

State of Arizona Office of the Auditor General

EVALUATION

**DEPARTMENT
OF
ECONOMIC SECURITY**

**Kinship Foster Care
Kinship Care Pilot Program**

**Report to the Arizona Legislature
By Debra K. Davenport
Auditor General
June 2002
Report No. 02-03**

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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
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June 28, 2002

Members of the Arizona Legislature

The Honorable Jane Dee Hull, Governor

Mr. John L. Clayton, Director
Department of Economic Security

Transmitted herewith is a report of the Auditor General, An Evaluation of Kinship Foster Care and the Kinship Care Pilot Program administered by the Arizona Department of Economic Security. This evaluation was conducted pursuant to Laws 2000, Chapter 182, §2 and Chapter 285, §14 which directed our Office to evaluate the impact and effectiveness of kinship foster care and the kinship care pilot program. The evaluation focuses primarily on the quality of the Department's processes for implementing the legislative requirements for kinship foster care and the kinship care pilot program, and to the extent possible, the effectiveness of the changes. I am also transmitting with this report a copy of the Report Highlights for this evaluation to provide a quick summary for your convenience.

As outlined in its response, the Department of Economic Security plans to implement all of the recommendations.

My staff and I will be pleased to discuss or clarify items in the report.

This report will be released to the public on July 1, 2002.

Sincerely,

Debbie Davenport
Auditor General

Enclosure

SUMMARY

Pursuant to Laws 2000, Chapter 183, §2 and Chapter 285, §14, the Office of the Auditor General has completed an evaluation of two areas within the Department of Economic Security: kinship foster care and kinship care¹. These two areas, which both relate to parental care provided by relatives, were identified by the Legislature in 2000 as areas in which existing state efforts should be enhanced. As a result of the legislation, the Department established and began implementing new kinship foster care policies in the fall of 2000, while a kinship care pilot program was initiated January 1, 2001, in two locations—one in Phoenix and one in Tucson. Within the Department, the Division of Children, Youth, and Families oversees kinship foster care, while the Division of Benefits and Medical Eligibility administers the kinship care pilot program. The legislation included no additional funding or staff.

The evaluation focuses primarily on the kinship foster care and kinship care processes implemented. However, to the extent possible, the evaluation also looks at the impact and effectiveness of the changes.

Program Characteristics

Both kinship foster care and the kinship care pilot program encourage kinship placements and support relative caregivers through coordination of available financial benefits and nonfinancial services. Kinship foster care and kinship care are important options for providing care, because parenting done by relatives helps preserve the integrity of families and can ease the trauma children may experience; however, the programs differ in a number of ways. Specifically:

- In kinship foster care, a relative provides parenting when a court determines that, because of child abuse or neglect, a

¹ The kinship legislation is repealed effective January 1, 2005. However, the Department indicated that it will continue to place children with relatives and provide financial benefits and nonfinancial services as these processes existed prior to the legislation.

child should be separated from his or her parents and placed in the custody and control of the State's child welfare agency. The relative caregiver can choose to become licensed or remain unlicensed. Licensed kinship foster caregivers are eligible to receive foster care maintenance payments ranging between \$11.94 and \$27.81 per child per day based on the child's age and special needs. Unlicensed providers are not eligible for foster care maintenance payments but may be eligible for monthly cash assistance through the Temporary Assistance for Needy Families (TANF) grant program. These monthly grants provide \$204 for the first child and approximately \$71 for each additional child. All kinship foster care children, whether placed with a licensed or unlicensed relative, are eligible for a variety of nonfinancial services including medical and dental care, counseling services, and childcare.

- In kinship care, a relative also provides the parenting but does so without a court's or child welfare agency's involvement. The kinship care pilot program is primarily a financial program. Through this program, caregivers may apply to receive the TANF child-only grant for their relative children. In addition, the Department will provide information on other services that may be available through the community or state agencies.

In both programs, the majority of children live with grandparents or great-grandparents.

KINSHIP FOSTER CARE

Need To Improve Compliance with Requirements (See pages 13 through 18)

The Department needs to take additional steps to implement legislative requirements for kinship foster care. These requirements are intended to promote foster care placements with relatives and to support these caregivers through better coordination of available services and benefits. Although the Department developed appropriate policies to address these new requirements, it cannot demonstrate that personnel have fully and consistently implemented them. For example, the Department developed new

forms to help case managers assess a prospective caregiver's ability to provide a secure and safe environment and to inform the caregiver about financial support and other services. However, these forms were used in less than one-third of the cases evaluators reviewed. In addition, other concerns with compliance were identified during interviews with Department personnel. For example, seven case managers indicated that they verbally inform relatives when they have been denied as a relative placement, and do not use the Department's form letter. However, this form letter is important because it requires the case manager to list the reasons for the denial and provide the relative with the opportunity to appeal the Department's decision.

The Department needs to focus additional effort in three areas to ensure compliance with kinship foster care policies and requirements.

- First, it needs to develop and provide additional training and ensure staff attendance at such training. The training should focus on the legislation's intent and specific policy requirements, including the use of required forms and letters.
- Second, the Department should monitor case managers compliance with program requirements. For example, the Department could modify its automated child protective services information system to do this.
- Third, the Department should use, where appropriate, its current goals, objectives, and performance measures to assess the outcomes of kinship foster care placements.

KINSHIP CARE PILOT PROGRAM

Additional Steps Needed To Meet Legislative Intent (See pages 35 through 42)

The Department likewise needs to take additional steps to ensure that the kinship care pilot program achieves its intended outcomes. The Legislature called for the Department to establish a pilot program that would enhance the Department's assistance to Arizona's kinship care families. Although families applying for

cash assistance are receiving the maximum benefit amount in a timely manner, the program's success in increasing community awareness and participation is unclear because the Department does not have a plan to direct outreach activities or a mechanism to assess its success. Under the program, the Department also prepared resource guides for helping caregivers find services they need, but these guides are limited. Finally, policies designed to make it more convenient for families to apply for cash assistance, such as requiring that only the relative child's income be reported when applying for the TANF child-only grant and waiving the face-to-face interview requirement in lieu of a phone interview, are not being consistently implemented. Eligibility workers are processing applications for cash assistance much the same as they did prior to the kinship care legislation. Relatives are often still required to provide unnecessary personal financial information and to undergo a face-to-face interview.

Improvements are needed in four areas to ensure the pilot program meets legislative intent.

- First, a more systematic approach would enhance the Department's outreach efforts; for example, developing a written plan which targets community agencies and organizations to ensure they are aware of the kinship care program and also determine if they can help the Department outreach to the community. In addition, the Department should establish a mechanism for collecting information on how relative caregivers hear about the program to help it assess the success of its outreach efforts.
- Second, the Department should identify and implement a more effective referral system for assisting kinship care families obtain other needed services. For example, it could update its current resource guides or help families learn how to use existing community referral and information networks.
- Third, to ensure workers at the pilot offices are appropriately implementing the streamlined application procedures, the Department should ensure the workers undergo additional training on the purpose and requirements of the streamlined processes, and also revise its current cash assistance application instructions to reflect the new processes.

Summary

- Finally, the Department should routinely monitor its success in meeting the intended outcomes for kinship care. This will require the Department to develop a mechanism for identifying kinship care cases separately from other cash assistance cases and establish performance measures.

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INTRODUCTION AND BACKGROUND

Pursuant to Laws 2000, Chapter 183, §2 and Chapter 285, §14, the Office of the Auditor General has completed an evaluation of two areas within the Department of Economic Security: kinship foster care and kinship care. These two areas, which both relate to parental care provided by relatives, were identified by the Legislature in 2000 as areas in which existing state efforts should be enhanced. As a result of the legislation, the Department established and began implementing new kinship foster care policies in the fall of 2000, while a kinship care pilot program was initiated January 1, 2001, in two locations—one in Phoenix and one in Tucson. Within the Department, the Division of Children, Youth, and Families oversees kinship foster care, while the Division of Benefits and Medical Eligibility administers the kinship care pilot program. The legislation included no additional funding or staff.

The evaluation focuses primarily on the kinship foster care and kinship care processes implemented. However, to the extent possible, the evaluation also looks at the impact and effectiveness of the changes.

Care by Relatives Seen As an Important Option

When someone other than an actual parent must provide parental care, relatives are an important option because they help preserve the integrity of the family. In Arizona, two specific options exist in which the State offers financial benefits and non-financial services to relatives—kinship foster care and kinship

Relative care can ease the trauma children may face when leaving familiar surroundings.

Item 1

Arizona's Relative Care Definitions

Kinship foster care involves the parenting of a child by a relative when the *court determines* that a child should be separated from his or her parents due to abuse or neglect, and placed in the custody and control of the State's child welfare agency.

Kinship care involves the parenting of a child by a relative when the relative takes on the responsibility without court or child welfare agency involvement.

Introduction and Background

care. (See Item 1, page 1.) Some of the specific benefits of relative care reported by the Child Welfare League of America included allowing children to live with people they know and trust, reducing the trauma children may experience and reinforcing children's cultural identity.¹

While relatives may be willing to provide such care, many of them must first overcome a variety of barriers. For example, a report by the National Adoption Information Clearinghouse indicated that many relatives felt they could not care for relative children because of limited financial and housing resources.² In addition, some relatives indicated they were uncertain they would be able to obtain appropriate services to address special needs or problems the children might experience. Also, unless relatives have legal custody of the children, they may not have the authority to make medical and educational decisions on their behalf.

