

Arizona Department of Child Safety
Independent Review

Supplemental Report
Background Data

Chapin Hall Center for Children
University of Chicago

2015



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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

July 28, 2015

The Honorable Andy Biggs, President
Arizona State Senate

The Honorable David Gowan, Speaker
Arizona State House of Representatives

Members of the Arizona Legislature

The Honorable Doug Ducey, Governor

Mr. Gregory McKay, Director
Arizona Department of Child Safety

Transmitted herewith is a supplemental report to the independent review of Arizona's child safety system and the Arizona Department of Child Safety that was conducted by Chapin Hall at the University of Chicago (Report No.15-CR1). This supplement includes a historical overview of recent trends related to maltreatment rates, placement into foster care, length of time spent in foster care, and permanency.

The supplemental report will be released to the public on July 29, 2015.

Sincerely,

Debbie Davenport
Auditor General

Attachment

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Background Trends

In this supplement to the main report, we present background data on important trends as portrayed in the Department's own administrative data. This includes a historical overview of recent trends related to maltreatment rates, placement into foster care, length of time spent in foster care, and permanency. These data were used (1) to better understand the problems that leaders in Arizona were trying to solve, and (2) to understand events in Arizona relative to other states during a comparable historical period.

Caseload Dynamics in Arizona: 2000-2014

The central issue facing Arizona's child protection system is the significant upswing in the number of families served at each point along the continuum of care, from reporting through to placement in foster care. In this section, we describe what happened and when it happened. To place the changes in Arizona in context, we also consider comparable data from other states in order to point out the extent to which the events in Arizona resemble what is/was happening in other places in the country.

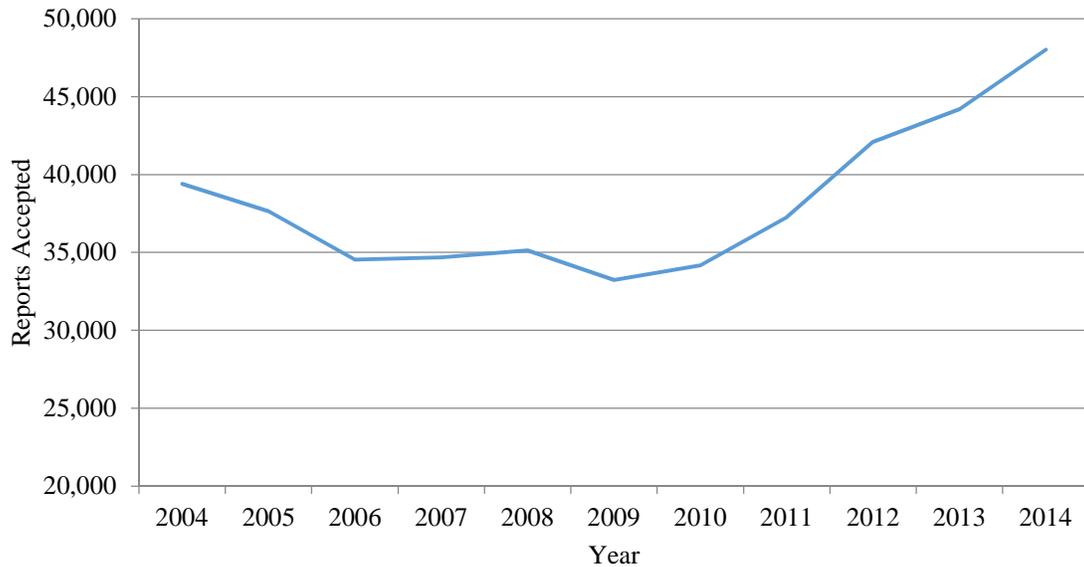
Maltreatment

Generally speaking, system involvement begins with a Hotline call. The Hotline can choose whether to accept each report, and reports that are accepted are assigned a priority level. The expectation is that all accepted reports will receive investigations, which determine (1) whether allegations of child maltreatment (abuse or neglect) are substantiated and (2) whether the child needs to be removed for safety reasons. In Arizona, there is also a determination made in the context of investigations about whether there has been criminal behavior on the part of the parent or guardian. Children who are removed enter the state's custody either in foster or congregate care settings. Once in substitute care, children may achieve permanency by returning home or being adopted; other children "age out" of the system, reaching the age of majority while in substitute care. We will examine trends, patterns, and system functioning at each of these key milestones to clarify how the system has changed and where risks to children are concentrated.

