



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Reports on Expenditures

**Child Protective Services
Supplemental Appropriations**

Laws 2003, Second Special Session,
Chapter 6, §52

January 1, 2004 through April 30, 2004



Debra K. Davenport
Auditor General

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**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

**DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL**

**WILLIAM THOMSON
DEPUTY AUDITOR GENERAL**

May 14, 2004

Members of the Arizona Legislature

The Honorable Janet Napolitano, Governor

Richard Stavneak, Director
Joint Legislative Budget Committee

Enclosed are the reports on expenditures of child protective services (CPS) appropriations specified in Laws 2003, Second Special Session, Chapter 6, §52, and the additional reports on expenditures for new CPS positions requested by Joint Legislative Budget Committee (JLBC) staff for January 1, 2004 through April 30, 2004. These reports are in response to Laws 2003, Second Special Session, Chapter 6, §52(D), which requires the Office of the Auditor General to report monthly to the JLBC Staff Director the expenditure of the appropriations specified in the same §52.

The Departments of Economic Security and Health Services provided the information, and our Office presented it on the reports developed and approved by JLBC staff. Our Office compared and agreed the information presented in these reports to the Departments' accounting records and schedules, and verified that the estimated expenditures used were based on the Department of Economic Security's historical data.

If you have any questions regarding these reports, please contact me or Dennis Mattheisen, Financial Audit Director, at (602) 553-0333.

Sincerely,

Debbie Davenport
Auditor General

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STATUS OF EXPENDITURES

The Arizona State Legislature passed Laws 2003, Second Special Session, Chapter 6 (referred to in this report as House Bill 2024) in December 2003. The special session was called by the Governor in part to reform child protective services (CPS). Section 52 of the law includes \$16.6 million in supplemental appropriations for the Department of Economic Security to fund a number of CPS initiatives including adding 160 new full-time CPS workers and support staff, adjusting CPS employees' salaries, replacing obsolete information technology equipment, increasing the family home foster care rate, and funding the budget shortfall for its Division of Children, Youth and Families of which CPS is a part. The reports that follow present both state and federal expenditures, since the CPS program is also funded by federal grants. In addition, the Bill also includes a \$25,000 supplemental appropriation for the Department of Health Services to add one new foster care licensing position. The status of expenditures for each of the appropriated line items described in House Bill 2024 is discussed below.

Department of Economic Security

Meeting National Staffing Standards and 100% Investigative Response Rate—The Legislature appropriated \$1,953,500 for 93 annual full-time equivalent (FTE) positions and related expenses to meet national staffing standards for CPS caseloads, and \$1,674,200 for 67 annual FTE positions and related expenses to fund a 100 percent investigation rate (see Appendix, page 27).

These appropriations were calculated based on the Department's phase-in budget worksheets that specified the total number of new positions it planned to fill each month for a 6-month period from January through June 2004. As of April 30, 2004, the Department filled 66 of the 95 new positions it planned to fill by this point in time. Of these 66 filled new positions, 60 CPS specialists and 1 secretary were hired, 3 CPS unit supervisors were promoted, and 1 CPS specialist and 1 secretary were transferred from another division within the Department. However, during the month of April 2004, 1 CPS specialist was terminated and the position is currently unfilled. The 30 unfilled positions consist of 1 CPS specialist, 8 CPS unit supervisors, 11 CPS case aides (formerly classified as human service workers), 1 human service unit manager, and 9 secretaries.

For April 2004, the Department reported personal services and employee-related expenditures for 43 of the 66 employees who filled the new positions. The remaining 23 employees will receive their first pay warrant in May 2004. In addition, the Department reported travel expenditures incurred by the CPS workers and allocated other operating expenditures to the new positions except the one CPS specialist who was terminated in April 2004.

