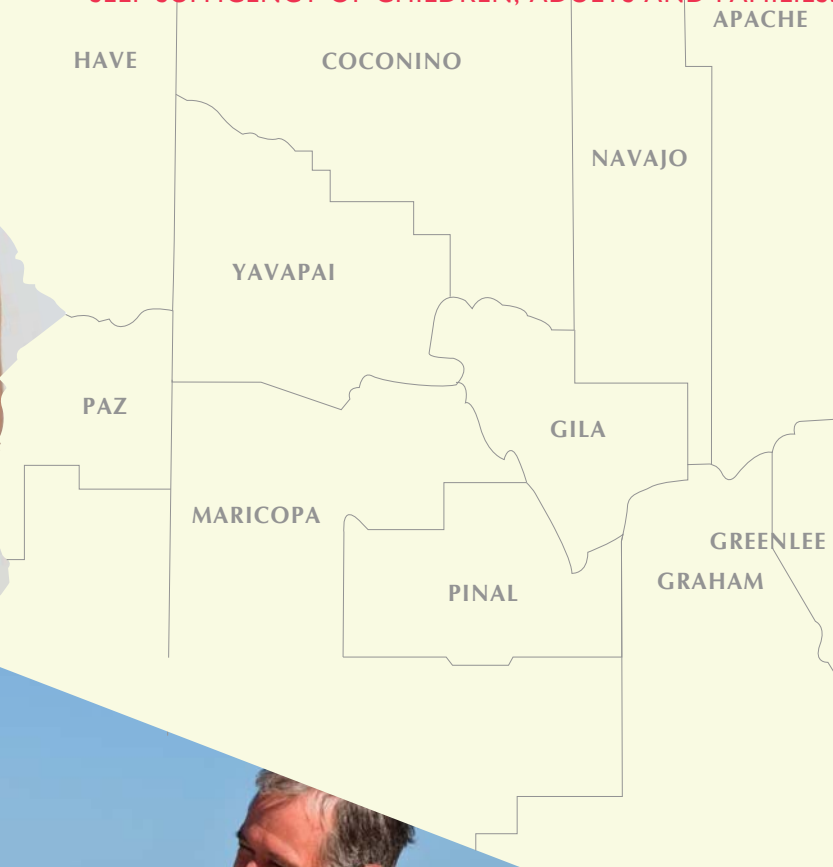


ARIZONA
DEPARTMENT
OF ECONOMIC
SECURITY



SFY 2015-2019 FIVE-YEAR STRATEGIC PLAN

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



GOALS:
STRENGTHEN
INDIVIDUALS
AND FAMILIES

INCREASE
SELF-SUFFICIENCY

COLLABORATE WITH
COMMUNITIES TO
INCREASE CAPACITY

IMPROVE
ACCOUNTABILITY
THROUGH ACTIVE
PERFORMANCE-
MONITORING
AND INCREASED
TRANSPARENCY

IMPROVE OUTCOMES
FOR ARIZONANS BY
CREATING A
PERSON-CENTRIC
HUMAN SERVICES
SYSTEM



CLARENCE H. CARTER,
DIRECTOR



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Janice K. Brewer
Governor

Clarence H. Carter
Director

January 1, 2014

Dear Arizonans:

It is my pleasure to provide you with the Arizona Department of Economic Security's Five-Year Strategic Plan for fiscal years 2015-2019. We look forward to engaging with the community to accomplish the work described in the plan.

While the economic environment in Arizona has gradually improved, vulnerable individuals and families rely on the Department for life-saving protective services and essential economic support. The Department has made important improvements in how we deliver benefits, goods and services to vulnerable individuals and families. The Plan outlines several of these on-going improvement efforts including cost-saving process improvements, expanded community collaborations, enhanced transparency and increased accountability.

From a higher level viewpoint, the Department is leading a comprehensive and integrated effort to reformulate the public safety net. We are working to transform the safety net from one with a primary emphasis on the effective delivery of benefits, goods and services to one with a primary emphasis on enhancing the capacity of its consumers to become their highest functioning selves and reducing their dependency. The Department attained significant milestones during 2013 including the launch of the transformation initiative and engagement of influential local leaders from various sectors and national partners essential to building the restructuring of the system. The Plan provides further detail regarding the need for this transformational effort and the exciting work ahead.

I look forward to receiving your comments, questions and partnership as we move forward to the betterment of Arizona.

Sincerely,

Clarence H. Carter
Director

Arizona Department of Economic Security

FIVE-YEAR STRATEGIC PLAN

SFY 2015-2019

Mission:

To promote the safety, well-being and self-sufficiency of children, adults, and families.

