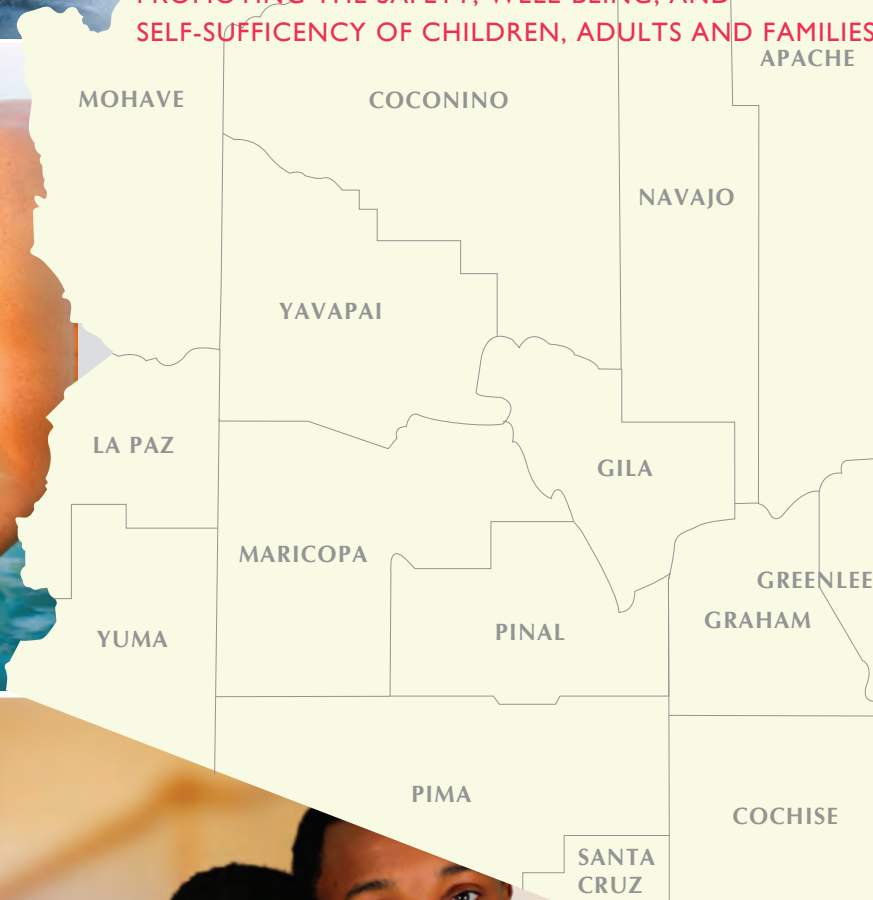




SFY 2016-2020 FIVE-YEAR STRATEGIC PLAN

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





DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Janice K. Brewer
Governor

Clarence H. Carter
Director

December 8, 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 2016-2020. 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.

The Department explored strategies to incorporate a "person-centric" approach into the provision of safety net services. The goal was to move beyond simply administering single-purpose programs and implement an integrated system focused on meeting the unique needs of individual customers, and growing consumers beyond the need for the safety net. Toward this end, the Department contemplated changes to its business flow, and the use of holistic assessment, planning and coordination processes, which it intended to test through a demonstration project. While economic constraints limited the Department's ability to implement a full demonstration, the Department continues to test possible approaches and tools on a small scale.

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 2016–2020

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 two million of Arizona's children, adults, and families.

Together, DES's programs enhance the safety, well-being, and self-sufficiency of Arizonans. Through an integrated application system, the Department assists individuals and families by determining eligibility and distributing benefits for temporary cash assistance, nutritional assistance, as well as determining eligibility for Medicaid. The Department also determines eligibility for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). The Department manages Arizona's Unemployment Insurance (UI) program, including collecting taxes and providing unemployment benefits. In addition, the Department provides employment assistance, including vocational rehabilitation for individuals with physical and mental disabilities, and job-training opportunities for economically disadvantaged adults and youth. Childcare subsidies are also available to working parents.

The Department provides a safety net of services to victims of domestic violence; individuals and families experiencing homelessness; low-income families needing assistance with utility bills; and vulnerable adults who are victims of abuse, neglect, or exploitation. In addition, the Department provides supports to newly arrived refugees. Early intervention services for infants and toddlers with developmental delays and home and community-based services for individuals with intellectual and developmental disabilities (ID/DD) are also provided. The Department also assists parents with receiving child support payments by locating absent parents, assisting in establishing paternity, establishing the legal financial obligation for child support, and evaluating the absent parent's ability to pay.

