



## **AUDITOR GENERAL LETTER REPORT**

DOUGLAS R. NORTON, CPA  
AUDITOR GENERAL

November 1994

Letter Report No. 94-L9

Members of the Arizona Legislature

The Honorable Fife Symington, Governor

Dr. Linda J. Blessing, Director  
Department of Economic Security

**SUBJECT: Follow-Up Study of the Auditor General's  
1991 Workload Study of Child Protective Services**

Pursuant to a May 5, 1993, resolution of the Joint Legislative Audit Committee (JLAC), our Office was directed to conduct a review of the Department of Economic Security, Division of Children and Family Services. However, since the date of the JLAC resolution, DES has initiated several extensive reviews within the Division. In addition, the Joint Legislative Committee on Children and Family Services has been studying issues in the area. To avoid duplicating this work, we reviewed the DES initiatives and met with the members of the Joint Legislative Committee on Children and Family Services. We then met with the Chairman of JLAC to review the information we had gathered and discuss audit scope. Based on that discussion, we were directed to postpone a full audit of the Division at this time and instead: 1) conduct a follow-up study on our 1991 report on Child Protective Services (Auditor General Report Number 91-6); and, 2) document the current status of the Division for comparative purposes when we conduct a comprehensive audit to be conducted following completion of the DES studies.

In 1991, we identified significant limitations in the Division's ability to determine Child Protective Service's staffing needs. Problems included a lack of accurate and reliable workload data and the need for a management information system. Although many problems from the previous audit have not yet been resolved, DES currently is undertaking several initiatives which, if successful, should address many of our previous concerns.

## **Background**

The Division of Children and Family Services is comprised of three programs: Administration for Children, Youth and Families (ACYF), Child Care Administration, and Comprehensive Medical and Dental Plan. ACYF employs the majority of the Division's approximately 1,270 employees. This report focuses on ACYF, the major functions of which include: Child Protective Services (CPS), In-Home Services (parent skills training, intensive family preservation, counseling, etc.), permanency planning, adoption subsidy services, and foster home recruitment, training, and licensing. A majority of ACYF's employees (685 out of 1,040), provide child protective services for over 4,000 children currently in out-of-home placement.

## **Previous Report Found Significant Problems**

In 1990, the Auditor General was requested to conduct an audit of CPS staff caseload size due to concerns about the lack of information concerning the number of staff and funding needed to investigate 100 percent of CPS reports deemed appropriate for investigation. The audit, *"Workload Study – Child Protective Services,"* issued in June 1991, examined the number and type of CPS reports received, caseload size and mix, and staffing ratios. However, several significant limitations were noted that impacted the audit team's ability to estimate long-term staffing needs for investigating all appropriate reports:

- Inconsistencies in how supervisors categorized reports as "appropriate for investigation but not investigated" or as "information only" made it difficult to assess the potential CPS caseload.
- ACYF lacked precise information about the amount of staff time actually spent providing child protective services.
- The lack of widely accepted staffing criteria made it difficult to determine an optimum staffing level.

The study recommended that ACYF continue its efforts to develop a management information system that provides accurate, reliable data on child protective service activities and use that system to develop and analyze options for staffing CPS functions. In addition, it was recommended that the Legislature consider establishing appropriate staffing standards based on the information provided by ACYF.

## **Problems Identified In Previous Audit Continue**

Many of the problems identified previously have still not been resolved. ACYF continues to lack a comprehensive management information system that addresses all aspects of child welfare services. As such, ACYF has been unable to gather the essential data necessary to continually assess staffing patterns and needs.

**Automation** — ACYF's current automated systems lack comprehensive management information system capabilities. ACYF has two primary systems: the Child Protective Services Central Registry (CPSCR), brought on-line in 1985 to register all reports of child abuse and neglect; and the Arizona Social Services Information and Statistical Tracking System (ASSISTS), introduced in 1991, which was intended to provide better management information about child protective services. However, a recent consultant review found that ACYF lacked automated support for the majority of its critical business processes (child intake, service provision, adoption, and provider management). Significant shortcomings identified by the consultants include redundant data entry, increased paperwork, and lack of on-demand and ad hoc reporting capabilities.

