

Arizona Department of Economic Security

Annual Report

SFY 2004 - 2005

Governor: Janet Napolitano

DES Director: David A. Berns



MISSION

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

VISION

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

GUIDING PRINCIPLES

System of care must:

- Be customer and family-driven
- Be effectively integrated
- Protect the rights of families and individuals
- Allow smooth transitions between programs
- Build community capacity to serve families and individuals
- Emphasize prevention and early intervention
- Respect customers, partners, and fellow employees

Services must be:

- Evaluated for outcomes
- Coordinated across systems
- Personalized to meet the needs of families and individuals
- Accessible, accountable, and comprehensive
- Culturally and linguistically appropriate and respectful
- Strength-based and delivered in the least intrusive manner

Leaders must:

- Value our employees
- Lead by example
- Partner with communities
- Be inclusive in decision making
- Ensure staff are trained and supported to do their job.



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

David A. Berns
Director

JAN 5 2006

The Honorable Janet Napolitano Office of
the Governor
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Napolitano:

The Arizona Department of Economic Security's Annual Report for the period July 1, 2004 through June 30, 2005, is enclosed. This report is submitted pursuant to A.R.S. §41-1960, which requires the Department to make an annual report of Arizona's economic security needs and resources, the use, training, and placement of manpower, and recommendations for the forthcoming fiscal year for the state's development of relevant programs. The report is due to the Governor and Legislature by the end of each calendar year.

During state fiscal year 2005, the Department continued to integrate service delivery to help improve outcomes for children and families. The Department initiated Family Connections teams to engage families who receive Temporary Assistance for Needy Families services and who are at risk of involvement in the child welfare systems in comprehensive integrated services. Other initiatives contributed to successes in providing quality customer service through programs that promote safety, well-being, and self-sufficiency.

Sincerely,

A handwritten signature in cursive script that reads "David A. Berns".

David A. Berns

Enclosure

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Historical Perspective and Overview

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

The Department has approximately 10,243 full-time equivalent (FTE) positions and provides services in 186 offices throughout the state. Six main district offices are located in Phoenix, Tucson, Flagstaff, Yuma, Casa Grande, and Bisbee.

Department staff training is conducted in two ways. First, program-specific training is conducted by each program using classroom, computer-based training, and on-the-job training mediums. Corporate training is conducted by the Department's Office of Organization and Management Development, in coordination with the Arizona Government University.

Organization and Services Provided in State Fiscal Year 2005

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

Programs

The Division of Children, Youth and Families (DCYF). DCYF provides the following services: child protective, in-home family, intensive in-home family, kinship care, foster care, independent living, adoption, adoption subsidy, subsidized guardianship, and an array of early intervention, prevention, and other services to support children and families.

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

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

The Division of Employment and Rehabilitation Services (DERS). DERS administers Arizona's Unemployment Insurance, Job Service, and Vocational Rehabilitation programs; provides an array of specialized services to individuals who have physical or mental disabilities that constitute barriers to employment or independent living; provides job-training opportunities through administration of the Workforce Investment Act (WIA), the Jobs and Child Care Assistance programs.

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

The Division of Aging and Community Services (DACS). DACS provides and contracts for services such as emergency and energy-related assistance, food distribution information for the hungry, rural food banks, shelter and supportive services to victims of domestic violence, refugee resettlement services, and shelter for the homeless. Adult services programs include adult protective services, the supplemental payments program, home care, congregate and home-delivered meals, case management, long-term care ombudsman program, the State Health Insurance Assistance program, legal assistance, the Senior Community Service Employment program (Title V), the Foster Grandparent Program, and the Family Caregiver Support Program. The division also oversees Family Connections, a new initiative with multidisciplinary teams that engage families involved in TANF and at risk of involvement in the child welfare systems in comprehensive integrated services with the goal of assisting the families in achieving self-sufficiency, safety, and overall well-being.

The Arizona Early Intervention Program (AzEIP). AzEIP is located in the Department and was established by Executive Order 89-11 and A.R.S. §8-652, which designated the Department as the lead agency responsible for the administration and supervision of the comprehensive interagency system of early intervention services. AzEIP is governed by the Individuals with Disabilities Education Act (IDEA), Part C (P. L. 105-97).

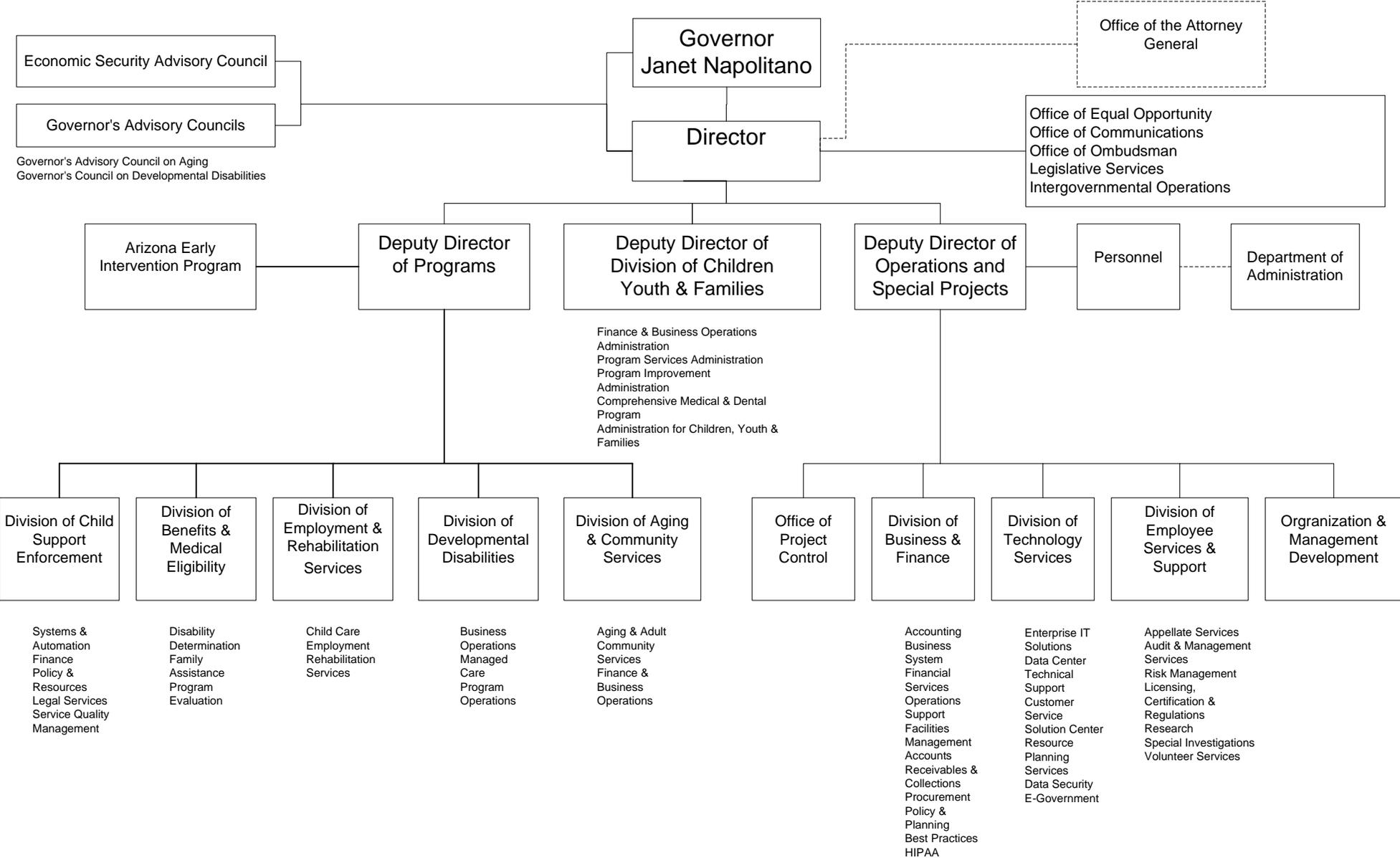
Operations

The Division of Employee Services and Support (DESS). DESS provides support services to all employees and programs. The division comprises appellate services, internal audit, special investigations, licensing, risk management, economic research, and volunteer services.

The Division of Business and Finance (DBF). DBF provides office and general business services to the Department, including accounting, finance, budget, collections, procurement, facilities management, purchasing, payroll, printing, records retention, supplies distribution, and mail management. The division is also responsible for the implementation of the federally mandated Health Insurance Portability and Accountability Act (HIPAA). DBF also provides development and coordination of Department policy, strategic planning, and administrative rules.

The Division of Technology Services (DTS). DTS provides technical and systems services for the development, maintenance, and enhancement of the Department's information technology infrastructure in compliance with the Government Information Technology Agency (GITA) and DES information technology standards.

Arizona Department of Economic Security



Economic Conditions and Outlook¹

Arizona's economy is forecast to add more than 191,000 nonfarm jobs during 2005–06. Job growth is expected to accelerate in 2005 and then slow in 2006 as a result of rising interest rates and energy prices. Nonfarm jobs are anticipated to grow at an annual rate of 4.2 percent in 2005, and then modestly decelerate to 3.7 percent in 2006.

Meanwhile, according to Global Insight, a provider of economic information, the national economy is forecast to add 4.1 million nonfarm jobs over the same period. Global Insight's forecast shows the national economy with annual growth rates of 1.7 percent in 2005 and 1.4 percent in 2006.

Arizona's manufacturing industry is expected to gradually accelerate over the forecast period as a result of increasing consumer demand and business spending from an improving economy. In addition, defense spending is expected to bolster employment in Arizona's factories to produce equipment and supplies for ongoing operations in such areas as Afghanistan and Iraq. An increase of almost 4,000 new jobs is anticipated in Arizona's fabrication plants during the forecast period. The largest gains are expected in the manufacturing sectors that create products for local use, especially for residential, commercial, and industrial real estate development; however, the weakest gains are projected for the computer and electronics sector because of continued difficulties of excess capacity and foreign competition.

Natural resources and mining growth are derived from rising demand and higher prices for locally produced minerals. Higher prices compensate for the greater local extraction and processing costs compared to other, especially foreign, locations of production. For the forecast period, an increase of 500 jobs is expected.

Job growth in construction will continue from local and regional development. Overall growth in Arizona and the Southwest is expected to remain high during the forecast period; however, rising interest rates coupled with higher energy and materials costs will serve to slow growth. An increase of almost 25,000 new jobs is forecast in construction. The largest and most rapid gains are anticipated in specialty trades. Nonetheless, relatively strong gains are forecast in the building and heavy construction projects sectors because of increasing demand for improved and expanded infrastructure to support population growth.

Trade, transportation, and utilities job growth is forecast to slow over the forecast period as rising energy prices and interest rates claim a larger share of disposable consumer income. This industry group is forecast to increase by more than 37,000 jobs during the two-year period of 2005–06.