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 and 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 affected 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 2012 Current Population Survey, Annual Social and Economic supplement, 19.0 percent of Arizonans live in poverty, up from 14.7 percent in 2008, and one in four children in Arizona are living below the federal poverty level. In 2014, the federal poverty level for a family of four is \$23,850 per year.

Arizona's recovery is continuing to move forward as demonstrated by the decrease in the number of UI weekly claimants. During fiscal year 2010, the average number of weekly paid claimants was 157,486. By fiscal year 2014, the average number of weekly paid claimants had decreased by 77.3 percent to 35,773. Consistent with the decrease in the number of UI claimants, Arizona has also experienced a decrease in the number of individuals seeking assistance in finding employment through the Department's automated labor exchange system, AZJobConnection (www.azjobconnection.gov). During calendar year 2013, the monthly average of individuals registered in the automated system was 11,366. As of June 2014, the monthly average of individuals registered in the automated system was 10,493. This reflects a 7.7 percent decrease in the number of individuals seeking assistance with finding employment.

While moving forward, Arizona's road to full recovery continues to be slow and somewhat restrained. In addition to the impact of economic conditions, social conditions in the state 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 the single state agency responsible for the operation of an integrated eligibility determination system for three separate federal programs (medical, nutrition, and cash assistance), the Department has experienced a 23.5 percent growth in eligibility applications since fiscal year 2008.

As one example of the rising demand for Department services, from fiscal year 2008 through fiscal year 2014, Arizonans enrolled in the Supplemental Nutrition Assistance Program (SNAP) increased by 78.3 percent, from 600,500 to 1.1 million, or over 16 percent of the state's

population. Currently, approximately half of these recipients are children. Recent economic conditions have begun to stabilize, and after reaching a peak in October 2011, demand for SNAP in Arizona has leveled off.

According to the National Institute of Justice's National Elder Mistreatment Study, 11 percent of elders reported experiencing some form of mistreatment, including emotional and physical abuse and neglect, in the past year. Arizona is currently home to over 1.3 million older adults, and the number is expected to grow to over 3 million by 2030, according to the U.S. Census Bureau's American Community Survey. On average, 75 percent of the total allegations of abuse, neglect, and exploitation reported to Adult Protective Services (APS) involve Arizonans over the age of 60.

Over the past several years, the Department has seen unprecedented growth in the number of new allegations received by APS for investigation. In fiscal years 2012 and 2013, the number of new reports grew by 28 percent and 27 percent respectively, over the prior fiscal year. The increase in new reports leveled out in fiscal year 2014 to 4 percent. In total, APS received 11,599 new reports of abuse, neglect, and exploitation of a vulnerable adult in fiscal year 2014. The Department projects that the number of reports will continue to grow at a rate of 5 percent in 2015 with an additional 3 percent in 2016. While the Department received \$3 million in funding for fiscal year 2015 for caseload growth, historic growth has swamped the APS system. The Department has requested an increase of \$4.5 million for fiscal year 2016 to fund additional APS caseworkers and additional Home and Community Based Services (HCBS) provided through the Area Agencies on Aging.

The average number of monthly Arizona Long Term Care System (ALTCS) members with ID/DD is projected to increase 4.5 percent in fiscal year 2016 to approximately 28,730. This growth is consistent with the rate experienced in recent years. However, individuals with a diagnosis of autism grew at an unprecedented rate of 12.6 percent during fiscal year 2014 and now comprise approximately 20 percent of the members. The Department has requested an increase of \$23 million for fiscal year 2016 to fund the additional caseload growth in the ALTCS program and increases associated with capitation adjustments approved by the Arizona Health Care Cost Containment System (AHCCCS).

The Department also operates the state's federally required child support services program to help ensure that any person with custody of a child receives the necessary child support to care for that child. In fiscal year 2014, DES assisted an average of over 188,000 Title IV-D child support cases each month, resulting in the collection of over \$356 million of child support payments during the year. The Department also served as the clearing house for an additional \$358 million in child support payments associated with non-Title IV-D cases in fiscal year 2014. This totals over \$714 million in child support payments that were collected to help ensure that custodians can provide for the basic needs of the children in their care and, in many cases, offset government spending on other assistance programs.