During our review, we found that many of the information system problems identified in the last audit still exist. For example, CPSCR cannot combine duplicate reports about the same incident, does not track information pertaining to a case after the initial investigation, and suffers from data inaccuracy due to classification problems and inconsistent coding.

In addition, ASSISTS currently operates as a "skeleton," lacking many of its originally intended modules. For instance, ACYF cannot determine its true client population because information on children in the homes of relatives or those receiving in-home services is not maintained on ASSISTS. In addition, because not all data fields are mandated for data input, the accuracy of information maintained on ASSISTS is suspect.

Several DES staff attribute the incomplete implementation of ASSISTS to a lack of funding. ACYF received a special appropriation of approximately \$1 million for ASSISTS in fiscal year 1991 for staff, hardware, and other operating expenses. Approximately two-thirds of that funding was staffing related (ACYF requested 30 Information Processing Specialists to facilitate data input and four programmers). However, according to a DES budget official, due to a hiring freeze at the time, ACYF was unable to hire many of the Information Processing Specialists it had requested. Thus, ASSISTS funding was identified as surplus and was reverted back to the State in response to a budget reduction measure. Therefore, only \$215,300 was expended for system development. While DES did make a subsequent funding request in fiscal year 1992 (\$500,100 for additional system modification), it was not funded.

However, other DES staff also attribute ASSISTS current status to low priority given it by previous administrations. With lack of constancy in leadership and other pressing needs, ASSISTS never received the administrative support necessary for complete implementation.

**Staffing** – ACYF is unable to determine its staffing patterns and needs because it does not have the information to accurately assess its workload.

When an incident of child abuse or neglect is reported, CPS staff screen the report to determine if it is within their jurisdiction. If the reporting source provides two basic pieces of information – they believe something has happened to a child and they have information on how to find the child – a report is taken. CPS staff then categorize the report as “information only” (a report that can be handled without CPS involvement or a case lacking sufficient information for CPS to investigate), or “appropriate for investigation.” A report determined “appropriate for investigation” is ranked based on its potential seriousness. Currently, ACYF uses four priority categories, ranging from “life-threatening or emergency situation” to “substandard care that could be damaging.”

In order for ACYF to identify its staffing needs, it requires accurate data on its workload and the complexity of its cases, as well as a staffing model:

- **Workload** – Workload is based on the number of reports deemed appropriate for investigation. Currently, each district receives and categorizes its own CPS reports; however, there are inconsistencies between districts in how reports are categorized. For example, an internal evaluation of the CPS intake process conducted in 1993 found that of the 824 reports reviewed, 14 percent did not meet the requirements of a CPS report.<sup>(1)</sup> Moreover, some reports containing no allegations of maltreatment were assigned for investigation. Other reports were improperly labeled as “information only” reports (some were actually “appropriate for investigation,” while others should not have been taken as reports).

A second report on the intake process, completed in March 1994, cited problems with inconsistent screening and prioritization of reports and frequent misuse of the “information only” disposition. Consequently, current report counts and investigation rates may be misleading. For example, the Department reports that it investigates approximately 92 percent of all reports deemed “appropriate for investigation.” However, this figure does not reflect reports which should be investigated, but are not, because they are misclassified as “information only.”

- **Caseload Complexity** – To determine maximum caseload size, ACYF must establish workload standards that incorporate factors impacting caseload complexity. Until recently, ACYF had not taken steps to assess the relative amount of time each caseworker's caseload requires. As noted in our previous report,

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<sup>(1)</sup> This review consisted of an evaluation of 824 CPS reports made statewide in October 1991.

several factors may contribute to making one case more difficult to manage than another. For example, one case may consist of only one child, while another may consist of several children. Furthermore, cases involving the courts reportedly require more time because of mandatory court appearances, coordination with parties, and necessary paperwork. Finally, case plans, such as return home, adoption, and long-term foster care require varying amounts of time to handle. Therefore, two caseworkers with the same caseload size may have a considerably different workload.