In the years leading up to the Great Recession (circa 2004 through 2008), reports to the state's child abuse and neglect reporting system were generally down year over year. The details for accepted reports are presented in Figure 1. In Arizona, accepted reports refer to those reports that are screened in at the hotline, assigned a priority level, and should receive an investigation. From just under 40,000 accepted in reports in 2004, the number dropped to 33,228 in 2009, which is a

15% decline. From 2009 forward, the number of accepted reports grew by an average of almost 8% per year. Cumulative growth from 2009 through 2014 was 44%.

Figure 1: Number of Reports Accepted Annually¹



Changes in the number of accepted reports of the magnitude observed in Arizona place significant strain on the child welfare system. When coupled with changes in the proportion of accepted reports that go on to become substantiated cases of maltreatment, the strain is even greater. Figure 2 shows the percentage of accepted reports that were then substantiated. Data in Figure 2 are presented for Arizona’s two largest counties (Maricopa and Pima) and the rest of the State. The data show that historically Pima has tended to substantiate a larger proportion of cases (12% on average) than either Maricopa County (about 8%) or other parts of Arizona (about 8%).

At some point during 2008 (Pima) and 2009 (the rest of Arizona), substantiation rates increased dramatically. Between 2007 and 2014, substantiation rates increased by 81% in Maricopa and 51% in other parts of Arizona. In Pima county substantiation rates have returned to historical levels, but only after rising by 50% between 2008 and 2010.

¹ Department of Economic Security. (2004 – 2014). Child Welfare Reporting Requirements. https://www.azdes.gov/InternetFiles/Reports/pdf/semi_annual_child_welfare_report_oct_2013_mar_2014.pdf

Figure 2: Substantiated Reports of Maltreatment as a Percentage of Reports Accepted by Year²

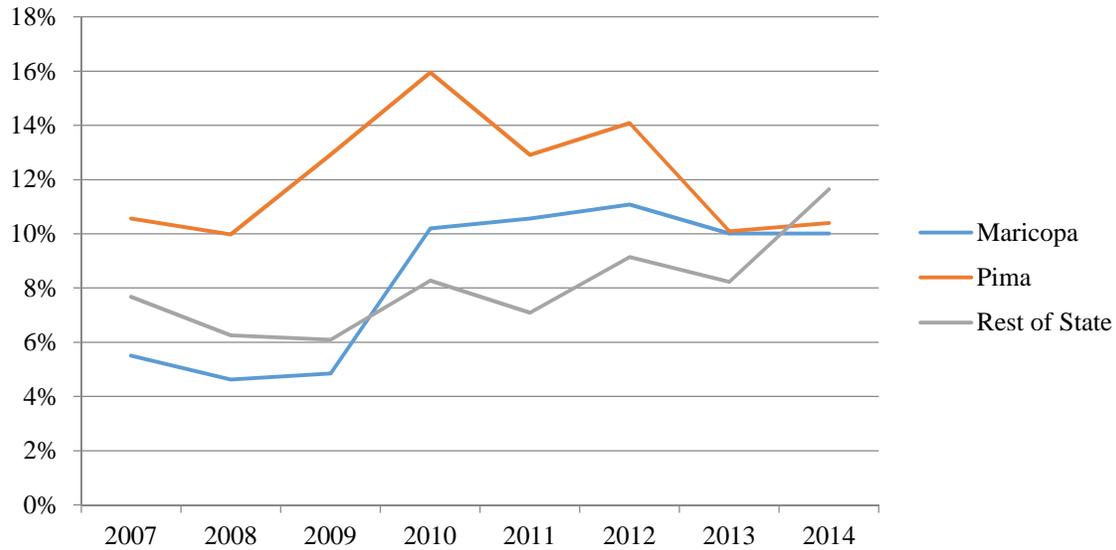
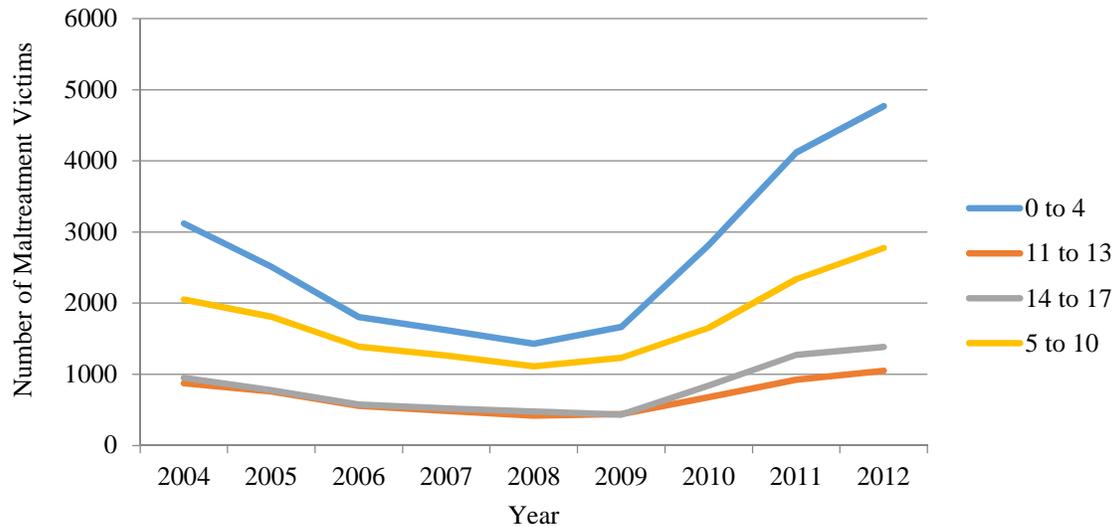


