



SFY 2013 - 2017

## FIVE YEAR STRATEGIC PLAN

PROMOTING THE SAFETY, WELL-BEING, AND  
SELF-SUFFICIENCY OF CHILDREN, ADULTS AND FAMILIES.



ARIZONA  
DEPARTMENT  
OF ECONOMIC  
SECURITY

### GOALS:

STRENGTHEN  
INDIVIDUALS  
AND FAMILIES

INCREASE SELF-  
SUFFICIENCY

COLLABORATE WITH  
COMMUNITIES TO  
INCREASE CAPACITY

INCREASE EFFICIENCY  
AND EFFECTIVENESS  
THROUGH  
INNOVATION AND  
ACCOUNTABILITY

CLARENCE H. CARTER,  
DIRECTOR



Janice K. Brewer  
Governor

Clarence H. Carter  
Director

January 1, 2012

Dear Arizonans:

As the Director of the Arizona Department of Economic Security (DES), it is my pleasure to share with you the Department's Five Year Strategic Plan for fiscal years 2013-2017. I hope you will find the plan useful in developing an understanding of the critical work carried out by DES and our many partners.

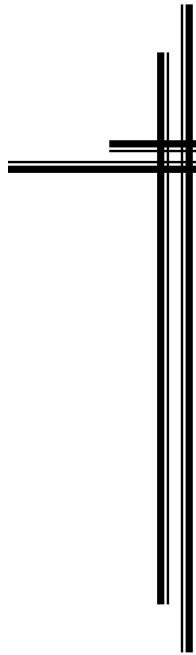
In recent years, DES and our partners have been called to meet essential human needs during the most challenging economy in our lifetime. While we will continue our commitment to deliver essential services to meet human needs, I believe we have a responsibility to create the enabling conditions for those who choose to enhance their quality of life and achieve their highest degree of self-sufficiency.

At the time of this plan's creation, we are beginning the process of transforming DES into a more person and family-centered engine for human well-being in Arizona. In this person-centric approach, the unique needs of the customer are defined and addressed, not looking through the lens of the benefit, goods or service being offered, but instead through the lens of the person or family to be served. The foundational objective of this model is growing the capacity of Arizonans served by DES and our partners to become their highest functioning selves and achieve maximum self-reliance.

This plan encompasses a range of strategies to achieve goals that address essential human needs and improve the human condition for the socially and economically vulnerable of Arizona. We look forward to working with our customers and partners to enhance the quality of our service system and make a lasting difference to strengthen Arizona.

Sincerely,

Clarence H. Carter  
Director



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## **VISION AND MISSION**

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### **Vision**

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

### **Mission**

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

## **EXECUTIVE SUMMARY**

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The Department of Economic Security (DES) is an integrated human services agency that provides critical protective and assistance services to more than 1.5 million of Arizona's children, adults, and families each year.

Together, DES' programs impact the safety, well-being, and self-sufficiency of Arizonans. Some of these programs include: basic human needs such as food and energy assistance; temporary financial support including cash assistance for low income families and unemployment insurance benefits; eligibility for medical assistance; child support enforcement; employment assistance (including vocational rehabilitation and job training); protective services for children, vulnerable adults, and the elderly; services to provide families the tools they need to care for their children; child care assistance for parents preparing for work; domestic violence shelter and supports; early intervention services for infants and toddlers at risk of developmental delays; home- and community-based services for individuals with developmental disabilities and older Arizonans; and services to help seniors, adults with disabilities, and youth to live independently.

These programs and services are delivered through DES offices and staff statewide and through a network of contracted community-based providers. DES works collaboratively with faith and community based partners, other state agencies, counties and local governments, the federal agencies that oversee DES' programs, the courts, and Native American tribes in the delivery of services to the citizens of Arizona.