To encourage and support relative care, the Department provides a variety of financial benefits and nonfinancial services to kinship families. For example, services such as foster care maintenance payments, case management, and counseling are available when a child is placed in a kinship foster care setting. Similarly, kinship care relatives may be able to receive a cash assistance grant, known as a child-only TANF grant, and referrals to other Department or community services.

Scope and Methodology

In April 2000, the Governor approved legislation designed to enhance both kinship foster care and kinship care in Arizona. One requirement of that legislation was for the Office of the Auditor General to perform an evaluation of the impact and effectiveness of these efforts (Laws 2000, Chapter 183, §2, and Chapter 285, §14).

¹ Child Welfare League of America, Inc. *CWLA Standards of Excellent for Kinship Care Services*. Washington, D.C.: Child Welfare League of America, Inc. 2000.

² Hochman, Gloria. *Keeping the Family Tree Intact Through Kinship Care*. Rockville, MD: National Adoption Information Clearinghouse, 1996.

Introduction and Background

The sections that follow in this report present an overview of the legislative requirements in each area and findings that relate to the following:

- The Department needs to establish additional training and monitoring mechanisms to ensure that it is emphasizing kinship foster care placements and complying with legislative requirements.
- The Department needs to take additional steps to ensure that it is meeting legislative intent for the kinship care pilot program.

In addition, statutorily required information pertaining to kinship foster care and the kinship care pilot program is included in each section.

Scope limited primarily to process evaluation—This evaluation focuses primarily on the quality of the Department’s processes for implementing the legislative requirements for kinship foster care and kinship care and, to the extent possible, the effectiveness of the changes. Evaluators’ ability to conduct an evaluation that could more fully examine the actual impact and effectiveness of the Department’s efforts was limited by several factors. For kinship foster care, it was not possible to compare placements before and after the program because the Department had no means for identifying all placements with relatives before the legislation took effect. For the kinship care pilot program, evaluators were unable to compare the performance of the two kinship care pilot offices to nonpilot offices because the Department implemented most of the legislative changes in all offices. For example, every office is now required to process child-only TANF grant applications within 20 days, thereby eliminating evaluators’ ability to make a valid comparison between pilot and nonpilot offices.

Several methods used to assess the two areas—Evaluators used multiple methods to assess both the kinship foster care area and the kinship care pilot program. The following general methods were applied to both areas:

- Analyzing Department policies to assess whether they adequately addressed the kinship foster care and kinship care legislative requirements.

Introduction and Background

- Reviewing Department training materials to determine what type of information was provided to staff regarding the kinship foster care and kinship care legislative and policy requirements.
- Reviewing the Child Welfare League of America's Standards of Excellence for Kinship Care Services to obtain information on best practices for kinship foster care and kinship care.

In addition, evaluators used the following specific methods in the kinship foster care area:

- Reviewing 59 randomly selected kinship foster care cases from across the State in which the child was removed from his or her home between August 2000 and December 2001 and placed with a relative. This review was completed to determine if the Department was following legislative and policy requirements for the kinship foster care area.
- Collecting, testing, and analyzing data from the Department's automated child protective services information system (CHILDS) to provide information such as the number of foster children placed with relatives, demographic information, and the types and costs of services provided to kinship foster care families during calendar year 2001.
- Interviewing 13 case managers, 11 supervisors, and 17 Department administrative and management officials to obtain information about kinship foster care, including legislative requirements and the Department's new policy requirements.
- Interviewing five kinship foster caregivers to obtain their perspective on relative placements. Relative interviews were limited because of confidentiality issues and the need to have relatives volunteer to speak with evaluators.

Evaluators used the following specific methods to assess the kinship care pilot program:

- Reviewing 102 kinship care case files from the two pilot offices. One pilot office is located in the south Phoenix area, and the other office is located in the south Tucson area. Files

Introduction and Background

were selected randomly from calendar year 2000 and calendar year 2001 to determine if cases opened since the pilot program's inception were being processed according to legislative and departmental policy requirements, and to compare processing time frames and benefit amounts prior to and after program inception.

- Collecting, testing, and analyzing data from the Department's automated welfare information system (AZTEC) to provide information on such factors as the number of kinship care families served and benefit amounts received during calendar year 2001.
- Interviewing seven eligibility workers, two clerical workers, and four supervisors from the two kinship care pilot offices to determine their understanding of the kinship care legislative requirements and the Department's new policy requirements.
- Interviewing representatives from organizations involved with community services and referrals, such as Beatitudes' Center DOAR, Arizona Children's Association, and the University of Arizona's Cooperative Extension to determine the types of community services and referrals available to kinship care families.

This evaluation was conducted in accordance with government auditing standards.

The Auditor General and staff express appreciation to the director and staff of the Department of Economic Security for their cooperation and assistance during the evaluation.

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KINSHIP FOSTER CARE

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KINSHIP FOSTER CARE: AN OVERVIEW

In April 2000, legislation was passed to enhance the Department's assistance to relatives providing foster care. This legislation formalized existing processes the Department was using to provide such assistance and also added some new requirements.

Many Foster Children Are Placed with Relatives

Foster care provided by relatives is a significant part of Arizona's foster care program. In kinship foster care, a relative provides parenting for a child when a court determines that, because of child abuse or neglect, the child should be separated from his or her parents and placed in the control and custody of the State's child welfare agency. The Department has placed foster care children with relatives for many years, and these placements comprise a sizeable segment of the total program. According to departmental data, at the end of calendar year 2001, 1,450 of the approximately 6,100 foster care children in Arizona were placed with relatives. Of the 1,450 children, 87 (6 percent) were in licensed relative foster homes and 1,363 (94 percent) were in unlicensed relative foster homes.

1,450 Arizona foster children are living with relatives.

As noted above, relatives providing foster care can be either licensed or unlicensed. Licensed kinship foster caregivers must meet mandated licensing requirements including minimum age, income, and health requirements; criminal history background and character reference checks; and home space and equipment requirements. These caregivers are eligible to receive foster care maintenance payments ranging between \$11.94 and \$27.81 per child per day based on the child's age and special needs. Unlicensed kinship foster caregivers do not have to meet the licensing requirements but are still subject to the Department's and Court's approval, which includes a criminal history background check and home study. Unlicensed providers are not eligible for foster care maintenance payments but may be eligible for monthly cash assistance through the Temporary Assistance to Needy Families (TANF) grant program. These monthly grants

provide \$204 for the first child and approximately \$71 for each additional child.

All kinship foster care children, whether placed with a licensed or an unlicensed relative, are eligible for daily clothing and personal allowances that vary depending on the child's age, ranging from \$0.63 to \$2.63 a day. Furthermore, special payments for such items as books, tuition, diapers, and day camp may be available based on demonstrated need.

In addition to the financial benefits, a variety of other services are available to children in kinship foster care and relative caregivers including medical and dental care for the children, case management services, counseling, parent aide services, and childcare. The children's parents are also offered services.

Legislature Took Action in 2000 To Enhance Department's Assistance

Kinship foster care legislation intended to promote relative placements.

In April 2000, the Governor signed kinship foster care legislation intended to encourage kinship placements and support relative caregivers through coordination of available services and benefits. Under Arizona Revised Statutes §§8-514.03 (Laws 2000, Chapters 183 and 285), the Legislature formalized some of the Department's existing processes and added new requirements, such as requiring the Department to establish procedures for notifying applicants when they are denied as a kinship foster care placement and for informing kinship foster care families of available financial benefits and nonfinancial services. Specific legislative requirements include:

- **Background assessments**—Although the Department was already evaluating the appropriateness of out-of-home placements, the legislation requires the Department to implement specific procedures for assessing a prospective relative caregiver's ability to provide a secure and safe environment for the child. For example, character reference checks on the caregiver and a home study must be conducted. In addition, criminal history background checks must be obtained on all adult members of the household. The Court reviews this information prior to issu-

ing an order to place a child in the physical custody of a relative caregiver.

- **Appeal process**—In addition, the legislation requires the Department to implement specific procedures for notifying relatives when they have been denied as a placement. For example, if the Department determines that a kinship foster care placement is not in the child’s best interest, it must provide written notification to the relative within 15 business days that it will not recommend the placement, and make the relative aware of his or her opportunity to appeal the decision.
- **Financial and nonfinancial services**—The Department is required to establish procedures for informing kinship foster care families about available financial benefits such as foster care maintenance payments and nonfinancial services such as medical and dental care for the foster child, counseling services, and childcare. In addition, if a family declines to apply for financial benefits or nonfinancial services, the family must sign a statement indicating that they declined services, and the Department must provide a copy of the statement to the family.

Funding and Staff

The kinship foster care legislation did not provide any additional funding since the Department was already placing foster children with relatives. As a result, any costs associated with developing new policies, providing training, modifying automated systems, and processing kinship foster care cases are absorbed within the existing budget of the Department’s Division of Children, Youth, and Families, which oversees the foster care program. The Division’s fiscal year 2002 budget (appropriated and non-appropriated funds) is approximately \$256 million. These funds must cover the full array of the Division’s child welfare and child protection programs and services, including child abuse prevention programs, case management services, in-home family support services (necessary to maintain children in their own homes), services required for children placed in out-of-home care (including medical and dental care), and permanency services for children (including the adoption and guardianship programs). These funds include approximately \$55 million in federal Title IV-E funding; however Title IV-E funding is restricted to licensed care-

Legislation included no additional funding or staff for kinship foster care.