Description:

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

Together, DES' programs enhance the safety, well-being and self-sufficiency of Arizonans. Some of these programs include: child protective services; children's services to provide families the tools they need to care for their children; child care assistance for working parents; adult protective services; domestic violence shelter and supports; social adjustment and self-sufficiency benefits and services for refugees and other humanitarian immigrants of interest to the United States; early intervention services for infants and toddlers with developmental delays; home and community-based services for individuals with developmental disabilities and older adults; independent living support programs for both seniors and young adults; unemployment insurance; employment assistance including vocational rehabilitation and job training; financial assistance; nutrition assistance; child support services; and medical assistance eligibility.

The Department is working to move beyond simply delivering services to partnering with our community to help individuals and families gain the tools they need to increase their independence by becoming self-sufficient. As a result, DES recognizes the interconnectedness and interdependence between its services and community resources. Therefore, the Department works closely with a network of faith- and community-based partners, other state agencies, local governments, Tribal Nations, as well as federal agencies that oversee Department programs, in the delivery of services to the people of Arizona.

Department Strategic Issues:

Issue 1: Economic and Social Conditions

While Arizona's economy has improved in the wake of the Great Recession, the recovery has been slow and Arizona and the nation continue to be impacted by national and global economic uncertainty. As a result, Arizona continues to see a substantial increase in poverty. According to the U.S. Census Bureau's 2011 Current Population Survey, Annual Social and Economic supplement, 17.2 percent of Arizonans live in poverty, up from 14.3 percent in 2007, and one in four children in Arizona are living below the federal poverty level. In 2013, the federal poverty level for a family of four is \$23,550 per year. In addition to the impact of economic conditions, social conditions in the state also affect the need for Department services. As more people have children later in life, for example, a growing segment of the population is raising children while simultaneously caring for aging parents.

Families are seeking assistance to meet basic needs such as housing, food, and health care, where in many cases they had not previously. As one example of the rising demand for Department services, from fiscal year 2007 to fiscal year 2013, Arizonans enrolled in the Supplemental Nutrition Assistance Program (SNAP) increased by 109 percent, from 537,000 to over 1.1 million, or over 17 percent of the state's population. Recently, economic conditions have begun to stabilize, and after reaching a peak in October 2011, demand in Arizona for SNAP has leveled off. It is important to note further, however, that rising cases over the years has meant an increased possibility for eligibility determination errors and fraud and abuse in the system. In an effort to reduce eligibility errors and contain fraud and abuse, the Department has requested a \$4.6 million General Fund increase in fiscal year 2015 to maintain current eligibility determination staffing levels.

Over the last year, the Department has also experienced rapid growth in the number of reports of child abuse and neglect. In fiscal year 2013, the number of reports of abuse and neglect grew by nine percent. This increase is likely caused by a variety of factors, among them rising poverty and increased attention paid to child abuse cases in local media.

The rising number of reports of alleged child abuse and neglect, in turn, creates an increase in the number of investigations performed by Child Protective Services (CPS). In fiscal year 2013, over 40,000 investigations were conducted. While the proportion of investigations that result in a child being placed in foster care is virtually unchanged, the increase in investigations has driven an increase in the number of children that must be placed in out-of-home care. This number has currently topped 14,632 children for the first time and has saturated the Department's capacity to place children in family foster homes, resulting in the increased use of more expensive and less preferred congregate care settings. Because of the rapid growth of reports and children in the CPS system, the Department has requested \$50.6 million to fund

additional CPS staff to keep up with caseload growth as well as to fund the placement costs for the children entering the system.

In 2012, the Legislature created and provided limited funding for the Office of Child Welfare Investigations, tasked with investigating CPS Hotline reports with potential criminal conduct. In fiscal year 2013, the Department flagged almost 11,000 such reports. The Department is requesting \$8.75 million over two years for additional staff to fully investigate these reports.

In addition to the growth in child welfare, the Department has seen caseloads grow in a variety of programs. From fiscal year 2012 to fiscal year 2013, the number of reports of vulnerable adult abuse, neglect, or financial exploitation to Adult Protective Services increased by 27 percent. While the Department did anticipate caseload growth in Adult Protective Services (APS) in SFY 2013, the rate of growth has exceeded our expectations, thereby stressing our staffing and APS infrastructure. As a result, we have updated our caseload growth for SFY 13 and believe that the growth will continue in 2014 at an estimated 20 percent and at about 10 percent in fiscal year 2015. The Department has requested an increase of \$5.2 million in fiscal year 2015 to fund additional APS caseworkers to keep up with the growth and maintain a manageable caseload per caseworker.