With respect to the Department's original fiscal year 2004 appropriation for the Division of Children, Youth and Families, as of April 30, 2004, the Department had the following total and vacant positions:

	Total Positions	Vacancies			
		January 2004	February 2004	March 2004	April 2004
CPS Specialists	675	52	47	54	42
CPS Unit Supervisors	120	3	4	3	4
CPS Case Aides	128	3	4	5	2
Human Service Unit Managers	23	0	0	1	0
Secretaries	116	6	7	8	8
Total vacancies	<u>1,062</u>	<u>64</u>	<u>62</u>	<u>71</u>	<u>56</u>

Compensation and Classification Adjustments—The Legislature appropriated \$1,562,400 for performance-based compensation adjustments, classification adjustments, or both, to be distributed at the discretion of the Department's director (see Appendix, page 27).

The Department allocated this appropriation into three incentive pay increases: a 10 percent pay increase for the existing and new positions, a \$1,000 stipend for bilingual employees and/or those having a master's degree in social work, and performance-based compensation.

On March 5, 2004, the Department paid the 10 percent pay increase retroactive to January 17, 2004. Also, on March 19, 2004, the Department paid the \$1,000 stipend for staff who had a master's degree in social work. In April 2004, the Department performed the competency tests for the bilingual stipend and paid the \$1,000 stipend for each staff member who passed the test. The Department is currently developing the criteria for the performance-based compensation. As a result, the January through April 2004 reports did not present expenditures for the performance-based compensation.

Replacement of Obsolete Information Technology Equipment—The Legislature appropriated \$103,500 to replace obsolete information technical support equipment (see Appendix, page 27).

The Department received approval on February 25, 2004, from the Government Information Technology Agency and the Information Technology Authorization Committee to purchase desktop computers, monitors, network servers, and other associated hardware and software. During the month of April 2004, the Department acquired the items. The Department is financing the acquisition of the equipment through a 5-year capital lease agreement and anticipates the first payment to be made on June 15, 2004. Therefore, the Department reported no expenditures for this appropriated line item.

Family Home Foster Care Rate Increase—The Legislature appropriated \$1,010,700 for family home foster care rate increases (see Appendix, page 27).

The Department increased the family home foster care rate by \$3.75 per day per child on January 1, 2004, and plans to increase the rate again by the same amount on June 1, 2004. These adjustments are in accordance with its budget worksheets upon which the appropriation was based. The Department reported expenditures from February through April 2004 to reflect the rate increase for foster families services provided from January through March 2004.

Budget Shortfall Funding for Division of Children, Youth and Families—The Legislature appropriated \$10,300,000 for maintaining current staffing and service levels for CPS, including adoption services, permanent guardianship, and children services (see Appendix, page 27).

The Department intends to use the appropriation to offset a portion of the budget shortfall for children services, which the Department originally expected to occur in March 2004. Last month the Department expected the shortfall to occur in April 2004. However, the Department now expects the shortfall to occur in May 2004 and, at that time, will begin using this new appropriation.

Department of Health Services

New Licensing Position—The Legislature appropriated \$25,000 for one annual licensing FTE position (see Appendix, page 27).

The Department transferred an employee from another position within its Licensing Services Division to fill this position on January 23, 2004. As of April 30, 2004, the Department reported personal services, employee-related, travel, and cellular phone expenditures for this employee.

Child Protective Services Supplemental Appropriations
 Department of Economic Security
 Report on Total Expenditures of Supplemental Appropriations ^{1, 2}
 January 1, 2004 through April 30, 2004
 (Unaudited)

State General Fund	<u>Supplemental Appropriations</u>	<u>January 2004</u>	<u>February 2004</u>	<u>March 2004</u>
Meeting National Staffing Standards and 100% Investigative Response Rate ^{3, 4}	\$ 3,627,700	\$ 5,531	\$ 25,548	\$ 45,997
Compensation and Classification Adjustments				
New Employees:				
Personal Services				4,008
Employee-Related Expenditures ⁹	_____	_____	_____	577
				<u>4,585</u>
Existing Employees:				
Personal Services				394,741
Employee-Related Expenditures ⁹	_____	_____	_____	56,803
				<u>451,544</u>
Total Compensation and Classification Adjustments	<u>1,562,400</u>	_____	_____	<u>456,129</u>
Replacement of Obsolete Information Technology Equipment	103,500			
Family Home Foster Care Rate Increase ⁵	1,010,700		118,208	116,709
Budget Shortfall Funding for Division of Children, Youth and Families	<u>10,300,000</u>	_____	_____	_____
Total State General Fund	<u>\$ 16,604,300</u>	<u>\$ 5,531</u>	<u>\$ 143,756</u>	<u>\$ 618,835</u>

