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February 23, 2016

The Honorable John Allen, Chair
Joint Legislative Audit Committee

The Honorable Judy Burges, Vice Chair
Joint Legislative Audit Committee

Dear Representative Allen and Senator Burges:

Our Office has recently completed an initial followup of the Arizona Department of Child Safety—Children Support Services—Emergency and Residential Placements regarding the implementation status of the 4 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in October 2014 (Auditor General Report No. 14-107). As the attached grid indicates:

- 3 are in the process of being implemented; and
- 1 has not been implemented.

Our Office will conduct a 24-month followup with the Department on the status of those recommendations that have not yet been fully implemented.

Sincerely,

Dale Chapman, Director
Performance Audit Division

DC:kf
Attachment

cc: Gregory McKay, Director
Arizona Department of Child Safety

Arizona Department of Child Safety—Children Support Services—Emergency and Residential Placements

Auditor General Report No. 14-107

Initial Follow-Up Report

Recommendation	Status/Additional Explanation
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Finding 1: Department should continue taking actions to reduce the use of congregate care

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.

Implementation in process

As part of its fiscal year 2016 strategic plan, the Department has initiated steps to reduce the number of children entering out-of-home care. Specifically, the Department has planned to increase its use of pre-removal Team Decision Making (TDM) meetings. These TDM meetings are used to determine whether child removal is necessary and also to assess what placement setting would be most appropriate for the child. In addition, the Department developed a clinical supervision guide for caseworkers and supervisors to use during an investigation, which is meant to improve decision-making on whether or not to remove a child from the home and place them in 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, including minimizing the use of independent living and long-term foster care as permanency goals and increasing permanency planning activities such as permanency roundtables;
- 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.

Implementation in process

The Department is developing multiple strategies to reduce the use of congregate care in Arizona. Specifically, the Department's Title IV-E waiver demonstration project will focus on reducing the length of stay of children in congregate care settings by developing a new type of TDM meeting specifically targeted for children residing in congregate care. These new TDM meetings will focus on improving engagement with children in congregate care and their families. The project's intention is to reintegrate children back into a family setting as soon as appropriate. The Department reported that it tentatively plans to implement the new TDMs by April 1, 2016. In addition, the Department is in the process of improving its contracting practices for foster home services to increase the availability of foster home placements (see Auditor General Report No. CPS-1301 24-Month Follow-up Report).

Recommendation

Status/Additional Explanation

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.

Not implemented

The Department has not reinstated the use of foster care receiving homes. As of December 2015, the Department reported it was in the process of evaluating the efficacy, network capacity, and foster family interest in order to decide whether or not to reinstate foster care receiving homes.

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.

Implementation in process

As a part of its Title IV-E waiver demonstration project, the Department plans to monitor and assess the outcomes of its efforts to reduce congregate care use. Specifically, the Department has contracted with Arizona State University to help design an evaluation plan for the Title IV-E waiver demonstration project to increase the likelihood of its success and to determine the effectiveness of its strategies for reducing congregate care use. However, the specific strategies identified as part of its Title IV-E waiver will not be implemented until April 2016; therefore, the Department cannot yet evaluate the outcomes of its efforts.