DES is developing a new, holistic business model that will grow the capacity of Arizonans served by DES. This system will use a person-centric approach where the unique needs of each customer are defined and addressed not looking through the lens of the benefit, good or service being offered, but instead through the lens of the person or family being served. In this system, success is defined by the customer's reaching his or her greatest level of self-sufficiency, thus strengthening Arizona by growing the capacity of its citizenry.

This five-year strategic plan reflects the beginning of the transformation to a holistic, person-centric business model focused on long-term maximum self-sufficiency while maintaining the essential core safety net services to help individuals and families meet basic human needs. The Department must preserve accountability in service delivery by responding to the specific, immediate demands that we face due to rising caseloads and more Arizonans experiencing poverty. At the same time, DES must focus on the foundational objective of growing the capacity of individuals in Arizona served by DES to be their highest functioning self.

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

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

There are five core values that form the basis for the work that DES does in the fulfillment of its mission:

- Value our Team Members
- Person/Family-Centric
- Community Engagement
- Optimum Interconnectivity
- Accountability

These values are applied in the daily work across DES.

The Department's vision, mission, and values provide a foundation for the following four goals of the agency, which are designed to improve outcomes for children, families, and individuals in Arizona:

- Strengthen Individuals and Families
- Increase Self-Sufficiency
- Collaborate with Communities to Increase Capacity
- Increase Efficiency and Effectiveness through Innovation and Accountability

In order to achieve these goals, DES will continue to involve stakeholders in the delivery of human services in this state, both within the agency and with the agency's many community partners. Much of the work effort is focused on meeting basic foundational needs—safety, hunger, protection, employment, and temporary cash support—maintaining the safety net for vulnerable individuals and families as the recession continues to impact both financially marginal families as well as the middle class. This critical work will continue as the Department transforms to apply a person-centered approach in the delivery of all benefits, goods and services. The Department's fourth goal emphasizes innovation and accountability in the use of limited resources by continuously working to increase efficiency and effectiveness in delivering services to vulnerable Arizonans.

The DES Strategic Plan focuses on the breadth of DES' programs to identify overarching Department priorities and major initiatives. The plan serves as the framework for ongoing budgeting and planning prioritization, as well as consolidates and reflects the critical and often interrelated issues facing the Department. To chart forward movement, the plan sets forth goals, strategies and performance measures for addressing those issues and attaining desired outcomes. This plan will be modified and adapted to respond to shifting environmental factors and the needs of the individuals and families DES serves.

**The following is information regarding the Goals in this Strategic Plan:**

***Goal 1: Strengthen Individuals and Families***

The safety and well-being of vulnerable children, adults, and families are inherent to the Department's vision and mission. DES, in collaboration with its community partners, provides services and supports to vulnerable populations (e.g., children at risk of abuse and neglect, older and at-risk adults, individuals with disabilities, homeless individuals, refugees, and victims of domestic violence). Building on the strengths and support systems available in families and communities, DES provides immediate services and supports through an integrated service network to enhance the safety and well-being of these vulnerable populations throughout Arizona. By focusing on an array of services, DES actively involves families and communities in the daily work across the agency. Comprehensive approaches to meet the needs of vulnerable individuals seeking or receiving services intrinsically include finding and expanding meaningful ways to partner with communities so that the responsibility for supporting families is broadly shared.

Strategies to meet this goal include assisting older and at-risk adults, individuals with disabilities, and youth aging out of foster care to live independently, as well as safely reducing the number of children in foster care and the number of children in congregate care by developing safe alternatives, including timely permanency, and in family-like settings where possible and appropriate.

The Department strives to maintain 100 percent investigation rates in Adult Protective Services and Child Protective Services. Arizona's Developmental Disabilities program is ranked as one of the best in the nation. DES also continues successful permanency initiatives for children in out-of-home care and has consistently increased the number of adoptions. In addition, Arizona consistently performs above the national median for placements of children in out-of-home care with relatives over non-relative caregivers.