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 and individuals with disabilities, to live independently.*

DES provides a wide range of supports for independent living. Arizona's program that supports individuals with ID/DD is consistently ranked in the United Cerebral Palsy's (UCP) annual report "The Case for Inclusion" as the best in the nation for assisting people with residing in the least restrictive environment possible and integrating them into their communities. The report ranks all 50 states and the District of Columbia on their outcomes for people with ID/DD. It shows how states' Medicaid programs compare in areas including how many individuals are supported in the community, how many participate in competitive employment and family support services, and how states are doing helping those in need, including serving those on waiting lists.

In the 2014 report, Arizona's overall ranking was first in the nation. Arizona ranked first for "Promoting Independence and Keeping Families Together" while for "Reaching Those in Need" Arizona was ranked sixth. For the category of "Health, Safety and Quality of Life" Arizona was ranked eighteenth. However, for "Promoting Productivity" which considers competitive employment, Arizona was ranked forty-first. Competitive employment for individuals with ID/DD has become a major initiative for the Department.

As previously discussed, over the past three years, historic growth has swamped the APS system. From increased call volumes to higher reports of abuse, neglect, and exploitation, the Department is struggling under the new caseload norm. Key

In fiscal year 2011, the average caseload was at a manageable level of 40 cases per month per investigator. As a result of the significant increase in reports over the last three years, the average caseload in a single month across all investigators peaked at 131. Currently, many urban APS investigators are carrying a caseload greater than 200 cases. The additional funding received for fiscal year 2015 is projected to bring the average statewide caseload to 109 cases per month, down from 121 in fiscal year 2014. This level is still far above the 35 to 40 cases per investigator recommended by the National Adult Protective Services Association. Without additional staff in fiscal year 2016, the average caseload per investigator is estimated to be 87 cases by the end of the fiscal year. With the phase-in of the requested staff, the average caseload per investigator would be 64 and would continue to decrease in the subsequent year and reach 39 by the end of fiscal year 2017. The Department is requesting \$2.7 million to address the historic growth in APS cases.

In addition to historic growth in APS reports and caseload, demand for HCBS for Arizona's aging population has been increasing. With the growth of APS reports has come an increased need for services to serve this population. Even without a chronic disease, it is common for older Americans to need some assistance to remain both safe and independent. Failure to provide basic supportive services can result in rapid deterioration of the abilities of older adults, often forcing them to enter more costly long-term care facilities.

In federal fiscal year 2012, 28,616 duplicated and 15,451 unduplicated individuals were served utilizing HCBS, which included personal care, homemaker services, home delivered meals, adult day care, and case management. In federal fiscal year 2013, the number of individuals receiving services declined to 26,505 duplicated and 14,457 unduplicated (6.4 percent decrease). Historically, approximately 10 percent of APS reports are referred for HCBS. With new reports exceeding 11,000 per year, over 1,100 new requests for services were received. Because of decreased federal funding and increased demand, many Area Agencies on Aging have waitlists for HCBS resulting in APS workers being unable to assist the some individuals. Also, additional HCBS resources for eligible seniors could serve as a preventative measure. In addition to the \$2.7 million request for APS caseload growth, the Department is also requesting \$1.8 million to augment limited HCBS. This funding level is necessary to provide older Arizonans with basic supports to live independently and reduce the need for more costly institutional care.

older Arizonans with basic supports to live independently and reduce the need for more costly institutional care.

2. *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. As a result of policy changes implemented in fiscal years 2011 and 2012 to reduce the lifetime limit that a recipient can receive TANF Cash Assistance, from 60 months to 36 months and then to 24 months, the enrollment has significantly decreased. In fiscal year 2010, before the policy changes, enrollment for Cash Assistance was approximately 76,000. By fiscal year 2014, the enrollment had dropped to approximately 29,000 (61.8 percent reduction). However, in this same period, applications for Cash Assistance decreased by only 36 percent. Currently, approximately 74 percent of Cash Assistance recipients are children. Arizona is one of seven states that limit the lifetime benefit for Cash Assistance to less than 48 months.

Another crucial element in helping families achieve self-sufficiency is the child care subsidy program, which helps cover the cost of child care, thereby enabling parents to work and provide for their families. During fiscal year 2014, the Department monthly provided child care supports to approximately 23,760 children. The Department's child care program supports families based on four categories of eligibility: TANF, Transitional Child Care (TCC), Child Safety Services (CSS) and Low-Income Working (LIW). Two of these categories of eligibility, TANF and TCC, are federally mandated. The state has determined that children who are involved with CSS are also treated as a mandatory population. The LIW category is a non-mandatory population. It includes parents with incomes at or below 165 percent of the federal poverty level. Families are limited to no more than 60 cumulative months of child care assistance. The following summarizes fiscal year 2014 child care utilization by eligibility category:

- TANF 2,690 children,
- TCC 5,160 children,
- CSS 8,410 children, and
- LIW 7,500 children.