- **Caseload/Workload Model** – Lacking its own caseload standards, ACYF has relied on standards developed by the Child Welfare League of America (CWLA) as a basis for staffing requests.<sup>(1)</sup> CWLA standards are based upon a consensus of what constitutes best practice and are presented within the context of other recommended standards for staff qualifications and training, supervision, management support, etc. While CWLA standards provide some general guidance for determining staffing needs, ACYF has never adjusted these standards to reflect the factors impacting its own caseworkers.

Without accurate and reliable caseload and workload information, it is difficult to determine what impact the additional 118 positions appropriated since fiscal year 1991 have had on ACYF's ability to investigate 100 percent of "appropriate for investigation" reports.

### **Current Initiatives, If Successful, Should Address Problems**

Recently, ACYF has undertaken a "comprehensive network of projects that will result in an overhaul of all areas of the Division." These projects include information systems improvement, a review of programmatic issues ranging from casework practices to policies and procedures, strengthening administrative practices, an internal evaluation of the CPS intake process, and a plan to obtain more federal revenue and contain the costs of state-funded programs. These initiatives, if successful, should address many of the concerns raised in our previous audit:

- **Comprehensive Statewide Automated Child Welfare Information System** – The goal of this project is to develop a system which encompasses all aspects of child welfare activities, such as intake management, eligibility determination, case management, resource management, court processing, financial management,

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<sup>(1)</sup> The CWLA suggests that caseworkers conducting intake investigations carry no more than 12 cases and that ongoing caseworkers carry no more than 17 cases per month.

administration, and system interfaces. This system will increase ACYF's ability to respond effectively to questions regarding the operation and outcome measurements of its programs.

DES is currently in the planning phase of this three year project. System implementation is scheduled to begin in May 1996 and completed by October 1997. The overall cost of the project is estimated at \$13.8 million. DES will receive federal enhanced funding at a rate of 75 percent until September 30, 1996. However, the project is slightly behind schedule, which could impact DES' ability to cover project costs with the enhanced federal funding. Beginning October 1, 1996, federal funding reverts back to the regular rate of 50 percent for automation projects.

- **Programmatic Review** — Commonly referred to as "Program Redesign", this initiative is expected to improve the outcomes achieved for children and families served by ACYF through a systematic and comprehensive analysis of program operations including children and families served; legal proceedings; services and budget analysis; results and outcomes; personnel and training; and policies and procedures. As part of Program Redesign, a comprehensive time study was conducted to provide information on workload and caseload complexity and the results of the study will be used by ACYF to develop a case weighting system for the allocation of staff.

The review and analysis phase of this project is nearing completion. The implementation phase will begin in January 1995 and is expected to be completed by January 1996. DES contracted with the National Child Welfare Resource Center to conduct this study at a cost not to exceed \$971,522.

- **Effective Quality Unified Intake Process Team, or EQUIPT** — A detailed analysis of the CPS intake process was completed in March, 1994. It resulted in a total of eight recommendations including eliminating manual tracking of CPS reports, improving interfaces with the Attorney General's Office, consolidating and streamlining CPS investigation forms, improving the case closure process, and eliminating the duplication of services already provided with federal funding. The most significant recommendation suggests a centralized intake process, which should address consistency in report screening and prioritization. ACYF has developed a new statewide priority system for categorizing reports of abuse and neglect and cue questions for intake workers that, according to DES administrators, will guarantee the same questions are asked on every call received statewide.

DES has begun a phased-in implementation of the centralized intake recommendation in two of the six districts. Statewide implementation is expected by December 1995. The remaining recommendations are in various stages of implementation, scheduled to be completed by May 1995.

Much of this project was conducted in-house with some facilitation and technical assistance from the Office for Excellence in Government. In addition, DES received consulting assistance from Ernst & Young at a cost of \$93,000.

- **Management Control Review** — This project was undertaken to strengthen administrative processes such as current operating practices and controls, including budgeting, service procurement, claims processing, and accounting; management policies, procedures and practices; district oversight, reporting and accountability processes; quality assurance; and, organizational design and capacity.