Arizona has also seen an increase in the number of individuals seeking assistance in finding employment. Due to impacts from the economy, more people have registered in the Department's automated labor exchange system, AZJobConnection (www.azjobconnection.gov). During calendar year 2012, there was a monthly average of 16,762 individuals registered in the automated system. As of June 2013, there was a monthly average of 18,469 individuals registered in the automated system. This reflects a ten percent increase in the number of individuals seeking assistance finding jobs.

In addition to the above, the Department foresees the exhaustion of the Long Term Care System Fund balance. The fund's revenue is earned through the capitated system of payments developed by the Arizona Health Care Cost Containment System (AHCCCS), approved by the federal Centers for Medicare and Medicaid Services (CMS), and is used to provide services to members of the Arizona Long-Term Care System (ALTCS). Pursuant to the terms of the 1115 waiver that governs Arizona's Medicaid programs and the ALTCS program, the State assumes all liability for cost overages above the agreed capitation. In addition, all excess revenue earned by the program above the actual cost is available for use by the State. In both fiscal years 2013 and 2014, the Legislature made appropriations from the Long Term Care System Fund's balance to fund caseload growth to maintain services levels that otherwise would have received General Fund support. Moving into fiscal year 2015, this fund balance will no longer be able to support the appropriation, so the Department has requested a General Fund increase of \$56.4 million to maintain service levels.

Goal 1: Strengthen Individuals and Families

Building on the support systems in families and communities, the Department strives to ensure that children grow up in nurturing environments and that individuals, children and families experience conditions that allow them to achieve an increased quality of life in a safe setting.

Goal 2: Increase Self-Sufficiency

The Department provides services to individuals and families to meet their basic needs and seeks a construct in which this assistance, along with any necessary employment-supports, serves as a bridge to increased self-sufficiency and maximum independence.

Strategies:

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

DES provides a wide range of support for independent living. Arizona's Developmental Disabilities program is consistently ranked as one of the best in the nation for assisting people to reside in the least restrictive environment possible. In addition, 22 percent of children 17 or older and 50 percent of children 18 or older who have been removed from their homes live independently.

In SFY 2013 the number of reports of vulnerable adult abuse, neglect and/or exploitation increased by 27 percent from SFY 2012; this increase has strained the ability of the Adult Protective Services (APS) system to provide needed supportive services to this population.

- 2. Safely reduce both the number of children entering the foster care system and the number of children who remain in the foster care system by developing safe alternatives, including timely permanency.*

In the six month period ending March 2012, DES finalized 1,270 adoptions. As a result, adoption subsidy payments, which help adoptive parents of special needs children afford the services they require, increased 11.6 percent in fiscal year 2012. For fiscal year 2015, the Department has requested funding to keep pace with the continued growth in adoption.

The Division of Children, Youth and Families has completed refresher trainings on the facilitated Team Decision Making process to ensure decision making is strengths based and family focused, and has partnered with Casey Family Programs to implement Permanency Roundtables in CPS regions across the state to assist with case reviews and moving children toward permanency. A team of

staff is also working to streamline the process for children who are ready to be adopted to achieve permanency quicker.

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

The Department is engaged in many initiatives to increase the capacity of available family foster homes and place children in other family-like settings. In order to best utilize available resources to target areas where family foster homes are necessary and potentially available, the Department is implementing several strategies. Demographic data on current foster families has been utilized to analyze foster care recruitment success by demographic market segment. This analysis has identified the market segments most likely to become foster parents, allowing the Department and foster care agencies to target their outreach to those most likely to respond. Geographic information systems software is being used to combine foster home capacity data with child removal data to create maps illustrating where the need for foster homes is greatest. Additionally, the Department has dramatically expanded its partnership with faith and community-based groups to recruit foster families. This has resulted in outreach and events sponsored by the Republic Media Group's *A Season for Sharing*, the Arizona Diamondbacks, the Rotary Club, and nearly two dozen churches and faith-based organizations across the state. To assist their efforts, the Department has engaged a private marketing company that has volunteered, on a pro bono basis, to develop recruiting materials for use by community-based groups. The Department is partnering with foster care agencies and applicants to identify and eliminate barriers to qualified applicants in the licensing process. For example, based on applicant feedback, a training course has been developed that, while providing the same training, allows applicants to complete the course in six weeks rather than ten weeks. Lastly, an expedited training program for families who wish to be relicensed after having left the foster care system has been created.

