introduction of the personal computer into the workplace has enabled management to simplify certain job tasks over the past several years. This change in the work environment, along with the implementation of the Arizona Re-employment Rapid Access System (ARRA) Call Centers, set off a concentrated effort to develop more efficient methods of performing day-to-day business functions. With this goal in mind, the ARRA Adjudication System was designed to make more efficient use of resources to aid in the process of adjudicating Unemployment Insurance claims.

In December 2001, a new client server-based Unemployment Insurance Adjudication System was implemented. The Adjudication System allows adjudicators to access all information needed to resolve eligibility issues without having to navigate among multiple systems. ESA is one step closer to its "Automation Vision" of having a seamless operating environment within the Unemployment Insurance Call Centers.

- Call Center Imaging System

It has been a long-time automation objective of the ESA to replace paper records with a system of electronic storage (imaging). Offices and call centers function more efficiently if all staff have the ability to share documents. Through imaging, PC-based, mainframe-generated or incoming faxed documents are stored without producing a paper document and designated staff has immediate access to required documents. Our goal towards a paperless work environment was achieved December 2001 when Unemployment Insurance benefit record imaging became a reality.

- Internet-Based Service

The ESA is currently developing two Internet-based systems that will provide the public with another choice in how they access Unemployment Insurance services. In 2003, the public will be able to file their claims over the Internet. Also in 2003, employers will be able to file their Quarterly Wage Reports over the Internet. Both applications will not only be a great service for the public, but also it will free up staff to provide even better service.

- The Human Resource Information System (HRIS) Project

The Department of Administration is replacing the existing payroll and personnel system (HRMS) with a new system (HRIS). The latest implementation date is April 2003. DES will need to integrate to the new system by this date. This project will require new system interfaces, changes in procedures, communication, and training. New complex system interfaces will have to be designed, developed, and tested to integrate data from the Department's automated financial management system (FMCS) to HRIS. The Department has already implemented several steps including establishment of several internal project teams to ensure the timely and efficient implementation and integration of HRIS.

<u>Awards</u>

- The Arizona Family Builders Program was selected as a semifinalist in the 2001 Innovations in American Government Awards Program. Fewer than eight percent (only 100 programs from the initial pool of 1,263 applications) advanced to the semifinalist selection round. The Innovations in American Government Program recognizes creative governmental initiatives that are especially effective in addressing vital public concerns.

- Arizona has received its third IV-E Adoption Bonus award from the federal government. As part of the Adoption and Safe Families Act, the Department was required to establish a baseline goal for adoptions for coming fiscal years. These goals are used to evaluate whether the Department is eligible for the Adoption Incentive Awards. To date, the Department has received approximately $2.3 million in Adoption Incentive funding through this initiative

- The Jobs Administration received a TANF High Performance Bonus award of more than $2 million from the U. S. Department of Health and Human Services for helping Cash Assistance recipients move from welfare to work. The State ranked highest in the nation in job retention and earnings award categories.

- The Division of Child Support Enforcement received national recognition from the U. S. Department of Health and Human Services, Administration for Children and Families, as the recipient of the Commissioner's Award for "Exemplary Customer Service".

Key Performance Results
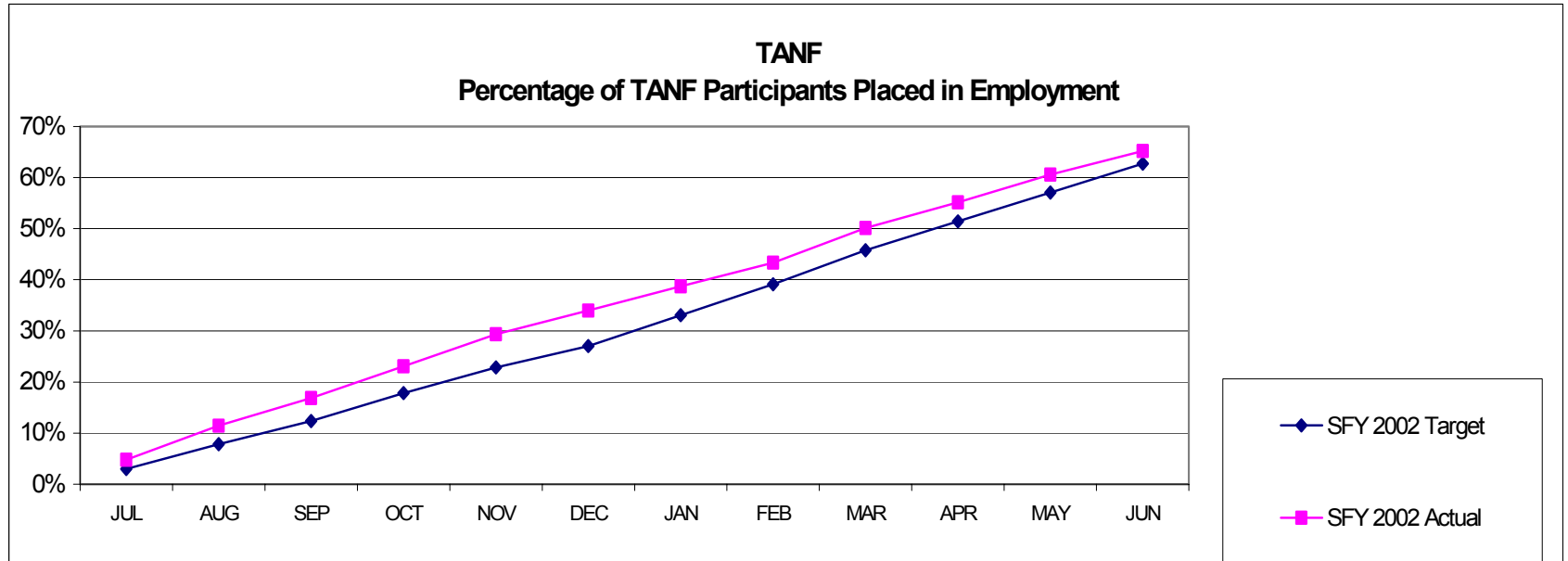# 2001

The Department of Economic Security reports monthly to the Arizona Department of Administration on Key Performance Results (KPRs). The KPRs focus on critical issues that are important to the agency. The KPRs are shared with the Governor's Office to demonstrate agency progress and success in providing quality services to Arizona residents.

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Department of Economic Security
FY 2002 Monthly Key Performance Results

By June 30, 2002, DES will place 62.73% of the TANF population in employment.

TANF
Percentage of TANF Participants Placed in Employment

This measure represents the cummulative number of individuals receiving TANF Cash Assistance placed in employment as compared to the constant TANF population, as of July 31, 2001, of 19,607 (TANF population defined as adults 18 years and older, excluding tribal cases).

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
SFY 2002 Target	3.00%	7.87%	12.35%	17.85%	22.88%	27.03%	33.06%	39.10%	45.79%	51.44%	57.08%	62.73%
SFY 2002 Actual	4.81%	11.44%	16.86%	23.08%	29.37%	34.01%	38.74%	43.37%	50.15%	55.16%	60.58%	65.19%

Placement numbers are available 45 days following the close of the month. Actual data may change as system-generated information is updated.
Actual data for SFY 2002, July through December, was revised as system-generated data was updated.