DES expects completion of this review by March 1995. DES contracted with Deloitte & Touche to conduct this study at a cost not to exceed \$1,119,044.

- **Revenue Maximization** — This initiative is designed to identify areas and programs within DES where it can increase its entitlement to additional revenues from federal funding sources. The initial phase of the project has been limited to Title IV-E and the Emergency Assistance program within Title IV-A. DES projects that it will receive an additional \$5 to \$8 million in federal revenues from this project in fiscal year 1995, increasing to \$8 to \$12 million in fiscal year 1996. Projected additional revenues are expected to increase up to \$20 million annually by fiscal year 1998.

This project is expected to be completed in February 1996, however, there is a provision in the contract to renew through February 1998. The consultant on the project, MAXIMUS, is contracted to receive 6.9 percent of additional federal funds received over and above current projections.

- **Review and Improvements in Adoption Subsidy Program** — DES utilized both its internal audit unit and a consultant to conduct reviews of the Adoption Subsidy program to identify ways to contain costs within the program. As a result, DES expects to save the Adoption Subsidy Program \$2 to \$3 million annually through greater use of Title XIX funding.

The consultant, Deloitte & Touche, received \$479,119 for its work.

In addition to the projects underway, a comprehensive review of 4,152 child records conducted by the National Child Welfare Resource Center (NCWRC) was completed in June 1994, assessing the safety of children in ACYF care. The review found that "the vast majority of children in ACYF custody are safe." However, the consultants also expressed concerns about the extent to which the agency is finding permanent homes for children in a timely manner. Moreover, ACYF lacks consistency in compliance with policies and procedures relating to caseworker contacts with children and their foster parents.

## Other Issues

During our follow-up review of CPS, we also identified several other issues that directly impact ACYF's ability to provide effective and efficient child protective services. For instance, while additional positions have been appropriated to address caseload growth, caseworkers are not provided with the skills and resources needed to perform their jobs.<sup>(1)</sup> In addition, caseworkers expressed their frustration with the process for obtaining behavioral health services for foster children. Further, a shortage of foster homes has resulted in sometimes lengthy and inappropriate out-of-home placements. Finally, leadership turnover may have impacted ACYF's lack of progress in the past and could influence the direction of current initiatives.

**Caseworker concerns** — During our review, we accompanied caseworkers from six separate offices on their daily activities to better understand their responsibilities and to identify any factors impeding their ability to do their job. Overall, we found the case workers to be very dedicated, competent, and extremely hardworking. However, several common concerns arose regarding lack of resources, training, excessive overtime, and personal safety. We conducted follow-up calls with 20 additional CPS workers across the state and found they faced similar problems.

- A *lack of resources* impedes the caseworkers' ability to efficiently and effectively perform their job. Many caseworkers are frustrated with the lack of adequate vehicles, office space and equipment. For example, in one of the offices we visited, there are approximately 60 workers involved in case management, but only 2 state vehicles were available for their use. In addition, the lack of an automated case management system increases the amount of time spent completing paperwork and, as a result, impacts case documentation. For example, one-half of caseworkers we surveyed indicated that they cannot consistently document their cases in a timely manner. Moreover, most caseworkers do not have direct access to a computer, which further impacts timely information gathering.

A recent internal survey of DES employees statewide identified similar concerns. DES task teams have developed workplans to recommend solutions to these and other concerns and to ensure implementation.

- Timing and content of *training* was also a concern for some caseworkers. Currently, new caseworkers attend 22 days of core training over a 5- to 6-month period. Usually, they are not enrolled in training until they have spent some time in the field. A survey of 15 caseworkers who recently attended training revealed that they had worked 2 to 8 months before beginning training. According to an ACYF official, caseworkers are waiting longer for training due to a shortage of

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<sup>(1)</sup> In addition to increased positions, ACYF continues to utilize contracted positions. As of December 1993, there were 157 such positions, most located in the rural districts. The majority of contracted positions are dedicated to ongoing case management.



training staff. In addition, NCWRC found, in its contacts with district staff, that while some field experience prior to training is acceptable, the delay in receiving training lessens its usefulness.