Figure 3 shows the age composition of maltreatment victims, with each line in the graph referring to the corresponding age group depicted in the legend to the right of the figure.³ The number of victims is concentrated among children age 10 and below. Specifically, 75% of victims are below age 10 and about 50% are below the age of 5. Between 2004 and 2008, regardless of age group, the number of victims fell each year relative to the prior year. As portrayed previously, in 2008/2009, there was a significant shift in the number of confirmed victims. Across age groups, the number of victims increased by 10% between 2008 and 2009. Between 2009 and 2010, the number increased by 59% and an additional 44% the following year. In sum, the increase in victimization affected all age groups more or less equally.

² Department of Economic Security. (2004 – 2014). Child Welfare Reporting Requirements. https://www.azdes.gov/InternetFiles/Reports/pdf/semi_annual_child_welfare_report_oct_2013_mar_2014.pdf

³ These data are based on data provided by states to the National Child Abuse and Neglect Data System (NCANDS). The children involved in a substantiated abuse/neglect allegation are considered “victims.”

Figure 3: Confirmed Victims of Maltreatment by Age⁴

Arizona in context

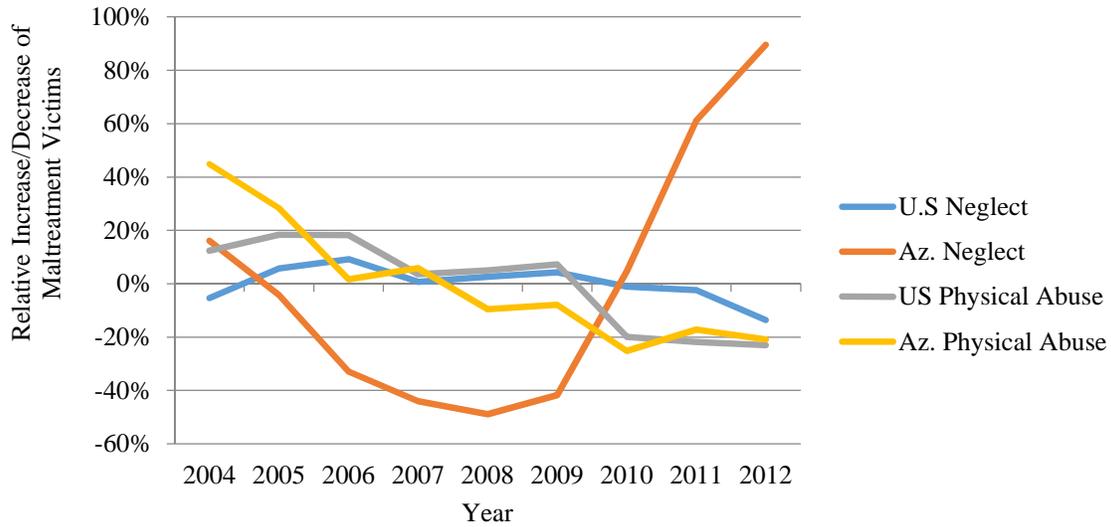
To place Arizona in a national context, we examined changes in physical abuse and neglect using the National Child Abuse and Neglect Data System (NCANDS). The U.S. Department of Health and Human Services (HHS) uses NCANDS to monitor state child protection systems. By comparing substantiated reports in Arizona with trends elsewhere in the U.S., one is able to see the ways in which the experience in Arizona differs from what was happening elsewhere in the country.

In Figure 4, we compare Arizona with the rest of the U.S. using victimization data. In the NCANDS context, victimization refers to confirmed cases of child abuse and neglect. NCANDS does not apply a common definition of maltreatment; rather NCANDS uses each state's definition in the summary tables. The data in Figure 4 differentiate between substantiated victims of neglect versus substantiated victims of physical abuse. The results show how the reported number of victims in any given year differs from the average of all the years for both Arizona and the U.S.