Kinship Foster Care: An Overview

givers, and only six percent of the kinship foster caregivers are licensed.

For the most part, no specific staff are dedicated solely to working on relative cases. Rather, case managers within each of the Division's six districts handle kinship foster care cases as part of their workload.

FINDING I

NEED TO IMPROVE COMPLIANCE WITH REQUIREMENTS

The Department needs to take additional steps to ensure that it meets the intent of the kinship foster care legislation. The legislation's intent is to promote relative placements and to support relative caregivers through the coordination of available services and benefits. Although the Department developed policies to address new legislative requirements, it cannot demonstrate that its personnel have fully and consistently implemented them. For example, many cases reviewed lacked documentation showing that legislative requirements had been fulfilled. To improve, the Department needs to provide better training to staff who administer the program, establish better ways to monitor staff compliance with policies, and adapt, where appropriate, its current goals, objectives, and performance measures to track the outcomes of children placed in kinship foster care.

Department Documentation To Meet All Legislative Requirements Is Incomplete

The Department lacks complete documentation of its efforts to meet legislative requirements. A file review of kinship foster care cases found forms designed to meet legislative requirements are often not being used. Furthermore, interviews with some department personnel suggest additional areas of concern, such as whether case managers are following the required notification procedure when denying a relative as a foster care placement.

Forms to carry out legislative directives are not being used—The Department has three main forms to help ensure that its personnel meet kinship foster care legislative requirements. These forms assist workers in assessing the safety of the prospective kinship foster care placement, informing relative caretakers of available financial benefits and nonfinancial services, and ensuring the well-being of the children placed with relative caregivers. However,

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evaluators' review of 59 files from across the State found that in most cases, these forms were not being used.

Placement consideration forms used in assessing prospective caregivers found in less than one-quarter of case files.

- **Placement consideration form**—The Information for Kinship Foster Care Placement Consideration form was developed to collect information on the prospective relative caregiver and all other household members. This form is used to help the Department assess the caregiver's ability to provide a secure and safe environment for the child and to inform the caregiver of available financial benefits and nonfinancial services. However, 75 percent of the files reviewed, or 44 files, did not contain this form.

- **Assessment checklist form**—The Checklist for Assessment of Kinship Foster Care and Significant Person Placement form helps the Department assess the safety of the home environment. This form collects self-reported information on an individual's criminal history background and involvement with child abuse and neglect reports. However, 80 percent of the files reviewed, or 47 files, did not contain this form.

- **Placement agreement form**—The Agreement for Child Placement form is intended to help ensure the well-being of a child placed with a relative caregiver. The form outlines the conditions of the placement, including requiring the caregiver to work in cooperation with the Department and to deny visitation between the child and any individual who the Department has determined may be unsafe. However, 68 percent of the files reviewed, or 40 files, did not contain this form.

A recent federal review conducted by the Administration for Children and Families found that overall, the Department's efforts to place foster children with relatives were strong, but it also noted instances where case files lacked documentation as to whether relatives were either sought or considered and the reasons relatives were excluded.¹

Interviews suggest additional areas of concern—Two additional areas of concern were noted by evaluators during interviews with

¹ U.S. Department of Health and Human Services, Administration for Children and Families. *Arizona Child and Family Services Review Final Report*. Washington, D.C. 2002.

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some Department personnel. First, not all case managers interviewed were following the Department's procedure for notifying relatives in writing when they are declined as a relative placement. For example, seven case managers indicated that they verbally inform relatives when they have been denied as a relative placement, and do not use the Department's form letter.¹ However, this form letter is important because it requires the case manager to list the reasons for the denial and provide the relative with the opportunity to appeal the Department's decision. Second, there may be a potential disincentive to place foster care children with relatives due to the additional time and work required. For example, to place a foster care child with a relative, the case manager must conduct a home study and begin a background assessment. However, the worker does not have to do these additional things if placing the child in an existing licensed home or facility because the work was already done by a licensing specialist.

Additional Steps Should Be Taken To Ensure Policy Changes Are Fully Implemented

Although no appropriation was provided for kinship foster care, the Department needs to take steps to address the reasons why its kinship foster care policies have not been fully implemented. Specifically, the Department should direct its efforts at providing additional training, developing additional monitoring mechanisms to review compliance with policy requirements, and separately identifying and tracking the outcomes of children placed in kinship foster care.

Additional training needed—The Child Welfare League of America recommends that child welfare agencies recognize the importance of adequately training staff regarding kinship foster care programs.² Although the Department developed some training to address the new kinship foster care requirements, evalua-

¹ Evaluators were unable to determine the extent to which case managers are not using the required denial form as the case managers interviewed did not constitute a representative sample.

² Child Welfare League of America, Inc. *CWLA Standards of Excellence for Kinship Care Services*. Washington, D.C. 2000.

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tors' interviews with case managers indicated that some case managers were not fully familiar with new policy requirements. Therefore, the Department should enhance its training in two ways.

- **Training needs to emphasize legislative requirements**—The Department should ensure that this training covers the legislation's intent and specific policy requirements, including the use of required kinship foster care forms and letters.

- **Greater emphasis needed on staff attendance**—When the Department provides training, it should ensure that all case managers, unit supervisors, and other staff who are involved with kinship foster care are in attendance. Although the Department declared its previous kinship foster care training to be mandatory, some case managers reported that they did not attend the training sessions because their caseloads and schedules did not permit it. Further, interviews conducted with 11 case managers throughout the State to determine why policies were not being fully implemented revealed that more than half did not attend or did not recall attending the training.

Six of 11 case managers interviewed could not recall attending the training.

Supervisors lack specific mechanisms to help them oversee case manager compliance.

Establish additional monitoring mechanisms—Although the Department requires supervisory review of all cases, additional monitoring mechanisms are needed to ensure compliance with kinship foster care legislation and policy requirements. Department supervisors have a general oversight responsibility with regard to foster care, in that according to policy, supervisors are required to review all foster care cases at least once a quarter. However, they have no specific mechanisms to help them oversee the kinship foster care requirements.

Various options exist for better ensuring kinship foster care compliance. One option would be to modify the Department's automated child protective services information system to capture information regarding kinship foster care cases. Supervisors could use the system to more easily review the work completed on relative placements and to track case manager compliance with kinship foster care requirements. To obtain the system modifications, a request would need to be submitted through the Department's existing system review and approval process.

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A second option would be through the new Continuous Quality Improvement case review process the Department is developing. This process intends to annually review a total of approximately 100 foster care cases and will focus on the quality of services provided. The Department could incorporate the most critical components regarding relative placements into this review to ensure compliance with kinship foster care policies. In addition, the Department should explore options for addressing any disincentives that may exist for placing children with relatives, such as the extra time and work required to conduct home studies.

Department should use current goals, objectives, and performance measures to track kinship foster care cases.

Performance measures needed—The Department should, where appropriate, adapt some of its current goals, objectives, and performance measures to specifically address kinship foster care cases. The Department has goals, objectives, and performance measures relating to the entire foster care population, but lacks any that specifically relate to kinship foster care children. Yet, many of the broader goals and objectives are just as relevant to the kinship foster care group. For example, one Department goal is “to enhance children’s health and development by providing stable and nurturing environments.” Further, one objective is “to increase the percentage of children who move no more than twice during a 12- to 24-month period in care by 5 percent.”

By separately tracking kinship foster care cases, the Department will be able to monitor its progress in achieving successful outcomes for children placed with relative caregivers. Further, this will allow the Department to respond to the statutory reporting requirement to compare its placement of children with relative caregivers to nonrelative caregivers.

Recommendations

Although no appropriation was provided for kinship foster care, additional steps are needed to better ensure it meets legislative intent.

1. The Department should develop and provide additional kinship foster care training and place greater emphasis on staff attendance. The training should focus on the legislation's intent and specific policy requirements, including the use of required forms and letters.
2. The Department should develop additional monitoring mechanisms to help ensure compliance with kinship foster care requirements. To do so, the Department should consider:
 - a. Modifying the Department's automated child protective services information system to track case manager compliance with the requirements.
 - b. Incorporating critical aspects of relative placements into the Continuous Quality Improvement process the Department is developing.
 - c. Exploring options to address any disincentives for placing foster care children with relatives.
3. The Department should use, where appropriate, its current goals, objectives, and performance measures to assess the outcomes of kinship foster care placements.

STATUTORY EVALUATION COMPONENTS

Pursuant to Laws 2000, Chapter 183, §2 and Chapter 285, §14, the Office of the Auditor General is required to include the following information in the kinship foster care evaluation. The data reported in this section is for children in foster care as of December 31, 2001. The data was provided by the Department and analyzed by Auditor General staff.

E.1. The number of children placed in kinship foster care.

There were 1,450 children in kinship foster care as of December 31, 2001. Of these children, 87 (6 percent) were in licensed relative foster homes and 1,363 (94 percent) were in unlicensed relative foster homes.

E.2. The number of families served through kinship foster care.

There were 895 families participating in kinship foster care as of December 31, 2001. Of these families, 40 (4 percent) were licensed foster families and 855 (96 percent) were unlicensed foster families.

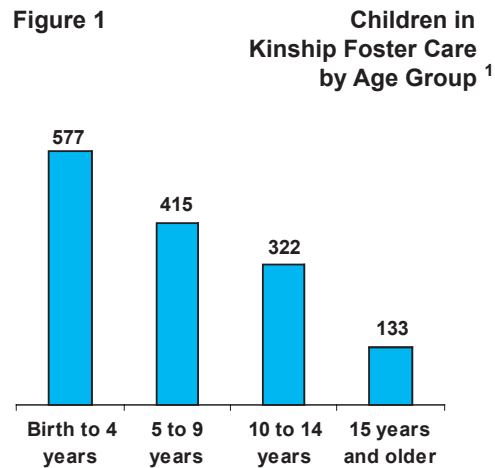
E.3. Demographic information concerning the families in kinship foster care.