The Department is also working to increase foster family retention. Retention solutions include the creation of a toll-free Foster Parent support telephone line, development of "mentor families" to provide support to new foster families, and events to recognize current Foster Parents and recruit new families. Additionally, increased staffing to handle the workload will allow CPS to better support foster families by more frequently visiting children in foster care and reducing the number of families exiting the foster care system.

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

The Department's Temporary Assistance for Needy Families (TANF) Cash Assistance program provides a minimal payment to families with children and, with a requirement that adult recipients participate in work-related activities, helps sustain families as they progress toward employability and self-sufficiency. Cash Assistance is time limited to 24 months of payments received solely in Arizona and to no more than 60 months of payments received in Arizona or any other state.

Another crucial element in helping families achieve self-sufficiency is the child care subsidy program, which helps cover the cost of child care to enable parents to work to provide for their families. The Department currently has a waiting list of almost 7,000 children who are unable to receive child care services as there are not sufficient resources to provide services to all those who qualify.

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

The Department partners with local entities to administer the Workforce Investment Act (WIA) program, funded through the federal WIA grant, which provides services to youth and adults, in addition to programs targeting dislocated workers, to help them become job-ready and to find employment. In addition, the Department operates the Employment Service (ES) program to assist individuals who are unemployed, underemployed, or seeking better employment opportunities.

The WIA and ES Programs provide "priority service" to qualified veterans and their spouses. This means that a veteran or their spouse receives priority over non-veterans for employment services, training and access to other resources. Utilizing federal funding through the U.S. Department of Labor, the Department provides employment related services to veterans. The veterans' programs that are available through DES are known as the Local Veterans' Employment Representatives and the Disabled Veterans Outreach Program. Staff within these programs provides a variety of services throughout Arizona.

The Department's Unemployment Insurance (UI) Program provides a measure of security through financial assistance to the individual worker when unemployment occurs. The UI Program pays benefits to individuals who become unemployed through no fault of their own. Benefits are funded through

unemployment insurance taxes paid by employers which enable individuals to receive benefits while seeking other employment.

The Department operates employment and independent living programs to assist in removing barriers for refugees and other eligible beneficiaries under the Refugee Act, older Arizonans, and individuals with disabilities. In addition, the Department assists clients with developmental disabilities in obtaining employment when it is the most beneficial path for the client. The Department's Division of Developmental Disabilities (DDD) provides a range of services and supports including center-based vocational training, community integrated group supported employment and competitive job placement with an emphasis on the job supports as needed to facilitate the individual's ongoing employment success. The DES DDD is a member of the State Employment Leadership Network (SELN), a membership-based group of state developmental disability (DD) agencies committed to improving employment outcomes for people with DD. The Division assisted in developing and continues to support the use of AZ Disability Benefits 101 (AZDB101), an online resource developed and funded by the Rehabilitation Services Administration within DERS. The AZDB101 is designed to help individuals with disabilities make informed decisions about going to work by assisting them to plan for employment, learn how work and benefits (cash, medical, etc.) go together and how their individual benefits might be impacted by work income. In addition, the Division holds a leadership role with the Arizona Community of Practice on Transition (AzCoPT). AzCoPT is a collaborative of state agencies and stakeholder groups with a shared interest in improving school and post-secondary outcomes for youth and young adults with disabilities, with a primary emphasis on college and career outcomes. The Division, jointly with the DES Rehabilitation Services Administration/Vocational Rehabilitation, is implementing a system of coordinated planning and collaboration to ensure a smooth and successful transition of DDD eligible persons in the foster care system to meaningful, gainful, and sustained employment, education and community living.

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

The Department oversees the Jobs Program, which assists current and former TANF Cash Assistance recipients in preparing to enter the workforce and in finding employment. Despite reductions in the number of job participants receiving cash assistance, in fiscal year 2013, over 7,098 clients in the Department's Jobs Program were placed in new employment positions, an increase from 6,628 in fiscal year 2012.

7. *Engage our customers and make child support a reliable source of income for the families of custodial parents we serve.*

The Department strives to excel in making child support collections a reliable source of income for custodial parents and providing support to our customers for the self-sufficiency of Arizona families. DES has maintained the level of Title IV-D related child support collections at \$360 million annually over the last four fiscal years while maintaining a high level of program cost effectiveness. To improve work going forward, the Department is striving to engage our customers more by taking a holistic approach to understanding the challenges our customers are going through and seeking to assist with internal and external resources to help non-custodial and custodial parents meet their responsibilities and obligations.