In general, child abuse and neglect across the U.S. has been trending downward: there were fewer victims nationwide in 2012 than in 2004. This is true for both neglect and physical abuse, although the changes in physical abuse are more pronounced. The story in Arizona is much the same but for one dramatic exception. The number of substantiated physical abuse cases declined more rapidly in Arizona; for neglect, trends reveal a sharp increase in the number of neglect victims during the economic downturn, beginning in 2009.

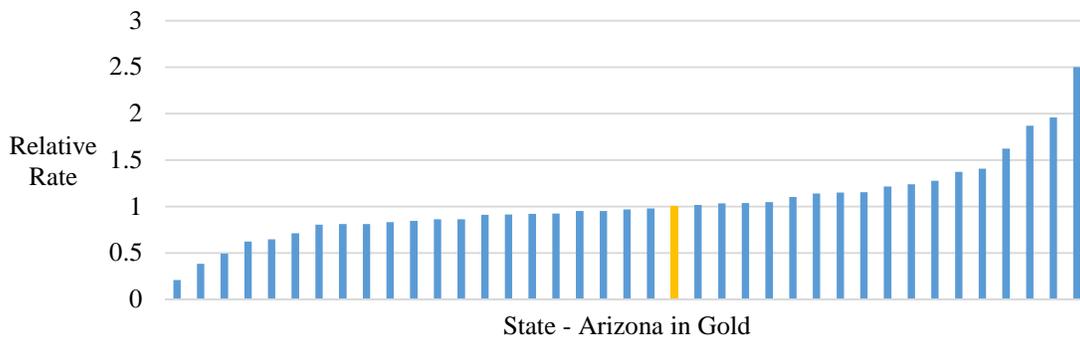
⁴ Annie E. Casey Foundation. (2015). Children who are confirmed by child protective services as victims of maltreatment by age group. Retrieved from: <http://datacenter.kidscount.org/data#AZ/2/0>

Figure 4: Change in the Number of Maltreatment Victims Relative to the Average Number of Victims by Type of Abuse and Year⁵



With respect to overall levels of reporting and substantiation, Figures 5, 6, and 7, portray Arizona in a national context. These data suggest that while the number of reports in Arizona falls around the national average (Figure 5), the number of substantiated allegations per 1,000 reports is lower in Arizona than all but two other states (Figure 6).⁶

Figure 5:
Number of Reports per 1,000 Children: 2005 to 2012⁷



⁵ Annie E. Casey Foundation. (2015). Retrieved from: <http://datacenter.kidscount.org/data#AZ/2/0>

⁶ The data reported in Figures 5, 6 and 7 are a composite constructed from NCANDS data for 39 states for the years 2005 through 2012. The states selected were chosen based on the completeness of data reported to NCANDS. The data reported are relative rates. Reporting rates (per 1,000 children in the population) over the eight-year period were averaged. Using Arizona as the base, we then compared the rates in Arizona to the other states in the model. In Figure 5, states with relative rates below 1, have reporting rates that are lower than Arizona; states with a relative rate above 1 have rates that are higher than Arizona.