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Department of Economic Security
SFY 2003 Monthly Key Performance Results

Average Length of Cash Assistance Spell (TANF)
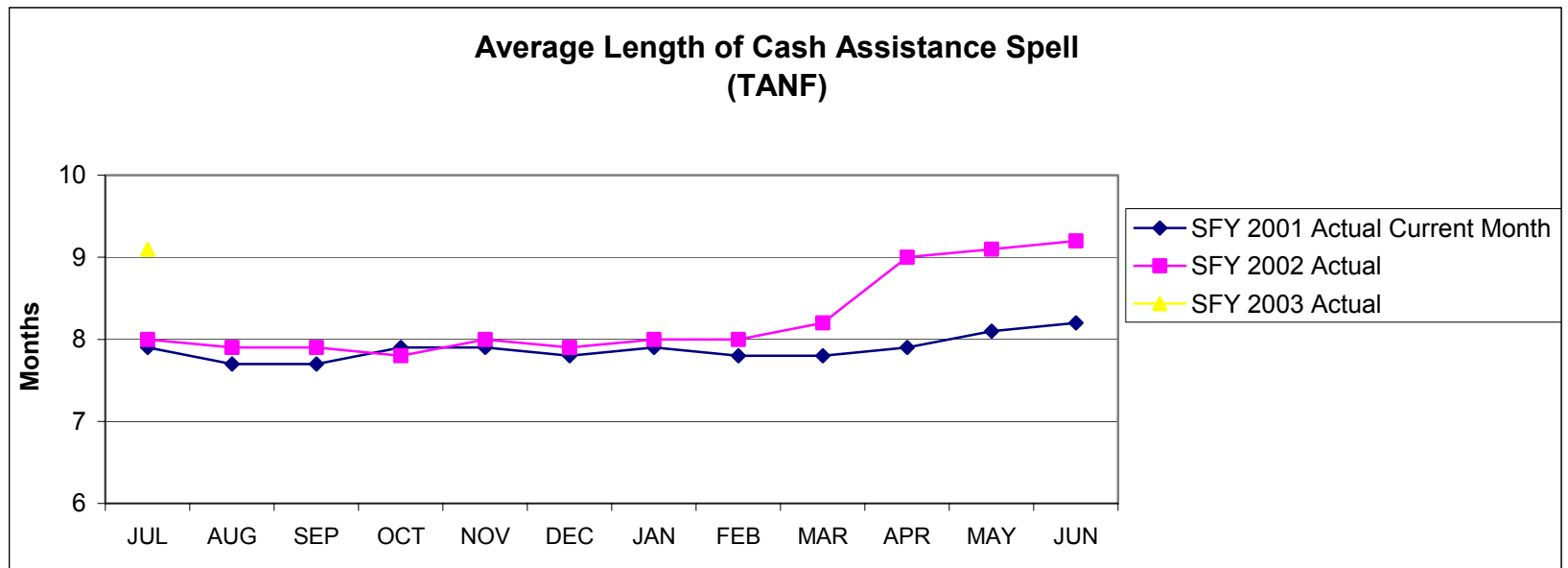
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
SFY 2001 Actual Current Month	7.9	7.7	7.7	7.9	7.9	7.8	7.9	7.8	7.8	7.9	8.1	8.2
SFY 2002 Actual	8.0	7.9	7.9	7.8	8.0	7.9	8.0	8.0	8.2	9.0	9.1	9.2
SFY 2003 Actual	9.1											

This measure represents the cumulative monthly average of the length of a Cash Assistance Spell for cases closed each month.
A Cash Assistance Spell means the period from the first month benefits are paid until the case is closed.
Data have been collected since November 1995 and are not available until 45 days following the close of the month.

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Department of Economic Security
FY 2002 Monthly Key Performance Results

FAMILY ASSISTANCE ADMINISTRATION
Client Satisfaction - Distribution of Respondents
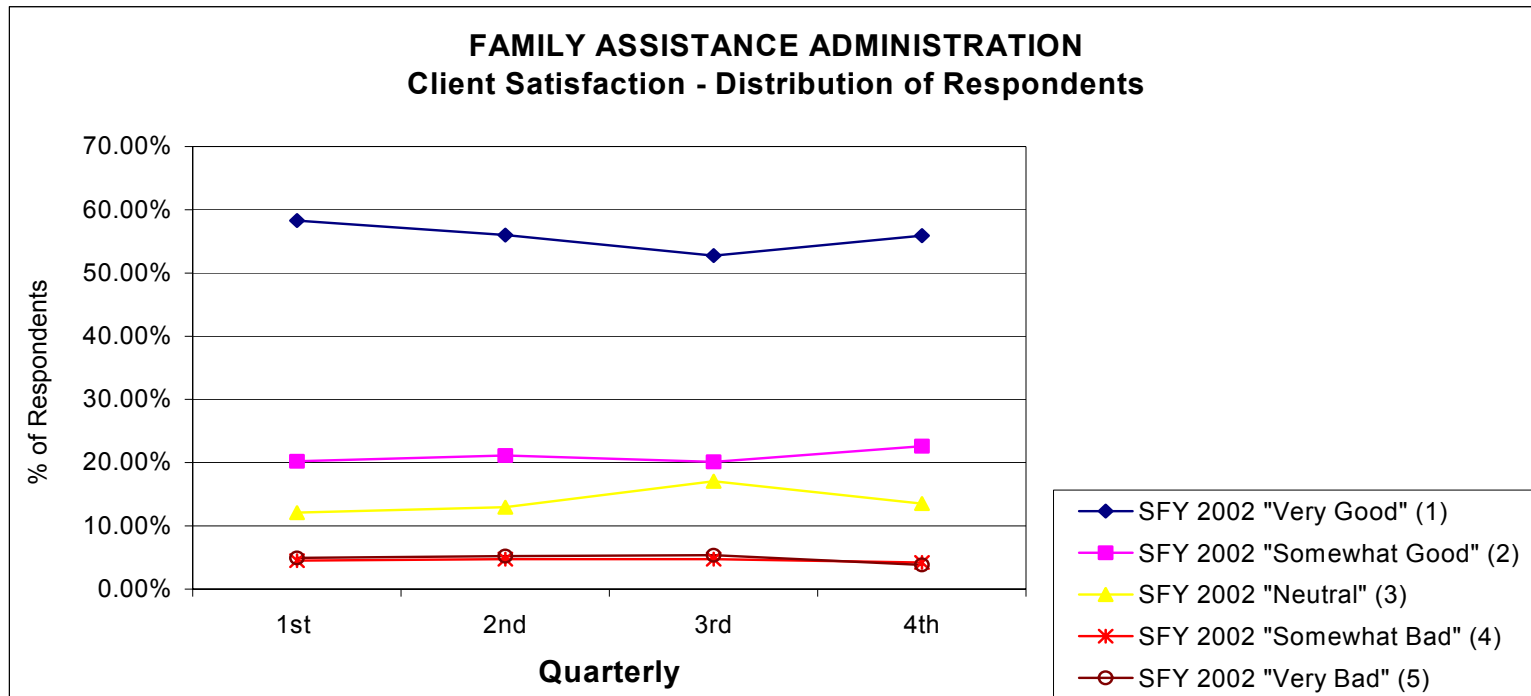
	1st	2nd	3rd	4th
SFY 2002 "Very Good" (1)	58.30%	56.01%	52.76%	55.90%
SFY 2002 "Somewhat Good" (2)	20.20%	21.13%	20.10%	22.60%
SFY 2002 "Neutral" (3)	12.10%	12.94%	17.05%	13.50%
SFY 2002 "Somewhat Bad" (4)	4.50%	4.72%	4.75%	4.20%
SFY 2002 "Very Bad" (5)	4.90%	5.20%	5.34%	3.80%

This measure represents the distribution of respondents for the Family Assistance Administration client satisfaction surveys on a scale of 1 to 5, with 5 being the lowest rating and 1 being the highest rating.