Issue 2: Collaboration with Community and Faith-Based Partners

The Department believes that making Arizona stronger by ensuring the safety, well-being and self-sufficiency of children, adults, and families is the responsibility of all Arizonans. While DES and other public entities have important roles to play, individuals, communities, and faith-based organizations have equally important roles. As a result, in addition to providing the services that the Department administers, it is important that DES partner with individuals, communities, and organizations to leverage the full range of supports and assistance Arizona has to offer on behalf of the vulnerable and those in need.

Goal 3: Collaborate with Communities to Increase Capacity

The Department seeks significantly expanded, focused partnerships that build the capacity of communities and maximize the impact of shared resources to strengthen individuals and increase their self-sufficiency.

Strategies:

- 1. Work in partnership with Tribal Nations to strengthen individuals and families.*

The Department has a strong commitment to ongoing collaboration with Arizona Tribal Nations. The agency has intergovernmental agreements with many Arizona Tribal Nations to provide services to tribal members, including services for the aging, family support services, information technology hosting and support services for child support, substance abuse treatment, and child care services. In addition, through annual appropriation by the Legislature, the Department provides funds for Temporary Assistance for Needy Families (TANF) maintenance of effort to tribes that operate their own TANF programs.

- 2. Increase collaboration with community partners and stakeholders to provide core safety net services.*

The Department has an initiative that identifies community talent that can connect community resources to work in partnership with the Department to address customer needs. These Community Liaisons are experts in the need area being addressed and in creating community connections. One example is connecting community resources in support of supervised visitation for Child Protective Service (CPS) cases and the CPS staff that manages these cases. Community resources have adopted 50 rooms that provide an appropriate setting for regular supervised visitations between the child and parents. The visitations further the goal of successful family reunification. These new community connections offer on-going support for CPS staff as they serve these children and their families.

DES has also joined with national and local entities to hold large-scale, one-day events that connect families in need with clothing, food, medical attention, and other resources. HopeFest Tucson, held in Kino Veterans Memorial Stadium on October 27, 2012, served approximately 18,000 people. HopeFest Phoenix, held at Chase Field on April 14, 2012 reached an estimated 15,000 people and HopeFest Phoenix reached approximately 20,000 at Chase Field on April 20, 2013. Once a year DES joins with local and national organizations for the “Día del Campesino” which is held in San Luis, Arizona. More than 5,000 farm workers and their families come to “Día del Campesino” and benefit from the free health exams throughout the morning. In addition to the health services they also receive free clothing and information regarding many areas affecting their living and working conditions such as crop dusting, housing, and education.

The Department has developed a robust Volunteer Engagement Center for connecting members of the caring community with the needs of Arizona’s Safety Net. Examples include calling on the community to create and support the new “Children’s Heart Gallery” – highlighting Arizona children in need of forever families, and the “Arizona Blue Ribbon – Celebrating Foster Families”, which is a foster family retention strategy.

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

The ArizonaSERVES initiative, with the assistance of DES, is helping to connect more faith-based organizations with the systems of care that meet the needs of Arizona’s most vulnerable citizens. Building on previous success, increased community effort is being applied to grow the capacity for foster and adopted care

for children and also to support local child protective service staff with family reunification efforts.

The Department has taken a catalytic and active role to increase the capacity of Open Table a faith-based model for bringing the resources and talents of congregational members into healthy, mentoring relationships with individuals and families in need – moving with them from poverty to economic stability. The Department supports this community-based person centric model for addressing the needs of individuals in need of economic safety support.

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

The Department continues to strengthen its relationship with the Arizona Commerce Authority and is working collaboratively to identify job opportunities for low-income Arizonans. This important work will provide the Commerce Authority with information regarding the unique employment needs of this vulnerable segment of the Arizona workforce.

In addition, the DES Employment Service program provides many employment services to both employees and employers, including recruitment, screening, and referral of qualified job applicants, as well as job fairs, workshops and seminars to assist employers in identifying work opportunities for individuals receiving Department services. Over the past year, the Department hosted or participated in 88 job fairs, including 14 Hire Our Heroes hiring events serving over 11,000 veterans, seven Heroes2Hire events serving over 2,000 veterans and 19 Yellow Ribbon events serving over 5,300 returning Arizona National Guard Service members.

For the past two years in October, DDD with numerous other state agencies and community stakeholders has participated in the D.R.E.A.M. (Disability and Rehabilitation Employment Awareness Month) Job Fairs held throughout the state, providing job and networking opportunities for people with disabilities.

The Department's DDD is also an active participant in the Arizona Employment and Disability Partnership, whose mission is to ensure the full inclusion of individuals with disabilities in the workforce by coordinating and enhancing networks through systems change and capacity building initiatives.