Child Information—Demographic and other information is reported for the 1,450 children in kinship foster care as of December 31, 2001.

- **Child's relationship to caregiver**—Half (50 percent) of the children in kinship foster care lived with grandparents or great-grandparents; 29 percent were with aunts or uncles; and 9 percent were with others, such as siblings, cousins, stepparents, or family friends. The Department was unable to provide this information for the remaining 168 (12 percent) children.

- **Child's age**—The largest age group of children in kinship foster care was birth to 4 years; however, more

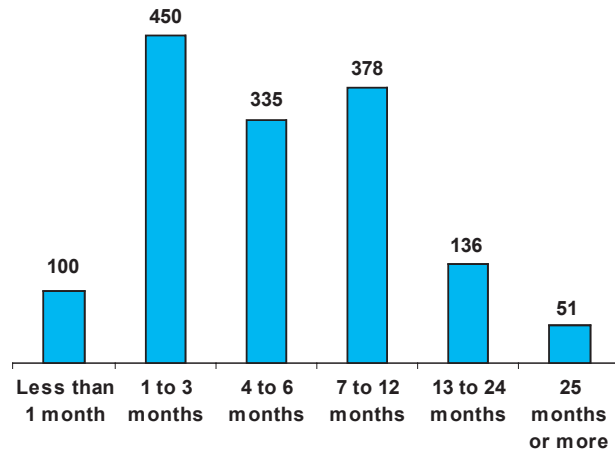
than two-thirds of the children in kinship foster care were under the age of 10. (See Figure 1.)



¹ The Department was unable to provide this information for three children.

- **Child's gender**—Half (50 percent) of the children in kinship foster care were female and half were male.
- **Child's ethnicity**—The greatest percentage (43 percent) of children in kinship foster care were Caucasian, 37 percent were Hispanic, 11 percent were African-American, 6 percent were Native American, and the remaining 3 percent were Asian or other.
- **Length of time in placement**—Most of the children in kinship foster care have been in their current placement with a relative between 1 and 12 months. (See Figure 2, page 21.)

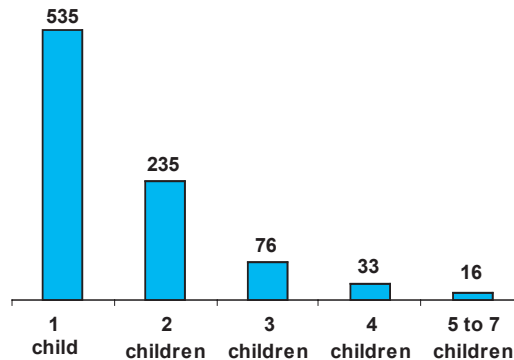
Figure 2 Children in Kinship Foster Care by Length of Placement



Caregiver Information—Demographic and other information is reported for the 895 relative caregivers participating in kinship foster care as of December 31, 2001. This information is reported for only one relative caregiver, the primary caregiver, in each kinship foster care family.

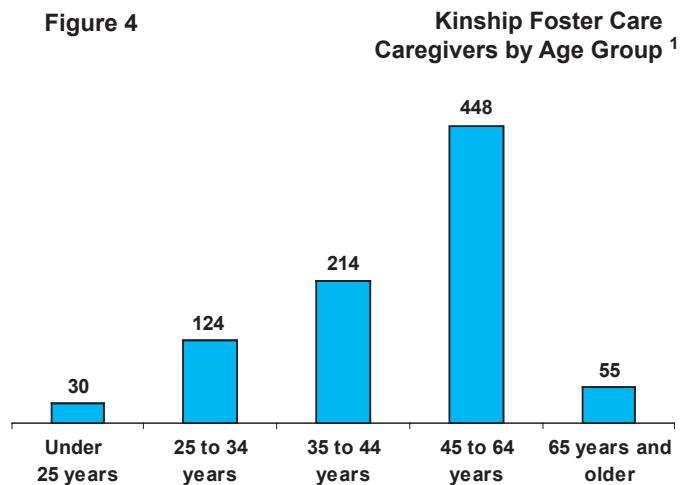
- **Number of relative children per kinship foster care family**—Arizona’s kinship foster care families typically cared for one or two relative children. (See Figure 3.)

Figure 3 Kinship Foster Care Families by Number of Relative Children



- **Caregiver’s marital status** – The majority (54 percent) of relative caregivers were married.
- **Caregiver’s gender** – The vast majority (89 percent) of the relative caregivers were women.
- **Caregiver’s county of residence** – Almost half (44 percent) of the relative caregivers resided in Maricopa County, while another 33 percent resided in Pima County. The percentage of caregivers residing in the remaining counties ranged from 0 to 3 percent.
- **Caregiver’s age** – Half (50 percent) of relative caregivers fall within the 45-to-64-year-old age range. (See Figure 4.)

Figure 4



¹ The Department was unable to provide this information for 24 relative caregivers.

- **Caregiver’s ethnicity** – The majority (54 percent) of relative caregivers were Caucasian, 30 percent were Hispanic, 9 percent were African-American, and 4 percent were Native American. The Department was unable to provide this information for the remaining 3 percent of the caregivers.

E.4. The type of services provided to kinship foster care families.

Kinship foster care families are eligible for a variety of financial benefits and nonfinancial services. Financial benefits are direct payments to caregivers for the costs of providing care. Nonfinancial services are services provided to the child, relative caregiver, or biological parents. These benefits and services are provided directly through the Department, or through contracts or referrals to other agencies and community service providers. Some examples of these benefits and services are listed below.

- **Financial benefits** are available through two primary sources. Licensed relative caregivers are eligible for foster care maintenance payments ranging from between \$11.94 and \$27.81 per day based on the child's age and special needs.¹ Unlicensed relative caregivers may be eligible for monthly cash assistance through the TANF child-only grant, which is \$204 for the first child and approximately \$71 for each additional child. In addition to these payments, all kinship foster care children are eligible for daily clothing and personal allowances that vary depending on the child's age, ranging from \$0.63 to \$2.63 a day. Furthermore, special payments for items such as books, tuition, diapers, and day camp may be available based on a demonstrated need.
- **Counseling services**, including individual and group/family counseling, inpatient psychiatric treatment for children under the age of 18, and emergency mental health care.
- **Parenting skills training** to help caregivers update their parenting and knowledge skills on issues such as appropriate discipline and providing adequate supervision.
- **Case management services** to assist caregivers with tasks such as identifying and coordinating appropriate

¹ The daily basic rates for foster care maintenance payments are \$11.94 for children up to age 11 and \$13.95 for children age 12 and older.

services and communicating with service providers. In addition, case managers regularly meet with the kinship care family to assess how the relative children are doing and to assist with the resolution of any problems identified. Finally, case managers monitor the family's use of services and progress toward completion of case plan tasks and goals.

- **Parent aides** to assist relative caregivers by providing information on child management, and also by providing transportation and visitation supervision.
- **Respite care** to provide relative caretakers with temporary relief from their caretaking responsibilities is available for up to 144 hours a year for licensed relative caregivers.
- **Childcare services** are available to relative caregivers at a reduced rate dependent on the need and circumstances of the caregiver and children.
- **Medical and dental coverage** is available to all kinship foster care children through the State's Comprehensive Medical and Dental Program or the Arizona Health Care Cost Containment System.

E.5. The cost of services provided to kinship foster care families.

Only a limited amount of information on the cost of services provided to kinship foster care families can be provided because the Department has no mechanism for tracking all costs by case, child, or family. However, data obtained from the Department's child protective services information system—CHILDS—indicates that \$1.3 million in case- or client-specific costs were paid during calendar year 2001 for the 1,450 kinship foster care children.¹

¹ This amount is the cost for those foster care children living with relatives on December 31, 2001, and only for the period of time in calendar year 2001 that the child was living with the relative. For example, if a child was placed with a relative on September 20, 2001, the cost reported for calendar year 2001 would be for the period September 20, 2001, through December 31, 2001.

The cost information presented here is primarily monies directly paid to relative foster caregivers for foster care maintenance payments and allowances. Specifically, all the licensed relative foster care homes received foster care maintenance payments, and almost all kinship care relatives (94 percent), regardless of whether they were licensed, received allowance payments.

The cost information does not include payments made for several types of services. For example, although all foster care children are eligible to receive medical, dental, and behavioral health services, these services are often paid for through a capitated or group rate, and are not captured in CHILDS.¹ In addition, CHILDS does not capture information on child-only TANF benefits paid to unlicensed relative caregivers. Information reported by the Department indicates that \$105,623 in child-only benefits were paid to 407 unlicensed kinship foster care families during December 2001.

E.6. Information on provider referrals.

The data needed to report on the number of provider referrals made for kinship foster care families is not available. The Department currently has no mechanism for collecting this information.

E.7. Recommendations regarding program administration.

Several recommendations were made to ensure the Department is meeting the intent of the kinship foster care legislation. (See Finding I, pages 13 through 18.) These recommendations focused on three areas.

- Developing and providing additional kinship foster care training and placing greater emphasis on staff attending the training.