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Department of Economic Security
FY 2002 Monthly Key Performance Results

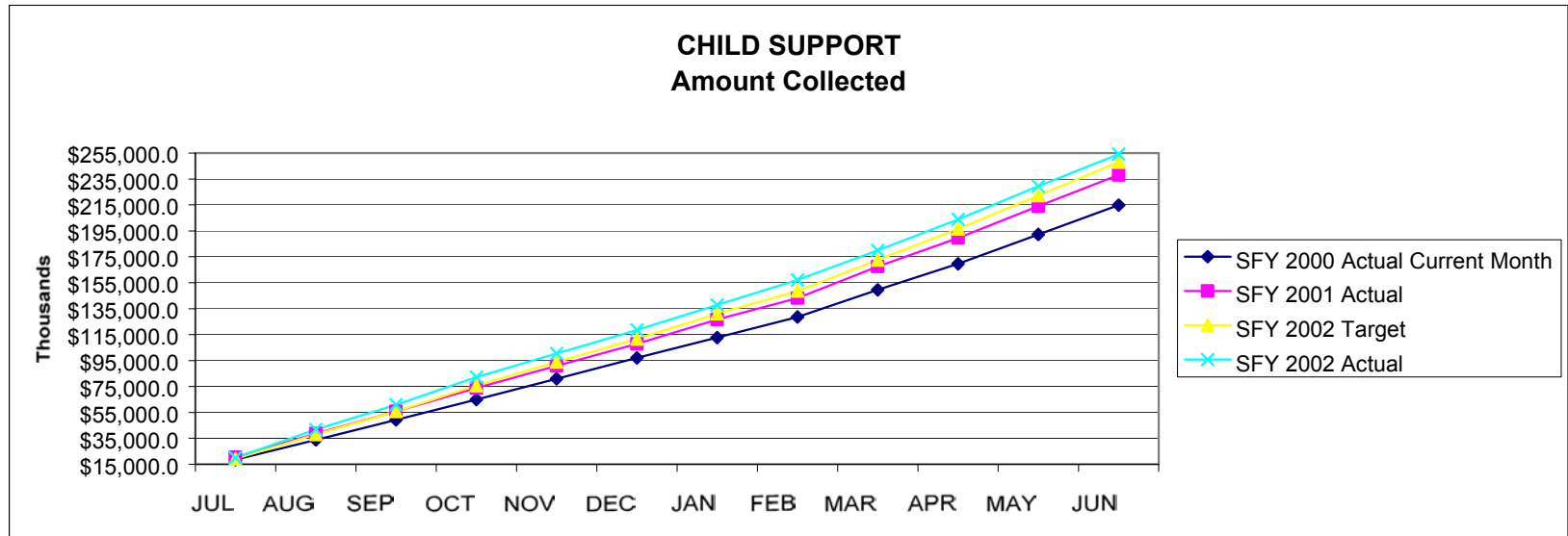By June 30, 2002, DES will increase total IV-D collections to $248,000,000.

CHILD SUPPORT
Amount Collected

This measure represents the total year-to-date amount of IV-D dollars collected.

(THOUSANDS)	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
SFY 2000 Actual Current Month	$18,501.9	$33,726.4	$49,243.5	$64,865.8	$81,063.4	$97,034.8	$112,689.7	$128,543.4	$149,483.4	$169,477.4	$192,110.4	$214,917.4
SFY 2001 Actual	$20,495.0	$38,625.5	$55,834.3	$73,821.0	$90,962.7	$107,773.7	$126,635.1	$143,207.4	$167,512.2	$189,380.0	$213,934.0	$238,037.6
SFY 2002 Target	$19,312.0	$38,053.6	$55,859.8	$75,591.9	$93,844.6	$111,560.2	$131,072.2	$148,545.2	$172,600.8	$196,438.1	$222,231.3	$248,000.0
SFY 2002 Actual	$20,035.0	$41,951.5	$60,962.2	$82,280.2	$100,384.8	$118,579.9	$137,905.0	$157,059.1	$179,972.3	$203,860.3	$229,343.9	$254,095.0

Monthly data are available 45 days after the last day of the month.
SFY 2002 Actual data for October and November has been revised due to the Navajo Nation receiving direct funding from the Office of Child Support as of October 2001.

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Department of Economic Security
FY 2002 Monthly Key Performance Results

By June 30, 2002, DES will maintain the Child Protective Services and Family Builders combined response rate of 100%.

CHILD PROTECTIVE SERVICES
Response Rate

Legend:
- SFY 2000 Actual Current Month
- SFY 2001 Actual
- SFY 2002 Target
- SFY 2002 Actual
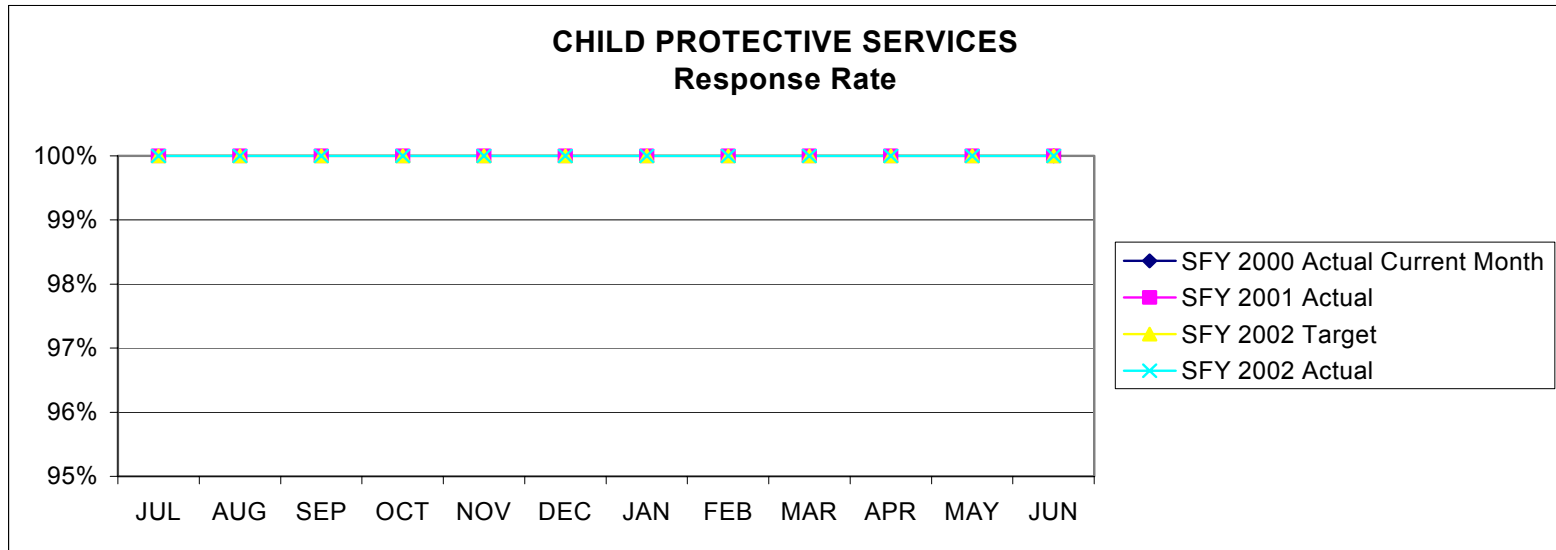
This measure represents the number of CPS reports assigned for investigation plus the number of reports referred to Family Builders compared to the total number of CPS reports received.