In addition, DES DDD is a member of *Untapped Arizona*, a project of the Arizona Medicaid Infrastructure Grant, created to serve Arizona businesses to meet their inclusive workforce needs by connecting them directly with qualified job candidates with disabilities. Untapped Arizona is currently seeking an Executive Director who will be responsible for developing and managing a nonprofit organization whose role will include the functions of a “business leadership

network” to support Arizona businesses in hiring and retaining employees with disabilities.

Issue 3: Accountability and Transparency

The agency faces a range of challenges as it strives to deliver critical protective and assistance services to millions of Arizonans and manage multiple priorities, amidst a backdrop of economic uncertainty and decreases in funding. In addition, being a large human services agency composed of more than 40 different programs, and with approximately 10,000 employees and thousands of contractors, the agency recognizes the need to ensure accountability of employees, contractors and providers; prevent, mitigate, investigate and prosecute fraud, waste and abuse; and improve its utilization of resources. From an operations perspective, these programs also translate to numerous interdependent processes that span across program and functional areas, and to a complex matrix of risks facing the agency.

Given these challenges, the agency established the Office of Accountability in SFY 2012 to monitor compliance with requirements at all levels of the Department; ensure customers obtain the benefits, goods and services they are eligible to receive; provide objective, reliable data and analysis to inform management decisions; and identify opportunities for improvement and innovation, driving continual improvement of DES programs, functions and processes. The Office is composed of a number of accountability and enforcement functions, such as audit, investigation, licensing and regulation, quality monitoring, and appellate services. It has also recently assumed responsibility for the administrative and analytical support of Human Rights Committees, a third-party oversight body in charge of reviewing potential human rights violations for the agency’s developmentally disabled customers.

Under the leadership of the Chief Accountability Officer, the Office has been working aggressively in reviewing and assessing the efficiency and effectiveness of the agency’s programs and operations, and in the redesign and improvement of key processes. As an example, in the past year, the Office initiated a review of, and improvements to, the public assistance benefit fraud and overpayment welfare prosecution process – which involves six programmatic and functional areas in the agency – to achieve greater levels of efficiency. The Office has also enhanced the communication and strengthened partnerships among its audit function and with the Department’s program areas to improve internal controls, contract language, triggers for detecting improper payments to contractors, and accountability of contractors in the delivery of services. In addition, the Office also completed an agency-wide assessment of, and developed recommendations for the refinement, creation, alignment or integration of performance management and accountability functions.

To promote a more coordinated approach and realize meaningful results in its work, the Office has established and refined partnerships, and engaged multiple entities within and outside the Department. By involving employees at all levels in the Department, other government agencies and stakeholder groups, the Office aims to foster shared ownership and promote a culture of accountability and transparency in the agency's operations.

The Office is also currently engaged in automating its workflows, data collection, assessment and reporting to enable it to effectively manage and assess enterprise risks, and report compliance with internal controls and regulatory requirements. In addition, the Office continues to strive for excellence in the quality, accuracy and timeliness of its work.

Goal 4: Improve Accountability through Active Performance-Monitoring and Increased Transparency

The Department is holding itself accountable by examining its processes, exploring ways to improve, and by sharing information with stakeholders and the public as openly as possible.

Strategies:

- 1. Improve documentation of key processes and evaluate the extent to which these processes meet customer and business requirements, and consistent compliance with all federal and state regulations and requirements to deliver greater value to the Department and its stakeholders.*

The Office of Accountability has initiated a comprehensive documentation, review and analysis of key processes to evaluate the extent to which these processes fulfill objectives; evaluate process capability and capacity; identify gaps between requirements and process outputs and outcomes; identify enterprise-wide opportunities for improvement; redesign key processes to meet requirements; and develop and implement management controls. This review will allow the Department to understand and meet performance measures from our funding agencies, improve outcomes and services for consumers, and deliver greater value.

- 2. Develop and implement a comprehensive and enterprise-wide approach to fraud management, prevention, detection, investigation and corrective action.*

The Office of Accountability has conducted a comprehensive collection, documentation and review of existing anti-fraud internal controls; and identification of gaps, residual risks and weaknesses in internal controls.

3. *Enhance the functionality of program activities through internal review, analysis, and design changes.*

Enhance Adult Protective Services staffing and reduce caseloads to manageable levels to address the safety of vulnerable adults and to promote self-sufficiency and independence.