In order to control expenditures through attrition, the Department manages a Priority Waiting List for the only non-mandatory category of care, LIW. During fiscal year 2014, the Priority Waiting List averaged approximately 6,800 children monthly.

The Department received an additional \$4 million for fiscal year 2015 to support low-income families with child care. On July 11, 2014, the Department notified families that it would be releasing children from the waiting list. During fiscal year 2015, the Department anticipates supporting at a minimum 8,500 children monthly in the LIW eligibility category. While the Department reviews and qualifies eligible families from the current waiting list, it is anticipated that the waiting list will become more active. As of June 30, 2014, 6,200 children were waiting for child care service.

The Department is one of the Arizona state agencies that support Arizona families and youth through the Achieving Success by Promoting Readiness for Education and Employment (ASPIRE) Project. ASPIRE is a six-state consortium led by the Utah State Office of Rehabilitation, awarded by the Department of Education's PROMISE (Promoting Readiness of Minors in Supplemental Security Income) experimental design project. The six states (Arizona, Colorado, Montana, North Dakota, South Dakota, and Utah) are partnering to recruit and enroll 2,000 youth aged 14 to 16 who receive Supplemental Security Income (SSI). Half of the youth will receive a variety of interventions to improve their educational and employment outcomes.

Arizona is slated to serve 525 youth and receive a total of \$7.3 million over the five-year period that will be administered by the Governor's Office for Children, Youth and Families. The Department will be responsible for enrolling control group participants and providing interventions for youth and families assigned to the treatment group. Such interventions include:

- Training and information for parents and families, including advocacy, community resources, educational and employment opportunities, and more;
- A complete individualized explanation of the public benefits the youth and family are receiving and how working and increased earnings affect those benefits;
- A paid employment opportunity for the youth while he or she is still in high school;
- Self-determination training for the youth and families;

- Financial management education and training to assist families with understanding their values and available resources to move from poverty to self-sufficiency;
 - Case management services to assist the youth and their family with navigating the complicated public systems develop greater self-sufficiency.
3. *Provide employment-related services and assistance supports to vulnerable populations, such as older adults, individuals with disabilities, refugees, economically disadvantaged youth, adults, and veterans.*

The Department partners with local entities to administer the Workforce Innovation and Opportunity Act (WIOA) Title I-B programs. These programs, funded through the federal WIOA grant, provide services to youth and adults as well as programs targeting dislocated workers to help them become job-ready and 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 WIOA and ES programs provide “priority service” to qualified veterans and their spouses. This means that a veteran and eligible spouse receive priority over non-veterans for employment services, training, and access to other resources. In every office, the Department has staff dedicated to providing services to veterans and eligible spouses.

The Department’s UI program provides a measure of security through financial assistance to the individual worker who becomes unemployed. 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, enabling individuals to receive benefits while seeking other employment.

The Department operates employment and independent living programs to assist with removing barriers for older Arizonans, individuals with disabilities, and refugees and other eligible beneficiaries under the Refugee Act.

The Department also assists individuals with ID/DD in developing work related skills and obtaining employment through a range of services and supports, including a new transition to employment service, center-based vocational training, and community integrated group supported employment and competitive

job placement with supports as needed to facilitate the individual's ongoing employment success.

The Department is a member of the State Employment Leadership Network (SELN), a membership-based group of state ID/DD agencies committed to improving employment outcomes for people with ID/DD.

The Department also assisted in developing and continues to support the use of AZ Disability Benefits 101 (AZ db101), an online resource developed in partnership with Arizona's Medicaid Infrastructure Grant administered by AHCCCS. AZ db101 is designed to help individuals with disabilities make informed decisions about going to work by assisting them with planning for employment, learning how work and benefits (cash, medical, etc.) go together, and how their individual benefits might be impacted by work income.

In addition, the Department 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 postsecondary outcomes for youth and young adults with disabilities, with a primary emphasis on college and career outcomes. The Department is implementing a system of coordinated planning and collaboration to ensure a smooth and successful transition of ID/DD-eligible children in the foster care system to meaningful, gainful, and sustained employment, education, and community living.

- 4. 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 and maintaining employment. In fiscal year 2014, over 5,024 clients in the Department's Jobs program were placed in new employment positions.