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
SFY 2000 Actual Current Month												100.00%
SFY 2001 Actual	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
SFY 2002 Target	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
SFY 2002 Actual	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Monthly data are available 60 days after the last day of the month.
Data are reported after resolution of fluctuations between reporting periods.

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Statistics

The Department of Economic Security presents statistical tables that are relative to its operations as a human services agency of the State of Arizona.
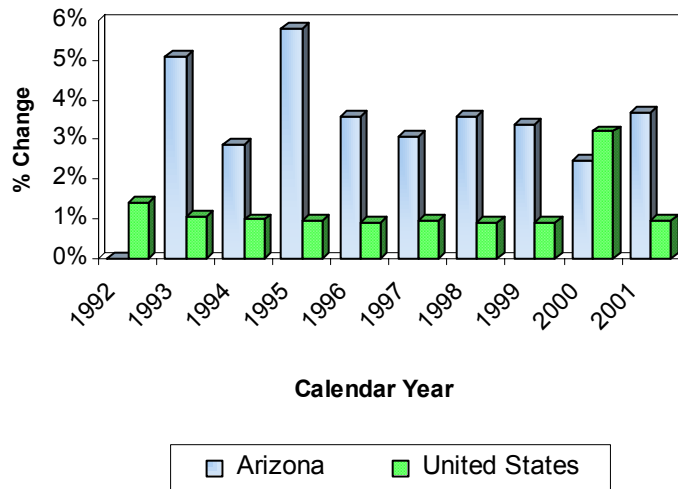
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ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison Between Arizona and United States
Population
For the Calendar Years Ended December 31

Year	Arizona Population	United States Population	Percentage Change in Arizona Population	Percentage Change in U.S. Population
1992	3,767,000	255,030,000	2,44%	1.40%
1993	3,958,000	257,783,000	5.07%	1.08%
1994	4,071,000	260,327,000	2.85%	0.99%
1995	4,307,000	262,803,000	5.80%	0.95%
1996	4,462,000	265,229,000	3.60%	0.92%
1997	4,600,000	267,784,000	3.09%	0.96%
1998	4,764,000	270,248,000	3.57%	0.92%
1999	4,924,000	272,691,000	3.36%	0.90%
2000	5,045,000	281,422,000	2.46%	3.20%
2001	5,320,000	284,797,000	3.68%	0.95%

Source: The United States Bureau of Economic Analysis; and the Arizona Department of Economic Security, Research 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 for some years may not match the amounts presented for the prior years.

Population Growth

Calendar Year

☐ Arizona   ☐ United States

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ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison Between Arizona and United States
Per Capita Income
For the Calendar Years Ended December 31

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
1992	$ 18,131	$ 21,082	2.67%	4.68%
1993	18,756	21,718	3.45%	3.02%
1994	19,774	22,581	5.43%	3.97%
1995	20,634	23,562	4.35%	4.34%
1996	21,611	24,651	4.73%	4.62%
1997	22,780	25,874	5.41%	4.96%
1998	24,133	27,321	5.94%	5.59%
1999	25,173	28,546	4.31%	4.48%
2000	25,578	29,676	1.61%	3.96%
2001	25,872	30,472	2.03%	2.36%

Source: The United States Bureau of Economic Analysis.

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

Change in Per Capita Income
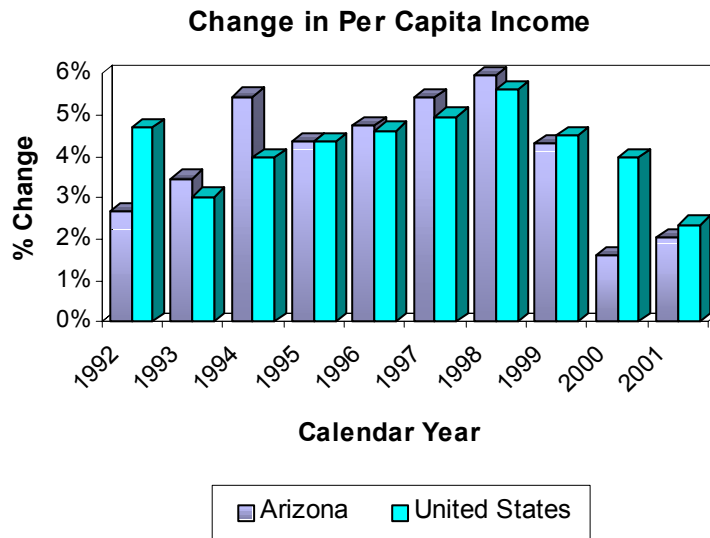
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ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Expenditures by Function and Funding Source
(Governmental Funds and Unemployment Insurance Benefits)
For the Fiscal Years Ended June 30

HEALTH AND WELFARE:

Year	State Funds	Federal Funds	Other Funds	Total Funds
1993	$ 360,053,000	$ 1,097,998,692	$ 258,209,249	$ 1,716,260,941
1994	353,782,600	1,111,025,346	238,523,964	1,703,331,910
1995	372,114,400	1,129,460,885	240,231,124	1,741,806,409
1996	386,169,400	1,092,763,240	225,288,163	1,704,220,803
1997	370,757,400	1,072,660,950	216,699,361	1,660,117,711
1998	400,340,700	1,018,548,228	202,518,001	1,621,406,929
1999	425,235,500	1,045,925,462	220,049,050	1,691,210,012
2000	422,155,816	1,134,907,352	241,950,698	1,799,013,866
2001	442,940,537	1,215,771,799	278,444,218	1,937,156,554
2002	449,946,977	1,406,217,101	511,087,455	2,367,251,533

Source: The Arizona Department of Economic Security, Audited Annual Financial Report, 1993; Audited Comprehensive Annual Financial Report, 1994, 1995, 1996, 1997, 1998, 1999, 2000 and 2001; and Audited Financial Statements, 2002.