The struggling information industry is expected to begin its recovery during the next two years as employment consolidation slows in 2005, and job gains return, though slightly, in 2006; however, a two-year total loss of 200 jobs is forecast because of the greater loss in 2005 more than offsetting the slight increase in 2006. As a result of improving demand, noninternet publishing industries are projected to show the greatest strength; however, productivity improvements and intense competition will serve to keep hiring at a minimum. Slowing losses are forecast in the other information sectors, mostly due to continued consolidation of the telecommunications.

As a result of an expanding local economy, the financial activities industry is projected to have healthy growth; however, rising interest rates, higher energy prices, and consumer debt levels are expected to minimize employment growth. An increase of almost 10,000 jobs is forecast in the financial activities industry.

¹ Source: Department of Economic Security Research Administration "Forecast Update 2005–2006" press release, dated September 2005, see also <http://www.workforce.az.gov/?PAGEID=67&SUBID=174>.

Professional and business services added more than 14,000 jobs in 2004, and the forecast calls for a two-year gain of almost 38,000 jobs. The largest increases are expected to occur in the employment services, followed by the professional, technical, and scientific services sector. The weakest sector is anticipated to be business support services; however, this sector is projected to recover during the forecast period.

Educational and health services are forecast to have an increase of more than 32,000 jobs over the two-year period. Growth in educational services is expected to slow because of a decrease in the rate of expansion in the school-age population. Expansion in social assistance and health care is expected to slow despite an aging and growing population because of limited resources and rising costs.

Leisure and hospitality is expected to add more than 18,000 jobs as a result of an improving economy with better prospects for tourism. With a cheaper dollar relative to foreign currencies, tourism is forecast to benefit as foreign tourists take advantage of more favorable exchange rates, while domestic travelers and vacationers opt to explore Arizona's local regions.

Other services will follow the overall trend of the economy. An increase of more than 4,000 jobs is forecast for the 2005–06 period.

Government is anticipated to grow slowly as a result of rising demand for public goods and services. Regional population growth will stimulate much of the growth in government, influencing job growth at the state and local level. For the federal government, recent initiatives to strengthen protective services are anticipated to add jobs, especially, to support border security and homeland defense. A gain of almost 22,000 jobs is projected in Arizona's public sector.

In conclusion, Arizona's forecast shows continued job growth during the 2005–06 period. Arizona's pace of job growth for 2005 is forecast to outpace growth in 2004 and then modestly slow in 2006. The Department's Research Administration forecasts that all of Arizona's industries will be adding jobs by 2006, even as the pace of growth in construction jobs slows, and manufacturing jobs increases. Forecast figures show that the fastest growing industry will be construction, while the greatest number of jobs will come from the professional and business services industry.

Major Initiatives

During state fiscal year (SFY) 2005, the Department continued, initiated, and planned a number of projects that will result in improved outcomes for children and their families. The most significant projects are outlined below.

Service Integration

Service integration is the delivery model that helps programs effectively and efficiently meet needs of families through a more holistic, inclusive, and strengths-based approach. Strategies being used are process-oriented and utilize relationships with community partners. The goals of service integration are to:

- **Reduce the TANF involvement by promoting self-sufficiency.** Reducing barriers such as substance abuse and domestic violence, helping adults find employment more quickly, and increasing work supports like child care, will reduce the need for families to access short term cash benefits. A reduction in the TANF caseload is not a true measure of family well-being.
- **Reduce the number of children in out-of-home care by strengthening families.** By better supporting at-risk families, implementing strategies to keep children safe at home, and involving communities in supporting abused and neglected children, we will reduce the number of children in foster care.

- **Reduce the use of institutional placements for children and adults by developing the capacity of extended families and communities.** By increasing the services and supports for extended family members and community care centers, recruiting more foster, adoptive and respite homes, and implementing strategies to keep children and adults safe when they leave out-of-home placements, we will reduce the number of children and adults in institutional and congregate care.

The systemic strategies to achieve service integration include:

- Reducing the number of TANF recipients waiting for employment assistance
- Implementing a local office model that coordinates delivery of multiple Department and community programs at the point of client intake
- Implementing a local office model that highlights coordination between the TANF program and the child welfare programs

Many Department offices are already co-located, and many employees work with other staff jointly on cases. The service integration efforts are formalizing the current informal process as a standard service delivery model.

The anticipated outcomes from service integration efforts are:

- Reduction of TANF cases
- Increase in the number of people served in employment assistance programs
- Reduction of the number of children entering foster care
- Increase in the number of persons entering employment
- Reduction of the barriers that create family dependence on welfare programs such as drug and alcohol abuse, homelessness, domestic violence, and other potentially catastrophic family issues
- Reduction of the recidivism of persons needing financial and family assistance

As a part of service integration, the Department implemented a new and innovative strategy to assist TANF participants in finding employment more quickly, thus stopping a dramatic growth in the TANF caseload. The new measures enabled the Department to cut the waiting list for TANF clients to receive Jobs employment services by 87 percent. These improvements included the following:

- Requiring 100 percent engagement for adult clients who apply for TANF Cash Assistance. Previously, the Department had used a waiting list and only pulled new clients into Jobs services as slots became available. Making this change has greatly reduced the number of clients and the length of stay on the waiting list.
- Ensuring that clients who receive job and life skill training also receive targeted, client-based training sessions. This was changed from the prior process whereby a client was enrolled in a longer-term course that may have covered topics that were beyond those specifically needed for job placement.
- Performing a more intensive review of clients to identify those clients who were job-referral ready and coordinating with other employment services offered by the Department to reduce the length of time clients remained on TANF Cash Assistance.

Work teams have been formed to modify local office processes to enable and encourage the needed collaboration among Department staff and community partners to ensure that clients receive the needed services in the required time frames.

The focus of one initiative is to coordinate the delivery of TANF and child welfare services. Anticipated outcomes include the ability to identify client needs earlier and to ensure that available services are provided at the point the need is identified.

A second initiative is to develop a set of strategies to ensure an integration of services among the TANF worker, the Jobs employment worker, and the child care worker. This model focuses on employment as the primary client goal to continue to reduce TANF caseload growth. The design ensures that clients who can work are given services so they can find work and that those who are not job-ready receive services to provide them an opportunity to become job-ready.

Finally, a third initiative has been established to address issues related to identifying families that are at risk of being closed from TANF Cash Assistance for failure to comply with programmatic requirements such as work participation or cooperation with establishing a child support case.

Service integration activities in the local offices have begun in Phoenix and Tucson. Field staff have been empowered to develop a local office service integration model that addresses delivery of several Department programs along with those of community partners. Several other office transitions are now in planning and implementation phases.

In the fall of 2004, the Rehabilitation Services Administration and the Division of Children, Youth and Families initiated the concept of integrating a vocational rehabilitation counselor within the Foster Care Independent Living Program in Phoenix and Tucson. The purpose was to facilitate and coordinate the provision of employment services to children in foster care of working age, with disabilities, who are preparing to leave the foster care system. It was determined that up to one-half of these youths have disabilities, which would qualify them for vocational rehabilitation services. By combining expertise and resources, the project enhances the service array and increases the number of quality outcomes for these youths. Program administrators meet monthly to evaluate progress. The main goal of the group continues to be collaboration, wraparound services, and a seamless referral process to increase successful outcomes for youth.

Family Connections

The Department initiated Family Connections (TANF/Child Welfare) teams in January 2005. The purpose of Family Connections is to engage families who are receiving TANF Cash Assistance and are at risk of involvement in the child welfare systems in comprehensive integrated services with the goal of assisting the families in achieving self-sufficiency, safety, and overall well-being.

The mission of Family Connections is to promote and empower safe, healthy families by connecting them to suitable community resources that will assist them in achieving their highest potential. Services are family-focused, strength-based, voluntary, and coordinated.

During SFY 2005, there were six Family Connection teams operating in Arizona. The teams are multidisciplinary, composed of a team lead; child welfare specialists, TANF specialist, Jobs employment staff, case aids, and domestic violence advocates. In addition, a Family Connections manager supports the teams and oversees the rollout of additional Family Connections teams in Maricopa and Pima counties.

Participation in Family Connections is voluntarily. Team members engage families in their homes and work with them to develop goals of self-sufficiency, child safety, and well-being. Resources necessary to achieve stability and self-sufficiency are identified and coordinated through a lead team member. Resources include those available through the family, family support networks, the Department, other state agencies, and community and faith-based organizations.

The teams serve Maricopa and Pima counties. Initial target populations include (1) kinship care, (2) TANF/child welfare families referred by Department staff, (3) families involved in the child welfare system with open CPS cases that are within 30 days of closure and do not present safety issues, (4) families

identified through family and juvenile court child welfare-related mediation, and (5) homeless victims of domestic violence.

In addition, Family Connections teams took a lead in the integration of services at the Arizona Veterans Memorial Coliseum and Katrina Evacuation Center. These services included housing and furnishings, health and mental health care, employment, public benefits, legal aid, and emergency aid. Specifically, teams targeted some of the most difficult to engage evacuees and facilitated entry into housing and access to benefits and employment. Team members continue to assist many of these individuals and families as they settle into their new lives in Arizona. Following closure of the Coliseum site in September 2005, and the Katrina Center site at 210 E. Earll, Phoenix, Arizona in December 2005, services are now offered at the Project Recovery site, located at 215 E. McDowell, Phoenix, Arizona. Family Connections team members are engaged in case management of families and individuals and are collaborating with community-based organizations, the City of Phoenix, FEMA, and the Red Cross.

Assessments of families served through the Department's offices and homeless shelters include an initial screening and use of a self-sufficiency matrix that has been tested for validity and reliability. Areas of assessment include income, housing status, education, health care, substance abuse, mental health, and community involvement. Data is collected at intake, three-month intervals, and exit. The desired outcome for the teams is the development and implementation of a service integration model that results in families achieving goals of self-sufficiency, safety, and well-being.

Families that come into contact with the Department are often struggling with issues of domestic violence and poverty. In Arizona, there has been consistent data from domestic violence shelters identifying the number of women receiving public benefits when they enter shelters. Those who enter the shelters with no resources are routinely referred to Department offices to apply for public benefits such as cash assistance and food stamps. In order to stabilize these families and to achieve the goals of increasing stability and self-sufficiency, four Family Connections teams, consisting of experts in public benefits programs, including employment and TANF, child welfare, mental health and domestic violence advocacy, work with victims of domestic violence exiting shelters in Maricopa and Pima counties.

Given that shelters are far more costly than permanent housing (a typical shelter for victims of domestic violence costs approximately \$70 per night), helping families achieve housing stability, safety and self-sufficiency is both a long-term and cost-effective solution.

Strengthening Families: A Blueprint for Realigning Arizona's Child Welfare System

The Division of Children, Youth and Families published in September 2005, *Strengthening Families: A Blueprint for Realigning Arizona's Child Welfare System*. The document outlines key strategies to achieve the goals of:

- Enhancing parents' ability to create safe, stable and nurturing home environments;
- Strengthening families so children can remain safely in their homes;
- Finding more permanent homes more quickly for children entering foster care; and
- Placing children in foster care in the least restrictive, most family-like setting possible.

