

## Department of Child Safety

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	3,203.1	3,283.1	3,283.1 <sup>1/</sup>
Personal Services	69,410,500	71,357,400	71,357,400
Employee Related Expenditures	30,127,400	28,908,100	29,058,600
Professional and Outside Services	15,189,500	11,470,400	11,470,400
Travel - In State	304,300	332,300	332,300
Travel - Out of State	79,200	81,600	81,600
Other Operating Expenditures	37,964,300	36,916,600	32,795,800
Equipment	1,135,600	953,900	953,900
<b>OPERATING SUBTOTAL</b>	<b>154,210,800</b>	<b>150,020,300</b>	<b>146,050,000</b> <sup>2/-9/</sup>
<b>SPECIAL LINE ITEMS</b>			
<b>Additional Operating Resources</b>			
Attorney General Legal Services	27,617,300	27,894,900	27,989,800 <sup>10/</sup>
Caseworkers	127,672,200	157,285,400 <sup>11/12/</sup>	132,068,000
General Counsel	118,600	0	0
Inspections Bureau	2,589,300	0	0
New Case Aides	3,232,600	0	0
Office of Child Welfare Investigations	10,411,300	11,235,900	11,264,900
Records Retention Staff	590,600	0	0
Training Resources	6,157,500	9,150,000	9,150,000
<b>Out-of-Home Placements</b>			
Congregate Group Care	105,124,000	132,608,300	103,682,000
Extended Foster Care	16,793,000	19,887,200 <sup>13/</sup>	19,887,200
Extended Foster Care Service Model Fund Deposit	0	16,523,300 <sup>14/</sup>	0
Foster Home Placement	38,312,200	40,706,500	42,547,300
Foster Home Recruitment, Study and Supervision	27,254,400	32,753,600	32,753,600
Kinship Care	19,862,000	16,214,200	20,584,600 <sup>15/16/</sup>
<b>Permanent Placements</b>			
Positive Parenting Program for Post Permanency Placements Pilot	0	0 <sup>17/</sup>	0
Permanent Guardianship Subsidy	13,266,900	15,622,000	16,805,600
Adoption Services	274,724,500	282,574,300	287,221,600
<b>Support Services</b>			
DCS Child Care Subsidy	54,206,600	61,675,400	61,675,400
In-Home Mitigation	27,406,600	41,529,300	34,488,100
Out-of-Home Support Services	111,939,000	113,284,600	122,710,800
Preventive Services	19,400,800	29,648,300	32,412,700 <sup>18/</sup>
<b>Comprehensive Health Plan</b>			
Comprehensive Health Plan Administration	26,356,400	27,461,200	28,641,600
Comprehensive Health Plan Premium Tax	4,008,600	3,857,300	3,196,600
Comprehensive Health Plan Services	173,502,600	161,546,700	127,989,800
<b>AGENCY TOTAL</b>	<b>1,244,757,800</b>	<b>1,351,478,700</b>	<b>1,261,119,600</b> <sup>4/19/20/</sup>
<b>FUND SOURCES</b>			
General Fund	445,953,900	499,974,700	458,089,500
<u>Other Appropriated Funds</u>			
Child Abuse Prevention Fund	586,200	1,459,300	1,459,300
Child Welfare Licensing Fee Fund	643,600	1,021,700	1,021,600
Children and Family Services Training Program Fund	0	208,000	207,500

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 APPROVED
Federal Child Care and Development Fund Block Grant	40,516,000	40,516,000	40,516,000
Federal Temporary Assistance for Needy Families Block Grant	161,082,300	161,082,200	161,076,300
SUBTOTAL - Other Appropriated Funds	202,828,100	204,287,200	204,280,700
<b>SUBTOTAL - Appropriated Funds</b>	<b>648,782,000</b>	<b>704,261,900</b>	<b>662,370,200</b>
<u>Expenditure Authority Funds</u>			
Child Safety Expenditure Authority	392,108,200	454,351,600	438,921,400
Comprehensive Health Plan Fund	203,867,600	192,865,200	159,828,000
SUBTOTAL - Expenditure Authority Funds	595,975,800	647,216,800	598,749,400
<b>SUBTOTAL - Appropriated/Expenditure Authority Funds</b>	<b>1,244,757,800</b>	<b>1,351,478,700</b>	<b>1,261,119,600</b>
Other Non-Appropriated Funds	25,000	0	0
<b>TOTAL - ALL SOURCES</b>	<b>1,244,782,800</b>	<b>1,351,478,700</b>	<b>1,261,119,600</b>

**AGENCY DESCRIPTION** — The department investigates reports of child abuse and neglect, promotes the safety of a child in a stable family or other out-of-home placement in response to allegations of abuse or neglect, works with law enforcement regarding reports that include criminal conduct allegations, and coordinates services to achieve and maintain permanency on behalf of children in the child welfare system.

**FOOTNOTES**

- 1/ Includes 866.5 GF, 420.6 OF, and 523.1 EA FTE Positions funded from Special Line Items in FY 2025.
- 2/ The department of child safety shall provide training to any new child safety FTE positions before assigning any client caseload duties to any of these employees. (General Appropriation Act footnote)
- 3/ The legislature intends that the department of child safety use its funding to achieve a one hundred percent investigation rate. (General Appropriation Act footnote)
- 4/ The amount appropriated for any line item may not be transferred to another line item or to the operating budget unless the transfer is reviewed by the joint legislative budget committee, except that transfers between any two line items relating to the comprehensive health plan are not subject to review. (General Appropriation Act footnote)
- 5/ The department of child safety may transfer up to ten percent of the total amount of federal temporary assistance for needy families block grant monies appropriated to the department of economic security and the department of child safety to the social services block grant. Before transferring federal temporary assistance for needy families block grant monies to the social services block grant, the department of child safety shall report the proposed amount of the transfer to the director of the joint legislative budget committee. This report may be in the form of an expenditure plan that is submitted at the beginning of the fiscal year and updated, if necessary, throughout the fiscal year. (General Appropriation Act footnote)
- 6/ For the purposes of this section, "backlog case":
  1. Means any nonactive case for which documentation has not been entered in the child welfare automated system for at least sixty days and for which services have not been authorized for at least sixty days and any case that has had an investigation, has been referred to another unit and has had no contact for at least sixty days.
  2. Includes any case for which the investigation has been open without any documentation or contact for at least sixty days, any case involving in-home services for which there has been no contact or services authorized for at least sixty days and any case involving foster care in which there has been no contact or any documentation entered in the child welfare automated system for at least sixty days. (General Appropriation Act footnote)
- 7/ For the purposes of this section:
  1. "Long-term case" means any case in which the child has been in an out-of-home placement for at least eighteen months.
  2. "Open report" means a report that is under investigation or awaiting closure by a supervisor. (General Appropriation Act footnote)
- 8/ On or before February 28, 2025 and August 31, 2025, the department of child safety shall present a report to the joint legislative budget committee on the progress made during July 2024 through December 2024 and January 2025 through June 2025, respectively, in meeting the caseload standard and reducing the number of backlog and long-term cases. Each report shall include the number of backlog cases, the number of open reports, the number of long-term cases and the