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

Expenditures by Function and Funding Source
(In millions)

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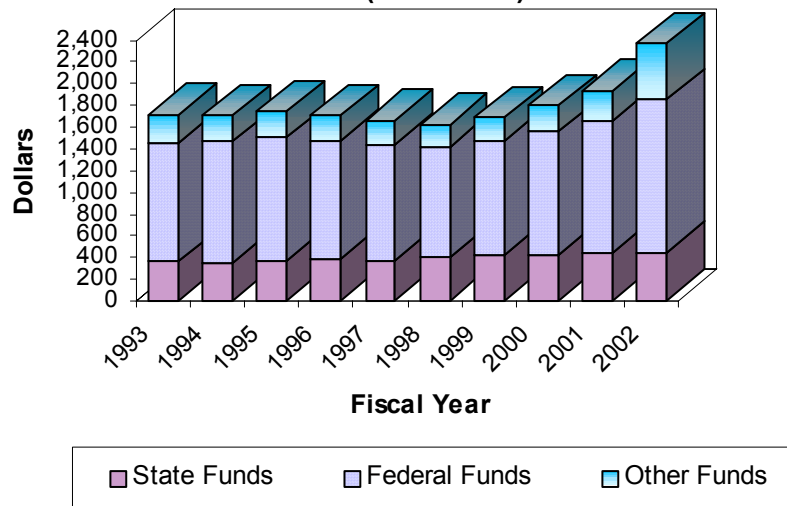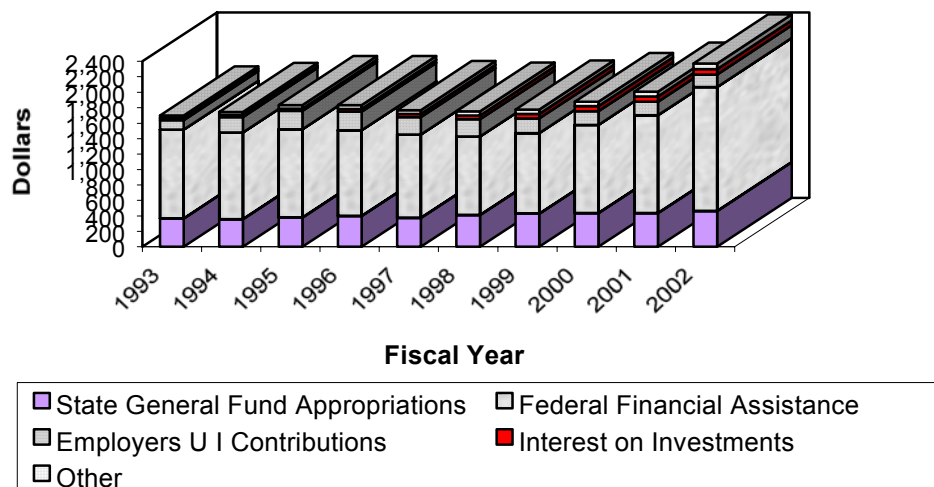## For the Fiscal Years Ended June 30

Year	State General Fund Appropriations	Federal Financial Assistance	Employers UI Contributions	Interest on Investments	Other	Total
1993	$ 367,363,500	$ 1,148,257,103	$ 124,081,164	$ 29,012,139	$ 32,186,623	$ 1,700,900,529
1994	356,801,100	1,121,879,899	201,229,020	26,681,446	37,330,662	1,743,922,127
1995	379,581,100	1,142,831,235	235,800,076	30,346,709	45,731,486	1,834,290,606
1996	397,217,300	1,110,112,146	239,480,340	38,861,761	48,154,973	1,833,826,520
1997	373,669,400	1,078,901,892	225,101,956	43,414,155	47,406,581	1,768,493,984
1998	409,640,900	1,016,492,399	223,517,434	51,591,704	49,907,366	1,751,149,803
1999	425,530,200	1,045,521,174	191,326,704	58,281,429	56,212,888	1,776,872,395
2000	434,171,319	1,143,846,770	177,603,712	64,010,350	57,845,055	1,877,477,206
2001	434,834,859	1,267,241,399	175,736,341	69,609,832	61,579,318	2,009,001,749
2002	463,456,900	1,604,700,337	162,157,379	66,619,568	76,573,245	2,373,507,429

Source: The Arizona Department of Economic Security, Audited Annual Financial Report, 1993; Audited Comprehensive Annual Financial Report, 1994, 1995, 1996, 1997, 1998, 1999, 2000 and 2001; and Audited Financial Statements, 2002.

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

Revenues by Funding Source (In millions)

Fiscal Year

☐ State General Fund Appropriations   ☐ Federal Financial Assistance
☐ Employers U I Contributions   ■ Interest on Investments
☐ Other

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ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison Between Arizona and United States Unemployment
For the Calendar Years Ended December 31

Year	Number of Unemployed - Arizona	Number of Unemployed - U.S.	Unemployment Rate - Arizona	Unemployment Rate - U.S.
1992	139,000	9,611,000	7.60%	7.50%
1993	115,000	8,927,000	6.30%	6.80%
1994	128,000	7,976,000	6.40%	6.10%
1995	115,000	7,407,000	5.10%	5.60%
1996	122,000	7,231,000	5.50%	5.40%
1997	101,000	6,727,000	4.60%	5.00%
1998	93,000	6,204,000	4.10%	4.50%
1999	104,000	5,879,000	4.40%	4.20%
2000	91,000	5,652,000	3.90%	4.00%
2001	113,000	6,779,000	4.68%	4.79%

Source: The Arizona Department of Economic Security, Research Administration, Economic Analysis; and the United States Department of Labor, Monthly Labor Review.

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 for some years may not match the amounts presented for the prior years.

Unemployment Rate

Calendar Year

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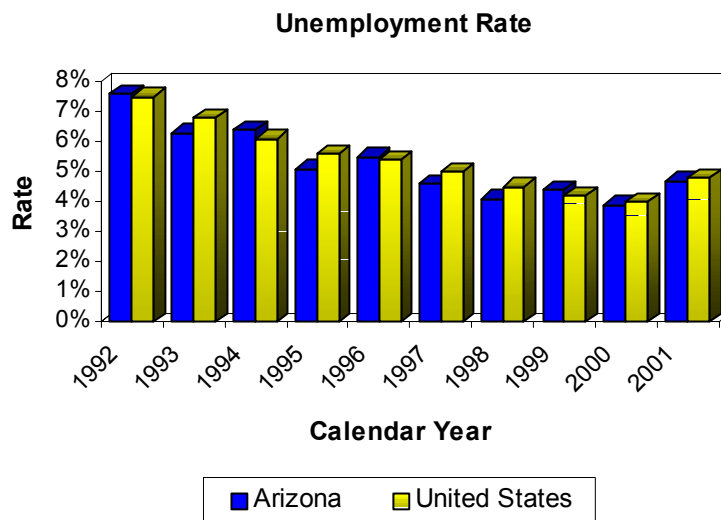
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ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Unemployment Insurance Financial Transaction Summary
For the Fiscal Years Ended June 30

Year	Total Employer Contributions	Total Benefits Paid	Fund Balance
1993	$ 247,003,400	$ 311,482,824	$ 372,205,292
1994	253,105,103	238,666,989	412,794,159
1995	236,679,799	173,317,247	504,536,522
1996	240,046,970	177,755,864	613,437,439
1997	227,644,491	172,336,147	711,845,399
1998	228,236,334	159,930,580	831,262,488
1999	200,221,238	169,265,609	919,819,409
2000	188,348,457	177,980,914	993,052,630
2001	182,095,014	202,900,332	1,038,116,687
2002	338,555,460	407,021,875	1,033,275,970