- 5. 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 in providing support to our customers for the self-sufficiency of Arizona families. As a result, the Department is working to better engage customers by taking a holistic approach to

understanding their unique challenges and seeking to assist with internal and external resources to help parents meet their responsibilities and obligations. For example, the Department has started to identify key initiatives to incentivize parents to further their education, to become more involved in the lives of their children, and to align support order amounts with the income of the owing parents to improve collections and help build healthier relationships.

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 appropriations 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.

The Tribal 121 Vocational Rehabilitation programs funded by the federal Office of Special Education and Rehabilitation Services provide vocational rehabilitation, employment training, job placement, and other services for tribal members. Six Arizona Tribes are currently funded: the Navajo Nation; Fort Mohave; Hopi; Tohono O'odham Nation; White Mountain Apache; and the Salt

River-Pima Maricopa Indian Community. The programs are members of the Arizona Community of Practice on Transition statewide leadership team.

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.

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 19, 2013, served approximately 19,000 people. HopeFest Phoenix, held at Chase Field on April 5, 2014, reached an estimated 20,000 people.

Once each 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, vaccinations, and diabetes screening throughout the morning. In addition to the health services, they also receive free clothing and information regarding workers’ rights, 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” which highlights Arizona children in need of adoptive families, and the “Arizona Blue Ribbon—Celebrating Foster Families” which is a foster family retention strategy. Additional community collaborations include the annual Dental Mission of Mercy in Phoenix and the 2014 Refugee Highway Partnership North American Roundtable, also in Phoenix.

The Department recognizes that in some cases the perceptions of our customers are a barrier to providing them with assistance and is expanding capabilities through partnerships and collaborative efforts to assist with providing more rounded services. Specifically, in the area of child support, the Department works closely with the employer community, employment agencies, hospitals, the Office of Vital Records, the Industrial Commission, the Clerk of the Superior Court, family advocates and fatherhood programs, electronic payment option providers, veteran services, and homeless programs in order to break down barriers for

responsible parents and provide holistic services to meet the basic needs of the families served. The Department seeks a construct in which this assistance, along with any necessary employment supports, serves as a bridge to increased self-sufficiency and maximum independence.

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 connect more faith-based organizations with the systems of care that meet the needs of Arizona's most vulnerable citizens.

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. Services for employers include writing job orders, recruitment, job matching and referral of qualified job applicants, job fairs, workshop facilitation, and customized employment-related seminars to assist employers with identifying work opportunities for individuals receiving Department services. Over the past year, the Department hosted or participated in 97 job fairs, including 16 Hire Our Heroes hiring events serving over 11,850 veterans, 5 Heroes2Hire events serving over 1,500 veterans, and 22 Yellow Ribbon events serving over 5,800 returning Arizona National Guard Service members.

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

The Department 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 is a member of Untapped Arizona, a project of the Arizona Medicaid Infrastructure Grant, created to help Arizona businesses meet their inclusive workforce needs by connecting them directly with qualified job candidates with disabilities.

5. *DES provides culturally appropriate/competent services.*

The Department of Economic Security (DES) promotes a culture of respect when working with members and their families. The Department values a competent, diverse workforce capable of effectively addressing the needs and preferences of culturally and linguistically diverse members.

DES employees complete training in Diversity and Cultural Competency and Limited English Proficiency (LEP) requirements. In addition to the training, a “LEP Toolbox” is posted on the Department’s intranet page, which includes LEP procedures and available translation and interpreter contractors.

Issue 3: Accountability and Transparency

As a large human services agency composed of 35 different programs and with approximately 7,500 employees and thousands of contractors, the Department recognizes the need to ensure accountability of employees, contractors, providers and customers; prevent, mitigate, investigate and prosecute fraud, waste, abuse and misconduct; identify and respond to risks; and utilize its resources effectively and efficiently.

Since the establishment of the Office of Accountability (OA) two years ago, the Department has made significant progress in improving the mitigation of fraud, waste, and abuse. As an outgrowth of the OA and in order to build on current successes and advance efforts to identify

opportunities for improvement and innovation, the Department created the Office of Inspector General (OIG) at the start of fiscal year 2015. The mission of the OIG is to protect the integrity of the Department's programs and services. The OIG helps to ensure that the Department's programs and employees meet the highest standards of accountability, integrity, and excellence; reports current performance; and promotes sound program management to effectuate economy, efficiency, and effectiveness in operations.

The OIG has the following five primary functions that collectively enable it to carry out its mission:

- audit, assessment, and review;
- continuous improvement;
- administrative and criminal investigation;
- research and analysis; and
- risk management.