In addition, several caseworkers commented about the content of core training. Some found it was too theoretical and did not provide sufficient guidance in handling day-to-day activities or situations.

- Many of the caseworkers we spoke with expressed great concern about their own *personal safety* when performing their job. Some caseworkers often travel to remote locations and most deal with potentially hostile clients. Yet, very few have cellular phones or other methods of personal protection should an emergency situation arise. To compensate, some caseworkers use a "buddy system" or call local law enforcement to help respond to a report. However, such techniques are not always available or timely.
- Excessive paperwork, frequent travel, and heavy caseloads often result in unreported *overtime* for a majority of the caseworkers we surveyed. Many caseworkers (16 of 20 surveyed) indicated that they consistently bring paperwork home on nights and weekends in an effort to keep file information current. DES policy requires advance approval prior to working overtime (except in emergency situations) and states that employees will either receive payment or compensatory time. However, while caseworkers are aware that they can receive compensatory time, they find it difficult to take the time off as it would put them further behind in their caseload. According to one caseworker, "(they) can't put in for overtime more than occasionally because workers believe management will fault them as being 'deficient' for not being able to complete caseload work within the 40 hours."

***Behavioral Health Services*** – Caseworkers expressed their frustration with the current process for obtaining behavioral health services for foster children. Prior to 1992, DES obtained behavioral health services for children within its custody by contracting directly with service providers. However, that process was changed when federal Title XIX funding was made available for children's behavioral health. As a result, DES caseworkers are required to request services from Regional Behavioral Health Authorities (RBHA's) under contract with the Department of Health Services, Division of Behavioral Health Services. According to some of the caseworkers we spoke with, this process is time consuming and cumbersome. Furthermore, they are concerned that all children do not receive services appropriate to their needs.

Due to the complexity of this issue and the limited scope of our review we did not fully document the extent of the problem or what factors have contributed to the current situation. However, DES is actively pursuing solutions to this problem with the Department of Health Services which has primary responsibility for this area.

**Foster care crisis** — A shortage of foster homes has resulted in children being placed in temporary shelters or other group facilities for extended periods of time. As of June 1994, there were over 250 children awaiting placement into foster homes. Many of these children were placed in shelter facilities for temporary placement while a foster home was being located; however, a stay that should have been only a few days extended to weeks or months. For example, on July 1, 1994, the Crisis Nursery in Phoenix housed 14 infants that had an average stay of 50 days and 11 preschool children with an average stay of 60 days.<sup>(1)</sup> In addition, as shelter facilities are intended to be temporary placements, children may be transferred to group homes to allow room in the shelters for other children entering the system. Not only is the foster shortage impacting placements, it is also more costly; daily shelter costs range from \$80 to \$100, while foster homes receive approximately \$8 to \$23 per day.

Some attribute this current crisis to several factors. First, children in the foster care system have more medical and behavioral problems, making it difficult to find foster families willing to take on such complex cases. NCWRC found in its visits with district staff that the children in foster care have been dramatically affected because of increased substance abuse and violence in our population. Second, an increased number of children are spending long periods in foster care, further clogging up the system for other children awaiting out-of-home placement. For example, according to the recent NCWRC case review, almost one-half of foster children in December 1993 had been in foster homes for over two years. Moreover, 22 percent of these children had been in foster care over 4 years. While the national average for children with "long term foster care" as a permanent case plan was 12 percent, 24 percent of Arizona children in foster care had such a case plan goal. Other factors impacting foster care placement include age (older children tend to be harder to place), sibling groups (DES prefers to keep siblings together), and foster families "dropping out" as they become frustrated in obtaining services for the children or disenchanted with the system.

Some steps have been taken to alleviate this problem. First, DES recently obtained an exclusive contract for 50 beds at a group shelter facility. In addition, it may convert some group shelters into group homes to provide a more stable, permanent placement. Finally, a recent foster home recruitment effort in Maricopa County resulted in over 100 applications for foster home licenses.