¹ According to Department officials, CHILDS captures a limited amount of information on these types of services when they are provided on an emergency basis to comply with a court order.

- Developing additional monitoring mechanisms to help the Department ensure case manager compliance with kinship foster care requirements.
- Using, where appropriate, its current goals, objectives and performance measures to assess the outcomes of kinship foster care placements.

E.8. This statutory evaluation component pertains only to the Department's kinship care pilot program. (See page 47.)

E.9. This statutory evaluation component pertains only to the Department's kinship care pilot program. (See page 47.)

E.10. The effect of kinship foster care in reducing the number of children placed in nonkinship foster care.

Prior to September 2001, the Department had no way to identify all of its kinship foster care families. Therefore, there is no baseline data by which to assess this evaluation component.

E.11. A comparison of the placement of children with relative caregivers to nonrelative placements by the Department of Economic Security. (See Table 1, page 27.)

Of the 6,068 children in foster care as of December 31, 2001, 1,450 (24 percent) were placed with relative caregivers. The demographic information presented in Table 1 (see page 27) is provided for comparative purposes.

To help the Department better respond to statutory components E.10 and E.11, evaluators recommended that the Department develop goals and performance measures specific to the kinship foster care program. (See page 18.)

Table 1
Children in Foster Care
Demographics by Placement

Characteristics	Relative ¹		Nonrelative ²	
	Number	Percentage	Number	Percentage
<i>Age</i>				
Birth to 4 years	577	40%	851	18%
5 to 9 years	415	29	681	15
10 to 14 years	322	22	944	20
15 years or older	133	9	998	22
Missing	3	<1	1,144	25
<i>Gender</i>				
Female	726	50	2,117	46
Male	721	50	2,498	54
Missing	3	<1	3	<1
<i>Ethnicity</i>				
African-American	155	11	657	14
Caucasian	623	43	2,293	50
Hispanic	537	37	1,292	28
Native American	90	6	271	6
Other	42	3	105	2
Missing	3	<1	0	0
<i>County of residence</i>				
Apache	2	<1	28	1
Cochise	26	2	141	3
Coconino	3	<1	118	3
Gila	10	1	46	1
Graham	16	1	25	<1
Greenlee	7	<1	2	<1
La Paz	0	0	2	<1
Maricopa	631	44	2,366	51
Mohave	18	1	90	2
Navajo	20	1	33	1
Pima	510	35	1,285	28
Pinal	40	3	169	4
Santa Cruz	0	0	12	<1
Yavapai	26	2	216	5
Yuma	26	2	85	2
Out of state/country	97	7	0	0
Missing	18	1	0	0

¹ n = 1,450

² n = 4,618

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KINSHIP CARE PILOT PROGRAM

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KINSHIP CARE PILOT PROGRAM: AN OVERVIEW

In April 2000, the Governor approved legislation also designed to enhance assistance to relatives who, while not participating in the State's foster care program, provide parental care for family members. This legislation established a pilot program for encouraging relatives to provide such care and for better coordinating the services the State can provide to them.

Kinship Care Relatives Parent Children Not in Foster Care

Besides being an important group of caregivers within the State's foster care program, relatives are also an important group of kinship care providers. Kinship care families are families in which a relative takes on the parenting of a child without the involvement of a court or the State's child welfare agency. The Department's primary support of these families is through its TANF child-only grants, which provide cash assistance to relatives to help meet the needs of the relative children they are providing care for. Although the total number of Arizona children living with relatives is unknown, according to departmental data, at the end of calendar year 2001 there were approximately 6,400 Arizona kinship care families statewide caring for nearly 11,000 relative children.

*Approximately 6,400
Arizona kinship care
families statewide are
caring for nearly
11,000 relative chil-
dren.*

Legislature Took Action in 2000 To Enhance Department's Assistance and Establish Pilot Program

Under Arizona Revised Statutes §8-514.04 (Laws 2000, Chapters 183 and 285), the Legislature established a pilot program to improve the State's efforts regarding kinship care. Although the Department was already providing TANF child-only grants to relatives, the legislation established four

Overview

Item 2

Kinship Care Program Goals

- ◆ To streamline, expedite, and coordinate existing services and referrals;
- ◆ To preserve families;
- ◆ To help meet the protection, developmental, cultural, and permanency needs of children; and
- ◆ To enable families to sustain support for a child who cannot live with the child's parents.

main goals for the program (see Item 2), formalized some of the Department's existing processes, and added new requirements, such as:

- Use existing outreach and marketing measures to facilitate community awareness of the pilot program;
- Streamline the application process by waiving the face-to-face interview requirement; and
- Establish an expedited process for processing TANF child-only grants.

The legislation required that these new mandates be piloted in at least two locations within the State. The Department chose to locate the pilot program at one office serving the south Phoenix area and one serving the south Tucson area. These offices were selected based on the high number of kinship care cases they already had and because they are located within multi-service offices housing other Department programs, such as Child Care and Job Service.

Funding and Staff

The kinship care legislation did not provide any additional funding for the pilot program since the Department was already providing TANF child-only grants to relative caregivers. As a result, any costs associated with developing new policies, providing training, modifying automated systems, and processing the kinship care cases are absorbed within the existing budget of the Department's Division of Benefits and Medical Eligibility. Although there is no specific appropriation for the kinship care pilot program, in December 2001, a total of nearly \$1.6 million in financial assistance was provided to relative caregivers statewide, including \$80,000 provided through the kinship care pilot offices. The monthly grant amount available for the care of relative children is based on a sliding scale, with a maximum of \$204 for the first child and approximately \$71 for each additional child.

Legislation included no additional funding or staff for the program.

Overview

Currently, the Phoenix pilot office dedicates one of its existing eligibility workers to process its kinship care cases, although all of the office's workers are trained to handle kinship care cases. In contrast, all 26 of the Tucson pilot office's eligibility workers process kinship care cases along with their responsibilities for other non-kinship care cases.¹

¹ This office also has other eligibility workers dedicated to specific tasks such as conducting medical assistance reviews.

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FINDING I

ADDITIONAL STEPS NEEDED TO MEET LEGISLATIVE INTENT

The Department needs to take additional steps to ensure that the kinship care pilot program achieves its intended outcomes. The Department took steps to implement the legislative requirements for this pilot program such as implementing new policies. However, it is unclear whether the Department's outreach efforts have increased community awareness of the pilot program. Further, its new processes for referring families to services, and for streamlining the application process, are not being consistently used. Therefore, additional steps, such as developing a written outreach plan, providing additional training, and gathering outcome information are needed to better ensure program outcomes are achieved.

Legislative Intent Not Fully Met

The Department took steps to implement the legislative requirements for the kinship care pilot program, but additional steps are needed to ensure the pilot program achieves its intended outcomes. At the pilot offices, the Department continues to process TANF applications in a timely manner and provide applicants with the maximum cash benefit amount. However, its success in increasing community awareness of the kinship care program is unclear because the Department currently does not gather information on how new applicants heard about the program. Further, the mechanism it developed to refer kinship care families to needed services is limited, and the policy changes designed to make the application process more convenient for families are not being consistently implemented.

Department continues to provide relative caregivers with maximum benefit amount in a timely manner—While the Department implemented new policies designed to ensure that kinship care families receive the maximum TANF child-only grant amount in a timely manner, this was already occurring at the pilot offices.

- **Maximum benefit already being awarded**—To better enable kinship care families to sustain support for their relative children, the Department revised its policy to automatically make these families eligible for the maximum TANF child-only grant amount. Currently, the maximum monthly benefit amount is \$204 for the first child and approximately \$71 for each additional child.¹ However, according to Department officials, kinship care families typically were receiving the maximum benefit amount before the policy change. Evaluators' review of kinship care case files from the two pilot offices supported this impression. Evaluators found that all of the files reviewed that had been opened prior to the policy change were already receiving the higher benefit level.

- **TANF applications continue to be processed in a timely manner**—To expedite the processing of applications for child-only TANF cash assistance, the Department shortened the application review and called for approving applications in a maximum of 20 calendar days rather than 45 days. Evaluators' review of kinship care case files from the two pilot offices found that the average time to process the child-only TANF applications was 15 days prior to the expedited process and 13 days afterwards.

Success of outreach unclear—The Department has participated in a variety of outreach activities; however, it is unclear how successful it has been in increasing community awareness of the pilot program. Because the majority of children in kinship care live with grandparents, the Department has focused its activities mainly on the State's elderly population.² Specifically, the Department's outreach activities have primarily centered on attending grandparent support group meetings at the Travis Williams Family Center in south Phoenix and participating in local Town Hall meetings sponsored by the Grandparents Raising Grandchildren Southern Arizona Coalition. In addition, the Tucson pilot office held six monthly meetings through July 2001 to which community agency representatives and grandparents were invited to discuss the application process for TANF child-only grants.

¹ Prior to the policy change, a lower TANF child-only grant was also available, totaling \$128 for the first child and \$45 for each additional child.

² Seventy-three percent of program children were in the care of grandparents as of December 2001.

Finding I

The success of the Department's outreach activities, however, cannot be measured. Specifically, although 78 new kinship care cases were opened at the two pilot offices during calendar year 2001, it is unclear if these are the result of its outreach efforts, because the Department does not collect information on how the kinship care families heard about the program.¹ Further, evaluators found that for several of the new cases, the relative caretaker had prior contact with the Department's Division of Benefit and Medical Eligibility, which administers the kinship care program, and so may have already been aware of the program.

Referral resource guides not considered useful.