The specific strategies outlined in the *Blueprint*, which include providing intensive in-home and family reunification services, recruitment and retention of resource families in all communities, building the system's capacity to use family-centered practices, enhanced training, and integration of services, are nationally recognized methods tailored to meet the unique needs and characteristics of Arizona's families.

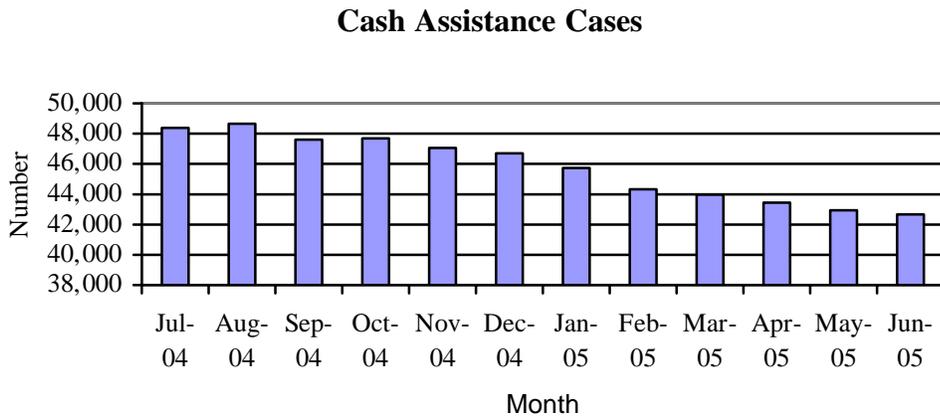
Providing Intensive Reunification Services: Title IV-E Waiver

The U.S. Department of Health and Human Services approved a Title IV-E Waiver so that Arizona can use federal funding to implement a program of intensive and expedited reunification services for children and their families.

The Title IV-E Waiver Program will enable children with a case plan goal of “return home” to be reunified to a safe home much sooner with intensive support and wrap-around services and connections to family and community support systems. This expedited and intensive reunification program will begin in selected sites within Maricopa County. The Division of Children, Youth and Families and community contract providers will partner in providing a wide array of services including counseling, family-centered assessments, team decision making, parenting skills training, home management skills, referral to other services such as substance abuse treatment, supportive links to community resources, discharge and aftercare planning, and the availability of flexible funding to meet the individual needs of families. The Title IV-E Waiver Demonstration Program will start in the beginning of 2006.

Reducing the Cash Assistance Caseload

Arizona’s Cash Assistance caseload continued to decrease during SFY 2005. In June 2005, there were 42,675 Cash Assistance cases compared with 48,747 cases in June 2004. This represents a caseload decrease of more than 12 percent during SFY 2005. The Cash Assistance caseload began decreasing in January 2004 after reaching a high of 53,145 cases in December 2003. The decline in the caseload reflects the Department’s success at placing individuals in work that leads to self-sufficiency. The chart below shows the Cash Assistance caseload for each month during SFY 2005.



Recruiting Resource Families in All Communities

The Division of Children, Youth and Families is actively recruiting new community-based family resource homes and enhancing supports provided to current resource families. The Department views family care as the most appropriate and healthy setting for children that cannot remain safely at home with their families. Resource families include kinship caregivers, foster parents, adoptive parents, and nonrelated families with whom a child has a significant relationship. The Division of Children, Youth and Families:

- Employed a recruitment marketing specialist to collaborate with the Arizona Association of Foster and Adoptive Parents, community providers, and the division's resource recruitment personnel in the development of a marketing plan that will include strategies for general recruitment, targeted recruitment, and child-specific recruitment.
- Developed six District Recruitment Liaisons positions to work with community and faith-based partners in the recruitment of homes and to facilitate the forming of local Recruitment Councils, whose purpose is to identify community needs, assess recruitment resources, and develop community-based plans for recruiting resource families.
- Employed an Information and Resource Specialist to enhance the toll-free Recruitment Information Line.
- Continued efforts to enhance services provided by Home Recruitment Development and Support of Resource Families (foster, adoptive, and kinship homes) community providers through revision of this service's Scope and Work to include increased expectations for recruiting and retaining resource homes that meet the needs of children requiring out-of-home care. The division will contract for this revised service at the beginning of 2006.

Enhancing the Knowledge and Skills of Resource Families

The Division of Children, Youth and Families is committed to providing quality training to both prospective and current resource families. To ensure consistency in the training curriculum, the Department purchased Partnering for Safety and Permanency Model Approach to Partnerships in Parenting (PS-MAPP)—a comprehensive and nationally recognized training curriculum for resource families. The Division selected PS-MAPP due to its strong focus on maintaining contacts between a child's birth parents and resource parents. PS-MAPP is designed to provide resource families with much of the knowledge and skills necessary to satisfy the needs of children placed in their homes. The division trained contracted licensing agencies and others in the provision of PS-MAPP training by providing one-day Mini-MAPP seminars.

Supporting Kinship

The Kinship Foster Care Program prioritizes relatives as the first placement preference for children in Child Protective Services (CPS) custody who require out-of-home care. The following are two forms of Kinship Foster Care:

Licensed Kinship Foster Care. A child is placed with a relative who becomes licensed as a foster care provider. As of June 30, 2005, there were 121 caregivers licensed as foster parents caring for 174 children.

Unlicensed Kinship Foster Care. A child is placed with a relative with court approval, who does not become licensed as a foster care provider. As of June 30, 2005, there were 2,109 unlicensed kinship caregivers providing for 2,714 children.

Casey Breakthrough Series on Kinship Care

In November 2004, Arizona was selected by Casey Family Programs to participate in the “Breakthrough Series Collaborative” on Supporting Kinship Care. A pilot site in Pima County was selected for this initiative.

The goals for this initiative include:

- Exploring family relationships with kin as a resource to help meet the needs of children and families
- Supporting permanency
- Supporting connections between children and their kin
- Implementing kin-competent services
- Collaborating with community partners
- Training child welfare staff in the specific skills and competencies required to work effectively with children and their kin.

Two of the many achievements of this pilot include: Training of pilot site staff to sensitize them to the perspectives of kinship caregivers and youth, and included as trainers both a kinship caregiver and youth who presented their stories and; implementation of “Resource Day” for new kinship caregivers, whereby within ten days of the initial placement with the kinship caregiver, staff visit the home to provide and discuss information about available resources and engage the family in personally discovering their own needs. The Division of Children, Youth and Families is working to spread the lessons learned, effective practices, and training initiatives from this pilot project throughout the state.

Family to Family

With the support of the Annie E. Casey Foundation, the Division of Children, Youth and Families is working to implement “Family to Family.” This initiative, with successes in Alabama, New Mexico, Pennsylvania, Ohio, and Maryland, is built upon the belief that “the first and best partners in the difficult work of child welfare are the communities and neighborhoods from which children are coming into care.” Through implementation of this initiative, Arizona is involving biological families, resource families, community-based organizations, service providers, and faith communities in its efforts to keep children safe in their own neighborhoods and, whenever possible, in their own homes. Implementation of Family to Family began at the 20th Street office in Phoenix and has expanded to other offices within Maricopa County.

The four core strategies that are the hallmark of Family to Family are: recruitment, training, and supporting resource families (foster and kinship); building community partnerships; Team Decision-Making; and self-evaluation using data about child and family outcomes.

S.O.A.R.

Arizona was one of 13 states awarded the Supplemental Security Income/Social Security Disability Insurance (SSI/SSDI) Outreach, Assess, and Recovery (SOAR) Technical Assistance Initiative, an intensive technical assistance opportunity, which is sponsored by the Policy Academy. Federal funding partners include the Department of Housing and Urban Development, the Substance Abuse and Mental Health Services Administration (SAMHSA) of the Department of Health and Human Services and the Social Security Administration (SSA), and Department of Veterans Affairs. The project is a service integration activity targeted at increasing access to SSA disability programs (Supplemental Security Income and Social Security Disability Insurance) for people who are homeless.

It is estimated that 46 percent of people who are homeless are eligible due to physical health conditions. Only about 11 percent of people who are homeless are receiving these benefits. Only 37 percent of all people who apply for SSI are approved upon initial application. Approvals are much lower for people with mental illnesses or people with co-occurring disorders, especially if they have been homeless for an extended period of time.

Arizona's planned approach to increasing access to SSA disability programs using SAMHSA's *Stepping Stones for Recovery* curriculum incorporates three communities in collaboration with the Regional Continuum of Care, the Day Resource Center/Human Services Campus, a one-stop multiservice center for chronically homeless persons, the Tucson Planning Council for the Homeless, and Mohave County PATH Outreach team. State partners include the Arizona Department of Corrections, the Arizona Department of Health Services, SSA, and the Department's Community Services Administration. Anticipated outcomes include increased efficiency in application and documentation process, increased documentation of disability in order to reduce the need for consultative exams, reduction of appeals, and projected savings due to recoupment of Medicaid and state-funded General Assistance.

Establishment Grants

The Department's Rehabilitation Services Administration (RSA) during 2004 awarded Program Development/Establishments to a variety of Community Rehabilitation Program (CRP) providers and also to state, local, and municipal governmental entities. The grants were awarded to develop:

- Coordinated transportation resources for Vocational Rehabilitation (VR) participants who need to get back and forth to training or employment
- Projects benefiting behavioral health consumers who are applicants or participants of VR
- Projects benefiting individuals who are blind or visually impaired
- Projects to make One-Stop Workforce Development Centers a viable and significant resource for individuals with disabilities
- Projects to create an ongoing resource to RSA counselors in the area of Rehabilitation Technology
- Programs to update and improve CRPs to allow them to provide quality services and/or to compete for state set-aside projects or other contract-related projects

Some of these programs and projects have resulted in the following significant achievements:

- Café 54 is a restaurant that opened as a result of an RSA Establishment Grant awarded last year. The restaurant trains and employs individuals with serious mental illness and also prepares them for future employment opportunities. The Chief Executive Officer of Café 54 received recognition in Washington, D.C, by the Eli Lilly and Companies *Reintegration Award*.

- Two establishment grants in the area of Comprehensive Adjustment Service Training were awarded to community providers that serve the blind and visually impaired. Services were available to both transition-age individuals and adults with visual impairment, which included residential opportunities for college bound and high school students. Areas of training encompass instruction in activities of daily life, assistive technology, orientation and mobility, diabetes education, counseling, low-vision services, social recreation, and career development. These programs demonstrated definitive results in that they delivered wide ranges of services in the most intensive, coordinated method available.
- Five service contracts have been awarded to provide both residential and day-based comprehensive programming to consumers with blindness and visual impairment. These partners include Foundation for Blind Children, the Arizona Center for the Blind and Visually Impaired, the Southern Arizona Association for the Visually Impaired, Lions World Services for the Blind, and the Colorado Center for the Blind. These programs provide a wide range of service methodology and serve blind and visually impaired consumers from the transition-age and adult population. Additionally, many of the programs include an assistive technology component that enables consumers to use tools they need in their work and living environments. Finally, this contract has a match component, in that 21.3 percent of funding is provided by the service provider.