***Goal 2: Increase Self-Sufficiency***

For individuals and families to escape the hardships of poverty and meet their basic needs, especially in the midst of the economic downturn, they require certain skills and supports to help them find and keep a job and to maintain quality of life. DES works to provide or assist in finding core economic safety net services to meet individuals' and families' needs. Programs such as Unemployment Insurance, Child Support, Supplemental Nutrition Assistance, Cash Assistance, Medical Assistance Eligibility, and Child Care provide important services and supports to help individuals and families increase self-sufficiency. The Department also provides employment-related support services that increase skills and opportunities for older adults, veterans, individuals with disabilities, refugees, economically disadvantaged youth and adults, and youth who have aged out of foster care.

A key initiative in support of the Department's new, holistic business model is the development of a person-centric office design where the unique needs of the customer are defined and addressed from the perspective of the customer. This person-centric approach will ultimately be deployed broadly across DES to increase individual and family self-sufficiency.

Also in support of Arizonans' movement toward self-sufficiency, despite an economic recession, DES has maintained the level of Title IV-D-related child support collections at nearly \$360 million annually over the last three fiscal years while increasing cost effectiveness. Grant Diversion promotes long-term self-sufficiency through employment. During SFY 2011, over 22,196 persons received employment support and one time financial support thorough the Grant Diversion program, an increase of 140 percent from the prior year.

### ***Goal 3: Collaborate with Communities to Increase Capacity***

In order to most effectively assist Arizonans in achieving permanency, stability, and overall well-being, DES must continue to involve stakeholders in the delivery of human services in this state—both within the agency and with our many community partners. This goal reflects the Department's initiatives to expand and strengthen the state's human service network by blending the strengths of DES staff, community partners, families, and individuals to improve outcomes for clients and to reduce the number of vulnerable children, adults, and families in need of DES services.

DES' strategies include collaborating with local communities to provide core safety net services and a focus on working closely with the business community to identify opportunities for employing at-risk individuals. A new key initiative for the Department is a collaboration between DES, the Arizona Commerce Authority, Arizona Department of Education, and Arizona's Community College System. The collaboration will bring together the business, education, and human services community to meet the labor force needs of business and transition up to 5,000 current consumers of Arizona's safety net programs into gainful employment.

Increased emphasis is being placed on significantly expanding partnerships with faith-based and community organizations to engage these community resources as partners in promoting the safety, well-being, and self-sufficiency of Arizona's vulnerable individuals and families. Partnerships and collaborations include those addressing homelessness, hunger, domestic violence, and Community Action programs for short-term crisis needs, to name just a few. DES has partnered with over 20 faith-based organizations to provide additional sites and technical help to assist people in need to apply for safety net services online. DES and over 560 faith-based and community organizations partnered during a six month Season of Service that engaged 40,000 volunteers in over 500 projects focused on hunger, homelessness, education, health care, family well-being, and neighborhood revitalization. DES joined with national and local partners to hold community outreaches in August 2011 that served 10,000 people. The outreach events provided groceries, job and health fairs along with activities for children. In addition, with the assistance of DES, the ArizonaSERVES initiative is helping to connect more faith-based and nonprofit organizations to the needs of Arizona's most vulnerable citizens.

### ***Goal 4: Increase Efficiency and Effectiveness through Innovation and Accountability***

The Department has a history of innovation and efficiency in the delivery of human services. Arizona's economic downturn has required DES to push forward with even greater innovation to pursue opportunities for cost savings and achieve more streamlined and efficient methods to carry out activities. Across the Department, staff are demonstrating increased efficiency in service delivery and operations.

During 2010, the Department implemented an automated interface with the Motor Vehicle Division that attaches liens to vehicles owned by child support obligors, efficiently increasing child support collections. Also this past year, The Department's Rehabilitation Services Administration implemented a new centralized electronic payment system that has improved the efficiency of invoice, receipt and payment processes across the state. A key initiative under development is the analysis and implementation of recommendations to improve the efficiency and effectiveness of DES call center operations.