Expenditures

<u>April 2004</u>	<u>May 2004</u>	<u>June 2004</u>	<u>13th Month 2004</u>	<u>Administrative Adjustments</u>	<u>Total</u>
\$ 124,105					\$ 201,181
7,649					11,657
1,101					1,678
<u>8,750</u>					<u>13,335</u>
340,505					735,246
48,999					105,802
<u>389,504</u>					<u>841,048</u>
<u>398,254</u>					<u>854,383</u>
129,327					364,244
<u>\$ 651,686</u>					<u>\$ 1,419,808</u>

(Continued)

Child Protective Services Supplemental Appropriations
 Department of Economic Security
 Report on Total Expenditures of Supplemental Appropriations ^{1, 2}
 January 1, 2004 through April 30, 2004
 (Unaudited)
 (Continued)

<u>Supplemental Appropriations</u>	<u>January 2004</u>	<u>February 2004</u>	<u>March 2004</u>
Federal Title IV-E			
Meeting National Staffing Standards and 100% Investigative Response Rate ^{3, 4}	\$ 1,882	\$ 12,336	\$ 20,191
Compensation and Classification Adjustments			
New Employees:			
Personal Services			2,090
Employee-Related Expenditures ⁹	_____	_____	301
	_____	_____	2,391
Existing Employees:			
Personal Services			86,651
Employee-Related Expenditures ⁹	_____	_____	12,469
	_____	_____	99,120
Total Compensation and Classification Adjustments	_____	_____	101,511
Replacement of Obsolete Information Technology Equipment			
Family Home Foster Care Rate Increase ⁵		89,625	89,597
Budget Shortfall Funding for Division of Children, Youth and Families	_____	_____	_____
Total Federal Title IV-E	<u>\$ 1,882</u>	<u>\$ 101,961</u>	<u>\$ 211,299</u>
Federal Temporary Assistance for Needy Families			
Family Home Foster Care Rate Increase ⁵	<u>\$ -</u>	<u>\$ 8,077</u>	<u>\$ 7,639</u>

Expenditures

<u>April 2004</u>	<u>May 2004</u>	<u>June 2004</u>	<u>13th Month 2004</u>	<u>Administrative Adjustments</u>	<u>Total</u>
\$ 61,351					\$ 95,760
4,426					6,516
<u>637</u>					<u>938</u>
<u>5,063</u>					<u>7,454</u>
74,745					161,396
<u>10,756</u>					<u>23,225</u>
<u>85,501</u>					<u>184,621</u>
<u>90,564</u>					<u>192,075</u>
104,148					283,370
<u>\$ 256,063</u>					<u>\$ 571,205</u>
<u>\$ 8,059</u>					<u>\$ 23,775</u>

Child Protective Services Supplemental Appropriations
 Department of Economic Security
 Report on Total Expenditures for New Child Protective Services Positions ^{1,2}
 January 1, 2004 through April 30, 2004
 (Unaudited)