Navigator Grant

The Navigator Program has secured \$1.6 million in funding through June 30, 2007, and continues to make significant systems change with staff and locations. The Rehabilitation Services Administration (RSA) has expanded to 17 Navigator positions statewide. Assistive Technology continues to be added into One-Stop Centers to increase accessibility for individuals with disabilities. An increase in consumers with disabilities has directly contributed to outreach and improvements in customer service. A compliance site review was recently completed by the U.S. Department of Labor (DOL), and Arizona's program received rave reviews and no recommendations for corrective action. The Gilbert One-Stop was said to be the "best in the nation" by the DOL worksite reviewers. The Disability Program Navigators continue to focus on making the Workforce Investment Act workforce accessible to all One-Stop Centers.

A In-Service Training Grant

The Rehabilitation Services Administration received a State Vocational Rehabilitation In-Service Training Grant in the amount of \$100,993 awarded by The U. S. Department of Education, Office of Special Education and Rehabilitation Services. The purpose of the State Vocational Rehabilitation Unit In-Service Training program is to support projects for training state vocational rehabilitation unit personnel in program areas essential to the effective management of vocational rehabilitation services, or in skill areas leading to employment outcomes for individuals with disabilities. The in-service training plan must directly relate to, and be consistent with, the needs identified through the State's Comprehensive System of Personnel Development, as required by section 101(a)(7) of the Rehabilitation Act.

Payment Processing Tech Offices

The Rehabilitation Services Administration has initiated a philosophical change in the way business is done in the vocational rehabilitation (VR) offices. The surcharging and payment responsibilities have been shifted from VR Counselors to other para-professionals in order to provide more time for interaction with counselors and individuals needing services. The Tech Office approach created a division of labor that has improved the timely delivery of service, accuracy of recording and reporting of management information, efficiency of fiscal resources management, and relationships with vendors.

Two major hiring initiatives were conducted and completed in 2005 to fill purchasing and payment technician positions. Thirty-seven technicians are employed statewide, with a goal of 50 by the end of the year. Training is ongoing, with sessions scheduled through the end of 2005, including mandatory procurement training provided by the Department of Administration in December 2005.

Performance Based Contracting

The Rehabilitation Services Administration and the Department's Office of Procurement are preparing the solicitation for a "Performance Based Contract." This contract is intended to replace current job development and placement, supported employment, and work adjustment training services. The current plan is to award this contract in the spring of 2006. RSA intends to achieve the following two strategic goals:

- Increasing the success rate and the quality of the jobs obtained by VR consumers who make use of this service
- Making successful employment outcomes the focal point of the contract and payment structure

The RSA intends to accomplish these goals by ensuring:

- A fair methodology and compensation structure for service providers
- Services remain available to a broad spectrum of persons with disabilities
- Community employers being satisfied with both the services they receive and the job candidates they hire

Vocational Rehabilitation Triennial Needs Assessment

The Rehabilitation Services Administration is required by federal law to conduct a three-year needs assessment statewide to assess the unmet and underserved employment needs of individuals with disabilities. The Navajo Nation, Office of Special Education and Rehabilitation Services is partnering with RSA in this endeavor with nonfederal match monies. RSA will include the Navajo Nation population in the study. An Intergovernmental Agreement is in process.

RSA Videoconference System

The RSA expanded its videoconference system to include a site at 1789 W. Jefferson, Phoenix, in addition to existing sites in Phoenix, Tucson, Flagstaff, Yuma, and Window Rock on the Navajo Nation. This expansion has increased the opportunities for training and collaboration between Department divisions and staff and stakeholders. For example, the Governor's Community Network Teams are using this medium to meet with representatives and team members from across the state to further the community development and service integration.

Video Relay Services and Video Remote Interpreting for the Deaf

The Department implemented a video relay services pilot in five offices across the state. This will provide deaf consumers and deaf staff enhanced communication access options. Hearing impaired and deaf staff and individuals needing services will be able to communicate in American Sign Language over video rather than using traditional voice relay services.

HIPAA Compliant Management Information System

The Division of Developmental Disabilities moved its management information system from the mainframe to a web-based application, named FOCUS. This brought the division's long-term care application into compliance with the Health Insurance Portability Accountability Act of 1996 (HIPAA). The new HIPAA compliant platform makes for a very flexible application that can grow to address the division's changing business needs.

Quality Management Plans

The Division of Developmental Disabilities initiated a process to examine the quality management activities of its qualified vendors. Division staff and providers developed a monitoring tool to evaluate the policies and system improvement activities of qualified vendors in terms of the Center for Medicare and Medicaid Services (CMS), Home and Community Based Services Quality Framework. Four providers volunteered to be reviewed, with mandatory reviews expected to begin in January 2006. To support this initiative, the division launched a technical assistance project to provide presentations on Quality Management to providers statewide. This project will also provide individualized technical assistance to providers as referred by the division.

Child Care Quality Set Aside Activities

The federal Child Care and Development Fund (CCDF) helps low-income families who are receiving or transitioning off of public assistance, or who are low income, by paying a portion of their child care costs allowing parents/caretakers to engage in employment or employment related activities, or who need child care as a result of special circumstances such as CPS involvement. The program, created in 1990, is authorized under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). In order to meet CCDF requirements, the Arizona State Legislature also appropriates funding to allow the Department to support activities that are designed to improve the quality, availability, and affordability of child care. As a result, contracts with community-based organizations have been awarded. The services delivered through these contracts not only improve the availability, quality, and affordability of child care in Arizona, but they are also important components of making Governor Napolitano's School Readiness Action Plan, which supports the learning and development of Arizona's youngest children. Highlights of the services include:

Provider Quality Incentive Payments. The Enhanced Rate for Accredited Program allows Department-eligible low-income families to enroll their children in programs providing higher quality of care by paying accredited providers 10 percent over their Department-contracted rate. One hundred fourteen (3.64 percent) of licensed center and certified family child care providers who contract with the Department are now accredited and receive enhanced rates. Approximately 3,040 Department-eligible children per month benefited from receiving care in accredited programs, a 12.6 percent increase from SFY 2004.

Arizona's Child Care Resource and Referral (CCR&R). As required by A.R.S. §41-1967, the Department contracts for Child Care Resource and Referral (CCR&R) services with community-based agencies to provide services to families who need assistance locating child care, provides training and technical assistance to child care providers, and matches parents seeking child care to all forms of lawful child care. In SFY 2005, there were 18,465 calls for assistance in searching for child care providers, and 147,825 searches by the Internet. In March 2005, Arizona's CCR&R agencies attained Quality Assurance Validation through the National Child Care Resource and Referral Agency. Arizona is the first state in the country to have all its CCR&R agencies Quality Assured. This validation ensures that services and information provided are in keeping with national best practices and ensures that families have access to accurate, useful information about child care options, quality indicators, and related resources. Arizona is also the first state in the country to have all its CCR&R agencies converted to a new industry software that allows parents to receive information about child care providers through the Internet through the CCR&R link on the Department's web site at www.azchildcare.org.

Program Improvement Project. The Arizona Self-Study Project (ASSP) provides technical assistance and resources to assist child care providers to improve the child care program they offer to children and families and to pursue national accreditation. One hundred and fifty child care providers are enrolled in the project annually. In the spring of 2005, a team of researchers from the Arizona State University, Graduate School of Public Affairs, conducted an evaluation to assess the impact of ASSP on child care in Arizona. The evaluation measured the program's impacts on important dimensions of child care quality and found that participating in ASSP is associated with significant increases in interactions with children, curriculum, health, safety and nutrition, and the physical environment.

Opportunities for Child Care Provider Training. Available training courses include the Professional Career Pathway Child Development Associate (CDA) project, the *Arizona Infant/Toddler Learning Institute*, technical assistance and training to programs serving children with special needs, and a variety of other early education training topics. In SFY 2005, over 22,581 individuals participated in training courses. The number of participants benefiting from training increased significantly from 13,928 in SFY 2004 because of an increased level of trainings being offered by the agencies that are contracted to provide the service as well as increased marketing efforts relating to the availability of training. In addition to the training, contracted agencies provided additional specific technical assistance to 1,369 child care providers who requested targeted assistance to address unique needs of their programs.

Professional Development Registry. The Department established the Statewide Child Care and Early Education Development System (S*CCEEDS). S*CCEEDS documents and tracks the education and work experience of child care practitioners by means of a career ladder system. Through June 30, 2005, 4,596 practitioners were registered. This is an increase of 2,390 (108.3 percent) from SFY 2004; 628 trainers were registered, an increase of 186 (42.0 percent) from SFY 2004; and 1,325 trainings are registered, an increase of 660 (99.2 percent) from SFY 2004.

Internet Employer Registration System

The Division of Employment and Rehabilitation Services, Unemployment Insurance (UI) Tax Section, in conjunction with the Arizona Department of Revenue (ADOR), implemented an Internet-based application that enables new employers to meet the statutory provisions of registering with both the Department and ADOR online rather than submitting a paper form.

Phase One of this project, implemented in January 2004, allows the UI Tax Section to receive an electronic file from ADOR. This eliminates the sharing of the paper application between the two agencies.

Phase Two, implemented in March 2005, provides for the automated workflow of the electronic documents, status determinations, and information processing for the UI tax registrations. This will complete the transformation of a manual paper-driven process to a fully automated, paperless operation.

Improved Information Security

The Department expanded the use of technology to improve information security during SFY 2005 through initiatives such as:

- Implementing a program to allow users to encrypt e-mail addressed outside the agency, thereby increasing the security of the Department's client information
- Establishing more complex password requirements to improve information security within the Department's control
- Completing a program to reduce e-mail spam, thereby minimizing unproductive staff time lost to managing spam, and also increasing the Department's defenses against spyware and other malware

Awards

The Department received a Temporary Assistance for Needy Families (TANF) High Performance Bonus of \$286,000 from the U.S. Department of Health and Human Services. The Department received this award for achieving the highest percentage increase in the percent of children in the state who reside in married-couple families in calendar year 2004 over calendar year 2003.