⁷ Annie E. Casey Foundation. (2015). Chapin Hall at the University of Chicago staff analysis of data retrieved from: <http://datacenter.kidscount.org/data#AZ/2/0>

Figure 5 above shows that Arizona falls squarely in the middle of the country with regards to the number of reports received. However, when the lens shifts to examine the number of allegations that are substantiated (Figure 6), it is evident that Arizona substantiates far fewer of the allegations it receives when compared to the majority of other states. As a consequence, victimization rates in Arizona are among the lowest in the country (Figure 7).

Figure 6:
Number of Substantiated Allegations per 1,000 Reports: 2005 to 2012⁸

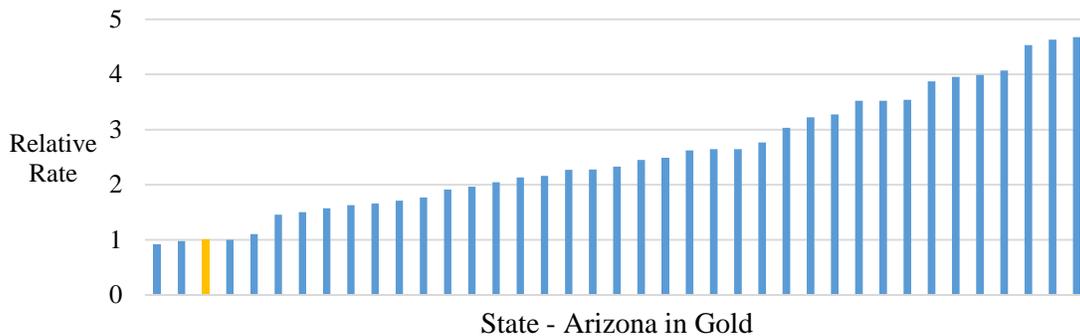
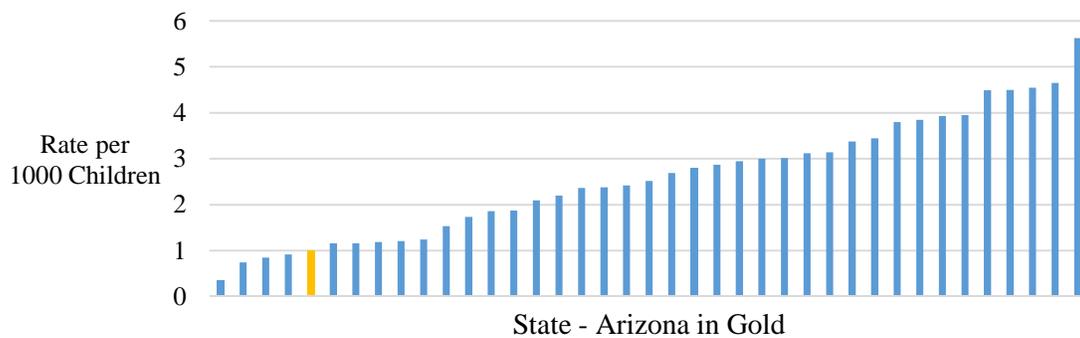


Figure 7:
Number of Substantiated Reports of Maltreatment per 1,000 Children: 2005 to 2012⁹



From these data, the picture that emerges is one that suggests that while Arizona is under considerable pressure to meet the needs of the rising number of children and families coming to the attention of the child protection system, rates of substantiation are *lower* in Arizona than in most other states.