caseworker workload in comparison to the previous six months. Each report shall provide the number of backlog cases by disposition, including the number of backlog cases in the investigation phase, the number of backlog cases associated with out-of-home placements and the number of backlog cases associated with in-home cases.

To determine the caseworker workload, the department shall report the number of case-carrying caseworkers at each field office and the number of investigations, in-home cases and long-term cases assigned to each field office.

For backlog cases, the department's benchmark is 1,000 cases.

For open reports, the department's benchmark is fewer than 8,000 open reports.

For long-term cases, the department's benchmark is 3,323.

If the department of child safety has not submitted a required report within thirty days after the report is due, the director of the joint legislative budget committee shall inform the general accounting office of the department of administration, which shall withhold two percent of the department of child safety's operating lump sum semiannual budget allocation until the department of child safety submits the required report. (General Appropriation Act footnote)

- 9/ On or before December 1, 2024, the department of child safety shall submit a report to the joint legislative budget committee on the department's efforts to implement the family first prevention services act of 2018. The report shall quantify the department's efforts in at least the following areas, including any associated fiscal impacts: (1) Reducing the number of children placed for more than two weeks in congregate care settings, excluding qualified residential treatment programs, facilities for pregnant and parenting youth, supervised independent living and specialized programs for victims of sex trafficking. (2) Assisting congregate care providers in attaining status as qualified residential treatment programs. (3) Identifying alternative placements, including therapeutic foster homes, for children who would otherwise be placed in congregate care. (4) Expanding evidence-based, in-home parent skill-based programs and mental health and substance abuse prevention and treatment services. (General Appropriation Act footnote)
- 10/ All expenditures made by the department of child safety for attorney general legal services shall be funded only from the attorney general legal services line item. Monies in department of child safety line items intended for this purpose shall be transferred to the attorney general legal services line item before expenditure. (General Appropriation Act footnote)
- 11/ The amount appropriated for the caseworkers line item includes a one-time increase of \$19,700,000 from the state general fund for increased operating expenditures in fiscal year 2023-2024. This amount is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until June 30, 2025. (FY 2024 footnote, as added by the FY 2025 General Appropriation Act)
- 12/ On or before September 1, 2024, the department shall submit a report to the joint legislative budget committee and the governor's office of strategic planning and budgeting on actual operating expenses for the guardian case management system in fiscal year 2023-2024, as well as proposed system operating expenses for fiscal year 2024-2025. (FY 2024 footnote, as added by the FY 2025 General Appropriation Act)
- 13/ The FY 2024 budget included \$6,666,700 from the General Fund in FY 2024 for transition living funding for the extended foster care population. Laws 2024, Chapter 209, Section 7 eliminates this funding.
- 14/ The FY 2024 budget included a total of \$12,550,000 from the General Fund in FY 2024 for a one-time deposit into the Extended Foster Care Service Model Fund. Laws 2024, Chapter 209, Section 117 reduces this appropriation by \$(2,720,000).
- 15/ The amount appropriated for kinship care shall be used for a stipend of \$300 per month for a relative caretaker, including a grandparent, any level of great-grandparent or any nongrandparent relative, or a caretaker of fictive kinship, if a dependent child is placed in the care of a relative caretaker or caretaker of fictive kinship pursuant to department guidelines. The department shall provide the stipend on behalf of all children placed with an unlicensed kinship foster care parent. The unlicensed kinship foster care parent is not required to file an application to receive the stipend. Before changing the eligibility for the program or the amount of the stipend, the department shall submit a report for review by the joint legislative budget committee detailing the proposed changes. (General Appropriation Act footnote)
- 16/ On or before March 31, 2025, the department of child safety shall report to the joint legislative budget committee the number of children who are part of the kinship stipend program and reside with a nonrelative caretaker of fictive kinship. (General Appropriation Act footnote)
- 17/ The FY 2024 budget included \$4,000,000 from the General Fund in FY 2024 for the Positive Parenting Program for Post Permanency Placements Pilot. Laws 2024, Chapter 209, Section 7 eliminates this appropriation.
- 18/ The preventive services line item appropriation includes \$264,400 from the state general fund to draw down \$1,322,000 in additional federal monies associated with the community based child abuse prevention block grant. If grant monies are no longer available, the appropriation is reduced by the amounts of \$264,400 from the general fund and \$1,322,000 from child safety expenditure authority. (General Appropriation Act footnote)
- 19/ Child safety expenditure authority includes all department funding sources excluding the state general fund, the federal child care and development fund block grant, the federal temporary assistance for needy families block grant, the child

abuse prevention fund, the children and family services training program fund and the comprehensive health plan expenditure authority fund. (General Appropriation Act footnote)

20/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

**Operating Budget**

The budget includes \$146,050,000 and 1,472.9 FTE Positions in FY 2025 for the operating budget. These amounts consist of:

	<b>FY 2025</b>
General Fund	\$72,116,200
Child Safety Expenditure Authority	47,484,300
Federal TANF Block Grant	25,427,900
Child Welfare Licensing Fee Fund	1,021,600

Adjustments are as follows:

**Remove FY 2024 Supplemental Processing Costs**

The budget includes a decrease of \$(826,200) from the General Fund in FY 2025 to remove one-time supplemental funding for DCS to set up and manage individual accounts for each child receiving Social Security Administration and Veterans Affairs benefits.

**Federal Benefits Processing Costs**

The budget includes an increase of \$855,000 from the General Fund in FY 2025 for DCS to set up and manage individual accounts for each child receiving Social Security Administration and Veterans Affairs benefits. Previously, the department used these benefits to cover foster home and group home costs. Laws 2023, Chapter 177 only permits DCS to expend benefits on the cost of care for the children and requires the agency to maintain individual accounts for beneficiaries.