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.
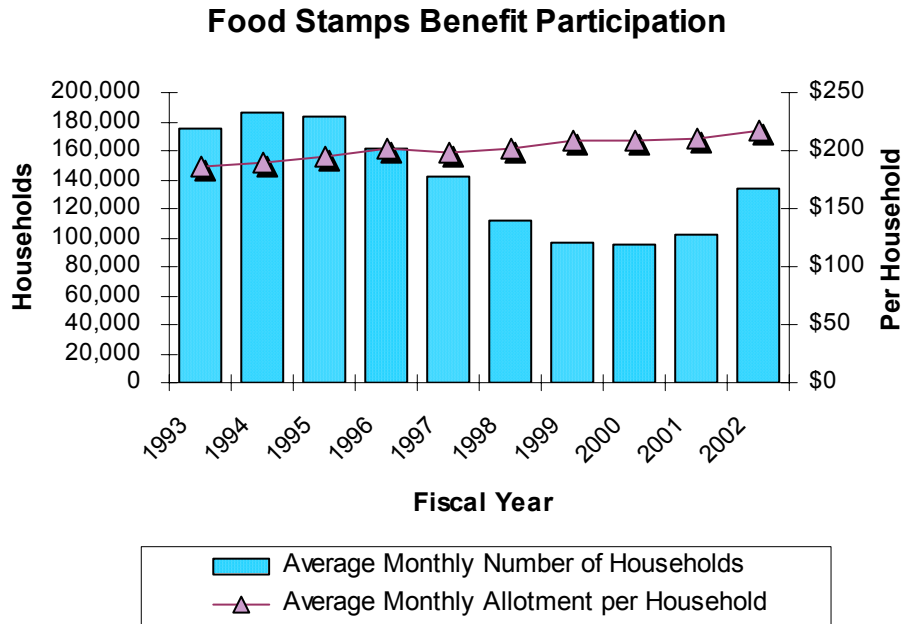
Unemployment Insurance Contribution to Benefits and Fund Balance (In millions)
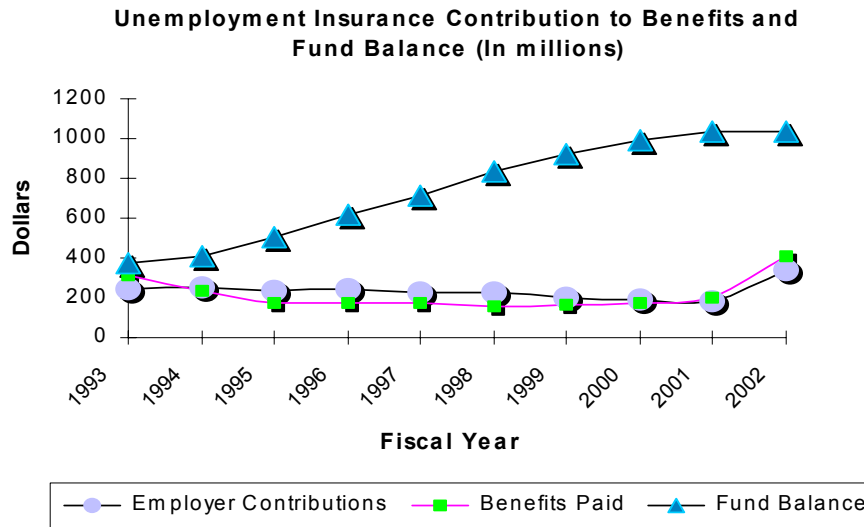
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ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Food Stamp Benefits Participants
For the Fiscal Years Ended June 30

Year	Average Monthly Number of Households	Average Monthly Number of Persons	Average Monthly Allotment Per Household	Average Monthly Allotment Per Person	Average Monthly Benefits Distributed
1993	175,686	480,865	$ 186.92	$ 68.29	$ 32,838,478
1994	186,714	510,477	190.10	69.53	35,494,355
1995	182,782	494,637	195.05	72.08	35,651,359
1996	161,415	434,542	200.91	74.63	32,429,993
1997	141,981	385,061	199.34	73.50	28,302,483
1998	112,345	311,142	201.11	72.61	22,593,553
1999	95,938	260,736	207.73	76.43	19,929,511
2000	95,238	257,989	208.83	77.09	19,889,001
2001	102,307	277,192	211.04	77.89	21,590,998
2002	134,135	355,722	217.64	82.07	29,193,426

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

Food Stamps Benefit Participation

Average Monthly Number of Households
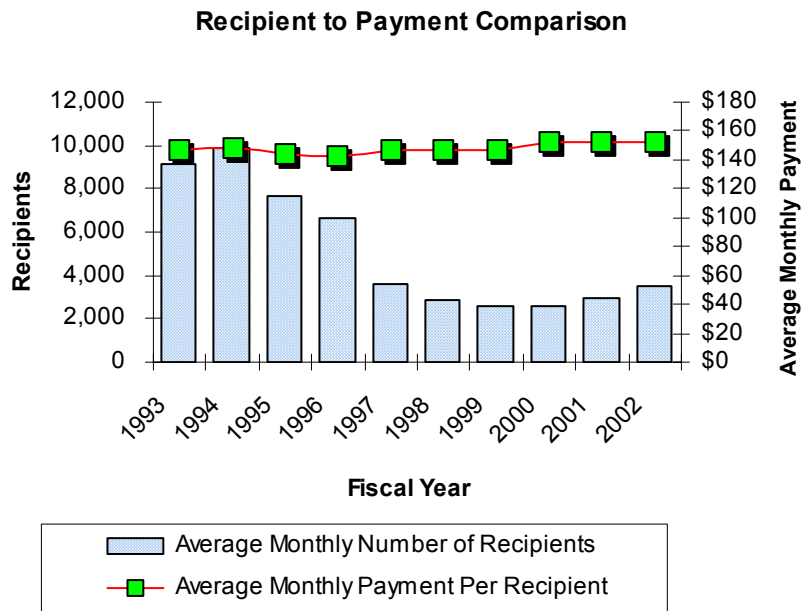Average Monthly Allotment per Household

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

Year	Average Monthly Number of Recipients	Average Monthly Payment Per Recipient	Average Monthly Payments
1993	9,109	146.78	1,337,067
1994	9,855	147.63	1,455,003
1995	7,618	143.73	1,094,888
1996	6,655	141.97	944,841
1997	3,631	147.25	534,679
1998	2,883	146.87	423,430
1999	2,627	146.67	385,315
2000	2,566	151.93	389,855
2001	2,912	152.13	443,007
2002	3,520	152.67	537,348