The Department continues to engage in a comprehensive analysis and modernization of the Adult Protective Services system. This process began by engaging the agency's best staff to streamline not only the current process for the investigation of allegations of adult abuse, neglect and exploitation but also identifying cost efficiencies. The goal of the new process and efficiencies is to improve adult safety and well-being by removing redundancies, thereby allowing investigations to be completed more quickly. Unfortunately, limited staffing and budget restrictions prevented DES from implementing all of the improvements identified. A few key initiatives that have been implemented include consolidation of offices, mobile offices, utilizing AmeriCorps volunteers and interns, create a working relationship with Area Agencies on Aging to reduce recidivism, work across district lines (as needed) and provide more training on investigations and substantiation.

Finally, while the APS modernization project has increased efficiencies in investigations and cost savings, it cannot fully compensate for the dramatic growth in workload. For example, at the beginning of state fiscal year 2013, the statewide average caseload for an Adult Protective Services worker was 67, which is 49 percent above the Arizona caseload standard. By the end of state fiscal year 2013, the average APS caseload was 105 statewide, as APS had an historic year receiving more calls (16,635) and investigating more reports (11,161) in one year than ever before. As a result, for state fiscal year 2015, the Department has requested an additional 64 APS staff, of which 40 are APS investigators.

4. *Enhance child protection staffing and reduce caseloads to manageable levels for CPS staff to address child safety, and ensure permanency and well-being.*

The Division of Children, Youth and Families continues to be engaged in targeted process improvement work with Division staff to improve the child abuse intake, and investigation process. The Division is assessing how these processes could be streamlined in order to accomplish specific performance measures, including timeliness of completing an investigation or case plan, increased visitation, and increasing the capacity of the CPS Specialist and Supervisor to ensure that caseworker time is spent on value-added steps. In addition to the work that the teams of staff conduct, each team's recommendations are informed by focus groups with other CPS staff and stakeholders from across the state such as courts, providers, parents, youth, and citizen groups.

The Division's process improvement work has expanded beyond a focus on investigations to also include process improvement across the child safety, permanency and well-being spectrum to include: Ongoing Case Management, Adoptions, the Child Abuse Hotline, Practice Improvement, Protective Services Review Team, and Policy.

These teams and their ideas are a foundation upon which the Department will continue to evaluate ways to better address child safety and to communicate these efforts on an ongoing basis. Similar to any process or practice improvement, close monitoring is necessary to ensure continuous improvement occurs.

Growing CPS Specialist workload continues to be a challenge. As a result of the increased number of Child Abuse Hotline reports, in-home services cases, and children in out-of-home care, caseloads per caseworker far exceed the Division's standard.

To address the CPS case workload, a statewide Social Work Assessment Team (SWAT) was put in place and embedded in each CPS Region to:

- Provide relief for CPS staff by helping to achieve more manageable caseloads and increase staff's capacity to spend time on value added steps that ensure child safety and engage families.
- Share trends identified in cases to build the skill level of direct line staff and supervisors as well as staff development and training needs for the system to sustain progress.
- Work with Practice Improvement, Policy Specialists and Training staff to support the field and provide expert assistance for all process improvement changes.

The Division hired a recruiter and is partnering with Arizona State University on a comprehensive assessment of recruitment, hiring, onboarding and training with an action plan to restructure, reformat and incorporate consistent practices and opportunities for recruitment and continuous learning.

Immediate recruitment and hiring improvements include hiring a recruitment officer, implementing consistent hiring and retention practices, streamlining the hiring process, connecting onboarding and training processes, and developing Virtual Job Tryout.

Assessment and improvements to training include a revised model that provides a more comprehensive hands-on learning experience, coupled with mentors, which in turn aims to improve retention by providing both new employees and existing case managers with additional support for professional development and learning.

In addition to the efficiencies discussed above and the staffing request mentioned earlier in this document, the Department has revised its caseload standards to more accurately reflect today's work environment. The Department has developed a plan to add another 200 caseworkers over the course of fiscal years 2015 and 2016 and has requested \$12.1 million in fiscal year 2015 to begin hiring those staff and return caseloads per caseworker to levels that are more manageable.

The Department is also working with an outside vendor to assess the effectiveness of its child welfare information system, known as CHILDS, and to determine possibilities for improvements or full replacement. CHILDS is a legacy system dating back to the 1990s, and is not compatible with modern mobile computing. The Department currently projects the total cost at about \$70 million.

Finally, the Department is exploring the implementation of a differential response system to include the creation of pathways to better respond to allegations of child abuse and neglect. Differential response emphasizes a family focused, strengths based approach to support child and family well-being and include engagement with the family to assess the family's needs and strengths, and improve the service array to meet the family's needs and support positive parenting.

Issue 4: Transforming from a Program-Centric to Person-Centric Human Service System

Arizona's safety net system is challenged by both a fundamental *design flaw* and an over-arching *operating flaw*. These flaws inhibit the ability of the system to promote consumers' capacity to achieve better outcomes and reduce their dependency on public assistance.