Statistics

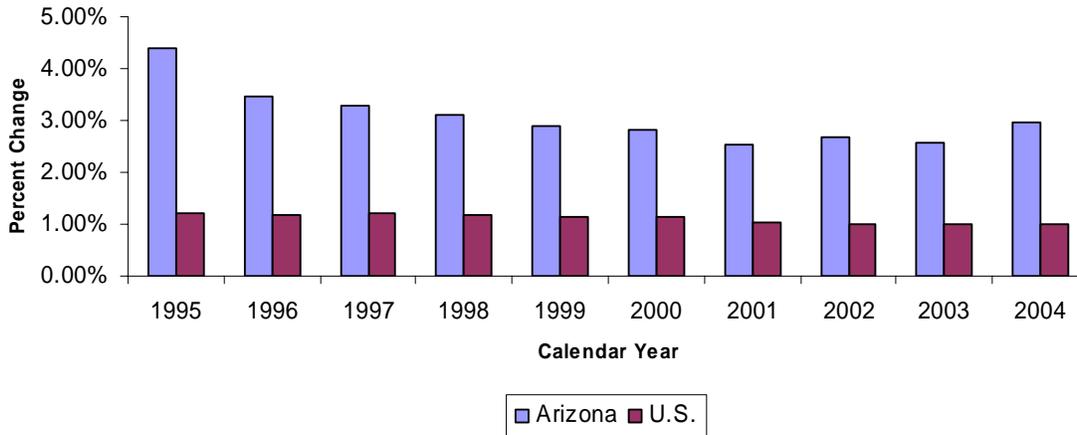
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison Between Arizona and United States Population
For the Calendar Years Ended December 31
(2004 is the most recent data available)

Year	Arizona Population	United States Population	Percentage Change in Arizona Population	Percentage Change in U.S. Population
1995	4,432,499	266,278,393	4.41%	1.20%
1996	4,586,940	269,394,284	3.48%	1.17%
1997	4,736,990	272,646,925	3.27%	1.21%
1998	4,883,342	275,854,104	3.09%	1.18%
1999	5,023,823	279,040,168	2.88%	1.15%
2000	5,165,944	282,192,162	2.83%	1.13%
2001	5,296,845	285,102,075	2.53%	1.03%
2002	5,439,091	287,941,220	2.69%	1.00%
2003	5,579,222	290,788,976	2.58%	0.99%
2004	5,743,834	293,655,404	2.95%	0.99%

Source: The United States Census Bureau Population Estimates.

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

Population Growth



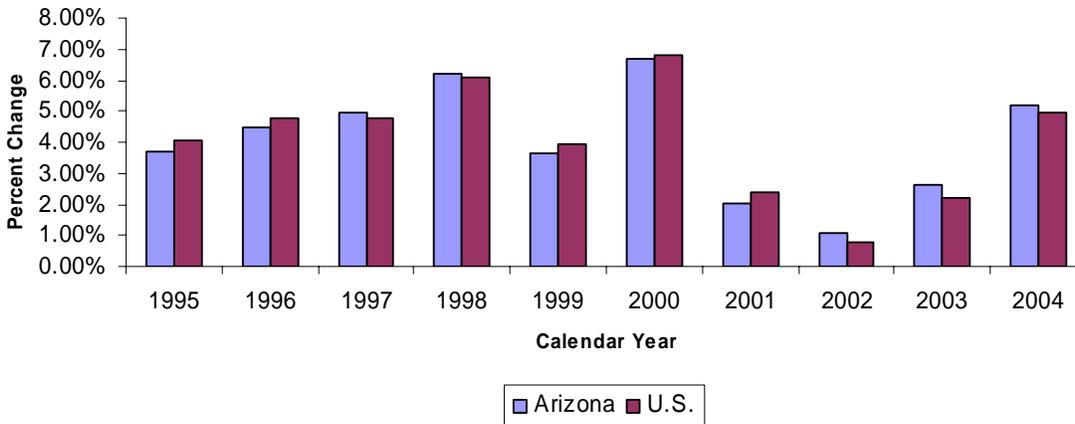
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison Between Arizona and United States Per Capita Income
For the Calendar Years Ended December 31
(2004 is the most recent data available)

Year	Arizona Per Capita Income	U.S. Per Capita Income	Percentage Change in Arizona Per Capita Income	Percentage Change in U.S. Per Capita Income
1995	\$ 19,929	\$ 23,076	3.73%	4.08%
1996	20,823	24,175	4.49%	4.76%
1997	21,861	25,334	4.98%	4.79%
1998	23,216	26,883	6.20%	6.11%
1999	24,057	27,939	3.62%	3.93%
2000	25,661	29,845	6.67%	6.82%
2001	26,214	30,575	2.03%	2.36%
2002	26,494	30,814	1.07%	0.78%
2003	27,193	31,487	2.64%	2.18%
2004	28,609	33,041	5.21%	4.94%

Source: Arizona and U.S. data provided by the Bureau of Economic Analysis.

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

Change in Per Capita Income



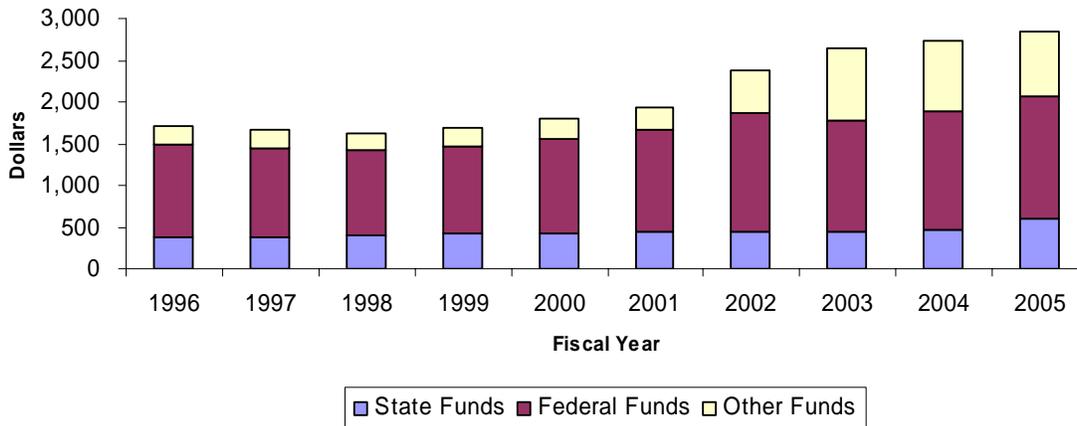
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Expenditures by Function and Funding Source
(Governmental Funds and Unemployment Insurance Benefits)
For the Fiscal Years Ended June 30

Year	Health and Welfare			Total Funds
	State Funds	Federal Funds	Other Funds	
1996	\$ 386,169,400	\$ 1,092,763,240	\$ 225,288,163	\$ 1,704,220,803
1997	370,757,400	1,072,660,950	216,699,361	1,660,117,711
1998	400,340,700	1,018,548,228	202,518,001	1,621,406,929
1999	425,235,500	1,045,925,462	220,049,050	1,691,210,012
2000	422,155,816	1,134,907,352	241,950,698	1,799,013,866
2001	442,940,537	1,215,771,799	278,444,218	1,937,156,554
2002	449,946,977	1,406,217,101	511,087,455	2,367,251,533
2003	434,725,701	1,350,528,136	856,181,840	2,641,435,677
2004	472,442,402	1,420,389,817	846,938,314	2,739,770,533
2005	595,906,541	1,461,830,185	778,674,563	2,836,411,289

Source: The Arizona Department of Economic Security, Audited Comprehensive Annual Financial Report 1996, 1997, 1998, 1999, 2000, and 2001; and Audited Financial Statements 2002, 2003, 2004, and 2005.

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

Expenditures by Function and Funding Source (in millions)

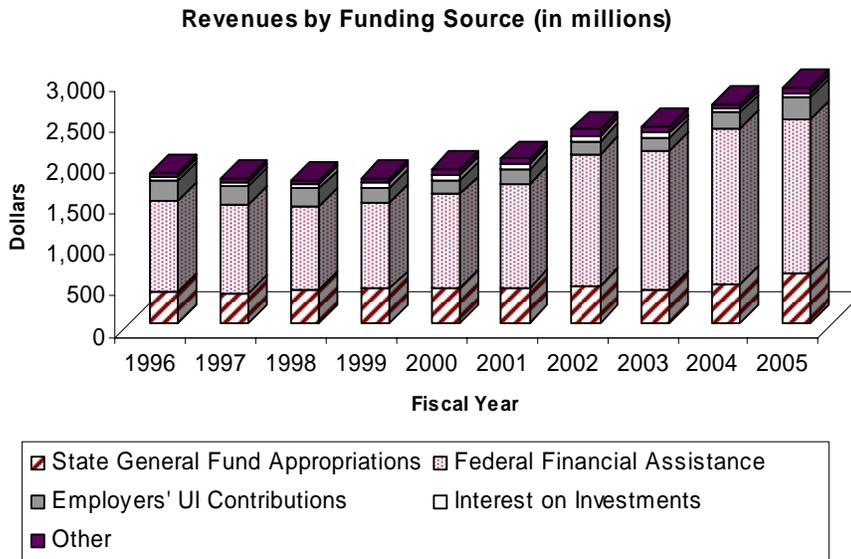


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Revenues by Funding Source
(Governmental Funds and Unemployment Insurance Benefits)
For the Fiscal Years Ended June 30

Year	State General Fund Appropriations	Federal Financial Assistance	Employers UI Contributions	Interest on Investments	Other	Total
1996	\$ 397,217,300	\$ 1,110,112,146	\$ 239,480,340	\$ 38,861,761	\$ 48,154,973	\$ 1,833,826,520
1997	373,669,400	1,078,901,892	225,101,956	43,414,155	47,406,581	1,768,493,984
1998	409,640,900	1,016,492,399	223,517,434	51,591,704	49,907,366	1,751,149,803
1999	425,530,200	1,045,521,174	191,326,704	58,281,429	56,212,888	1,776,872,395
2000	434,171,319	1,143,846,770	177,603,712	64,010,350	57,845,055	1,877,477,206
2001	434,834,859	1,267,241,399	175,736,341	69,609,832	61,579,318	2,009,001,749
2002	463,456,900	1,604,700,337	162,157,379	66,619,568	76,573,245	2,373,507,429
2003	422,581,074	1,683,066,873	160,962,888	58,776,481	72,830,370	2,398,217,686
2004	484,037,500	1,893,683,834	194,894,098	46,839,769	51,605,255	2,671,060,456
2005	606,123,799	1,892,812,895	267,264,774	41,401,296	77,732,065	2,885,334,829

Source: The Arizona Department of Economic Security. Audited Comprehensive Annual Financial Report, 1995, 1996, 1997, 1998, 1999, 2000, and 2001; and Audited Financial Statements, 2002, 2003, 2004, and 2005.