**Remove Fleet Vehicle Replacement Funding**

The budget includes a decrease of \$(2,250,000) from the General Fund in FY 2025 to remove one-time funding to replace 50 vehicles within the DCS fleet.

**Statewide Adjustments**

The budget includes a decrease of \$(1,749,100) from the in FY 2025 for statewide adjustments. This amount consists of:

General Fund	(486,600)
Child Welfare Licensing Fee Fund	(100)
Federal TANF Block Grant	(2,800)
Child Safety Expenditure Authority	(1,259,600)

*(Please see the Agency Detail and Allocations section.)*

**Additional Operating Resources**

**Attorney General Legal Services**

The budget includes \$27,989,800 and 276.2 FTE Positions in FY 2025 for Attorney General Legal Services. These amounts consist of:

General Fund	21,759,300
Child Safety Expenditure Authority	6,230,500

Adjustments are as follows:

**Statewide Adjustments**

The budget includes an increase of \$94,900 in FY 2025 for statewide adjustments. This amount consists of:

General Fund	96,000
Child Safety Expenditure Authority	(1,100)

This line item funds the attorneys and support staff in the Attorney General’s Protective Services Section (PSS). Attorney General staff represents DCS in dependency, guardianship, severance, and adoption proceedings throughout the state. This line item does not include funding for the Attorney General's defense of DCS in ongoing class action litigation.

**Caseworkers**

The budget includes \$132,068,000 and 1,406 FTE Positions in FY 2025 for caseworkers. These amounts consist of:

General Fund	61,014,500
Children and Family Services Training Program Fund	207,500
Federal TANF Block Grant	33,612,800
Child Safety Expenditure Authority	37,233,200

Adjustments are as follows:

**Remove FY 2024 Supplemental**

The budget includes a decrease of \$(33,000,000) from the General Fund in FY 2025 for the removal of one-time supplemental funding associated with increased operating costs.

**Remove FY 2024 Supplemental Funding Shift**

The budget includes a net neutral funding shift in FY 2025 to remove a one-time funding shift associated with federal expenditure authority savings. This amount consists of:

General Fund	1,921,100
Child Safety Expenditure Authority	(1,921,100)

**Increased Operating Costs**

The budget includes an increase of \$13,753,600 in FY 2025 for increased operational and personnel costs. This amount consists of:

General Fund	13,300,000
Child Safety Expenditure Authority	453,600

**Caseworker Vacancy Savings**

The budget includes a decrease of \$(6,100,000) from the General Fund in FY 2025 for vacancy savings associated with holding 50 caseworker positions vacant.

**Statewide Adjustments**

The budget includes an increase of \$129,000 in FY 2025 for statewide adjustments. This amount consists of:

General Fund	136,600
Children and Family Services Training Program Fund	(500)
Federal TANF Block Grant	(3,100)
Child Safety Expenditure Authority	(4,000)

*Background* – This line item funds caseworker positions I, II, III and IV, including salary, benefits, other operating expenses, and in-state travel. Funding for field office staff, including case aides, caseworker supervisors, program managers, and other support staff, are included in the DCS operating budget.

The Legislature has funded 1,406 caseworkers (direct line staff). As of the latest available data from May 2024, DCS had 1,273 filled case specialist positions.

**Office of Child Welfare Investigations**

The budget includes \$11,264,900 and 127 FTE Positions in FY 2025 for the Office of Child Welfare Investigations (OCWI). These amounts consist of:

General Fund	10,411,300
Child Safety Expenditure Authority	853,600

Adjustments are as follows:

**Statewide Adjustments**

The budget includes an increase of \$29,000 from the General Fund in FY 2025 for statewide adjustments.

*Background* – A.R.S. § 8-471 establishes the Office of Child Welfare Investigations (OCWI) within the Department of Child Safety to investigate criminal conduct allegations, coordinate with law enforcement, and establish task forces for the investigation of criminal conduct in cases of child abuse and neglect.

**Training Resources**

The budget includes \$9,150,000 in FY 2025 for Training Resources. This amount consists of:

General Fund	150,000
Child Safety Expenditure Authority	9,000,000

These amounts are unchanged from FY 2024.

*Background* – DCS has agreements with Arizona State University (ASU) and Northern Arizona University (NAU) to educate potential caseworkers. As part of that agreement, the federal government provides Title IV-E funding for the universities’ social work programs while the universities provide the state match. The federal match rate is 75%.

In FY 2024, the latest data available from the agency, DCS reports that 120 ASU/NAU social work students received scholarships, including 36 Bachelors of Social Work (BSW) students and 84 Masters of Social Work (MSW) students.

**Out-of-Home Placements**

DCS places children in out-of-home care when the department determines in conjunction with the Juvenile Court that, after investigating a report of child abuse or neglect, no services or interventions can adequately ensure the child’s health and safety in the home. *Table 1* shows out-of-home placements by setting each year.

**Congregate Group Care**

The budget includes \$103,682,000 in FY 2025 for Congregate Group Care. This amount consists of:

General Fund	42,357,500
Federal TANF Block Grant	21,423,000
Child Safety Expenditure Authority	39,901,500

Adjustments are as follows:

**Remove FY 2024 Supplemental Benefits Backfill**

The budget includes a decrease of \$(2,973,000) from the General Fund in FY 2025 to remove a one-time backfill of Social Security Administration and Veterans Affairs benefits received by DCS on behalf of children in DCS custody.

**Federal Benefits Backfill**

The budget includes an increase of \$2,973,000 from the General Fund in FY 2025 to backfill Social Security Administration and Veterans Affairs benefits received by DCS on behalf of children in DCS custody. Previously, the department used these benefits to cover foster home and group home costs. Laws 2023, Chapter 177 only permits DCS to expend benefits on the cost of care for the children and requires the agency to maintain individual accounts for beneficiaries.

**Remove FY 2024 Supplemental Congregate Care Federal Funding Backfill**

The budget includes a decrease of \$(14,716,600) from the General Fund in FY 2025 to remove supplemental one-time funding to address an expected loss in federal funding and new placement requirements for those placed in foster care associated with the Family First Prevention Services Act.

**Remove Congregate Care Federal Funding Backfill**

The budget includes a decrease of \$(10,876,400) from the General Fund in FY 2025 to remove prior year one-time funding to address an expected loss in federal funding and new placement requirements for those placed in foster care associated with the Family First Prevention Services Act. (Please see the Family First Prevention Services Act section in Other Issues for more details.)