Mechanism for referring relatives to other needed services is limited—Although the Department developed resource guides to help address the legislative program goals of coordinating referrals and enabling families to sustain support for their relative children, these guides are not effectively meeting those purposes. For each office involved in the pilot program, the Department developed a written list of private and public organizations that provide services such as legal assistance and childcare. However, some staff find that the guides are not very useful and are not handing them out. While Department officials acknowledge that the guides are limited, they have not taken steps to revise them because no appropriation was provided for the pilot program.

Streamlined application process has not been fully implemented—Although the kinship care legislation sought to make the application process more convenient for relatives, Department policies designed to address this concern are not being consistently implemented.

- **Face-to-face interview waiver not regularly used**—To streamline its application process, the Department obtained approval from the U.S. Department of Health and Human Services to waive the face-to-face interview requirement when applying for the TANF child-only grant. This action was taken to address the concern that some relative caregivers may not

¹ This number does not include unlicensed kinship foster care cases, which are referred to the Division of Benefits and Medical Eligibility from the Department's Division of Children, Youth, and Families. During calendar year 2001, there were an additional 12 kinship foster care cases referred from this Division and opened at the two pilot offices.

Finding I

apply for the TANF child-only grant because of difficulty getting to a welfare office. Although the requirement for a face-to-face interview has been waived, some staff at the pilot offices indicated that they do not typically inform first time applicants of this option when they schedule the eligibility interview. Moreover, although evaluators were unable to determine whether an applicant was offered the option of waiving the face-to-face interview and chose to decline the offer, a review of kinship case files from the two pilot offices found that a telephone interview was used instead of a face-to face interview in only 4 of 21 cases.¹

- **Department still requesting unnecessary information—** Department staff are still requesting relatives to provide two types of information that is no longer necessary². First, although Department procedure requires that only the relative child's income be reported when applying for the TANF child-only grant, the application instructions have not been revised to reflect this procedure. The application instructions still indicate that when applying for cash assistance, the applicant must provide personal financial information even if not personally applying for the benefit. In addition, one pilot office verbally instructs all applicants to complete the entire application. According to some community group representatives, this has caused confusion and frustration among relative caregivers because they are being told about the streamlined processes, yet when they go to the Department, they are still being instructed to provide income information on all household members. Evaluators' review of kinship care files from the two pilot offices found that two-thirds of the caregivers only applying for child-only cash assistance provided their income information.

¹ This review excluded cases where the kinship care applicant was also applying for food stamps because policy initially required anyone applying for food stamps to undergo a face-to-face interview. However, this policy was revised as of October 2001 to allow kinship care applicants to waive the face-to-face interview even when applying for food stamps.

² If the relative caregiver is also applying for food stamps, he or she must then provide personal income information and show the relative child has a shelter/rent obligation.

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Second, despite the fact that it is no longer a requirement, several eligibility workers are still asking relatives to show that their relative children have a shelter/rent obligation in order to receive the maximum benefit amount.

Department Should Ensure Program Meets Legislative Intent

Although no appropriation was provided for the pilot program, additional steps are needed to better ensure the kinship care pilot program meets legislative intent. Therefore, as the Department prioritizes its responsibilities based on its available resources, it should consider the following recommendations. First, a formal written plan and tracking mechanism should be developed to guide the Department's outreach efforts for the kinship care program. Second, a more effective referral mechanism should be identified and implemented. Third, the Department should ensure its streamlined processes are implemented appropriately through additional training and changes in application instructions. Finally, the Department should gather information to help it assess whether the program's intended outcomes are being achieved.

A written plan is needed for outreach activities.

Outreach plan needed—The Department could better ensure the requirement to facilitate community awareness of the pilot program is met by developing a written strategy, or plan. The plan should build upon existing outreach and marketing mechanisms within all of the Department's various divisions. Additionally, the plan should target those community agencies and organizations that assist relative caregivers to ensure these organizations are aware of the kinship care program and determine if they can help the Department outreach to the community. For example, the University of Arizona Cooperative Extension has included a detailed description of the Department's TANF child-only application process on its Web site, and other agencies may be willing to take similar measures.

In addition, the Department should establish a mechanism for collecting information on how relative caregivers hear about the program to help it assess the success of its outreach efforts. This mechanism could be in the form of a question on the application, a separate checklist provided with the application, or a verbal question

Finding I

asked in conjunction with the eligibility interview. Finally, the Department should assign an individual who, in conjunction with his or her other responsibilities, will be responsible for overseeing the development and implementation of the outreach plan and monitoring mechanism.

Improve referral mechanism—The Department should take steps to enhance its referral mechanism to better assist families identify and locate other needed services. The Department could update and enhance its current resource guides, and should also make sure that staff routinely ask applicants about other needed services and provide them with a resource guide or referrals to other services. Another possible approach would be to help kinship care families learn how to use existing community referral and information networks. The Department already provides about \$400,000 in funding to two information referral networks—one located in Phoenix and one in Tucson—which could be used by kinship care families to find additional community services such as legal aid, family counseling, and housing assistance. These referral services are available 24-hours a day via helplines and the Internet.

Ensure streamlined processes are implemented consistently—The Department needs to take additional steps to ensure its streamlined processes are implemented consistently. Specifically:

- **Provide additional training**—Because its new program policies and procedures are not being consistently used, the Department should ensure eligibility workers and any other relevant staff at the pilot offices undergo additional training. This training should focus on the purpose and requirements of the streamlined processes, such as waiving the face-to-face interview and not requiring the caregiver to provide personal income information when applying for the TANF child-only grant. As resources permit, this training should also be provided to staff in its other offices because the new policies to streamline services were implemented statewide.
- **Revise TANF application instructions**—Additionally, the Department should revise its current TANF application instructions to clearly note that the face-to-face interview can be waived in favor of a telephone interview. Further, the appli-

Finding I

cation instructions should clearly state that the relative caregiver does not need to provide personal financial information when applying for the TANF child-only grant.

Performance measures needed to assess Department's progress in achieving the pilot program's legislative intent.

Gather outcome information—The Department should routinely monitor its success in meeting the intended outcomes for kinship care. The kinship care legislation established goals for the pilot program (see page 32); however, the Department has not yet established any performance measures. Further, the Department indicates in its comprehensive kinship care plan that it would establish benchmarks and performance measures for kinship care services. Therefore, the Department should develop a mechanism for identifying kinship care cases separately from other cash assistance cases and establish performance measures to monitor its progress in achieving the program's legislative intent.

Recommendations

Although no appropriation was provided for the pilot program, additional steps are needed to better ensure the program meets legislative intent.

1. The Department should enhance its outreach efforts by:
 - a. Developing a written outreach plan that builds upon existing outreach and marketing mechanisms within all the Department's various divisions and targets those community agencies and organizations that assist relative caregivers;
 - b. Establishing a mechanism for collecting information on how relative caregivers hear about the program to assess the success of the Department's outreach efforts; and
 - c. Delegating appropriate personnel within the Department to be responsible for overseeing development and implementation of the plan and monitoring mechanism.
2. The Department should improve its referral mechanism to better assist families identify and locate needed services.
3. The Department should ensure its streamlined processes are implemented consistently by:
 - a. Ensuring pilot office eligibility workers and any other relevant staff undergo additional training on the purpose and requirements of the streamlined processes;
 - b. Revising the application instructions to clearly note that the face-to-face interview can be waived in favor of a telephone interview, and that the relative caregiver does not need to provide personal financial information when applying for the TANF child-only grant; and
 - c. Providing training to staff at its other statewide offices, as resources allow.
4. The Department should routinely monitor its success in meeting the intended outcomes for kinship care by developing a mechanism for identifying kinship care cases separately from other cash assistance cases and establishing performance measures.

STATUTORY EVALUATION COMPONENTS

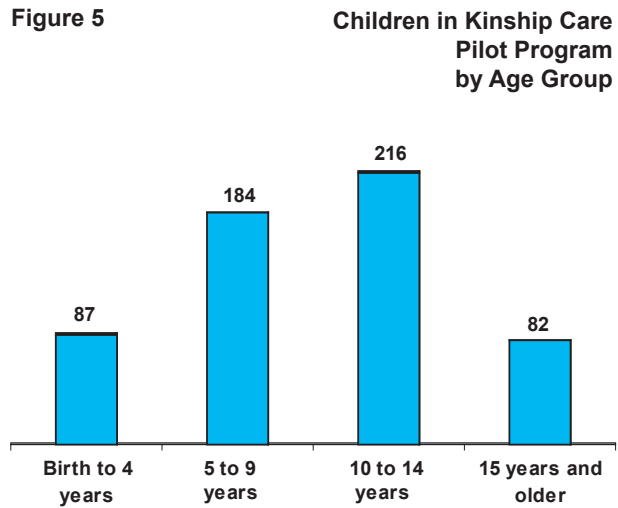
Pursuant to Laws 2000, Chapter 183, §2 and Chapter 285, §14, the Office of the Auditor General is required to include the following information in the kinship care pilot program evaluation. The data reported in this section is for children in the kinship care pilot program as of December 31, 2001. The data was provided by the Department and analyzed by Auditor General staff.

- E.1. **This statutory evaluation component pertains only to the Department’s kinship foster care program. (See page 19.)**
- E.2. **This statutory evaluation component pertains only to the Department’s kinship foster care program. (See page 19.)**
- E.3. **Demographic information concerning the families in the kinship care pilot program.**

Child Information—Demographic and other information is reported for the 569 children in the kinship care pilot program during December 2001.