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

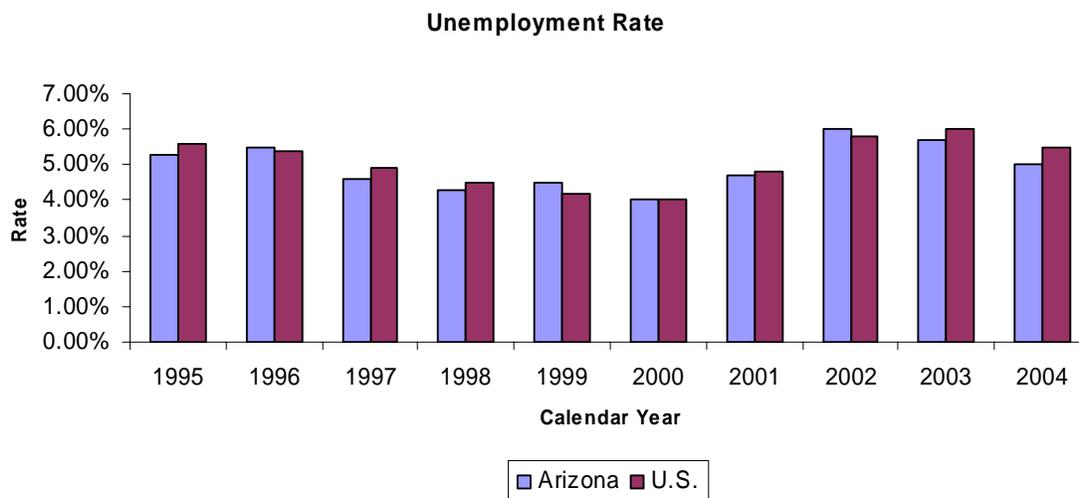


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison Between Arizona and United States Unemployment
For the Calendar Years Ended December 31
(2004 is the most recent data available)

Year	Number of Unemployed - Arizona	Number of Unemployed - U.S.	Unemployment Rate - Arizona	Unemployment Rate - U.S.
1995	118,399	7,404,000	5.30%	5.60%
1996	125,901	7,236,000	5.50%	5.40%
1997	105,833	6,739,000	4.60%	4.90%
1998	103,497	6,210,000	4.30%	4.50%
1999	110,924	5,880,000	4.50%	4.20%
2000	100,817	5,692,000	4.00%	4.00%
2001	120,751	6,801,000	4.70%	4.80%
2002	159,042	8,378,000	6.00%	5.80%
2003	153,765	8,774,000	5.70%	6.00%
2004	137,471	8,149,000	5.00%	5.50%

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

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



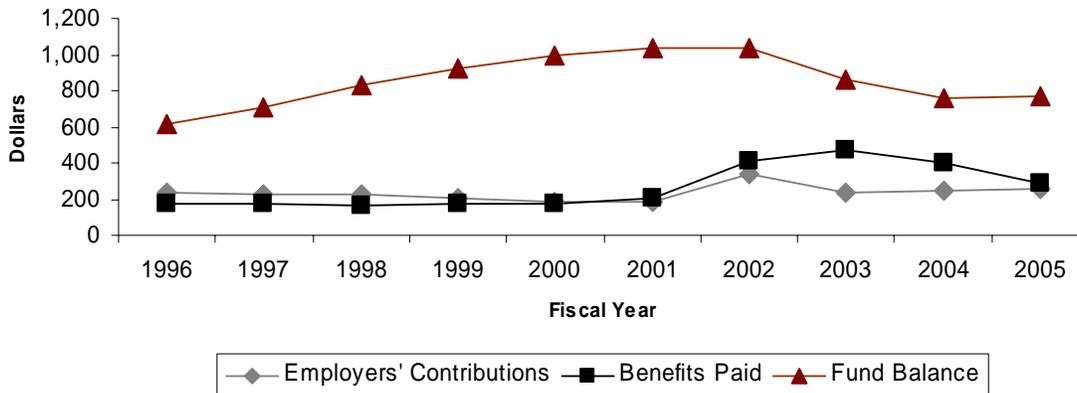
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Unemployment Insurance Financial Transaction Summary
For the Fiscal Years Ended June 30

Year	Total Employer Contributions	Total Benefits Paid	Fund Balance
1996	\$ 240,046,970	\$ 177,755,864	\$ 613,437,439
1997	227,644,491	172,336,147	711,845,399
1998	228,236,334	159,930,580	831,262,488
1999	200,221,238	169,265,609	919,819,409
2000	188,348,457	177,980,914	993,052,630
2001	182,095,014	202,900,332	1,038,116,687
2002	338,555,460	407,021,875	1,033,275,970
2003	237,542,722	467,411,646	860,871,706
2004	247,481,831	394,987,858	759,016,265
2005	261,480,966	287,693,670	772,158,698

Source: The Arizona Department of Economic Security, Unemployment Insurance Financial Transaction Summary Report.

Note: The total benefits paid amount for all fiscal years has been adjusted to include interstate benefits.

Unemployment Insurance Contribution to Benefits and Fund Balance
(in millions)

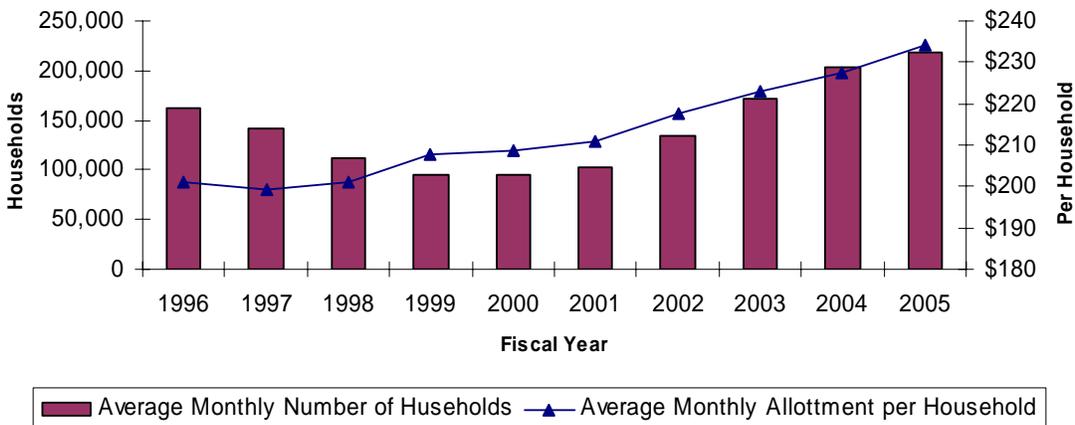


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Food Stamps Benefit Participants
For the Fiscal Years Ended June 30**

Year	Average Monthly Number of Households	Average Monthly Number of Persons	Average Monthly Allotment Per Household	Average Monthly Allotment Per Person	Average Monthly Benefits Distributed
1996	161,415	434,542	\$ 200.91	\$ 74.63	\$ 32,429,993
1997	141,981	385,061	199.34	73.50	28,302,483
1998	112,345	311,142	201.11	72.61	22,593,553
1999	95,938	260,736	207.73	76.43	19,929,511
2000	95,238	257,989	208.83	77.09	19,889,001
2001	102,307	277,192	211.04	77.89	21,590,998
2002	134,135	355,722	217.64	82.07	29,193,426
2003	171,247	442,320	223.06	86.36	38,198,140
2004	204,010	521,992	227.63	88.96	46,438,594
2005	217,983	546,369	234.06	93.38	51,021,394

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

Food Stamps Benefit Participation

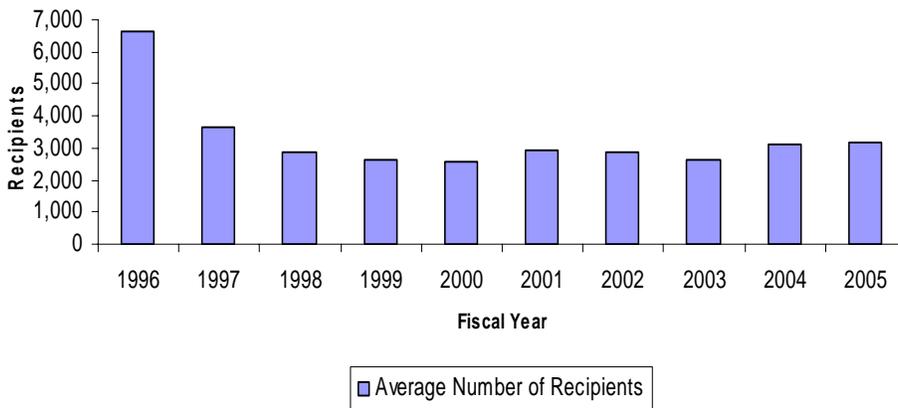


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
General Assistance
For the Fiscal Years Ended June 30**

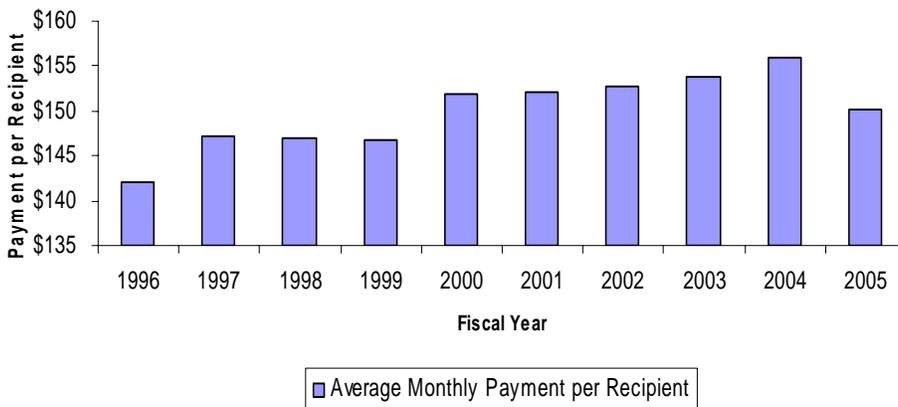
Year	Average Monthly Number of Recipients	Average Monthly Payment Per Recipient	Average Monthly Payments
1996	6,655	\$ 141.97	\$ 944,841
1997	3,631	147.25	534,679
1998	2,883	146.87	423,430
1999	2,627	146.67	385,315
2000	2,566	151.93	389,855
2001	2,912	152.13	443,007
2002	2,847	152.67	537,348
2003	2,615	153.74	453,103
2004	3,125	155.87	485,900
2005	3,186	150.07	478,188

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

Average Number of Recipients



Average Monthly Payment per Recipient

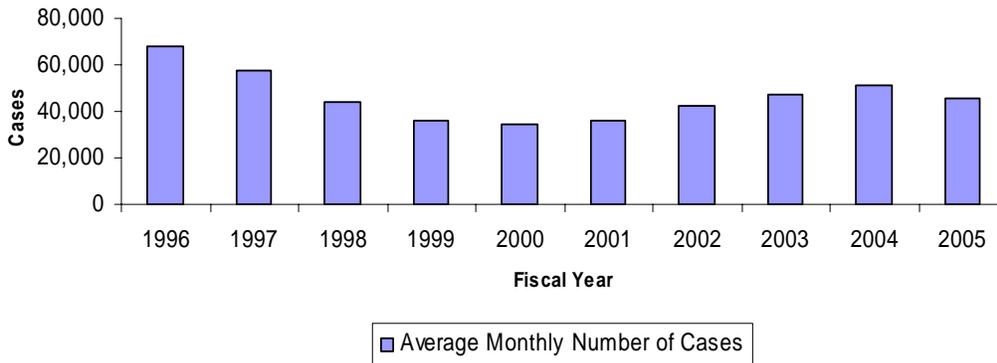


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Temporary Assistance for Needy Families
For the Fiscal Years Ended June 30