	<u>January 2004</u>	<u>February 2004</u>	<u>March 2004</u>
Meeting National Staffing Standards and 100% Investigative Response Rate			
Personal Services⁴			
CPS Specialists	\$ 1,020	\$ 21,773	\$ 32,574
CPS Unit Supervisors		2,162	7,637
CPS Case Aides			
Human Service Unit Managers			
Secretaries	<u>780</u>	<u>1,561</u>	<u>1,349</u>
	<u>1,800</u>	<u>25,496</u>	<u>41,560</u>
Employee-related Expenditures			
CPS Specialists	163	3,689	7,936
CPS Unit Supervisors		769	2,760
CPS Case Aides			
Human Service Unit Managers			
Secretaries	<u>131</u>	<u>250</u>	<u>216</u>
	<u>294</u>	<u>4,708</u>	<u>10,912</u>
In-State Travel⁴	<u>1,201</u>	<u>1,029</u>	<u>2,040</u>
Other Operating			
Occupancy ⁶	2,251	3,636	6,471
Telephone			
Miscellaneous ⁷	<u>1,867</u>	<u>3,015</u>	<u>5,205</u>
	<u>4,118</u>	<u>6,651</u>	<u>11,676</u>
Equipment			
Vehicles			
Office Furniture			
Computers	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>
Total State General Fund and Title IV-E	<u>\$ 7,413</u>	<u>\$ 37,884</u>	<u>\$ 66,188</u>

Expenditures

<u>April 2004</u>	<u>May 2004</u>	<u>June 2004</u>	<u>13th Month 2004</u>	<u>Administrative Adjustments</u>	<u>Total</u>
\$ 106,806 13,562					\$ 162,173 23,361
<u>4,761</u> <u>125,129</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>8,451</u> <u>193,985</u>
24,954 3,917					36,742 7,446
<u>759</u> <u>29,630</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>1,356</u> <u>45,544</u>
<u>5,281</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>9,551</u>
13,893					26,251
<u>11,523</u> <u>25,416</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>21,610</u> <u>47,861</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>\$ 185,456</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>\$ 296,941</u>

(Continued)

Child Protective Services Supplemental Appropriations
 Department of Economic Security
 Report on Total Expenditures for New Child Protective Services Positions ^{1,2}
 January 1, 2004 through April 30, 2004
 (Unaudited)
 (Continued)

	<u>January 2004</u>	<u>February 2004</u>	<u>March 2004</u>
Meeting National Staffing Standards and 100% Investigative Response Rate			
State General Fund⁴			
Personal Services	\$ 1,242	\$ 16,395	\$ 27,503
Employee-related Expenditures	203	3,092	7,343
In-State Travel	709	607	1,577
Other Operating	3,377	5,454	9,574
Equipment			
Total State General Fund	<u>5,531</u>	<u>25,548</u>	<u>45,997</u>
Federal Title IV-E⁴			
Personal Services	558	9,101	14,057
Employee-related Expenditures	91	1,616	3,569
In-State Travel	492	422	463
Other Operating	741	1,197	2,102
Equipment			
Total Federal Title IV-E	<u>1,882</u>	<u>12,336</u>	<u>20,191</u>
 Total State General Fund and Federal Title IV-E	 <u>\$ 7,413</u>	 <u>\$ 37,884</u>	 <u>\$ 66,188</u>

Expenditures					
April 2004	May 2004	June 2004	13th Month 2004	Administrative Adjustments	Total
\$ 80,165					\$ 125,305
19,143					29,781
3,956					6,849
20,841					39,246
<u>124,105</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>201,181</u>
44,964					68,680
10,487					15,763
1,325					2,702
4,575					8,615
<u>61,351</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>95,760</u>
<u>\$ 185,456</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>\$ 296,941</u>

Child Protective Services Supplemental Appropriations
 Department of Economic Security
 Report on Personal Services Expenditures for
 New Child Protective Services Positions^{1, 2}
 January 1, 2004 through April 30, 2004
 (Unaudited)