**Remove Emergency Shelter Group Homes and Transition Living Funding**

The budget includes a decrease of \$(3,333,300) from the General Fund in FY 2025 to remove prior year one-time funding to provide additional support for out-of-home placements through emergency shelters and extended foster care.

**Funding for FY 2025 Federal Match Rate Changes**

The budget includes an increase of \$749,200 from the General Fund and a corresponding decrease of \$(749,200) from Child Safety Expenditure Authority in FY 2025 to offset an estimated FY 2025 decrease in the Title IV-E Federal Medical Assistance Percentage (FMAP) rate. There are 6 DCS line items affected by this change.

The FY 2023 budget's 3-year spending plan included a total General Fund increase of \$7,500,000 in FY 2024 and

**Table 1**

	Out-of-Home Placements <sup>1/</sup>		
	July <u>2022</u>	July <u>2023</u>	May <u>2024</u>
Kinship Care <sup>2/</sup>	5,617	4,826	4,112
Foster Home	3,640	3,018	2,539
Congregate Care	1,984	1,870	1,639
Group Home	1,355	1,310	1,049
Emergency Shelter	38	26	12
Behavioral Health Placement	591	534	578
Independent Living	612	628	597
Other <sup>3/</sup>	<u>577</u>	<u>424</u>	<u>527</u>
<b>Total</b>	<b>12,430</b>	<b>10,766</b>	<b>9,414 <sup>4/</sup></b>

- <sup>1/</sup> Includes out-of-home children up through age 17 as well as children 18-21 in Extended Foster Care.
- <sup>2/</sup> Includes unlicensed relative and non-relative placements.
- <sup>3/</sup> Includes runaways, missing children, children with no identified placement, and trial home visits.
- <sup>4/</sup> Latest available data for placement types is from May 2024 and includes "preliminary data" reported by DCS.

an additional \$2,500,000 in FY 2025 for the estimated decrease in the base Title IV-E FMAP rate for the 6 line items. Because the federal Omnibus spending bill passed in December 2022 included an enhanced match rate through December 2023, the General Fund increase of \$7,500,000 in FY 2024 was offset on a one-time basis by \$(3,225,800). Across the 6 line items, the net General Fund FY 2024 increase was \$4,274,200. The budget includes the remaining \$5,725,800 to bring the FY 2025 appropriation to the \$10,000,000 level established in the 3-year spending plan associated with the FY 2023 budget. The budget incorporates these changes in the affected line items and reduces Child Safety Expenditure Authority by an equivalent amount.

*Caseload* – According to the latest available data from DCS, in FY 2024, an estimated monthly average of 1,750 clients received congregate care placements. At an average monthly cost of \$5,882 per placement and the assumed federal reimbursement level, the total appropriation has the authority to support 1,126 congregate care placements in FY 2025.

*Background* – This line item funds congregate care placements for foster children up through age 17, including shelter facilities for up to 21 days or less; group home placements; and placements at behavioral health facilities licensed by the Department of Health Services, such as behavioral health group homes and residential treatment centers. DCS pays the cost of behavioral health facility placements for non-Medicaid Comprehensive Health Plan children and pays for the room and board expenditures for Medicaid-eligible children. All other behavioral health facility costs are funded by the RBHAs within the AHCCCS budget.

### **Extended Foster Care**

The budget includes \$19,887,200 in FY 2025 for Extended Foster Care. This amount consists of:

General Fund	11,350,000
Child Safety Expenditure Authority	8,537,200

These amounts are unchanged from FY 2024.

#### **Funding for FY 2025 Federal Match Rate Changes**

The budget includes an increase of \$267,200 from the General Fund and a corresponding decrease of \$(267,200) from Child Safety Expenditure Authority in FY 2025 to offset an estimated FY 2025 decrease in the Title IV-E FMAP rate.

The original FY 2024 budget included one-time funding of \$6,666,700 to provide additional support for out-of-home placements through emergency shelters and extended foster care. The FY 2025 budget eliminates this funding as an FY 2024 supplemental reduction.

*Caseload* – According to the latest available data from DCS, 597 individuals aged 17-21 remained voluntarily in DCS foster care as of May 2024.

*Background* – A.R.S. § 8-521.02 authorizes DCS to establish an Extended Foster Care program for young adults aged 18-21 who turned age 18 while in DCS custody. Participating youth may continue to receive services and supports from the department on condition of enrolling in an education program, employment, participation in a program that promotes employment, or be unable to be a full-time student or work due to a documented medical condition.

### **Extended Foster Care Service Model Fund Deposit**

The budget includes no funding in FY 2025 for the Extended Foster Care Service Model Fund Deposit. Adjustments are as follows:

#### **Remove One-Time Fund Deposit**

The budget includes a decrease of \$(16,523,300) in FY 2025 to remove a one-time deposit into the non-appropriated Extended Foster Care Comprehensive Service Model Fund. This amount consists of:

General Fund	(9,830,000)
Child Safety Expenditure Authority	(6,693,300)

While the FY 2024 budget established an initial deposit of \$19,243,300, the FY 2025 budget reduced the FY 2024

appropriation from the General Fund by \$(2,720,000) and removes the remaining \$(16,523,000) in FY 2025.

The FY 2024 Human Services Budget Reconciliation Bill (BRB) established this fund as session law. The FY 2025 Human Services BRB allows the fund to be used beyond FY 2024 and exempts monies in the fund from lapsing. The Human Services BRB repeals the fund on June 30, 2025, and directs unexpended or unencumbered monies to be deposited into the General Fund.

*Background* – This line item funds an extended foster care comprehensive service model that provides support services and case management from contracted community providers to young adults 17.5-20 years of age in the Extended Foster Care program. The scope of work for the Extended Foster Care Comprehensive Service Model includes weekly engagements between "success coaches" and individuals in the program, life skills training, and mental and physical health and well-being, among other components.

An FY 2024 General Appropriation Act footnote makes this appropriation non-lapsing.