The Department continues to streamline the eligibility process for Cash Assistance through expansion of the online Health-e Arizona application for Cash Assistance benefits, Supplemental Nutrition Assistance Program (SNAP), and Medical Assistance Eligibility. The Department also has modified its internal local office processes to focus on specific individual needs, which has reduced frustration, helped to alleviate lobby crowding, and provided for quicker eligibility determinations.

### ***Conclusion***

DES continues to move forward, in collaboration with its many community partners, to accomplish the goals set forth in this Strategic Plan. We define our success in terms of how our programs and services help individuals and families in Arizona attain greater safety, self-sufficiency, and well-being.

The Department's services have a direct, positive impact on the lives of children, adults, and families in Arizona by providing protective services for vulnerable children and adults, helping families meet their basic needs for food and shelter, providing parents the skills and supports they need to find and keep a job, assisting individuals with disabilities by providing training and services that foster independence, and partnering with communities throughout Arizona to support families in their neighborhoods. Desired outcomes include that children, adults, and families will be safer in their homes and communities and living in the least restrictive setting, individuals and their families will see improvements in economic mobility and self-sufficiency, and there will be a reduction in families' reliance on government programs. Ultimately, the Department's aspiration is that individuals in Arizona will be able to achieve their highest functioning self.

Over the next five years, the DES Strategic Plan projects the direction of the Department and how it will get there by delivering quality, effective, and efficient human services. Above all, the plan highlights how the Department will continue to administer human services for Arizonans, while carrying out its mission to promote the safety, well-being, and self-sufficiency for the children, adults, and families of Arizona served by DES.

## **DEPARTMENT GOALS**

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**Goal 1: Strengthen Individuals and Families**

**Goal 2: Increase Self-Sufficiency**

**Goal 3: Collaborate with Communities to Increase Capacity**

**Goal 4: Increase Efficiency and Effectiveness through  
Innovation and Accountability**

# **GOAL 1**

## **Strengthen Individuals and Families**

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### **Desired Outcomes:**

- Children growing up in nurturing family environments
- Vulnerable individuals, children, and families living in safe environments
- Increased quality of life through receipt of needed consumer-directed, individual and family-centered support services

### **Goal Focus:**

The agency's protective and support services enable Arizona's vulnerable children, adults, and families to reside safely in the least restrictive environment possible.

These populations include children and families involved with the Child and Adult Protective Services systems, individuals seeking one-time supports, individuals with disabilities, older and at-risk adults, refugees, homeless individuals, and victims of domestic violence.

DES' focus is a holistic, person-centric approach that leverages the strengths of individuals and families to improve other areas with which they may struggle. Providing an array of services, integrated across Department programs and with other state agencies and community partners to best meet the needs of the client (especially those with multiple needs), will result in strengthening Arizona's families and individuals by assisting them in achieving self-sufficiency, safety, and overall well-being.

### **Strategies:**

#### ***1. Create and implement comprehensive approaches to meet the needs of individuals and families seeking or receiving services***

##### **Performance Measure(s):**

- DES Customer Satisfaction Rating
- Percent of Temporary Assistance for Needy Families (TANF) Cash Assistance recipients diverted from long-term cash assistance with diversion grants

**2. Build on the strengths and support systems available in families**

Performance Measure(s):

- Number of family caregivers supported to help maintain family self-sufficiency
- Percent of parents reporting that early intervention services make a positive difference

**3. Assist older and at-risk adults, individuals with disabilities, and youth aging out of foster care to live independently**

Performance Measure(s):

- Percent of people served who avoided more costly institutionalization (such as nursing home care) by receiving home and community based services
- Percent of developmentally disabled individuals living in own or family home
- Percent of Young Adult Program participants age 18 or older who have graduated from high school or received a General Equivalent Diploma
- Percent of allegations of abuse, neglect and exploitation of vulnerable adults investigated

**4. Work in partnership with tribal communities to strengthen individuals and families**

Performance Measure(s):