- **Child’s relationship to caregiver**—Almost three-quarters (73 percent) of the children in kinship care lived with grandparents; 23 percent were with aunts or uncles; and 5 percent were with others, such as siblings, cousins, or family friends.
- **Child’s gender**—About half (51 percent) of the children in kinship care were female and 49 percent were male.
- **Child’s ethnicity**—The majority (53 percent) of the children in kinship care were Hispanic, 20 percent were Native American, 13 percent were African-American, 12 percent were Caucasian, and less than 1 percent were Asian. The Department was unable to provide this information for the remaining 2 percent of the children.

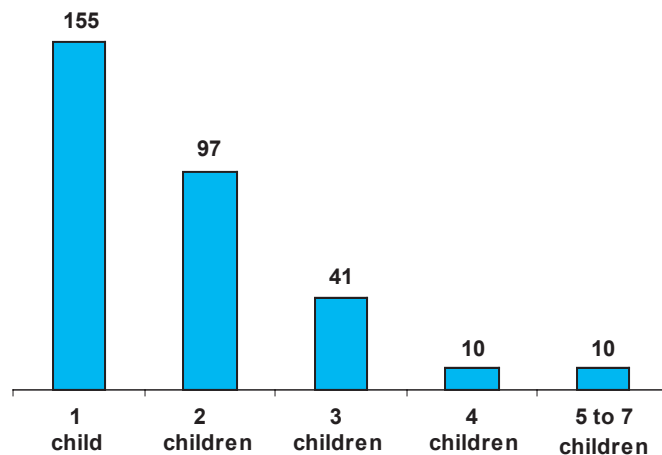
- **Child's age**— Most children in kinship care are 10 to 14 years old. (See Figure 5.)



Caregiver Information— Demographic and other information is reported for the 313 relative caregivers participating in the kinship care pilot program during December 2001. This information is reported for only the primary caregiver in each kinship care family.

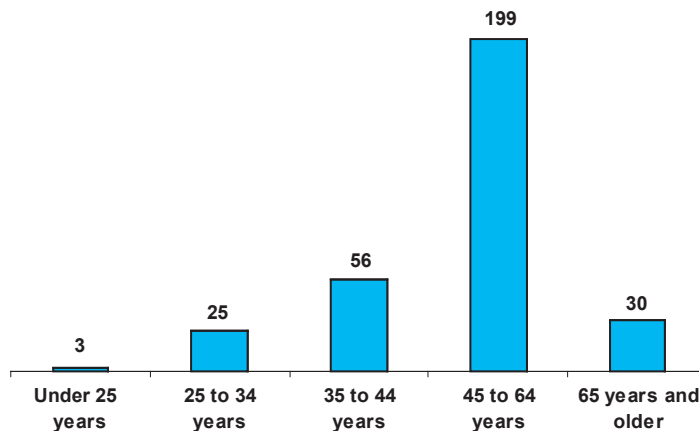
- **Number of relative children per kinship care family**— Arizona's kinship care families typically cared for one or two relative children. (See Figure 6.)

Figure 6 Kinship Care Pilot Program Families by Number of Relative Children



- **Household size per kinship care family**—Almost half the relative caretakers had households consisting of two to three persons, 34 percent consisted of four to five persons, 13 percent consisted of six to seven persons, and the remaining 5 percent ranged in size from 8 to 11 persons. Household size was based on all individuals living in the home, regardless of their relationship to each other.
- **Caregiver's marital status**—The greatest percentage (39 percent) of relative caregivers were married.
- **Caregiver's gender**—The vast majority (89 percent) of the relative caregivers were women.
- **Caregiver's age**—The largest group of relative caregivers (63 percent) fall within the 45-to-64-year-old age range. (See Figure 7.)

Figure 7
Kinship Care Pilot Program
Caregivers by Age Group



- **Caregiver's ethnicity**—The majority (54 percent) of relative caregivers were Hispanic, 14 percent were Caucasian, 13 percent were African-American, 12 percent were Native American, and 1 percent were Asian or other. The Department was unable to provide this information for the remaining 6 percent of the caregivers.

E.4. This statutory evaluation component pertains only to the Department's kinship foster care program. (See pages 22 through 24.)

E.5. This statutory evaluation component pertains only to the Department's kinship foster care program. (See pages 24 through 25.)

E.6. Information on provider referrals.

The data needed to report on the number of provider referrals made for kinship care families is not available. The Department currently has no mechanism for collecting this information.

E.7. Recommendations regarding program administration.

Several recommendations were made to ensure the Department is meeting the intent of the kinship care legislation. (See Finding I, pages 35 through 42.) These recommendations focused on four areas.

- Developing and implementing a written outreach plan, and monitoring its success in facilitating community awareness of and participation in the kinship care pilot program.
- Improving its referral mechanism for assisting kinship care families identify and locate additional needed services.
- Ensuring workers at the two pilot offices undergo additional training on the purpose and requirements of the new streamlined application processes and revising the application instructions to reflect the new processes.
- Establishing performance measures and a mechanism to identify kinship care cases separately from other cash assistance cases to monitor success in meeting the intended outcomes for the kinship care pilot program.

E.8. The increase in temporary assistance to needy families, child-only cash assistance payments.

The Department revised its policy to automatically make kinship care families eligible for the higher TANF child-only grant. However, evaluators found that families at the two pilot offices typically were receiving the maximum amount even before the change. (See Finding I, pages 35 through 42.)

E.9. The extent to which the objectives of the pilot project as prescribed in A.R.S. §8-514.04, are being successfully met.

Although the intent of the kinship care legislation was to enhance the Department's assistance to Arizona's kinship care families, the Department has had limited success in meeting this intent. (See Finding I, pages 35 through 42.)

E.10. This statutory evaluation component pertains only to the Department's kinship foster care program. (See page 26.)

E.11. This statutory evaluation component pertains only to the Department's kinship foster care program. (See pages 26 through 27.)

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AGENCY RESPONSE

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ARIZONA DEPARTMENT OF ECONOMIC SECURITY

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

Jane Dee Hull
Governor

John L. Clayton
Director

Debbie Davenport
Auditor General
Office of the Auditor General
2910 North 44 Street, Suite 410
Phoenix, Arizona 85018

Dear Ms. Davenport:

Thank you for the opportunity to provide comments on the evaluation of the Kinship Foster Care and Kinship Care Pilot Program. I appreciate you incorporating some of the earlier comments provided by members of my staff. I do not believe that we reached complete agreement on the issue of the statutory requirements versus the "legislative intent." The legislation established broad goals for the Kinship Care Program but only specified process improvements and use of existing services and measures.

I am committed to providing timely and effective services to both formal and informal kinship caregivers. The care provided by relatives when parents are not available gives children the security and continuity that families provide. I know that kinship families could be further strengthened with additional supports and services and will continue to seek additional resources to meet these needs.

I appreciate that you noted that the legislation included no additional funding or staff and that the Department had to absorb the costs associated with implementing the requirements of the legislation. The report captured many of our accomplishments. We developed appropriate policies to address new requirements, resource guides were prepared, and families applying for cash assistance receive the maximum benefit amount in a timely manner.

The Department's response to the report is attached. The recommendations in the report will require the Department to devote additional resources at a time when we are reducing program budgets. Nevertheless, based on my commitment to these families, the Department will implement the recommendations as indicated.

If you have any questions or concerns, please contact me at 542-5678.

Sincerely,

John L. Clayton

Attachments

ARIZONA DEPARTMENT OF ECONOMIC SECURITY'S RESPONSE
TO THE AUDITOR GENERAL'S RECOMMENDATIONS FOR
THE KINSHIP FOSTER CARE PROGRAM

The Office of the Auditor General's evaluation of the Kinship Foster Care Program provides one (1) Finding and (3) Recommendations. The Department of Economic Security is pleased to provide the following comments regarding the finding and recommendations.

The Department's Division of Children, Youth and Families administers the Kinship Foster Care Program, and is referred to as "the Division" in this response.

FINDING I: Need to Improve Compliance with Requirements

Recommendation 1:

The Department should develop and provide additional kinship foster care training and place greater emphasis on staff attendance. The training should focus on the legislation's intent and specific policy requirements, including the use of required forms and letters.

DES Response:

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

On January 7, 2002, the Division's Child Welfare Training Institute incorporated the policy and automation requirements for kinship foster care into the Case Manager Core curriculum. As of June 10, 2002, eight classes (groups) of case managers had participated in this training. New classes (groups) are scheduled to begin training each month on a continuous basis.

During September 2002, the Division's Child Welfare Training Institute will begin Child Welfare Supervisor Core training. The Supervisor Core curriculum is currently being developed, and will include the specific policy requirements for kinship foster care.

In addition to the above, the Division's Foster Care Policy Specialist is providing on-site training to local office units throughout the state regarding kinship foster care requirements. As of May 31, 2002, 42 case managers, supervisors, or assistant program managers from rural and urban child protective services offices, and 9 specialists from the Office of Licensing, Certification and Regulation attended the kinship foster care policy training. Additional training sessions are being scheduled in rural and urban local offices. Attendance sheets are maintained for all training sessions.

ARIZONA DEPARTMENT OF ECONOMIC SECURITY'S RESPONSE
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Beginning in July 2002, the Division will disseminate *Policy Reminders* to case managers and supervisors statewide. The *Policy Reminders*, issued through the electronic Exchange System, will serve as training tools for case managers and supervisors by providing concise policy-specific information on kinship foster care. *Policy Reminder* materials will include information regarding referral for foster home licensure, kinship foster care forms and letters, and the requirements when kinship foster care placement is denied.