Position Classification/ Employee Number	Hire/ Transfer/ Promotion Date	Annual Salary	January 2004	February 2004
CPS Specialists^{3, 4}				
(Investigators/Case Managers)				
EIN 000026XXX	1/3/2004	\$ 31,487		\$ 3,303
EIN 000086XXX	1/3/2004	31,487		3,303
EIN 000086XXX	1/3/2004	29,179		3,061
EIN 000086XXX	1/3/2004	29,179	\$ 1,020	2,040
EIN 000086XXX	1/3/2004	31,487		3,372
EIN 000086XXX	1/3/2004	29,179		3,391
EIN 000086XXX	1/3/2004	29,179		3,303
EIN 000087XXX	2/9/2004	34,471		
EIN 000087XXX	2/17/2004	31,487		
EIN 000087XXX	2/17/2004	31,487		
EIN 000087XXX	2/17/2004	29,179		
EIN 000087XXX	2/23/2004	31,487		
EIN 000087XXX	2/23/2004	31,487		
EIN 000087XXX	2/23/2004	31,487		
EIN 000087XXX	2/23/2004	34,471		
EIN 000087XXX	3/1/2004	34,471		
EIN 000087XXX	3/1/2004	29,179		
EIN 000088XXX	3/8/2004	31,487		
EIN 000088XXX	3/13/2004	31,487		
EIN 000088XXX	3/13/2004	31,487		
EIN 000088XXX	3/22/2004	29,179		
EIN 000088XXX	3/27/2004	31,487		
EIN 000088XXX	3/27/2004	29,179		
EIN 000066XXX	3/29/2004	29,178		
EIN 000088XXX	3/29/2004	31,487		
EIN 000088XXX	3/29/2004	31,487		
EIN 000088XXX	3/29/2004	31,487		
EIN 000088XXX	3/29/2004	29,179		
EIN 000088XXX	3/29/2004	31,487		
EIN 000088XXX	3/29/2004	31,487		
EIN 000088XXX	3/29/2004	34,471		

Expenditures						
March 2004	April 2004	May 2004	June 2004	13th Month 2004	Administrative Adjustments	Total
\$ 2,642	\$ 3,633					\$ 9,578
2,772	4,076					10,151
2,470	3,577					9,108
2,448	3,472					8,980
2,711	3,736					9,819
2,598	3,617					9,606
2,756	3,463					9,522
3,304	4,052					7,356
2,301	3,633					5,934
2,369	4,394					6,763
2,124	3,367					5,491
1,817	3,633					5,450
1,817	3,633					5,450
1,817	1,620					3,437
1,989	3,977					5,966
1,351	4,325					5,676
	4,489					4,489
	4,239					4,239
	3,877					3,877
	3,900					3,900
	2,806					2,806
	2,422					2,422
	2,245					2,245
	2,245					2,245
	2,422					2,422
	2,422					2,422
	2,422					2,422
	2,245					2,245
	2,422					2,422
	2,425					2,425
	2,788					2,788

(Continued)

Child Protective Services Supplemental Appropriations
 Department of Economic Security
 Report on Personal Services Expenditures for
 New Child Protective Services Positions^{1, 2}
 January 1, 2004 through April 30, 2004
 (Unaudited)
 (Continued)

Position Classification/ Employee Number	Hire/ Transfer/ Promotion Date	Annual Salary	January 2004	February 2004
EIN 000088XXX	3/29/2004	\$ 29,179		
EIN 000088XXX	3/29/2004	29,179		
EIN 000088XXX	3/29/2004	31,487		
EIN 000088XXX	3/29/2004	29,179		
EIN 000088XXX	3/29/2004	29,179		
EIN 000087XXX	3/29/2004	31,487		
EIN 000088XXX	3/30/2004	29,179		
EIN 000088XXX	4/12/2004	31,487		
EIN 000088XXX	4/12/2004	31,487		
EIN 000088XXX	4/12/2004	31,487		
EIN 000033XXX	4/12/2004	31,487		
EIN 000036XXX	4/19/2004	31,487		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	29,179		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	29,179		
EIN 000088XXX	4/24/2004	29,179		
EIN 000088XXX	4/24/2004	29,553		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	34,471		
EIN 000088XXX	4/24/2004	29,179		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	31,487		
EIN 000088XXX	4/24/2004	34,471		

Expenditures						
<u>March 2004</u>	<u>April 2004</u>	<u>May 2004</u>	<u>June 2004</u>	<u>13th Month 2004</u>	<u>Administrative Adjustments</u>	<u>Total</u>
	\$ 2,245					\$ 2,245
	2,245					2,245
	2,456					2,456
	2,224					2,224
	2,224					2,224
	2,422					2,422
	2,132					2,132