⁸ Annie E. Casey Foundation. (2015). Chapin Hall at the University of Chicago staff analysis of data retrieved from: <http://datacenter.kidscount.org/data#AZ/2/0>

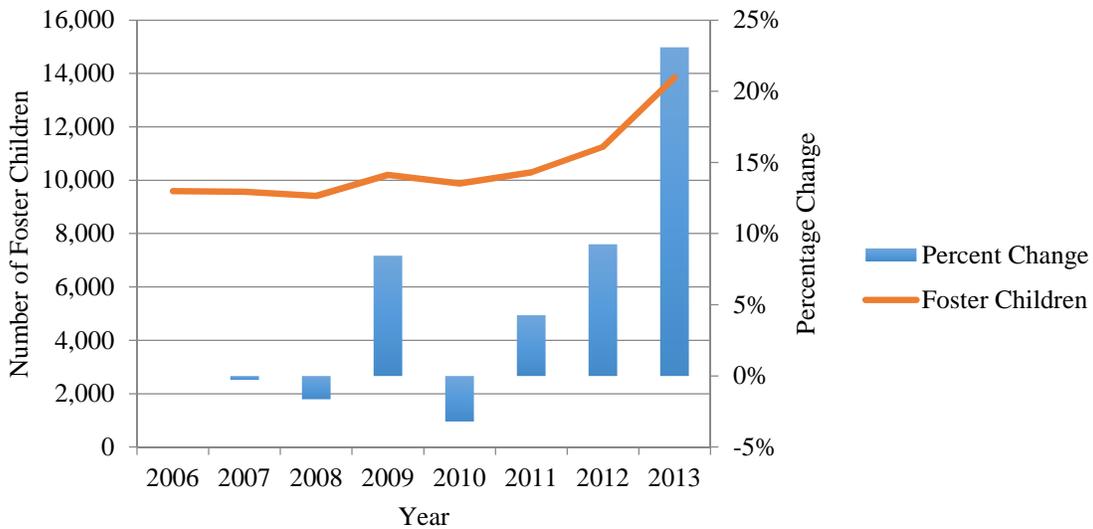
⁹ Annie E. Casey Foundation. (2015). Chapin Hall at the University of Chicago staff analysis of data retrieved from: <http://datacenter.kidscount.org/data#AZ/2/0>

Foster care placements

Over time, Arizona has also seen an increase in the number of children being cared for away from their parent’s home. Figure 8 shows the extent of the increase, from 2006 through 2013. The orange line depicts the number of children in substitute care each year. The blue bar reflects the percentage increase or decrease of the number of children in substitute care for each year.

Through 2008, the number of foster children in Arizona was just under 10,000 children and youth. An admission spike in 2009 pushed the foster care population up slightly. That increase was followed by a slight decline in 2010. Thereafter, the population increased steadily, with the most significant increase coming between 2012 and 2013 (given the time period covered by these data). Cumulatively, from the low point in 2008 through January 1, 2013, the population grew by almost 50%.

Figure 8: Number of Children in Foster Care and Year-Over-Year Percentage Change: 2006-2013¹⁰