### **Foster Home Placement**

The budget includes \$42,547,300 in FY 2025 for Foster Home Placement. This amount consists of:

General Fund	14,443,300
Federal TANF Block Grant	6,973,100
Child Safety Expenditure Authority	21,130,900

Adjustments are as follows:

#### **Federal Benefits Backfill**

The budget includes an increase of \$2,027,000 from the General Fund in FY 2025 to backfill Social Security Administration and Veterans Affairs benefits received by DCS on behalf of children in DCS custody. Previously, the department used these benefits to cover foster home and group home costs. Laws 2023, Chapter 177 only permits DCS to expend benefits for the cost of care for the children and requires the agency to maintain individual accounts for beneficiaries.

#### **Remove FY 2024 Supplemental Reduction**

The budget includes an increase of \$11,223,000 from the General Fund in FY 2025 to remove a one-time supplemental reduction aligning the foster home placement appropriation with actual expenditures.

**Foster Home Surplus**

The budget includes a decrease of \$(11,409,200) from the General Fund in FY 2025 to align the foster home placement appropriation with projected caseloads.

**Funding for FY 2025 Federal Match Rate Changes**

The budget includes an increase of \$572,600 from the General Fund and a corresponding decrease of \$(572,600) from Child Safety Expenditure Authority in FY 2025 to offset an estimated FY 2025 decrease in the Title IV-E FMAP rate.

*Caseload* – According to the latest available data from DCS, in FY 2024, an estimated monthly average of 2,950 clients received licensed foster home placements. At an average projected monthly cost of \$1,159 per placement and the current appropriated General Fund, TANF, and federal reimbursement levels, DCS can support an average monthly caseload of 2,613 foster home placements in FY 2025.

*Background* – The Foster Home Placement line item provides funding for the placement of out-of-home children up through age 17 into foster homes. This line item includes the cost of the maintenance payments for licensed foster homes. Unlicensed foster homes are funded in the Kinship Care line item.

**Foster Home Recruitment, Study and Supervision**

The budget includes \$32,753,600 in FY 2025 for Foster Home Recruitment, Study and Supervision. This amount consists of:

General Fund	19,652,200
Child Safety Expenditure Authority	13,101,400

These amounts are unchanged from FY 2024.

*Background* – This line item funds contracts with child welfare licensing agencies that recruit foster families, complete home studies to ensure that foster homes comply with requirements for licensure and provide ongoing monitoring and oversight of foster homes.

**Kinship Care**

The budget includes \$20,584,600 in FY 2025 for Kinship Care. This amount consists of:

General Fund	20,084,600
Federal TANF Block Grant	500,000

Adjustments are as follows:

**Remove FY 2024 Supplemental Reduction**

The budget includes an increase of \$8,597,000 from the General Fund in FY 2025 to remove a one-time supplemental reduction aligning the kinship care appropriation with actual expenditures.

**Kinship Care Surplus**

The budget includes a decrease of \$(4,226,600) from the General Fund in FY 2025 to align the kinship care appropriation with projected caseloads.

*Caseload* – In FY 2024, on average 4,843 children resided in unlicensed kinship care monthly. Based on a monthly stipend of \$300 and the current General Fund, and TANF funding level, DCS can support 5,717 kinship placements in FY 2025. DCS reports 4,112 children were placed in unlicensed kinship care in May 2024.

*Background* – This line item funds the Kinship Stipend, which provides a \$300 monthly stipend per child to unlicensed kinship caregivers. Unlicensed kinship caregivers may include relatives as well as non-relative caregivers of fictive kinship. "Fictive kin" are caregivers that have a meaningful relationship with the child but are not related by blood or by marriage.

A General Appropriation Act footnote requires DCS to provide the stipend on behalf of all children placed with an unlicensed kinship foster care parent and permits such caregivers to receive the stipend without filing an application. Another General Appropriation Act footnote requires DCS to report to the Joint Legislative Budget Committee by March 31, 2025 on the number of children in the kinship care stipend program residing with non-relative caretaker of fictive kinship.

**Permanent Placements**

DCS subsidizes the care of children who exit out-of-home care for placements in adoptive homes or for custody with permanent guardians. *Table 2* shows the total caseload for permanent placements.

Permanent Placements			
	June 2022	June 2023	June 2024
Adoption	33,224	32,923	32,584
Permanent Guardianship	<u>2,719</u>	<u>3,104</u>	<u>3,511</u>
<b>Total</b>	<b>35,943</b>	<b>36,027</b>	<b>36,095</b>



**Positive Parenting Program for Post Permanency Placements Pilot**

The budget includes no funding in FY 2025 for the Positive Parenting Program for Post Permanency Placements Pilot. This amount is unchanged from FY 2024.

*Background* – This program provides management strategies for parents to address behavior issues and support to families to prevent reentry of post permanency children into out-of-home care.

The original FY 2024 budget appropriated \$4,000,000 from the General Fund on a one-time basis to address a requirement from the federal Fostering Connections to Success and Increasing Adoption Act of 2008 (P.L. 110-351) that state agencies receiving Title IV-E federal funding are to spend at least 30% of adoption savings on post-adoption services, post-guardianship services, and services to support positive permanent outcomes for children at risk of entering foster care. The FY 2025 eliminates this funding.

**Permanent Guardianship Subsidy**

The budget includes \$16,805,600 in FY 2025 for the Permanent Guardianship Subsidy. This amount consists of:

General Fund	14,862,600
Federal TANF Block Grant	1,943,000

Adjustments are as follows:

**Remove FY 2024 Supplemental**

The budget includes a decrease of \$(3,105,100) from the General fund in FY 2025 to remove one-time supplemental funding for increased permanent guardianship subsidy caseloads.

**Permanent Guardianship Caseload Increase**

The budget includes an increase of \$4,288,700 from the General Fund in FY 2025 to support increased permanent guardianship subsidy caseloads.

*Caseload* – According to the latest available data from DCS, in FY 2024, an estimated monthly average of 3,351 clients received permanent guardianship subsidies. At an average monthly cost of \$385 and the current General Fund and TANF funding level, DCS can support 3,637 total placements in FY 2025.

*Background* – A.R.S. § 8-871 establishes the criteria for the Juvenile Court to establish a permanent guardianship for children in out-of-home care.

**Adoption Services**

The budget includes \$287,221,600 in FY 2025 for Adoption Services. This amount consists of:

General Fund	85,821,900
Federal TANF Block Grant	22,445,700
Child Safety Expenditure Authority	178,954,000

Adjustments are as follows:

**Remove FY 2024 Supplemental Reduction**

The budget includes an increase of \$12,349,200 in FY 2025 to remove a one-time supplemental reduction aligning the adoption services appropriation with actual expenditures. This amount consists of:

General Fund	10,428,100
Child Safety Expenditure Authority	1,921,100

**Adoption Services Surplus**

The budget includes a decrease of \$(5,701,900) from the General Fund in FY 2025 to align the adoption services appropriation with projected caseloads.