(Continued)

Child Protective Services Supplemental Appropriations
Department of Economic Security
Report on Personal Services Expenditures for
New Child Protective Services Positions^{1, 2}
January 1, 2004 through April 30, 2004
(Unaudited)
(Continued)

Position Classification/ Employee Number	Hire/ Transfer/ Promotion Date	Annual Salary	January 2004	February 2004
Total Personal Services Expenditures for CPS Specialists			\$ 1,020	\$ 21,773
Less Personal Services Expenditures for Compensation and Classification Adjustments			_____	_____
Total Personal Services Expenditures for Meeting National Staffing Standards and 100% Investigative Response Rate			<u>1,020</u>	<u>21,773</u>
Total Actual CPS Specialists			7	8
Total Phased-in CPS Specialists ⁸			7	8
CPS Unit Supervisors³				
EIN 000038XXX	2/2/2004	\$ 38,067		1,205
EIN 000030XXX	2/9/2004	38,457		957
EIN 000030XXX	3/8/2004	41,088		
Total Personal Services Expenditures for CPS Unit Supervisors				2,162
Less Personal Services Expenditures for Compensation and Classification Adjustments			_____	_____
Total Personal Services Expenditures for Meeting National Staffing Standards and 100% Investigative Response Rate				<u>2,162</u>
Total Actual CPS Unit Supervisors			0	2
Total Phased-in CPS Unit Supervisors ⁸			1	1
CPS Case Aides³				
(None)				
Total Personal Services Expenditures for CPS Case Aides				
Less Personal Services Expenditures for Compensation and Classification Adjustments			_____	_____

Expenditures

<u>March 2004</u>	<u>April 2004</u>	<u>May 2004</u>	<u>June 2004</u>	<u>13th Month 2004</u>	<u>Administrative Adjustments</u>	<u>Total</u>
\$ 37,286	\$ 117,525					\$ 177,604
<u>4,712</u>	<u>10,719</u>					<u>15,431</u>
<u>32,574</u>	<u>106,806</u>					<u>162,173</u>
23	23					61
23	23					61
3,876	4,393					9,474
4,392	5,789					11,138
<u>755</u>	<u>4,736</u>					<u>5,491</u>
9,023	14,918					26,103
<u>1,386</u>	<u>1,356</u>					<u>2,742</u>
<u>7,637</u>	<u>13,562</u>					<u>23,361</u>
1	0					3
5	4					11

(Continued)

Child Protective Services Supplemental Appropriations
Department of Economic Security
Report on Personal Services Expenditures for
New Child Protective Services Positions^{1, 2}
January 1, 2004 through April 30, 2004
(Unaudited)
(Continued)

Position Classification/ Employee Number	Hire/ Transfer/ Promotion Date	Annual Salary	January 2004	February 2004
Total Personal Services Expenditures for Meeting National Staffing Standards and 100% Investigative Response Rate				
Total Actual CPS Case Aides			0	0
Total Phased-in CPS Case Aides ⁸			1	1
Human Service Unit Managers³				
(None)				
Total Personal Services Expenditures for Human Service Unit Managers Less Personal Services Expenditures for Compensation and Classification Adjustments				
Total Personal Services Expenditures for Meeting National Staffing Standards and 100% Investigative Response Rate			0	0
Total Actual Human Service Unit Managers			0	0
Total Phased-in Human Service Unit Managers ⁸			0	0
Secretaries³				
EIN000039XXX	1/3/2004	\$ 19,371	\$ 780	\$ 1,561
EIN000087XXX	3/9/2004	20,132		
Total Personal Services Expenditures for Meeting National Staffing Standards and 100% Investigative Response Rate				
Total Actual Secretaries			780	1,561
Total Phased-in Secretaries ⁸			1	0
			1	1
Total Personal Services Expenditures for Meeting National Staffing Standards and 100% Investigative Response Rate— State General Fund and Federal Title IV-E				
			<u>\$ 1,800</u>	<u>\$ 25,496</u>