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

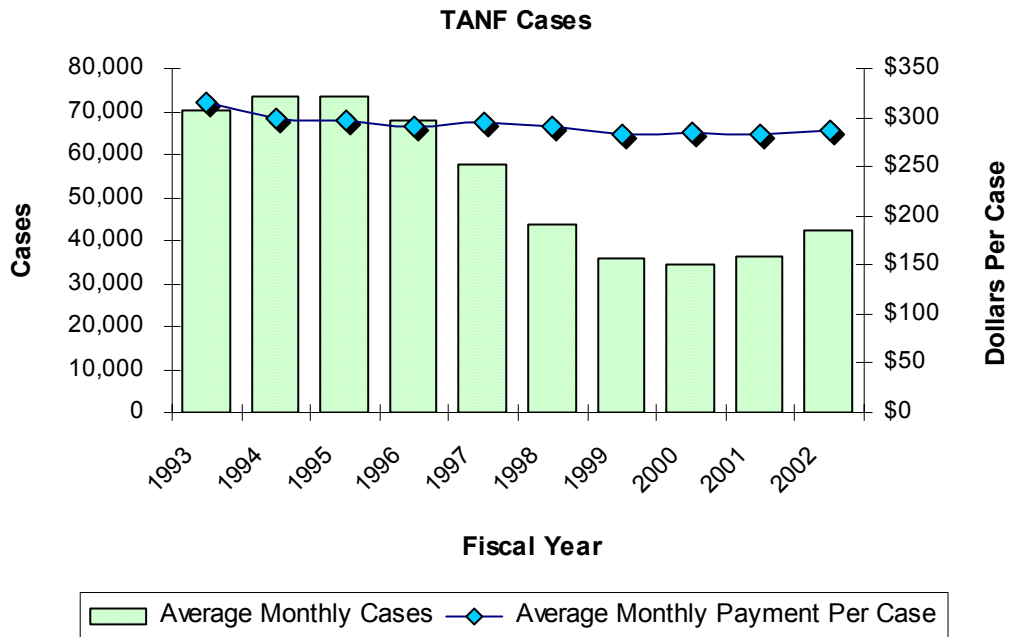**Recipient to Payment Comparison**

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

Year	Average Monthly Number of Cases	Average Monthly Number of Recipients	Average Monthly Payment Per Case	Average Monthly Payment Per Recipient	Average Monthly Payments
1993	70,452	197,543	$ 315.48	$ 112.51	$ 22,226,198
1994	73,470	205,203	300.32	107.52	22,064,301
1995	73,277	201,019	296.57	108.11	21,731,910
1996	67,784	183,274	292.15	108.05	19,803,335
1997	57,526	155,037	296.30	109.94	17,045,065
1998	43,601	119,011	290.35	106.37	12,659,966
1999	35,730	95,556	282.66	105.69	10,099,685
2000	34,211	89,770	283.82	108.16	9,709,791
2001	36,146	93,857	282.66	108.86	10,216,987
2002	42,102	109,547	286.99	110.30	12,082,660

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


TANF Cases

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

Year	Number of Participants	Total Employed	Percentage Retained After 90 Days
1993	9,905	1,880	65%
1994	11,446	2,445	75%
1995	19,544	3,984	66%
1996	21,263	5,905	72%
1997	21,734	7,433	57%
1998	30,520	10,930	N/A
1999	25,209	9,604	N/A
2000	23,802	9,950	52%
2001	23,290	12,405	46%
2002	23,818	12,513	46%

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

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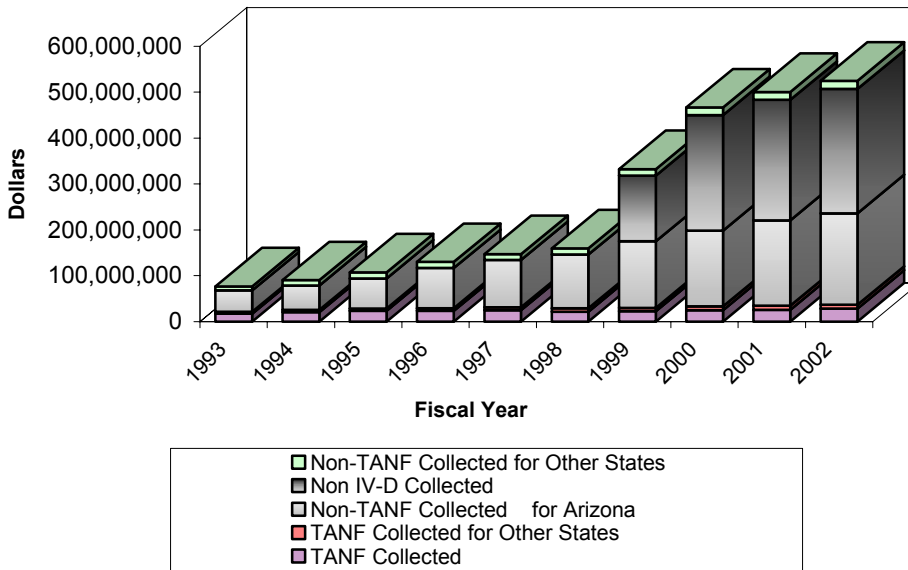half of 1999, percentage retained after 90 days was not tracked as a
performance measure.

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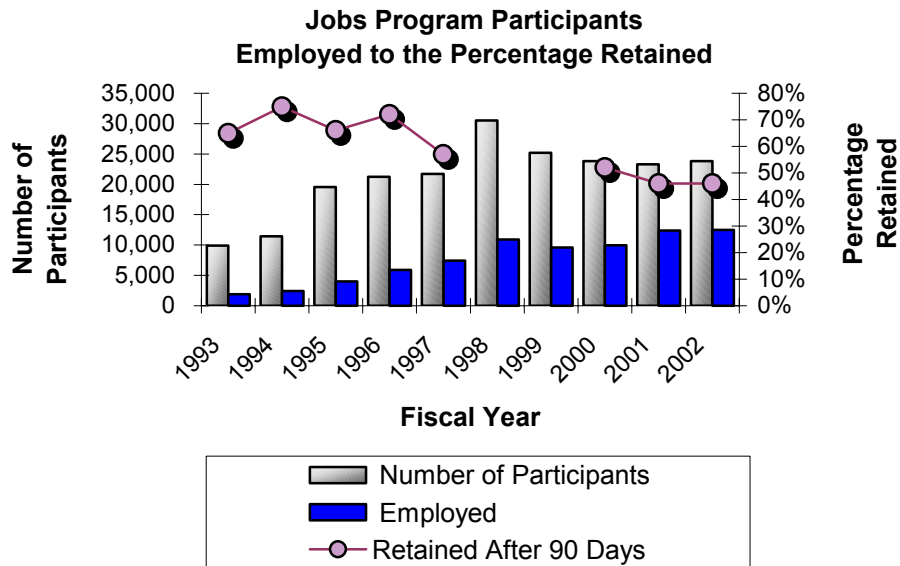
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ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Child Support Enforcement Collections
For the Fiscal Years Ended June 30

Year	TANF Collected for Arizona	TANF Collected for Other States	Non-TANF Collected for Arizona	Non-TANF Collected for Other States	Non IV-D Collected	Total Collections
1993	$ 17,190,700	$ 4,158,800	$ 46,880,600	$ 8,561,800		$ 76,791,900
1994	20,691,200	4,773,300	53,339,300	11,696,800		90,500,600
1995	23,826,900	5,047,300	65,478,200	12,983,200		107,335,600
1996	23,479,800	5,920,500	87,364,900	13,220,700		129,985,900
1997	25,075,000	6,187,200	103,245,200	12,632,300		147,139,700
1998	21,938,000	7,205,600	117,104,400	13,532,600		159,780,600
1999	22,739,900	7,326,300	145,367,800	13,791,700	$ 143,074,200	332,299,900
2000	25,100,000	8,212,400	165,356,200	16,248,800	251,380,400	466,297,800
2001	26,106,500	8,538,800	186,167,200	17,225,100	262,336,000	500,373,600
2002	28,407,500	8,193,600	199,834,500	17,659,300	270,510,400	524,605,300