**Remove Federal Adoption Incentive Backfill**

The budget includes a decrease of \$(2,000,000) from the General Fund in FY 2025 to remove one-time funding for an anticipated loss in the federal adoption incentive award.

**Funding for FY 2025 Federal Match Rate Changes**

The budget includes an increase of \$3,755,000 from the General Fund and a corresponding decrease of \$(3,755,000) from Child Safety Expenditure Authority in FY 2025 to offset an estimated FY 2025 decrease in the Title IV-E FMAP rate.

*Caseload* – According to the latest available data from DCS, in FY 2024, an estimated monthly average of 32,846 clients received adoption subsidies. The line item also funds non-maintenance-related adoption services of about \$6,500,000 annually, such as non-recurring adoption legal expenses, special services related to pre-existing special needs conditions of the adopted child, and recruitment and placement supports for adoptive families. At an average monthly cost of \$664 and the assumed federal reimbursement level, the total appropriation has the authority to support 33,347 adoption placement subsidies in FY 2025.

*Background* – DCS is required to administer an ongoing program of subsidized adoption pursuant to A.R.S. § 8-142 for children with physical, mental, or emotional disorders or who would be otherwise difficult to place in adoption

because of age, sibling relationship, or racial or ethnic background. The funding provides for maintenance subsidies, special services subsidies, expenditures related to the legal process of adopting a child, and adoption home recruitment costs. Medical expenses are covered through AHCCCS.

**Support Services**

DCS provides services to families involved in the child welfare system that are intended to facilitate the reunification of out-of-home children with their biological families and reduce the probability that high-risk families have children enter out-of-home care. *Table 3* displays combined spending from FY 2023 for in-home mitigation and out-of-home support services by category, in addition to spending for child care subsidies and comprehensive health plan services.

**DCS Child Care Subsidy**

The budget includes \$61,675,400 in FY 2025 for the DCS Child Care Subsidy. This amount consists of:

General Fund	7,400,100
Federal CCDF Block Grant	40,516,000
Child Safety Expenditure Authority	13,759,300

Adjustments are as follows:

**Funding for FY 2025 Federal Match Rate Changes**

The budget includes an increase of \$229,100 from the General Fund and a corresponding decrease of \$(229,100) from Child Safety Expenditure Authority in FY 2025 to offset an estimated FY 2025 decrease in the Title IV-E FMAP rate.

*Caseload* – According to the latest available data from DCS, through June of FY 2024, an estimated monthly average of 5,323 children received DCS childcare. At \$869 monthly, and the assumed federal reimbursement level, the appropriation has the authority to support an average monthly caseload of 5,914 children in FY 2025.

*Background* – This line item funds child care for children in the DCS system. DES continues to administer the state’s child care program, so this funding is passed through to DES. Children who qualify for the DCS child care subsidy are not subject to a time limit, copay, or waiting list. DCS child care is provided for children in both licensed and unlicensed foster care. (Please see the DES Child Care Subsidy line item for other child care funding.)

**Table 3**

**Support Services  
FY 2024 Estimated Expenditures by Service Category <sup>1/</sup>**

<b>Services</b>	<b>Amount</b>
Child Care Subsidies	\$ 54,900,200
Comprehensive Health Plan Services	149,325,500
Nurturing Parenting Program	10,824,500
Supervised Visitation	26,912,000
Transportation	26,920,000
Family Connections	18,861,600
Preventive Services	17,773,500
Allowances	11,970,500
Counseling and Psychological Services	2,193,500
Substance Use Disorder Treatment	6,131,000
Independent Living Support	3,604,000
Lab Services	8,090,000
Other	<u>10,126,000</u>
<b>Total</b>	<b>\$347,632,300 <sup>2/</sup></b>

<sup>1/</sup> Does not include substance use disorder services spending for Arizona Families F.I.R.S.T. (AFF) recipients who are eligible for AHCCCS.

<sup>2/</sup> Latest available data is from May 2024 as reported by DCS. Numbers may not match the Special Line Item expenditures reported separately by the agency.

**In-Home Mitigation**

The budget includes \$34,488,100 and 1 FTE Position in FY 2025 for In-Home Mitigation. These amounts consist of:

General Fund	12,471,700
Child Abuse Prevention Fund	1,459,300
Federal TANF Block Grant	14,611,200
Child Safety Expenditure Authority	5,945,900

Adjustments are as follows:

**Remove FY 2024 Supplemental Provider Rate Increases**

The budget includes a decrease of \$(6,229,400) from the General Fund in FY 2025 to remove one-time rate increases associated with the department’s Nurturing Parenting Program and Family Connections contracts.

**One-Time Provider Rate Increases**

The budget includes a one-time increase of \$5,500,000 from the General Fund in FY 2025 for rate increases associated with the department’s Nurturing Parenting Program and Family Connections contracts.

**Remove FY 2024 Supplemental Utilization Adjustment**

The budget includes a decrease of \$(6,311,800) from the General Fund in FY 2025 to remove a one-time utilization adjustment to align expenditures between line items.

**Remove FY 2024 Supplemental Funding Shift**

The budget includes a net neutral funding shift in FY 2025 to remove a one-time funding shift associated with federal expenditure authority savings. This amount consists of:

General Fund	3,114,400
Federal TANF Block Grant	(3,059,300)
Child Safety Expenditure Authority	(55,100)

*Background* – This line item funds DCS’ in-home services program for families with a child at risk of out-of-home placement. Contracted in-home services provide a wide range of voluntary services for up to 120 days intended to ensure that children remain safely at home, including parent education, counseling, domestic violence intervention, behavioral management, home management, and linkages to community resources. According to the latest available data from DCS, there were an estimated 4,601 new referrals to the in-home services program in FY 2024.