- Number of regularly scheduled DES Tribal Liaison meetings held to enhance communication between DES and Tribal nations
- Number of meetings with Native American tribes to coordinate services provided with Child Care Development Funds

**5. Safely reduce the number of children entering the foster care system and the number of children who are in the foster care system by developing safe alternatives, including timely permanency**

Performance Measure(s):

- Percent of children exiting from foster care to adoption within 24 months
- Percent of children exiting from foster care to family reunification within 12 months

**6. Safely reduce the number of children in congregate care and place children in family-like settings (kinship care and family foster homes)**

Performance Measure(s):

- Percent of foster home licenses applications processed within compliance timeframe
- Percent of children in out-of-home care placed in family-like settings

## GOAL 2

# Increase Self-Sufficiency

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### **Desired Outcomes:**

- Individuals and families can meet their basic needs
- Parents with the skills and support needed to find and keep good paying jobs
- Increased self-sufficiency, upward economic mobility, and quality of life through employment
- Increased utilization of natural supports and community resources, resulting in less dependence on government programs

### **Goal Focus:**

DES works to increase self-sufficiency through enhancing employability and providing employment supports to mitigate risk factors associated with the need for DES services.

DES strives to assist vulnerable individuals to attain employment to the extent of their capabilities, such as veterans, older adults, economically disadvantaged youth and adults, youth aging out of foster care, refugees, and individuals with disabilities. In addition, programs such as unemployment insurance, child support, supplemental nutrition assistance, child care, and medical assistance eligibility provide important services and supports to vulnerable individuals and families.

DES seeks to provide these quality of life services to Arizonans in the most effective means possible. In these challenging economic times, the safety net of benefits and support services provided by the Department are helping children, individuals, and families meet their basic needs for health and well-being and can serve as a critical bridge to self-sufficiency.

### **Strategies:**

- 1. Provide core safety net services to stabilize families as a first step towards enabling them to achieve maximum employability and self-sufficiency***

#### Performance Measure(s):

- Number of children that receive child care services
- Number of households receiving Nutrition Assistance
- Number of recipients receiving medical assistance for which DES determines eligibility

**2. *Provide employment-related services and assistance supports to vulnerable populations, such as older adults, individuals with disabilities, refugees, economically disadvantaged youth and adults, and youth who have aged out of foster care***

Performance Measure(s):

- Percent of older adults that obtain jobs when they exit the Federal Senior Community Services Employment (training) Program
- Percent of adults with developmental disabilities working in community employment opportunities
- Number of Vocational Rehabilitation program participants who obtain employment
- Number of young adult independent living subsidy participants

**3. *Reduce the number of families on Cash Assistance by increasing self-sufficiency through increased employment placements***

Performance Measure(s):

- The average length of time a household receives Cash Assistance
- Number of cash assistance recipients who obtained employment thorough the Jobs Program

**4. *Increase the number of certified family child care providers so parents have more child care options***

Performance Measure(s):

- Number of certified family child care providers

**5. *Make child support a reliable source of income for the families we serve***

Performance Measure(s):

- Amount of IV-D child support collected
- Ratio of IV-D child support collected compared to the amount of IV-D child support owed

## GOAL 3

# Collaborate with Communities to Increase Capacity

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### **Desired Outcomes:**

- Vulnerable children, adults, and families able to live safely and in the least restrictive environments
- Enhanced quality of life for children, adults, and families through:
  - Increased stability in family and community relationships and living environments
  - Receipt of needed consumer-directed, individual and family- centered support services
- Communities actively involved in promoting the safety and well-being of vulnerable individuals and families
- Older adults and persons with disabilities able to remain in their communities and avoid the need for institutionalization
- Individuals engaged in a positive way with their families and communities

### **Goal Focus:**

Our staff serve as a connecting bridge, working proactively with community partners, faith-based organizations, and other state agencies to maximize services to children and families in need.

