



Arizona Department of Child Safety

Janice K. Brewer
Governor

Charles Flanagan
Director

October 8, 2014

Ms. Debra K. Davenport
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Re: Auditor General Congregate Care Audit Response

Dear Ms. Davenport:

The Arizona Department of Child Safety (Department) appreciates the opportunity to provide this response to the Auditor General's report on Congregate Care Placements.

The Department values the collaborative effort of the Auditor General's staff throughout this audit. In general, the recommendations are constructive in helping the Department better serve the children in our care. Currently, there are over 16,000 children in out of home care in Arizona. The Department remains committed to reducing the use of congregate care settings. The Department agrees that we should continue to assess actions that lead to a reduction of children in out-of home care and implement a comprehensive approach to reducing congregate care placements.

As noted by the Auditor General, the Department has taken actions to reduce the usage of congregate care. Specifically:

- **Federal approval on demonstration project.** On September 30, 2014, the Children's Bureau approved the Department's Title IV-E Waiver Demonstration Proposal. The focus of our demonstration project was selected to "right size and redesign" the current congregate care system. Data has shown an increase in its use and there was consensus that more family-like placements are better at meeting the needs of the vulnerable children we serve. All aspects of congregate care will be thoroughly analyzed and researched in an effort to examine why congregate care use has increased, and the most promising opportunities for reducing its use. Ultimately we want to change agency culture by generating critical thinking about using congregate care and the length of time for which it is used.
- **Implementation on differential response.** A Differential Response system constitutes a new approach in working with families that receive low risk maltreatment reports without compromising child safety. The Department is committed to the creation of a Family

Assessment Response, a second pathway for reports of maltreatment, as this supports the vision of expanding prevention and early intervention treatment and services.

- **Improved recruitment and retention of foster care parents.** To better understand and address foster parent retention, the Department commissioned a survey on foster home closure and foster parent retention. The Department has also partnered with faith-based groups to support church members engaged in foster care and adoption.
- **Improved contracting practices.** To improve recruitment, training and retention of foster parents, the Department will issue a performance-based contract for its foster home recruitment services in early 2015. The contract will include performance measures, performance guarantees and vendors will be monitored for compliance with terms and conditions.

We believe the Department's efforts will help maintain the momentum needed to create our new child welfare agency. Transforming the congregate care system directly aligns with, and will influence, our broader agency transformation goals and will be another mechanism to improve outcomes for children and families.

RECOMMENDATIONS – CHAPTER 1

- 1.1 The Department should continue to assess what actions it can take to appropriately reduce the number of children entering out-of-home care.
- 1.2 The Department should develop and implement a comprehensive approach to reduce the use of congregate care in Arizona. In developing this approach, the Department should consider various strategies, such as those used in other jurisdictions, that address the causes for increased congregate care use identified in this report and/or through its own analyses, such as:
 - Continuing to look for ways to improve the recruitment and retention of foster families;
 - Developing improved practices to establish permanency, such as minimizing the use of independent living and long-term foster care as permanency goals and increasing permanency planning activities;
 - Instituting policy changes that would restrict the use of congregate care, such as requiring preauthorization for placing a child in congregate care or prohibiting its use for young children;
 - Developing performance-based contracts to identify and eliminate poorly performing congregate care service providers; and
 - Working with providers to improve the provision, array, and coordination of evidence-based services, including behavioral health services.
- 1.3 The Department should establish a plan and time frame for reinstating the use of foster care receiving homes, which the Legislature has appropriated it funding to do.
- 1.4 The Department should monitor and assess the outcomes of its efforts to reduce the use of congregate care and make adjustments as needed.

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Response:

The finding of the Auditor General is agreed to and the recommendations will be implemented.

Thank you again for the opportunity to provide feedback. We value the time, effort, and diligence of the Auditor General's staff in producing this report.

Sincerely,

Charles Flanagan
Director