**Leadership turnover** — Turnover in division leadership may have impacted ACYF's ability to promote changes in its program. A new division Assistant Director and ACYF Program Administrator were recently hired. This means that the ACYF Program Administrator position has been filled by five individuals since May 1993. Moreover, three individuals have served in the Assistant Director position since 1990. One outside

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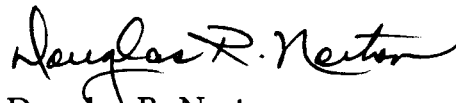
<sup>(1)</sup> Crisis Nursery has 36 licensed beds for children from ages 0 to 8. DES contracts for 16 of these beds, with an agreement to utilize additional beds, if necessary. According to a Crisis Nursery official, 23 to 24 of its beds are consistently filled by children in DES custody.

consultant noted that inconsistency in leadership has forced management staff in the districts to make what are effectively policy decisions based on their experience at the district level.

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 review. A copy of the Department's response to this report is included as Attachment 1.

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

Sincerely,

A handwritten signature in cursive script, reading "Douglas R. Norton". The signature is written in dark ink and is positioned above the printed name and title.

Douglas R. Norton  
Auditor General

**Attachment 1**  
**Agency Response**



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

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

Fife Symington  
Governor

Linda J. Blessing, DPA  
Director

November 15, 1994

Mr. Douglas R. Norton  
Auditor General  
Office of the Auditor General  
2910 North 44th Street, Suite 410  
Phoenix, Arizona 85018

Dear Mr. Norton:

Thank you for the opportunity to respond to the study of the Department of Economic Security, Division of Children and Family Services (DCFS).

We are pleased that the report summarizes the most important features of the comprehensive and aggressive plan that has been initiated to fully address the current challenges confronting DCFS. These include:

- the design, development and implementation of a statewide automated child welfare information system. Well into its planning phase, this project promises to be one of the most comprehensive systems of its kind, encompassing all aspects of child welfare services.

- the complete redesign of current program operations including children and families services, legal proceedings, service analysis, results and outcome measurements, personnel and training, and policies and procedures. The review and analysis stage of this project is nearing its conclusion. The implementation phase is scheduled for completion by January 1996;

- a uniform overhaul of the Child Protective Services (CPS) intake process. A centralized intake process, the most significant recommendation of the Effective Quality Unified Intake Process Team (EQUIPT), has been implemented in Districts I and VI. Early feedback supports the EQUIPT vision of treating all incoming reports consistently and equitably. Five other EQUIPT recommendations, including the streamlining of intake and related case management forms, improving interfaces with the Attorney General's Office, improving the case closure process, eliminating duplicative services, and eliminating manual reporting processes, are in various stages of implementation. These process improvements recommended by EQUIPT have received national recognition by the Child Welfare League of America.

Mr. Douglas R. Norton  
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Additionally, resource issues related to staffing, workloads, caseload complexity, training, overtime, and personal safety are being addressed by the Program Redesign and internal quality initiatives. The recommendations, including implementation plans, will be presented in 1995.

The Behavioral Health issues are being addressed through the Children's Behavioral Health Plan developed by a consortium comprised of the Departments of Economic Security, Health Services, Education, Youth Treatment and Rehabilitation, the Administrative Office of the Courts, Regional Behavioral Health Authorities, and community behavioral health advocates. Work group recommendations are scheduled for delivery throughout 1995.

The shortage of foster care homes is being addressed by a task force comprised of both internal and external entities. Recommendations from this work group will be implemented during 1995.

The Department did not fully implement the 1991 workload study findings, however, as soon as I was appointed Director, I made the reform of Arizona's child welfare services the Department's number one priority. Consequently, we will not settle for anything less than complete success in this vitally important area.

Finally, I wish to express this Department's appreciation to you and your staff for the courtesy consistently displayed by your staff during the course of their study. If you have any questions or need additional information, please contact me.

Sincerely,

  
Linda J. Blessing

c:	Michael Koppelman	014A
	Eric Bost	060A
	Phil Bayne	750A
	Mary Ault	750A