Significantly expanded partnerships with faith and community-based organizations are enabling DES to work with these organizations where our missions intersect and enhance the effectiveness of Department strategies to strengthen individuals and families and increase their self-sufficiency. DES is providing programmatic access and technical assistance and connecting faith and community-based entities with community resources to more effectively meet the needs of Arizona's most vulnerable citizens.

These faith-based and community collaborations help the Department deal with diminished DES capacity, while we in turn help build the capacity of local communities and maximize the impact of our shared resources.

## **Strategies:**

### **1. Increase collaboration with community partners and stakeholders to provide core safety net services**

Performance Measure(s):

- Number of Arizona households that received utility, rent, or mortgage assistance in collaboration with community partners
- Number of individuals and households served by the Coordinated Hunger Relief Program
- Number of community volunteer hours working with individuals with developmental disabilities

### **2. Engage Faith-based Organizations as partners to promote the safety, well-being, and self-sufficiency of individuals and families**

Performance Measure(s):

- Number of faith based leaders receiving *onPurpose*, an e-newsletter that encourages and fosters new partnerships to serve Arizonans in need

### **3. Work closely with the business community to identify opportunities for employing at-risk individuals**

Performance Measure(s):

- Number of meetings held with the business community and resettlement agencies to identify employment opportunities for refugees

## **GOAL 4**

# **Increase Efficiency and Effectiveness Through Innovation and Accountability**

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### **Desired Outcomes:**

- DES programs continuously monitoring performance, striving to innovate and improve efficiency through visionary, creative thinking and problem-solving
- Accountability exemplified at all levels of the agency in meeting commitments and providing effective and efficient quality services
- Dedicated, professional, caring staff committed to delivering the highest quality services to Arizona's vulnerable citizens
- Internal operating systems efficiently supporting optimum program operation

### **Goal Focus:**

DES strives to be a provider of responsive and reliable services to our community. This goal focuses on the Department's efforts to ensure delivery of quality, timely, and cost effective core services. The day-to-day activities of the Department ultimately rely on effective staff and efficient internal business systems. DES is committed to continuous improvement in these overall processes in order to enable staff to work toward the best outcomes for those the Department serves.

The Department recognizes its accountability to the citizens of Arizona to ensure that DES' resources are being used as efficiently and effectively as possible. To this end, the Department continues to explore and implement efficiency and cost-saving strategies wherever possible and to look for new ways to deliver services and partner with the community.

DES also works to increase the opportunities for individuals to access information and benefits through Web-based and inter-active voice response systems. This promotes customer self-sufficiency and increases cost-efficiency in the delivery of services.

## **Strategies:**

### ***1. Deliver quality, timely, and cost-effective services***

Performance Measure(s):

- Cash Assistance Timeliness Percentage
- Nutritional Assistance Timeliness Percentage
- Medical Assistance (AHCCCS) Timeliness Percentage
- Percent of SNAP, cash and/or medical assistance applications received online
- Amount of IV-D child support dollars collected for every IV-D dollar expended
- Percent of Unemployment Insurance Appeal Decisions issued within 45 days
- Percent of Nutrition Assistance Appeal Decisions issued within 60 days
- Percent decrease in the average cost per person in group home settings
- Percent of initial Individualized Family Service Plans developed with eligible families within 45 days of referral to the Arizona Early Intervention Program
- Total Cost per Dollar collected by the Office of Accounts Receivable and Collections

### ***2. Deliver responsive and efficient technology services***

Performance Measure(s):

- Number of documents scanned for electronic storage and retrieval
- Average time to repair critical information technology applications

### ***3. Efficiently address the needs of the Department's current and future workforce***

Performance Measure(s):

- Quality of hiring lists produced
- Turnaround time for external hiring lists
- Turnaround time for internal hiring lists

**4. *Provide services in the most effective means possible, partnering with private industry where appropriate***

Performance Measure(s):

- Number of contracts issued in support of a coordinated system of care for vulnerable and at-risk populations including abused, older, impoverished and/or refugee families
- Percent of developmental disabilities services that are contracted with community providers

## **DEPARTMENT STRATEGIC ISSUES**

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The following areas delineate some of the current challenges and opportunities in the human services environment that most significantly impact the work of the Department.