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

Expenditures by Function and Funding Source
(In millions)

- Non-TANF Collected for Other States
- Non IV-D Collected
- Non-TANF Collected   for Arizona
- TANF Collected for Other States
- TANF Collected

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Appendix A

Children and Family Services Training Program Fund Status Report

Arizona Department of Economic Security
Administration for Children, Youth and Families (ACYF)
Children and Family Services Training Program Fund

STATUS REPORT

To improve the quality of services provided to children and families, the Department offers ACYF staff a comprehensive child welfare training program. In January 2002, the Child Welfare Training Institute (CWTI) initiated a new comprehensive Case Manager Core curriculum.   This curriculum combines child welfare theory and practice principles, child welfare policy and legal requirements, and automated case management and case record documentation into one comprehensive curriculum.

Training goals include the following:

1. Developing training based on clearly identified training needs.

2. Using child welfare best practices and state-of-the-art methodologies.

3. Emphasizing cultural competency.

4. Integrating family-centered child welfare best practices consistent with existing national standards.

5. Accepting and supporting comprehensive competency-based training.

6. Promoting and facilitating the transfer of knowledge, skills, and awareness from the training site to the job site.

7. Supporting the professional growth and development of ACYF staff.

8. Involving field staff in decision making on training issues.

9. Revising training based on assessment of effectiveness through a continual evaluation process.

CWTI Training Officers provide the classroom curriculum with the assistance of community and ACYF staff trainers. Training supervisors are located in ACYF offices throughout the state to reinforce the classroom work.

In addition to the above training, one and two-day advanced in-service workshops are conducted during the year in locations throughout the State. ACYF also conducts parent aide training and specialized training for staff and management. The Department encourages staff to pursue a bachelor's or master's degree in social work to further improve the quality and professionalism of services.

SUMMARY OF ACYF TRAINING

SFY 2001

Type of Training	Number of Modules	Number of Days	Number of Classes Started
Case Manager Core	8	23*	11
Supervisor Core	7	21	2
Parent Aides Core	4	8	4
Workshops	N/A	1-2	29

Note: Training Costs are paid for by the Child Protective Services Training Fund with Title IV-E training reimbursement of federal grant funds.

New Case Managers received the *Introductory Guide* which includes readings and assignments. The *Introductory Guide* is intended to be completed within the first month of employment.

New supervisors receive a Supervisor Handbook as part of the recently revised Supervisor Core training. The Revised Supervisor Core Curriculum was developed as a collaborative effort with the Office of Management Development for mandated supervisory courses such as ESTEEM evaluation training and cultural diversity training.

The CWTI also provides a revised Parent Aide curriculum and specialized and advanced workshops for ongoing and experienced staff at locations throughout the State.

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DES Service Delivery Presence by District

Director's Office

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

District Offices

District I

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

District II

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

District III

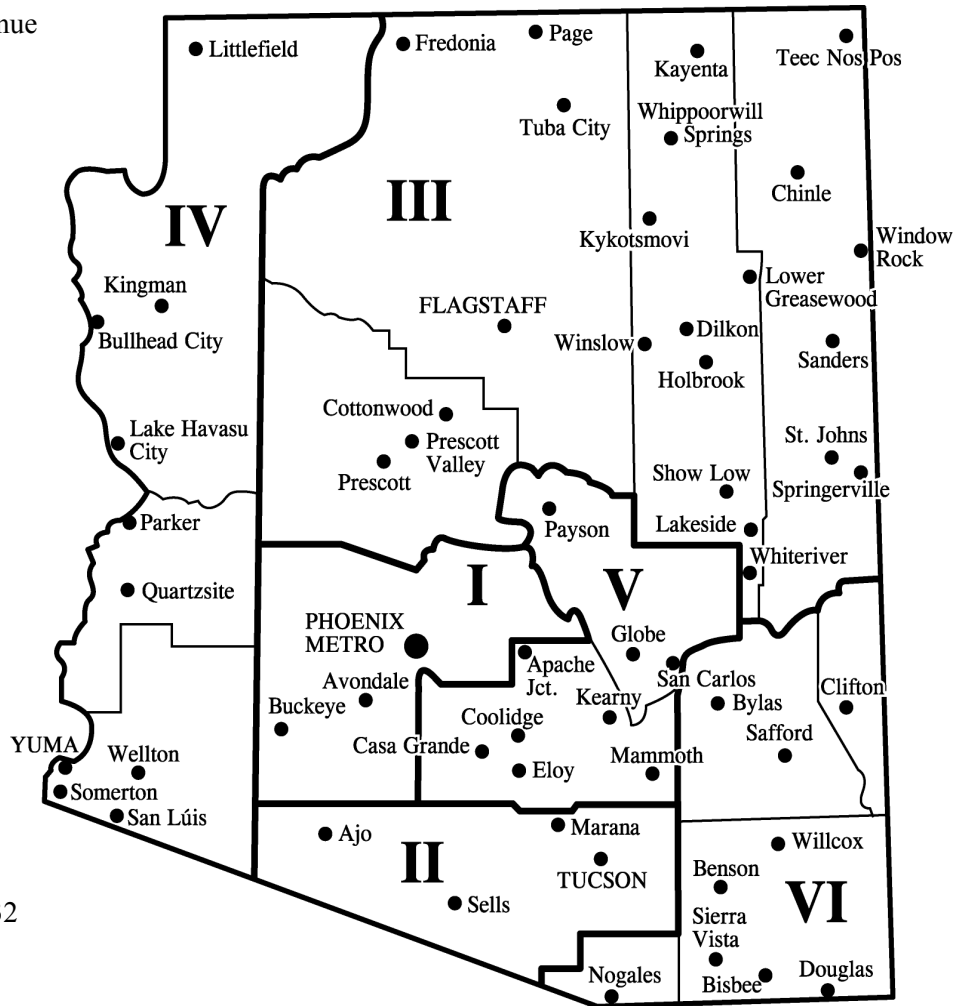220 North Leroux
Flagstaff, AZ 86001
(928) 779-2731

District IV

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

District V

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

District VI

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

Littlefield
Fredonia
Page
Kayenta
Teec Nos Pos
Whippoorwill
Springs
Tuba City
Chinle
IV
Window Rock
III
Kingman
Kykotsmovi
Lower Greasewood
FLAGSTAFF
Bullhead City
Winslow
Dilkon
Sanders
Holbrook
Lake Havasu City
Cottonwood
St. Johns
Prescott Valley
Show Low
Springerville
Prescott
Parker
Payson
Lakeside
Whiteriver
Quartzsite
I
V
PHOENIX METRO
Globe
Avondale
Apache Jct.
San Carlos
Clifton
Buckeye
Kearny
Bylas
Coolidge
Safford
YUMA
Wellton
Casa Grande
Mammoth
Somerton
Eloy
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DES Web Site - www.de.state.az.us

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Client Self-Sufficiency