<u>Expenditures</u>						
<u>March 2004</u>	<u>April 2004</u>	<u>May 2004</u>	<u>June 2004</u>	<u>13th Month 2004</u>	<u>Administrative Adjustments</u>	<u>Total</u>
<u>0</u>	<u>0</u>					<u>0</u>
5	4					11
<u>0</u>	<u>0</u>					<u>0</u>
0	1					1
\$ 1,349	\$ 2,235					\$ 5,925
	<u>2,526</u>					<u>2,526</u>
<u>1,349</u>	<u>4,761</u>					<u>8,451</u>
1	0					2
5	4					11
<u>\$ 41,560</u>	<u>\$ 125,129</u>					<u>\$ 193,985</u>

(Continued)

Child Protective Services Supplemental Appropriations
 Department of Economic Security
 Report on Personal Services Expenditures for
 New Child Protective Services Positions^{1, 2}
 January 1, 2004 through April 30, 2004
 (Unaudited)
 (Continued)

Position Classification/ Employee Number	Hire/ Transfer/ Promotion Date	Annual Salary	January 2004	February 2004
Total Actual New CPS Workers and Support Staff			8	10
Total Phased-in CPS Workers and Support Staff ⁸			10	11
Total Authorized Investigators and Case Managers				
Total Authorized CPS Support Staff				
Total Authorized FTEs				
Summary by Funding Source				
Meeting National Staffing Standards and 100% Investigative Response Rate				
Total State General Fund ⁴			\$ 1,242	\$ 16,395
Total Federal Title IV-E ⁴			<u>558</u>	<u>9,101</u>
Total Personal Services Expenditures— State General Fund and Federal Title IV-E			<u>\$ 1,800</u>	<u>\$ 25,496</u>
Compensation and Classification Adjustments				
Total State General Fund ⁴				
Total Federal Title IV-E ⁴				
Total Personal Services Expenditures— State General Fund and Federal Title IV-E			<u>\$ -</u>	<u>\$ -</u>

Expenditures

<u>March 2004</u>	<u>April 2004</u>	<u>May 2004</u>	<u>June 2004</u>	<u>13th Month 2004</u>	<u>Administrative Adjustments</u>	<u>Total</u>
25	23					66
38	36					95
						104
						56
						160
\$ 27,503	\$ 80,165					\$ 125,305
<u>14,057</u>	<u>44,964</u>					<u>68,680</u>
<u>\$ 41,560</u>	<u>\$ 125,129</u>					<u>\$ 193,985</u>
\$ 4,008	\$ 7,649					\$ 11,657
<u>2,090</u>	<u>4,426</u>					<u>6,516</u>
<u>\$ 6,098</u>	<u>\$ 12,075</u>					<u>\$ 18,173</u>

Child Protective Services Supplemental Appropriations
 Department of Health Services
 Report on Total Expenditures of Supplemental Appropriation ^{1,2}
 January 1, 2004 through April 30, 2004
 (Unaudited)

	<u>Supplemental Appropriation</u>	<u>January 2004</u>	<u>February 2004</u>	<u>March 2004</u>
State General Fund				
New Licensing Position	\$ 25,000	_____	\$ 4,601	\$ 3,697
Total State General Fund	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 4,601</u>	<u>\$ 3,697</u>

Expenditures

<u>April 2004</u>	<u>May 2004</u>	<u>June 2004</u>	<u>13th Month 2004</u>	<u>Administrative Adjustments</u>	<u>Total</u>
\$ 5,560	_____	_____	_____	_____	\$ 13,858
<u>\$ 5,560</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>\$ 13,858</u>