### **Issue 1: Core Mission, Accountability, and Efficiency**

The Department has a history of innovation and efficiency in the delivery of human services and must continue to innovate and find ways to improve efficiency throughout the agency. The Department is ensuring that core services continue while incorporating inventive and efficient business strategies to successfully provide services to Arizona's most vulnerable populations.

In recent years, the agency has been working to improve the accountability of its programs in order to ensure that they are administered as effectively and efficiently as possible to be of maximum benefit to the people we serve. With an eye toward further improvement, beginning in fiscal year 2012, the Department established a new Office of Accountability, headed by a Chief Accountability Officer. This office has been tasked with helping transform the Department to an agency that coordinates the delivery of benefits across divisions by helping to develop an enterprise approach to performance management and accountability. This approach will lead to a customer-focused model that seeks to meet the specific needs of individuals, rather than requiring individuals to navigate a system focused on individual programs.

As the Department manages through a rapidly changing environment, including such factors as fewer dollars, the changing nature of the workforce, changes in technology, etc., and intensifies its focus on its core work, the Department is also working to strengthen its workforce. Given the difficult economic climate in Arizona and the nation, the Department must provide resources and supports to the maximum extent possible to ensure that staff can stay focused on the agency's core mission and continue working hard for the families and individuals DES serves.

### **Issue 2: Economic and Social Stressors**

Arizona and the nation experienced an unparalleled economic downturn. The nation's mortgage foreclosure crisis and associated losses in the housing and construction industries hit Arizona disproportionately hard and the state's unemployment rate remains above nine percent. The economic decline created competing stressors on state government and on DES services in particular. While the decline caused state revenue to fall sharply, leaving less money available to provide services, at the same time it led to greater demand for Department services. For example, in recent years there were dramatic rises in unemployment insurance caseloads and in applications for the Supplemental Nutrition Assistance Program. Families are seeking assistance to meet basic needs such as housing, food, and health care, and people who have never experienced financial difficulties in the past have come to DES for services.

According to the U.S. Census Bureau's 2009 American Community Survey, in Arizona, more than 14 percent of the people live in poverty, and nearly 21 percent of Arizona's children are living below the federal poverty level. In 2011, the federal poverty level for a family of four is \$22,350.

In addition to the stress caused by the economic downturn, violence against children continues to be a substantial concern, oftentimes brought on by multiple risk factors, including poverty and substance abuse, thus establishing critical needs for protective, remedial, preventive, and intervention services for children and families. The current economic situation may create even more intense stress on already fragile family environments, further compounding these issues. Additionally, as more people have children later in life, a growing segment of the population is raising children while simultaneously caring for aging parents. Supports may be necessary for these caregivers to succeed in meeting this challenge.

### **Issue 3: Federal Funding**

The Department's recent annual state budgets have relied heavily on federal funds in order to reduce the state's General Fund support for the Department. In fiscal years 2010 and 2011, a significant amount of federal support expired. These expiring federal funds are from the American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5), which was signed into law on February 13, 2009. ARRA, which is commonly referred to as the federal stimulus, temporarily augmented the funding provided under a number of the Department's federal grants. As a result, the Legislature was not only able to address caseload growth with federal funds, but was also able to significantly reduce the Department's General Fund base.

The Legislature has responded to the expiration of this federal funding by including additional General Fund support to sustain critical operations in child welfare, developmental disabilities, and Temporary Assistance for Needy Families (TANF) for fiscal year 2012.

In addition to the expiring ARRA funds, the Department also faces the loss of the population supplement for the TANF Block Grant for fiscal year 2012. When the TANF was created, supplemental funding in addition to the base block grant was made available to 17 states with rapid population growth. This funding provision expired on June 30, 2011. Arizona's annual TANF population supplement since fiscal year 1998 was about \$23.9 million. If the population supplement is not renewed in the federal budget, and it does not appear likely that it will be at this time, the Department estimates a structural shortfall in TANF-funded programs of approximately \$40 million in fiscal year 2013 and beyond.