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. *Develop and implement an enterprise risk management system, and a comprehensive set of strategies to manage fraud, waste and abuse.*

The expansive scope, budget, and customer base of the Department pose risks that are simultaneously varied in their nature and significant in their impact to DES and its stakeholders. The Department is currently developing a system for centrally identifying, assessing, and responding to Department-wide risks modeled after industry standards and best practices for enterprise risk management. In addition, the Department is developing fraud management strategies and best practices, such as the use of advance analytical techniques, that can be implemented Department-wide or across multiple programs or services.

A key to this effort is the effective use of technology. The Department is currently engaged in transitioning from an inflexible and outdated technology system and the manual tracking and documentation of risks and investigations to

an integrated system that enables it to effectively assess enterprise risks, track audits and investigations, and report compliance with regulatory requirements.

Finally, the Department is fostering a coordinated and collaborative approach to reducing waste, fraud, and abuse by establishing partnerships between internal DES entities and local, state, and federal agencies as well as non-government agencies. The Department coordinates with these entities to assist in the prosecution or administrative sanction of contractors, customers, and employees engaged in fraud, waste, abuse, or misconduct.

As a result of this combination of improvements, in March 2014, the Department conducted the largest SNAP fraud investigation in Arizona history.

2. *Improve services through internal review, analysis, and design changes.*

The Department is engaged in a wide range of improvements to increase the efficiency and effectiveness of its services. Examples include:

The Department is in the process of streamlining processes associated with eligibility determination. Historically, beginning with the application, processes have been primarily paper driven. While there is a single application that can be completed for three programs (Medicaid, SNAP, and TANF Cash Assistance), the individual eligibility determination worker must enter the application into the Arizona Technical Eligibility Computer Systems (AZTECS) and apply the relevant policies to complete the application. As a result, while AZTECS tracks applications to prevent duplication, the heavy reliance on manual data entry and the knowledge of the eligibility worker makes the process prone to human error.

Over the past several years, the Department has partnered with AHCCCS to replace both agencies' legacy eligibility systems with a modern web-based system. This system, Health-e-Arizona Plus, is now in use and provides applicants with the ability to enter their own applications online. In addition, it uses interfaces to online data sources to verify employment, income, residency, and other key factors. Finally, in some cases, its eligibility determination algorithm eliminates the need for eligibility workers to process the application. One barrier to the self-service use of this system by applicants is a lack of access to a computer. As a result, the Department is creating self-service kiosks in local offices to allow applicants to enter their applications. While SNAP applicants are still required by federal regulation to be interviewed by a state employee, the Department can now conduct these interview telephonically. As a result, the efficiency of the eligibility determination process has been greatly increased.

Kiosks are being systematically rolled out throughout the state during fiscal year 2015.

During fiscal year 2014, the Department initiated a contract with Xerox to privatize call center operations. This has created efficiencies by leveraging Xerox's technology and expertise in call center management. In addition, State staff who are responsible for eligibility determination are no longer distracted by questions about an application's status or general inquiries and can concentrate on eligibility determination. Because calls are routed more efficiently, there are fewer dropped calls, and applicants are spending less time waiting on hold.

- 3. Better engage with our customers, target areas for improvement, and expand relationships within the communities we serve, to provide a more holistic approached array of services to the customers we serve.*

The Department has implemented an initiative to better serve and engage custodial parents. The Customer Engagement Initiative was created to develop relationships with custodial parents to better provide assistance and support to parents, caretakers, and stakeholders through available and unbiased services in order to positively impact the well-being of children. The Department is working on incentive programs for education and assisting toward right-sized child support orders. In addition, the Department is implementing standard communications with our customers, trending customer complaints for improved services and communication, developing educational seminars for customers who are new to the program, and creating resources for fathers.

RESOURCE ASSUMPTIONS

	FY 2017 Estimated	FY 2018 Estimated	FY 2019 Estimated
Full-Time Equivalent Positions	6,124	6,155	6,186
General Fund	\$553,300	\$564,400	\$575,700
Other Appropriated Funds	\$312,000	\$321,400	\$331,000
Non- Appropriated Funds	\$913,500	\$940,900	\$969,100
Federal Funds	\$2,705,200	\$2,772,800	\$2,842,100

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, contact 602-542-3882; TTY/TDD Services: 7-1-1. • Free language assistance for DES services is available upon request.



DEPARTMENT OF ECONOMIC SECURITY

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PPP-1072ASRLNA (12-14)