The *design flaw* stems from a disconnected, program-centric, often conflicting set of single-purpose programs, each designed to address a narrow aspect of human well-being. Each program is structured through its own objectives, rules, funding, and service delivery system that is self-contained and centered on a specific life-sustaining intervention. Additionally, the rules of one program may conflict with those of another. As a result, these programs are not designed, nor are they intended to work in conjunction with each other to achieve the broader objective of growing the consumer beyond that person's need for public assistance.

The *operating flaw* stems from a safety net system that places little to no emphasis on helping a family or individual move beyond the condition or circumstances for which the support was needed. In many situations, persons present with problems that are inter-related. As each intervention only focuses on its own narrow area of authority and those areas of authority were not designed to work with other interventions, there is no overarching perspective of the person, nor any emphasis on remediating the inter-related problems. Even in socially and economically fragile situations, this disconnected program-focused system has no intentionality of addressing the presenting circumstances in order to help the consumer grow beyond their need for the safety net.

Goal 5: Improve Outcomes for Arizonans by Creating a Person-Centric Human Services System

The Department of Economic Security (DES), as a principal component of Arizona’s public safety net system, seeks to create an operating construct that addresses both the design and operating flaws of the Human Services System through a Demonstration Project that tests, refines, and expands strategies that improve outcomes for individuals and families served by the Department. Enhancing the capacity of safety net consumers to be their highest functioning selves outside of the safety net is an important part of strengthening Arizona and enhancing its future ability to compete economically.

Strategies:

- 1. Engage critical partners including consumers, staff, academicians, and state and federal partners to inform and enhance the achievement of the Demonstration Project.*

The Department has established several critical partnerships to provide meaningful stakeholder engagement in the design, operation and evaluation of the Demonstration Project. These partnerships include an Academic Advisory Board, Federal Policy Team, and National Stakeholders Group.

- 2. Implement a demonstration project to test, refine and expand strategies that improve outcomes for individuals and families served by the Department.*

The Department is currently in the process of designing a Demonstration Project to test and refine an outcome-based, person-centric approach to supporting individuals in need of safety net supports. The Demonstration Project operating model includes three primary components: case coordination, comprehensive assessment and the individualized development plan. Case coordinators are dedicated to supporting the individual and his/her family holistically. Case coordinators conduct a comprehensive assessment with the individual to gain a broad understanding of the individual’s priorities, aspirations, resources and needs in order to develop a plan that delineates the steps needed to accomplish the individual’s goals, identify his/her existing and potential informal supports and other public resources, when needed.

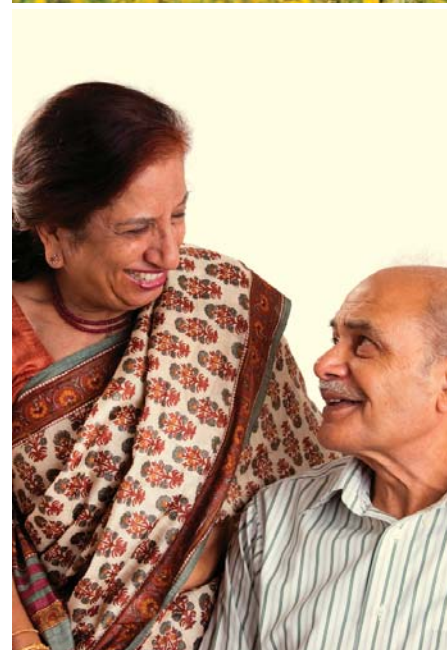
RESOURCE ASSUMPTIONS SUMMARIES

Agency Funding Total for All Funds

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
FTE	9,451.5	9,999.6	10,050.0	10,100.0	10,151.0	10,202.0
General Fund	690,112.9	901,882.5	919,900.0	938,300.0	957,100.0	976,200.0
Other Appropriated Funds	521,555.2	462,859.3	476,700.0	491,000.0	505,700.0	520,900.0
Other Non-Appropriated Funds	728,997.5	774,084.1	797,300.0	821,200.0	845,800.0	871,200.0
Federal Non-Appropriated Funds	3,212,603.1	2,891,671.8	2,964,000.0	3,038,100.0	3,114,100.0	3,192,000.0
Aggregate Agency Level Total	5,153,268.7	5,030,497.7	5,157,900.0	5,288,600.0	5,422,700.0	5,560,300.0

Funding Amounts in Thousands

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DEPARTMENT OF ECONOMIC SECURITY

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