### **Issue 4: Collaboration with Community and Faith-Based Partners**

The Department places an emphasis on collaboration with community and faith-based partners to accomplish its goals. DES recognizes that all communities are unique, and believes that those within a community often have a greater understanding of the best ways to meet their community's needs. This integrated and innovative approach to human services is crucial to developing and incorporating systems to best assist the populations the agency serves and to achieve the best possible outcomes for the vulnerable individuals, children, and families of Arizona.

The Department is committed to continuing to expand and strengthen these relationships by involving faith-based partners and community constituencies in strategic planning and resource allocation efforts. The Department is enhancing the role of faith-based partners, family voice, community partnerships, tribal relationships, and sister agency collaboration to improve outcomes for Arizona's children and families.

## **DEPARTMENT RESOURCE ASSUMPTIONS**

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### **Agency Incremental Costs for All Funds**

	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
FTE	82.0	60.0	60.0	60.0	60.0
General Funds	87,858.6	35,038.1	36,300.0	38,100.0	40,000.0
Other Appropriated Funds	(46,778.1)	21,720.2	22,800.0	24,000.0	25,200.0
Other Non-Appropriated Funds	(81,485.0)	39,251.1	41,300.0	43,300.0	45,500.0
Federal Non-Appropriated Funds	(376,211.8)	63,391.2	65,000.0	66,600.0	68,300.0
Total	<b>(416,616.3)</b>	<b>159,400.6</b>	<b>165,400.0</b>	<b>172,000.0</b>	<b>179,000.0</b>

**Funding Amounts in Thousands**

## **RESOURCE ASSUMPTIONS SUMMARIES**

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### **Agency Funding Total for All Funds**

(Sum of Incremental Costs for Addressing Goals and the Base for Each Year)

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
FTE	8,968.0	9,050.0	9,110.0	9,170.0	9,230.0	9,290.0
General Funds	602,603.3	690,461.9	725,500.0	761,800.0	799,900.0	839,900.0
Other Appropriated Funds	481,257.9	434,479.8	456,200.0	479,000.0	503,000.0	528,200.0
Other Non-Appropriated Funds	867,333.9	785,848.9	825,100.0	866,400.0	909,700.0	955,200.0
Federal Non-Appropriated Funds	2,912,320.6	2,536,108.8	2,599,500.0	2,664,500.0	2,731,100.0	2,799,400.0
Aggregate Agency Level Total	<b>4,863,515.7</b>	<b>4,446,899.4</b>	<b>4,606,300.0</b>	<b>4,771,700.0</b>	<b>4,943,700.0</b>	<b>5,122,700.0</b>

Funding Amounts in Thousands

Equal Opportunity Employer/Program • Under Titles VI and VII of the Civil Rights Act of 1964 (Title VI & VII), and the Americans with Disabilities Act of 1990 (ADA), Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Title II of the Genetic Information Nondiscrimination Act (GINA) of 2008; the Department prohibits discrimination in admissions, programs, services, activities, or employment based on race, color, religion, sex, national origin, age, disability, genetics and retaliation. The Department must make a reasonable accommodation to allow a person with a disability to take part in a program, service or activity. For example, this means if necessary, the Department must provide sign language interpreters for people who are deaf, a wheelchair accessible location, or enlarged print materials. It also means that the Department will take any other reasonable action that allows you to take part in and understand a program or activity, including making reasonable changes to an activity. If you believe that you will not be able to understand or take part in a program or activity because of your disability, please let us know of your disability needs in advance if at all possible. To request this document in alternative format or for further information about this policy, call 602-542-3882; TTY/TDD Services: 7-1-1. • Free language assistance for DES services is available upon request.