**Out-of-Home Support Services**

The budget includes \$122,710,800 in FY 2025 for Out-of-Home Support Services. This amount consists of:

General Fund	52,929,900
Federal TANF Block Grant	34,139,600
Child Safety Expenditure Authority	35,641,300

Adjustments are as follows:

**Remove FY 2024 Supplemental Reduction**

The budget includes an increase of \$9,426,200 in FY 2025 to remove a one-time utilization reduction to align expenditures between line items. This amount consists of:

General Fund	6,311,800
Federal TANF Block Grant	3,059,300
Child Safety Expenditure Authority	55,100

**Funding for FY 2025 Federal Match Rate Changes**

The budget includes an increase of \$152,700 from the General Fund and a corresponding decrease of \$(152,700) from Child Safety Expenditure Authority in FY 2025 to offset an estimated FY 2025 decrease in the Title IV-E FMAP rate.

*Background* – This line item funds services for children in out-of-home care and their families, including supervised visitation, parent aide, health care services, allowances, transportation, substance abuse treatment, and independent living services.

**Preventive Services**

The budget includes \$32,412,700 in FY 2025 for Preventive Services. This amount consists of:

General Fund	11,264,400
Child Safety Expenditure Authority	21,148,300

Adjustments are as follows:

**State Match for Child Abuse Prevention Grant**

The budget includes an increase of \$264,400 from the General Fund in FY 2025 to draw down \$1,322,000 in federal funding associated with the Community Based Child Abuse Prevention (CBCAP) grant. The grant supports efforts to develop and enhance community-based family resource and support programs.

**Federal Funding Shift**

The budget includes a decrease of \$(5,500,000) from the General Fund and a corresponding increase of \$5,500,000 from Child Safety Expenditure Authority in FY 2025 to shift preventive services funding to federal child abuse prevention grant monies associated with CBCAP and the Child Abuse Prevention Treatment Act.

**Healthy Families Expansion**

The budget includes an increase of \$2,500,000 from Child Safety Expenditure Authority in FY 2025 to expand the Healthy Families Arizona Program and replace expiring federal grant monies.

The FY 2023 budget's 3-year General Fund plan included \$10,000,000 in FY 2023 for the Healthy Families expansion, an additional \$2,500,000 in FY 2024 (for a total of \$12,500,000) and a further increase of \$2,500,000 in FY 2025 (for a total of FY 2025 increase of \$15,000,000).

The 3-year plan associated with the enacted FY 2025 budget removes the remaining \$12,500,000 of General Fund monies beginning in FY 2026.

**Remove FY 2024 Supplemental Funding Shift**

The budget includes an increase of \$10,200,000 from the General Fund and a corresponding decrease of \$(10,200,000) from Child Safety Expenditure Authority in FY 2025 to remove a one-time funding shift associated with federal expenditure authority savings.

*Background* – This line item funds broad-based prevention programs to reduce the risk of involvement with DCS for at-risk families. The programs include Healthy Families, which is an in-home visiting program, and the Building Resilient Families program, which provides follow-up services to families that were previously the subject of a DCS report.

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**Comprehensive Health Plan**

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The Comprehensive Health Plan (CHP) includes both physical health and behavioral health services for foster care children. The program is funded by capitation payments from the Arizona Health Care Cost Containment System (AHCCCS) for Medicaid-eligible children in foster care. AHCCCS covers the cost of such payments with its General Fund appropriation and federal Medicaid matching funds. This combination of these AHCCCS General Fund and federal funds is deposited into the DCS Comprehensive Health Plan Fund and then appropriated to DCS. *(Please see the FY 2022 Appropriations Report for more detail.)*

The budget includes a total decrease of \$(27,761,600) from the Comprehensive Health Plan Fund across the 3 CHP line items. The formula adjustments consist of 0.5% enrollment growth in FY 2025, 4.0% capitation growth, and prior year base adjustments as reflected in the AHCCCS budget.

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**Comprehensive Health Plan Administration**

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The budget includes \$28,641,600 from the Comprehensive Health Plan Fund in FY 2025 for Comprehensive Health Plan Administration. Adjustments are as follows:

**Formula Adjustments**

The budget includes an increase of \$1,181,500 from the Comprehensive Health Plan Fund in FY 2025 for CHP formula adjustments, including a 28.6% increase in the administration capitation rate.

**Statewide Adjustments**

The budget includes a decrease of \$(1,100) from the Comprehensive Health Plan Fund in FY 2025 for statewide adjustments.

*Background* – This line item includes funding DCS receives from AHCCCS' capitation payments for the agency's administrative expenses associated with the Comprehensive Health Plan.

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**Comprehensive Health Plan Premium Tax**

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The budget includes \$3,196,600 from the Comprehensive Health Plan Fund in FY 2025 for Comprehensive Health Plan Premium Taxes. Adjustments are as follows:

**Formula Adjustments**

The budget includes a decrease of \$(660,700) from the Comprehensive Health Plan Fund in FY 2025 for CHP formula adjustments.

*Background* – This line item includes funding DCS receives from AHCCCS' capitation payments for premium tax payments. DCS pays a 2% tax on capitation and reinsurance monies associated with the Comprehensive Health Plan.

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**Comprehensive Health Plan Services**

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The budget includes \$127,989,800 from the Comprehensive Health Plan Fund in FY 2025 for Comprehensive Health Plan Services. Adjustments are as follows:

**Formula Adjustments**

The budget includes a decrease of \$(33,556,900) from the Comprehensive Health Plan Fund in FY 2025 for CHP formula adjustments. This adjustment is primarily attributable to prior year base adjustments for lower-than-budgeted caseloads and inflation. Projected FY 2025 caseloads are approximately (19.4)% lower than budgeted. Similarly, the cost of medical services declined (2.3)% in the latest capitation rate adjustment as a result of lower utilization.

*Background* – This line item includes funding DCS receives from AHCCCS' capitation payments for the agency's physical and behavioral health services expenses associated with the Comprehensive Health Plan.