NOTES

- 1 Appropriations information and authorized FTE amounts were obtained from House Bill 2024, Section 52. All expenditures, actual FTE amounts, and position information presented for the Department of Economic Security in these reports were obtained from its Financial Management Control System, and estimated expenditures were based on its historical data (see notes 6 and 7). The Department of Economic Security's phased-in FTE amounts were obtained from its budget worksheets, upon which the appropriations were based. The Department of Health Services' actual expenditures were obtained from the State's Arizona Financial Information System.
- 2 Actual expenditures are reported for the month in which cash was disbursed.
- 3 The new CPS staff positions authorized by House Bill 2024, Section 52(A)1(a) and (b) and the related personal services expenditures are presented together on these reports because the investigation and case management functions are not currently separated among the CPS employees. The Department is in the process of separating these two functions as required by House Bill 2024.
- 4 The Department is funding 82 percent of the 160 new CPS positions authorized by House Bill 2024, Section 52(A)1(a) and (b) from State General Fund appropriations and the remaining 18 percent from Federal Title IV-E funding, with one exception. During the initial CPS specialist program training period that the new CPS specialists attend, the training funding percentages are 59 percent from the State General Fund and 41 percent from Federal Title IV-E for personal services and travel expenditures. These percentages are based on the actual allocation percentages used for the Division of Children, Youth and Families (DCYF) expenditures in fiscal years 2002, 2003, and the first half of fiscal year 2004.

- 5 If a child does not qualify for Federal Title IV-E assistance or the Temporary Assistance for Needy Families (TANF) grant, the Department is funding 100 percent of the family home foster care rate increase from the State General Fund. If a child is eligible for Federal Title IV-E assistance, the Department is funding 67.25 percent of the increase from Federal Title IV-E monies and the remaining 32.75 percent from the State General Fund. If a child is eligible for the TANF grant, the Department is funding 100 percent of the increase from the TANF grant.
- 6 Occupancy costs were calculated at \$3,376 per FTE on an annual basis (185 square feet at \$18.25 per square foot). The 185-square-foot estimate was obtained from the Department of Economic Security's space policies for field offices, and the \$18.25 per square foot rate was established by the State Lease Cost Review Board.
- 7 Miscellaneous other operating expenditures include telephone services, postage, office supplies, copiers, repairs, and maintenance, and were calculated at \$2,800 per FTE on an annual basis based on actual DCYF expenditures in fiscal year 2003.
- 8 Total phased-in FTEs represent the planned number of new positions to be staffed each month. The appropriations were developed based on the assumption that a specified number of new positions would be added each month until the Department meets the total authorized new positions.
- 9 Employee-related expenditures for compensation and classification adjustments are calculated by multiplying those personal services expenditures by 14.39 percent. Contributions of 14.39 percent consists of 7.36 percent for FICA tax, 5.18 percent for Arizona State Retirement System (ASRS), 0.50 percent for ASRS long-term disability, 0.95 percent for workers' compensation, and 0.40 percent for the State's Retiree Accumulated Sick Leave Fund.

APPENDIX

House Bill 2024 (Laws 2003, Second Special Session, Chapter 6)

Sec. 52. Appropriations; department of economic security; department of health services; purposes

A. The following sums are appropriated from the state general fund in fiscal year 2003-2004 to the department of economic security for the following child protective services:

1. \$6,304,300 for the following purposes:

(a) \$1,953,500 for 93 annual FTE positions and related expenses to meet national staffing standards for child protective service caseloads. The 93 annual FTE positions shall include 60 investigator and case manager positions and 33 support staff.

(b) \$1,674,200 for 67 annual FTE positions and related expenses to fund a one hundred percent investigation rate. The 67 annual FTE positions shall include 44 investigator and case manager positions and 23 support staff.

(c) \$1,562,400 for performance-based compensation adjustments, classification adjustments or both at the discretion of the director of the department.

(d) \$103,500 to replace obsolete information technical support equipment.

(e) \$1,010,700 for family home foster care rate increase.

2. \$10,300,000 to maintain current staffing and service levels for child protective services including adoption services, permanent guardianship and children services.

B. The sum of \$25,000 and 1 FTE position is appropriated in fiscal year 2003-2004 from the state general fund to the department of health services for licensing.

C. Monies remaining unexpended and unencumbered from the appropriations made in this section revert to the state general fund on July 1, 2004.

D. The auditor general shall report monthly to the staff director of the joint legislative budget committee on the expenditure of the appropriations made in this section.