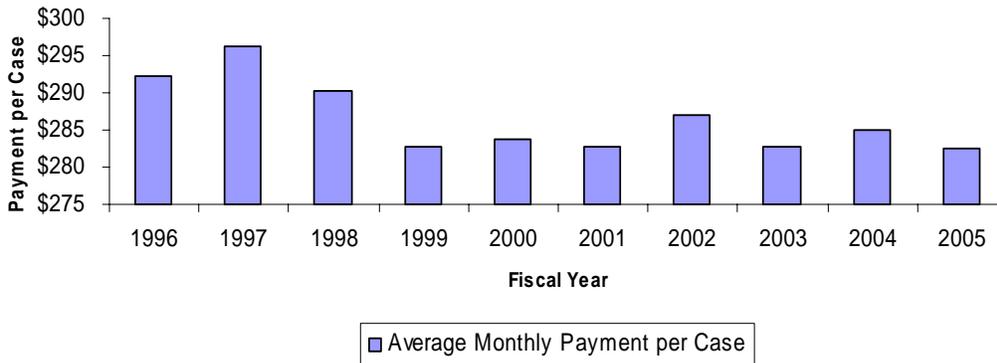
Year	Average Monthly Number of Cases	Average Monthly Number of Recipients	Average Monthly Payment Per Case	Average Monthly Payment Per Recipient	Average Monthly Payments
1996	67,784	183,274	\$ 292.15	\$ 108.05	\$ 19,803,335
1997	57,526	155,037	296.30	109.94	17,045,065
1998	43,601	119,011	290.35	106.37	12,659,966
1999	35,730	95,556	282.66	105.69	10,099,685
2000	34,211	89,770	283.82	108.16	9,709,791
2001	36,146	93,857	282.66	108.86	10,216,987
2002	42,102	109,547	286.99	110.30	12,082,660
2003	47,298	121,193	282.76	110.35	13,373,618
2004	51,318	122,577	284.92	119.28	14,621,497
2005	45,742	105,517	282.38	122.41	12,916,521

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

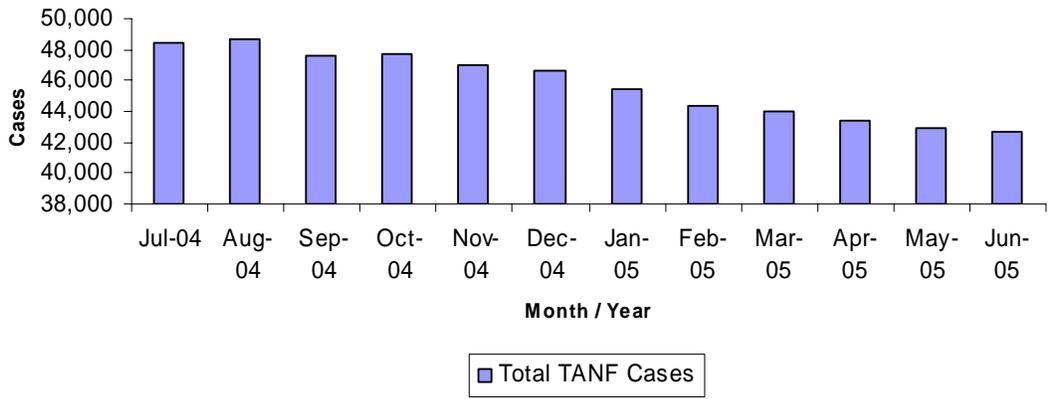
TANF Cases



Average Monthly Payment per Case



Total TANF Cases



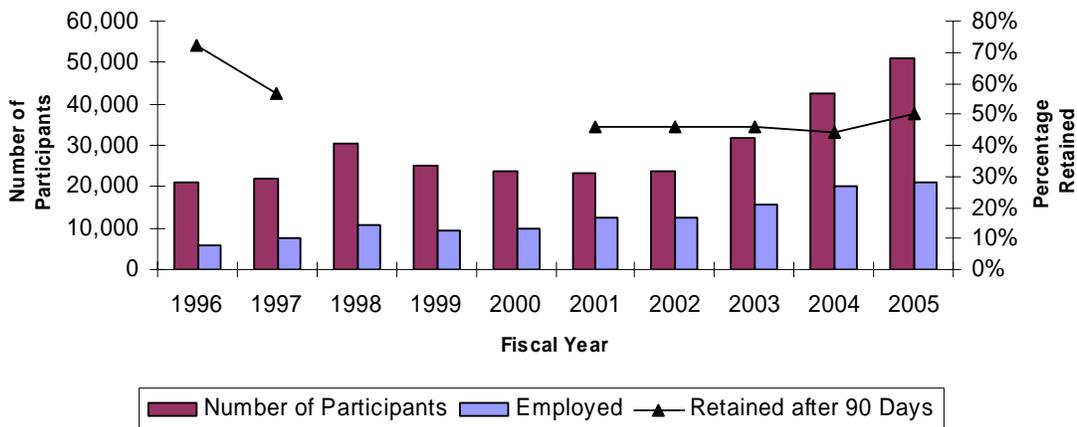
**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Jobs Program
Comparison of Participants and Participants Employed**

Year	Number of Participants	Total Employed	Percentage Retained Employment For at Least 90 Days
1996	21,263	5,905	72%
1997	21,734	7,433	57%
1998	30,520	10,930	N/A
1999	25,209	9,604	N/A
2000	23,802	9,950	N/A
2001	23,290	12,405	46%
2002	23,818	12,513	46%
2003	32,008	15,490	46%
2004	42,565	20,185	44%
2005	51,130	20,940	50%

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

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

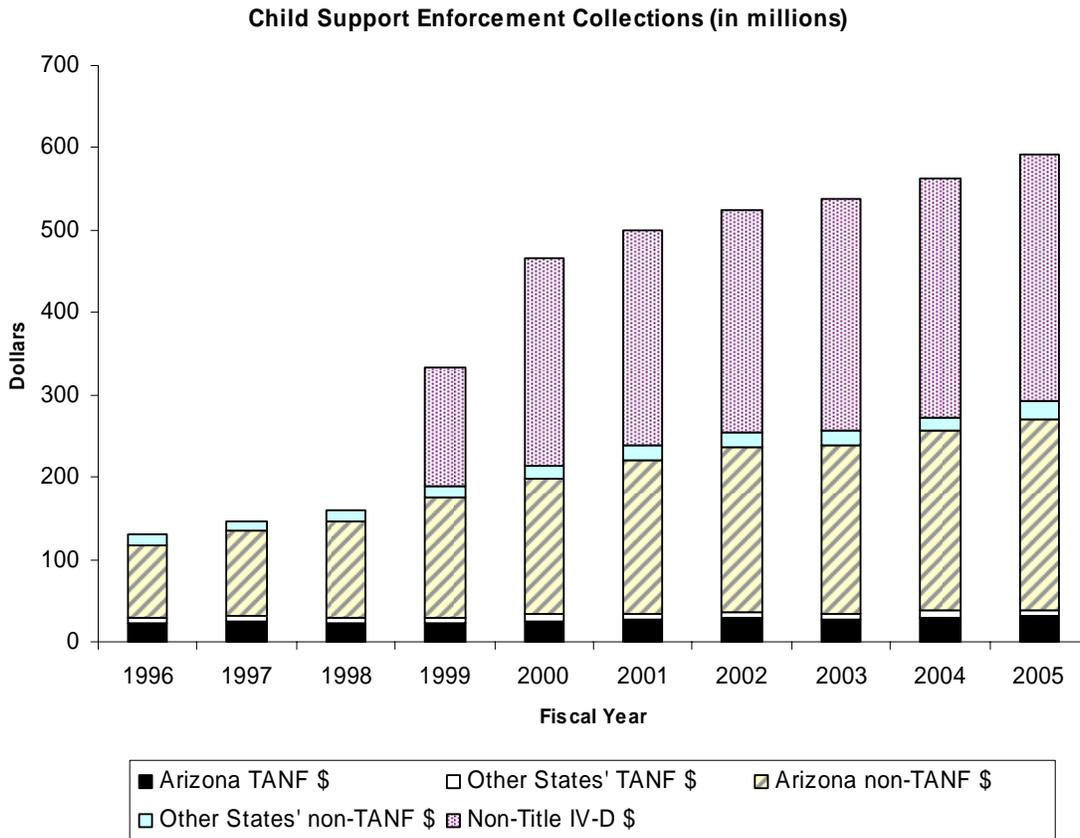
Jobs Program Participants Employed to the Percentage Retained



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Child Support Enforcement Collections
For the Fiscal Years Ended June 30**

Year	TANF Collected for Arizona	TANF Collected for Other States	Non-TANF Collected for Arizona	Non-TANF Collected for Other States	Non-IV-D Collected	Total Collections
1996	\$ 23,479,800	\$ 5,920,500	\$ 87,364,900	\$ 13,220,700	-	\$ 129,985,900
1997	25,075,000	6,187,200	103,245,200	12,632,300	-	147,139,700
1998	21,938,000	7,205,600	117,104,400	13,532,600	-	159,780,600
1999	22,739,900	7,326,300	145,367,800	13,791,700	143,074,200	332,299,900
2000	25,100,000	8,212,400	165,356,200	16,248,800	251,380,400	466,297,800
2001	26,106,500	8,538,800	186,167,200	17,225,100	262,336,000	500,373,600
2002	28,407,500	8,193,600	199,834,500	17,659,300	270,510,400	524,605,300
2003	26,262,600	8,267,100	204,043,700	17,981,500	281,660,900	538,215,800
2004	29,889,000	8,061,600	217,531,600	17,989,100	290,084,200	563,555,500
2005	30,662,600	8,211,600	231,762,600	21,264,400	300,827,700	592,728,900

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



Appendix

Children and Family Services Training Program Fund Status Report

Children and Family Services Training Program Fund

Training Program Description

The Division of Children, Youth and Family's Child Welfare Training Institute (CWTI) offers a comprehensive child welfare training program in support of the State's commitment to providing quality services to Arizona's children and families. Staff development and training opportunities are provided in a variety of ways. A comprehensive Case Manager Core training is provided to newly hired child protective service case managers. The CWTI also provides Supervisor Core training, Parent-Aide Core training, in-service and out-service workshops, and specialized trainings. The division encourage staff to attend community workshops and provides opportunities for the pursuit of bachelor and master degrees to further improve the quality and professionalism of services.

Various audiences benefit from the Department's staff development and training program. Newly hired case managers, existing support and professional-level staff, supervisors, and managers all benefit from advanced and specialized training. Short-term training for current and prospective foster and adoptive parents and for staff of licensed group homes and shelters is also provided to prepare caregivers to provide support and assistance to foster and adopted children.

Initial In-Service Case Manager Core Training

Initial in-service training, known as Case Manager Core, provides a combination of classroom instruction and field practice experience. Case Manager Core training for newly hired case managers and investigators provides learning activities for functions essential to performing job duties. Case Manager Core includes extensive content on agency policies and procedures, the use and benefits of the child welfare statewide information system (CHILDS), and child welfare best practices. The learning activities span approximately 22 weeks and include a comprehensive combination of classroom instruction and field experience.