Recommendation 2:

The Department should develop additional monitoring mechanisms to help ensure compliance with kinship foster care requirements. To do so, the Department should consider: modifying the Department's automated child protective services information system to track caseworker compliance with the requirements; incorporating critical aspects of relative placements into the Continuous Quality Improvement process the Department is developing; and options to address any disincentives for placing foster care children with relatives.

DES Response:

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

Since the Department did not receive an additional appropriation to implement and monitor the Kinship Foster Care Program, the Division will monitor case manager compliance with the legislative and policy requirements for Kinship Foster Care by incorporating the critical aspects of relative placements into the Continuous Quality Improvement (CQI) process.

As part of CQI, the Division is implementing a Peer Record Review Process and an Administrative Case Record Review Process (Clinical Supervision Process). The tools used for these CQI functions are based upon the case record review tools used by the U.S. Department of Health and Human Services Children's Bureau and the Council on Accreditation.

ARIZONA DEPARTMENT OF ECONOMIC SECURITY'S RESPONSE
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The Peer Record Review Process and Administrative Case Record Review Process will assist the Division in monitoring the Kinship Foster Care Program. Case-specific information will be obtained through these CQI functions, including: information on the consideration and use of relatives as caregivers for children in out-of-home care; data regarding changes in placement settings for children in non-relative foster care and kinship foster care; and case record information regarding compliance with kinship care policies and forms.

This method is considered preferable to additional automation enhancements, as the legislative requirements for kinship foster care necessitate the use of hardcopy documents, such as fingerprinting, a criminal records check, the kinship foster caregiver's signature, and the Division's written Report to the Juvenile Court.

Please Note: Automation enhancements were completed as part of the Division's initial implementation plan for the Kinship Foster Care Program. These enhancements included the following modifications for the Division's social services automated system (CHILDS).

In December 2001, the CHILDS automated system was modified to record the relationship between children and adults in open child welfare cases. This CHILDS's modification enables case managers, supervisors, and management statewide to monitor the frequency of, and trends for kinship foster care placements, and progress toward increasing the number of kinship foster care placements. In addition, the licensure status of the kinship foster caregiver can now be obtained through this automation enhancement.

Case managers use the Court Document Detail window in CHILDS for preparing court reports. One of the court reports is the Assessment for Kinship Foster Care. Since the court reports are listed in alphabetical order, the Assessment for Kinship Foster Care is prominent in the listing.

The Division concurs that kinship foster care may adversely impact a case manager's workload and may be viewed as a disincentive to kinship foster care placement. Kinship foster care requires additional staff time on behalf of the case manager to complete diligent searches for potential kinship foster caregivers, to evaluate the caregivers' ability to meet the child's placement needs, to prepare and submit the written Report to the Court, to actively engage the caregiver in meeting the unique needs of children subjected to abuse and neglect, and to document compliance with all legislative and policy requirements.

ARIZONA DEPARTMENT OF ECONOMIC SECURITY'S RESPONSE
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Since there was no legislative appropriation for the Kinship Foster Care Program, the Division is limited in its ability to address these disincentives.

As an effort to enhance the Kinship Foster Care Program, on May 13, 2002, the Division launched an outreach initiative to pursue licensure of kinship foster caregivers. This initiative supports the concept and intent of the Kinship Foster Care Program, as kinship foster caregivers who choose to become licensed will receive additional supports, both financial and nonfinancial. Kinship foster caregivers who are currently providing out-of-home care for a related foster child, were mailed a letter and an interest-sheet from the Division. The letter provides the kinship foster caregiver with the benefits of foster home licensure. An interest-sheet and pre-stamped return envelope accompanies the letter, so kinship foster caregivers who are interested in knowing more about the foster home licensing process can easily inform the Division of their interest. The Division is coordinating this initiative with the Office of Licensing, Certification, and Regulation and the Administration for Children, Youth and Families' District Offices.

Recommendation 3:

The Department should use, where appropriate, its current goals, objectives, and performance measures to assess the outcomes of kinship foster care placements.

DES Response:

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

During July 2002, the Division will review current goals, objectives, and performance measures for children in out-of-home placement. The Division will determine the specific performance measures which will best assist in comparing outcomes regarding children placed in kinship foster care and children placed in non-relative foster care.

Outcome data, such as length of time in out-of-home placement and changes in placement settings (mobility/movement while in foster care) will assist in our ongoing evaluation of the kinship foster care program.

ARIZONA DEPARTMENT OF ECONOMIC SECURITY'S RESPONSE
TO THE AUDITOR GENERAL'S RECOMMENDATIONS FOR
THE KINSHIP CARE PROGRAM

The Office of the Auditor General's evaluation of the Kinship Care Program provides one (1) Finding and four (4) Recommendations. The Department of Economic Security provides the following comments regarding the recommendations.

The Department's Division of Benefits and Medical Eligibility administers the Kinship Care Program, and is referred to as "the Division" in this response.

FINDING 2: Additional Steps Needed To Meet Legislative Intent

Recommendation 1:

The Department should enhance its outreach efforts by:

- a. Developing a written outreach plan that builds upon existing outreach and marketing mechanisms within all the Department's various divisions and targets those community agencies and organizations that assist relative care givers;
- b. Establishing a mechanism for collecting information on how relative caregivers hear about the program to assess the success of the Department's outreach the efforts; and
- c. Delegating the appropriate personnel within the Department to be responsible for overseeing development and implementation of the plan and monitoring mechanism.

DES Response:

The finding of the Auditor General is agreed to and the recommendation will be implemented in the two (2) pilot sites.

- a. The Division will coordinate outreach efforts with other Divisions within the Department and target agencies and organizations that operate within the pilot office's catchment areas.
- b. The Division will ask applicants in the pilot offices how they heard about the availability of cash assistance payments for kinship caregivers and match the responses to the agencies and organizations that were targeted in the outreach efforts.

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- c. The Division will identify a staff person will have as one of his/her duties the responsibility for overseeing the development of the outreach plan and monitoring data collection.

Recommendation 2:

The Department should improve its referral mechanism to better assist families identify and locate needed services.

DES Response:

The finding of the Auditor General is agreed to and the recommendation will be implemented in the two pilot locations.

The Department will instruct staff to provide information about the availability of Community Information and Referral services to kinship care applicants.

Recommendation 3:

The Department should ensure its streamlined processes are implemented consistently by:

- a. Ensuring pilot office eligibility workers and any other relevant staff undergo additional training on the purpose and requirements of the streamlined processes.
- b. Revising the application instructions to clearly note that the face-to-face interview can be waived in favor of a telephone interview or home visit, and that the relative caregiver does not need to provide personal financial information when applying for the TANF child-only grant; and
- c. Providing training to staff at its other statewide offices, as resources allow.

DES Response:

The finding of the Auditor General is agreed to and the Division will implement the recommendation. The Division will:

- a. Provide additional training to staff in the two pilot locations within 90 days.
- b. Revise the application instructions as recommended at the next scheduled printing.

ARIZONA DEPARTMENT OF ECONOMIC SECURITY'S RESPONSE
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- c. Provide training to staff at other statewide offices as resources allow.

Recommendation 4:

The Department should routinely monitor its success in meeting the intended outcomes for kinship care cases separately from other cash assistance cases and establishing performance measures.

DES Response:

The finding of the Auditor General is agreed to and the Department will implement the recommendation.

The Division will identify and track performance measures in the pilot offices based on the streamlining and expediting processes that are specified in statute.

Other Performance Audit Reports Issued Within the Last 12 Months

01-6	Board of Osteopathic Examiners in Medicine and Surgery	01-21	Board of Nursing
01-7	Arizona Department of Corrections—Support Services	01-22	Department of Public Safety— Criminal Investigations Division
01-8	Arizona Game and Fish Commission and Department—Wildlife Management Program	01-23	Department of Building and Fire Safety
01-9	Arizona Game and Fish Commission—Heritage Fund	01-24	Arizona Veterans' Service Advisory Commission
01-10	Department of Public Safety— Licensing Bureau	01-25	Department of Corrections— Arizona Correctional Industries
01-11	Arizona Commission on the Arts	01-26	Department of Corrections— Sunset Factors
01-12	Board of Chiropractic Examiners	01-27	Board of Regents
01-13	Arizona Department of Corrections—Private Prisons	01-28	Department of Public Safety— Criminal Information Services Bureau, Access Integrity Unit, and Fingerprint Identification Bureau
01-14	Arizona Automobile Theft Authority	01-29	Department of Public Safety— Sunset Factors
01-15	Department of Real Estate	01-30	Family Builders Program
01-16	Department of Veterans' Services Arizona State Veteran Home, Veterans' Conservatorship/ Guardianship Program, and Veterans' Services Program	01-31	Perinatal Substance Abuse Pilot Program
01-17	Arizona Board of Dispensing Opticians	01-32	Homeless Youth Intervention Program Letter Report: Department of Environmental Quality—Fiduciary
01-18	Arizona Department of Correct- ions—Administrative Services and Information Technology	01-33	Department of Health Services— Behavioral Health Services Reporting Requirements
01-19	Arizona Department of Education— Early Childhood Block Grant	02-01	Arizona Works
01-20	Department of Public Safety— Highway Patrol	02-02	Arizona State Lottery Commission

Future Performance Audit Reports

Arizona State Parks Board—Heritage Fund