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**Other Issues**

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This section includes information on the following topics:

- FY 2024 Supplementals
- Statutory Changes
- Long-Term Budget Impacts
- Auditor General Report
- Families First Prevention Services Act

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**FY 2024 Supplementals**

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The FY 2025 budget includes the following FY 2024 supplemental adjustments:

- \$3,799,200 from the General Fund to backfill federal Social Security Administration and Veterans Affairs benefits. Of this amount, \$2,973,000 is associated with payments not retained by the state and \$826,200 is for the cost of maintaining individual accounts. *(Please see the Operating Lump Sum and Congregate Group Care line item for further details.)*
- \$33,000,000 from the General Fund for increased operating costs. *(Please see the Caseworkers line item for further details.)*
- \$(1,921,100) from the General Fund to partially fund caseworker costs with existing federal expenditure authority. *(Please see the Caseworkers line item for further details.)*
- \$14,716,600 from the General Fund to backfill a loss in congregate care federal funding. *(Please see the Congregate Group Care line item for further details.)*
- \$(6,666,700) from the General Fund to eliminate funding for emergency shelter group homes. *(Please see the Extended Foster Care line item for further details.)*
- \$(2,720,000) from the General Fund to reduce a deposit into the Extended Foster Care Service Model Fund. *(Please see the Extended Foster Care Service Model Fund line item for further details.)*
- \$(11,223,000) from the General Fund for a surplus associated with the Foster Home Placement line item. *(Please see the Foster Home Placement line item for further details.)*
- \$(8,597,000) from the General Fund for a surplus associated with the Kinship Care line item. *(Please see the Kinship Care line item for further details.)*
- \$(4,000,000) from the General Fund to eliminate funding for the Positive Parenting Program for Post-Permanency Placements Pilot.
- \$3,105,100 from the General Fund to support increased permanent guardianship subsidy caseloads. *(Please see the Permanent Guardianship Subsidy line item for further details.)*
- \$(10,428,100) from the General Fund for a surplus associated with the Adoption Services line item. *(Please see the Adoption Services line item for further details.)*
- \$6,229,400 from the General Fund to support rate increases associated with the department's Nurturing Parenting Program and Family Connections contracts. *(Please see the In-Home Mitigation line item for further details.)*
- \$6,311,800 from the General Fund in the In-Home Mitigation line item and a corresponding decrease of \$(6,311,800) from the General Fund in the Out-of-Home Support Services line item for a utilization adjustment.
- \$(3,059,300) from the General Fund to partially fund in-home mitigation with the Federal TANF Block Grant. *(Please see the In-Home Mitigation line item.)*
- \$(55,100) from the General Fund to partially fund in-home mitigation with existing federal expenditure authority. *(Please see the In-Home Mitigation line item.)*
- \$(10,200,000) from the General Fund and a corresponding increase of \$10,200,000 from Child Safety Expenditure Authority to offset General Fund costs for preventive services with expenditure authority savings. *(Please see the Preventive Services line item.)*
- \$3,059,300 from the Federal TANF Block Grant in the In-Home Mitigation line item and a corresponding decrease of \$(3,059,300) from the Federal TANF Block Grant in the Out-of-Home Support Services line item for a utilization adjustment.
- \$55,100 from DCS Expenditure Authority in the In-Home Mitigation line item and a corresponding decrease of \$(55,100) from DCS Expenditure Authority in the Out-of-Home Support Services line item for a utilization adjustment.
- \$1,921,100 from DCS Expenditure Authority in the Caseworkers line item and a corresponding decrease of \$(1,921,100) from DCS Expenditure Authority in the Adoption Services line item to align line item appropriations with projected expenditures.

#### **Statutory Changes**

The Human Services BRB makes the following statutory changes:

- As session law, allows the Extended Foster Care Comprehensive Service Model Fund (established by Laws 2023, Chapter 141, Section 1) to be used beyond FY 2024 and exempts monies in the fund from lapsing. Repeals the fund on June 30, 2025, and directs unexpended or unencumbered monies to be deposited into the General Fund. In the FY 2024 budget, this fund was established in a session law that was only effective through the end of FY 2024.

#### **Long-Term Budget Impacts**

As part of the FY 2024 budget's 3-year spending plan, Department of Child Safety General Fund costs are projected to decrease by \$(18,000,000) in FY 2026 below FY 2025. These estimates are based on:

- \$(5,500,000) for the removal of one-time funding for children and family supports contract increases.
- \$(12,500,000) for the removal of prior expansion funding for the Healthy Families Arizona Program.

## **Auditor General Report**

### **Performance Audit**

In September 2023, the Auditor General published an audit of DCS, which examined DCS's investigation of licensing complaints against child welfare agencies and foster homes as well as monitoring of these entities. In terms of budget implications, the Auditor General identified 2:

- The Auditor General observed that DCS said it intends to hire additional staff for licensing complaint investigations, which are currently the responsibility of contracted licensing agencies.
- Of the Auditor General's various recommendations, 3 were related to DCS's IT systems. DCS stated it is exploring various IT systems that could enhance its handling of licensing complaints.

## **Family First Prevention Services Act**

The federal Bipartisan Budget Act of 2018 (P.L. 115-123) enacted in February 2018 incorporated provisions from previously introduced legislation called the Family First Prevention Services Act, which makes changes to federal IV-E financing of state and local child welfare services. The major changes include:

- Availability of uncapped IV-E federal reimbursement for in-home preventive services for families of children at risk of being placed in foster care, including mental health and substance abuse prevention and treatment services as well as in-home parent skill-based programs. The federal match rate will be 50% and will only be applied to state expenditures above a state maintenance-of-effort requirement.
- Limitation of federal IV-E reimbursement for congregate care placements to 2 weeks, except for children with serious behavioral or emotional disorders that are placed in "Qualified Residential Treatment Programs" meeting certain criteria.
- Delays the full phase-out of income eligibility standards for children age 2 or under (previously, adoptive subsidies were only available to children demonstrating "special needs" as defined in federal law and that came from families with incomes at or below the TANF income eligibility level) in the IV-E adoption program until July 1, 2024.

An FY 2024 General Appropriation Act footnote required DCS to report on its implementation of the legislation by

December 1, 2023, including quantification of any fiscal impacts. The FY 2025 budget continues this footnote and require DCS to provide an update by December 1, 2024. DCS reported it has taken the following actions related to implementing the legislation:

- The department implemented a variety of measures to retain and recruit foster families and accredit Qualified Residential Treatment Programs (QRTP), which are congregate care settings that will continue to be eligible for federal reimbursement.
- DCS hired 2 Foster Recruitment and Retention Specialists, launched a website to support foster families, and created a campaign to raise awareness to further support and recruit foster families. The video/media campaign debuted in April 2023.
- The department has 16 contracted QRTP providers as of November 2023.
- DCS announced they would cover accreditation fees for congregate care homes to provide trauma informed care, qualifying them as QRTP facilities.
- DCS standardized therapeutic foster care placements in collaboration with the Arizona Health Care Cost Containment System (AHCCCS), including increased utilization of therapeutic foster homes for youth with higher needs, but do not meet medical necessity. The department reports that it created a policy and established procedures in FY 2022 to utilize therapeutic foster care services for youth for non-medically necessary placement.