The first component of Case Manager Core requires the trainees to attend six weeks of classroom training. The initial two weeks focuses on foundation child welfare topics, and the remainder of the training utilizes a current Arizona case to sequence through to facilitate a pragmatic approach to learning. Topics covered include vicarious trauma/self-care, cultural diversity, the effects of child abuse and neglect on child development, centralized hotline (initial receiving and screening of child abuse reports), indicators of child abuse, sexual abuse, family dynamics, interviewing, child safety assessment, strengths and risk assessment, statewide automated child welfare system, legal, behavioral health, child placement, case plans and staffing, substance abuse, and domestic violence. A focus on family-centered practice is woven throughout all topic areas. Staff from the Comprehensive Medical and Dental Program for foster children provide training to enhance case managers' understanding of how to more effectively obtain physical and mental health services for children in out-of-home placement.

The curriculum is delivered using many different mediums, including, but not limited to, lectures, discussions, practical activities, videos/slides, PowerPoint presentations, role modeling, mentoring, and use of resource materials. The diverse training staff includes division trainers, Field Training Supervisors, community providers, foster youth and alumni, and other child welfare stakeholders.

Comprehensive training on CHILDS, the automated information system used by case managers, is provided during Case Manager Core and includes practical experiences in a computer lab or entering child welfare case information into an automated training region. Trainees are also provided "stand-alone" CHILDS classes on all aspects of child welfare: investigations, case management, adoption, etc.

Field training experiences facilitate transfer of learning and provide an opportunity for new case managers to apply the knowledge and skills learned in the classroom. The field training experience is supervised by a field staff development training supervisor, who ensures that the training is conducted in a methodical and consistent manner. Field training is organized into two phases. The pre-core phase (time between hire date and starting case manager core training) is structured to offer the new case manager an orientation to the agency and the work of a CPS case manager. District and statewide policies and procedures are introduced at this time, as well as an introduction to CHILDS. If time allows, new case managers are also given the opportunity to shadow seasoned workers to gain an initial context for their work. Pre-core has a two-week duration. The post-core phase begins the day after trainees complete pre-core training and extends to their 22nd week.

The field training phase is facilitated by both the field training supervisor and unit supervisor to offer mentoring experiences to further develop the skill of new case managers during their 22-week training phase. A checklist is used to identify accomplishment of learning objectives during this phase of training. Field training supervisors use this checklist to assist in holding trainees accountable for designated activities and competencies. An employee file is maintained by the field training supervisor that includes performance expectations, assessments, evaluations, communication logs, learning style survey, and any other documentation that supports and measures trainee learning.

The division is committed to providing case managers with the skills necessary to assist children and families to achieve positive outcomes. Core training programs are continually evaluated and revised to achieve this goal. For example, the initial in-service training program's evaluation component was expanded. Evaluation forms are completed by the trainees after each class to solicit their suggestions for improving the training content or delivery. Suggestions are considered, and appropriate revisions made to the curriculum. A Likert Scale measures the overall satisfaction new case managers have with the core training program. Also, in partnership with Arizona's universities, a self-assessment tool was developed to measure the knowledge, skill, and job satisfaction of new case managers. This assessment is completed by new employees four times during their first year of employment.

Supervisor/Management Training

The Supervisor Core training program encompasses one year, so that field supervisors have time to attend the training and meet their unit staff's need for supervisory support. Generally, a new group of supervisors begins Supervisor Core training every six months. The first three months of Supervisor Core training allow staff to complete training that the state requires of all supervisors, in all State departments. This includes training on performance evaluations, ethical issues, legal leadership, and other topics. Months four through nine of Supervisor Core training include classroom training in areas such as leadership for high performance, CPS Policy, clinical supervision, managing work through others (delegation), and management of conflict and change. Months ten through twelve provide the trainee opportunities to makeup any classes or requirements that were not completed during the initial nine months. All supervisors are encouraged to have all of the training requirements completed by the end of the twelve-month period.

The division is increasing supervisory skills and improving child welfare practice by utilizing available resources related to the Family Centered philosophy. A national expert, Lorrie Lutz, supported by the National Resource Center on Family Centered Practice and the National Resource Center for Foster Care and Permanency Planning, facilitated meetings with the family-centered case planning workgroup from June 2004 through August 2004. The purpose of this work was to develop a practice framework for case planning that would guide the creation of standards of practice, supervisory activities, and the day-to-day interaction among families, social workers, and the community of caregivers and providers. A Practice Framework was developed and finalized in September 2004 consisting of principles and practice components. The principles provide a value base for the work of child welfare. The principles are interrelated, working together in a dynamic, synergistic way. Following the practice principles are components that provide a description of how the practice (case planning) principle is implemented.

To engage supervisors in family-centered practice, Ms. Lutz presented an overview of family-centered practice and the Practice Framework at the supervisors and managers annual training in October 2004. To make a better connection to practice and better ensure accountability, supervisor and case manager performance standards were revised to include family-centered practice principles. Ms. Lutz is continuing to work with supervisors in learning how to instill family-centered practice principles in staff. Three teleconferences between all supervisors and others were facilitated by Ms. Lutz from June 2005 through July 2005. Following the teleconferences, Ms. Lutz facilitated three roundtable discussions with supervisors and others held in three locations in Arizona in late August and early September 2005. In addition, she developed a Supervisor's Handbook on Family Centered Practice and trained Supervisors on the use of the tool throughout Arizona.

Workshops and Advanced Training

Workshops and advanced training are offered to division staff annually. Topics for the workshops/trainings include "Methamphetamines Workshop," "Managing Conflict," "Gangs", "Working with Chemically Dependent Families," "Arizona Families F.I.R.S.T. (Substance Abuse Program)," and "Independent Living/Arizona's Young Adult Program." CPS staff are required to participate in 24 hours of advanced training each year. The division is implementing a plan to require specific advanced training modules, determined by the employee's position and years of service.

Annual conferences that include training opportunities include:

- Division Supervisor and Management Forum
- Summer Institute, sponsored by the Division of Behavioral Health Services
- Children Need Homes Conference, sponsored by the Arizona Foster Care and Adoption Coalition
- Child Abuse Prevention Conference, sponsored by Prevent Child Abuse of Arizona
- Cultural Diversity Conference, sponsored by the Department
- Inter-tribal Indian Child Welfare Conference, sponsored by the Inter Tribal Council of Arizona, Inc.
- Family Centered Practice Conference, sponsored by Prevent Child Abuse of Arizona

Specialized Training Programs

Childhelp USA also conducts training on Legislative Advocacy, Neuropsychological and Behavioral Reactions to Abuse, Professional Testimony, and a series of classes on medical issues such as head trauma, bruises, burns, abdominal injuries, and fractures. These training programs occur six to nine times each year and are either a half-day or full-day in length. The average attendance by child welfare staff is approximately 30 per class. Childhelp USA is also partnering with the division to facilitate the Advanced Forensic Interviewing 40-hour training.

Community-based volunteers on the Arizona Foster Care Review Board (FCRB) participate in training that includes orientation and selected educational programs related to Arizona's abused and neglected children. These volunteers perform case reviews pursuant to the Adoption Assistance and Child Welfare Act and the Adoption and Safe Families Act and, as such, play an important role in promoting effective permanency planning for children in foster care. FCRB training is designed to enable volunteers to actively and competently participate in case reviews and formulate recommendations to the Juvenile Court.

Provider Training

Foster and adoptive parent training is provided by contracted agencies in the community. To improve consistency and quality, Arizona purchased the Partnering for Safety and Permanency – A Model Approach to Partnerships in Parenting (PS-MAPP) training curriculum. Implementation of PS-MAPP is mentioned in the state fiscal year 2005 “Major Initiatives” section.

Each licensing year, prior to licensing renewal, a foster parent attends a minimum of six hours of ongoing training. Annual training includes advanced training in special subjects such as:

- Child management techniques based on the developmental needs of children in foster care
- Discipline, crisis intervention, and behavior management techniques
- Placement of agency policies

The foster parent must also complete any additional training required by the licensing agency or placing agency to develop specialized skills and to meet or maintain compliance with foster care requirements.

The division continues to partner with group care provider agencies to enhance opportunities for the short-term training of state-licensed child care institution staff who provide care to foster and adopted children. This training enhances the ability of these staff members to provide support and assistance to children in their facilities.

Parent Aide training is provided for all Parent Aides, Family Support Specialists, and Case Aides. This training provides the knowledge and skills necessary for working within the child welfare system. The training consists of eight two-to-three-day classes that are completed over a four-month period. Various presentation methods are used including lecture, group exercise, role play, PowerPoint presentations, and audio/video presentations. This training is conducted by staff development personnel within the training unit and field units, in addition to community trainers.

University/College Partnerships

The division provides the following opportunities for staff development through education and training provided by the state's universities:

- Tuition reimbursement is available for job-related courses or degrees at a rate up to the cost of public universities. One hour of educational leave may also be granted for every three hours of class time
- Up to ten staff members are selected annually to participate in the Advanced MSW Program provided by Arizona State University (ASU) West Campus. This one-year advanced program enables division employees to study full-time while being granted educational leave. The students are relieved of their regular agency duties when enrolled in this program. Staff who complete this program return to their regular CPS duties and use their new skills and education to better serve the families of Arizona
- Twelve division staff members attend a pilot Part-time Community Based MSW Program. This is a part-time study and field instruction program that permits students to achieve their MSWs in three years
- In collaboration with the ASU Child Welfare Training Project, the division recruits and educates MSW and BSW students to prepare them for a career in child welfare. Stipends are awarded to students who commit to at least two years of employment with CPS following graduation.

Training Collaboration with the Arizona Office of the Attorney General

The division partners with the Arizona Office of the Attorney General to enhance training on legal aspects of child welfare and the intersection of legal issues and social work practices. Assistant Attorneys General provide training to staff in case manager core, supervisor core, and other specialized training. To ensure that the attorneys representing the child welfare agency are informed about agency policy, best practices and relevant social work issues, the Assistant Attorneys General also participate in relevant training.

Outcome Evaluation

The CWTI uses the following methods to evaluate the effectiveness of its training program:

- Evaluations are used to measure performance in many of the workshops and conferences held throughout the state
- Evaluation forms are completed by trainees after each case manager core class to solicit their suggestions for improving the training content or delivery. Suggestions are considered, and appropriate revisions are made to the curriculum. A Likert Scale measures the overall satisfaction new case managers have with the core training program.
- In partnership with Arizona's universities, a self-assessment tool is used to measure the knowledge, skill, and job satisfaction of new case managers. This assessment is completed by new employees four times during their first year of employment.
- The division's case record review process measures strengths and areas needing improvement within its child welfare program. The review instrument is based upon the federal Child and Family Services Review and includes a random selection and review of cases within each of the division's geographic districts. The case record review process assists the CWTI in determining the effectiveness of training and in identifying areas requiring additional training.