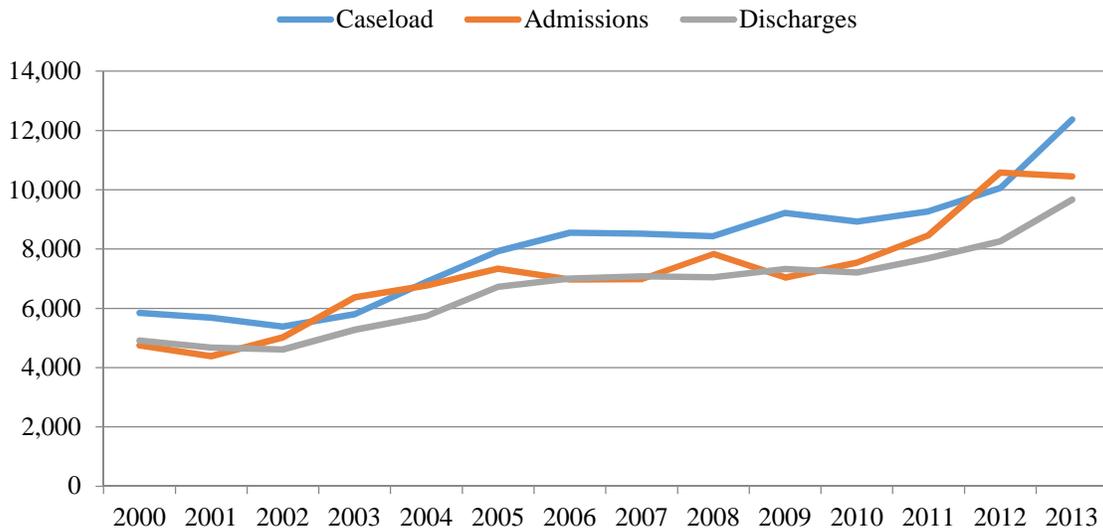


Changes of the magnitude observed in Arizona are rarely a consequence of single factor. Specifically, a state’s caseload grows when the underlying balance of admissions and discharges favors admissions, regardless of whether admissions are growing or declining. Figure 9 illustrates this point by simultaneously demonstrating Arizona’s total admissions, discharges, and overall caseload between 2000 and 2013.

¹⁰ Chapin Hall at the University of Chicago. (2015). Center for State Child Welfare Data. Retrieved from: <https://feda.chapinhall.org/>

The long view (Figure 9) suggests that admissions were trending upward for much of the past fifteen years. For example, compared to 2000, the number of admissions in 2005 had increased by 36%, a rate of growth that was actually equivalent to the rate observed between 2009 and 2013. From 2006 through 2008, the growth was actually below what it had been, a pattern that may have led to a false sense of stability as the state headed, unknowingly, into the recession.

Figure 9: Number of Admissions, Discharges, and Foster Care Caseload: 2000 to 2013¹¹



As admissions increased in the post-recession period after 2009, discharges from care slowed markedly, the second factor to cause what might be called “hyper-growth” in the number of children living in foster care.

Table 1: Number of Days to Exit From Foster Care by Admission Year: Arizona¹²

Quartile Duration	Admissions 2006 to 2009	Admissions 2010 to 2013
25%	14	135
50%	308	457
75%	656	N/A
100%	N/A	N/A

¹¹ Chapin Hall at the University of Chicago. (2015). Center for State Child Welfare Data. Retrieved from: <https://feda.chapinhall.org/>

¹² Chapin Hall at the University of Chicago. (2015). Center for State Child Welfare Data. Retrieved from: <https://feda.chapinhall.org/>

Table 1 shows the time to exit (in days) for two general cohorts of children coming into foster care: children who were admitted between 2006 and 2009 and children admitted between 2010 and 2013. The column labeled quartile duration (expressed as a percentage) and the corresponding days show how long it takes for 25, 50, 75, and 100% of the children admitted during the same period to leave placement. For example, 25% of the children admitted between 2006/2009 left care within 14 days of admission. Of children in that same entry group, 50% spent fewer than 308 days in care and 50% spent more than 308 days in care. As of June 30, 2014, some children from that admission group were still in care, as indicated by the N/A.

According to the data in Table 1, when compared with the earlier cohort, there was a nearly ten-fold increase in the time needed to discharge 25% of the children admitted. Relative to the earlier cohort, the time needed to discharge 50% of the children increased by 50%, from 308 days to 457 days.

Table 2: Quartile Duration in Days by County, Children Admitted 2007 to 2010¹³

Quartile Duration	Maricopa County	Pinal County	Pima County	Yavapai County	All Other Counties
25%	10	120	39	90	17
50%	342	392	335	359	230
75%	688	684	625	630	553
100%	N/A	N/A	N/A	N/A	N/A

Lastly, length of stay differs significantly within Arizona at the county level (Table 2).

Arizona in context

Although Arizona has an average reporting rate and a below average substantiation rate, the state's placement rate is *above* the average reported for other states. To identify this pattern, we used data on caseload dynamics from a multistate foster care database to identify the rate of placement in each of sixteen other states. The data from those states include a complete set of foster care placement records that allow us to accurately count the number of first admissions matched to state data for poverty rates, maltreatment rates, and substantiation rates. The results of the analysis are displayed in Figure 10.

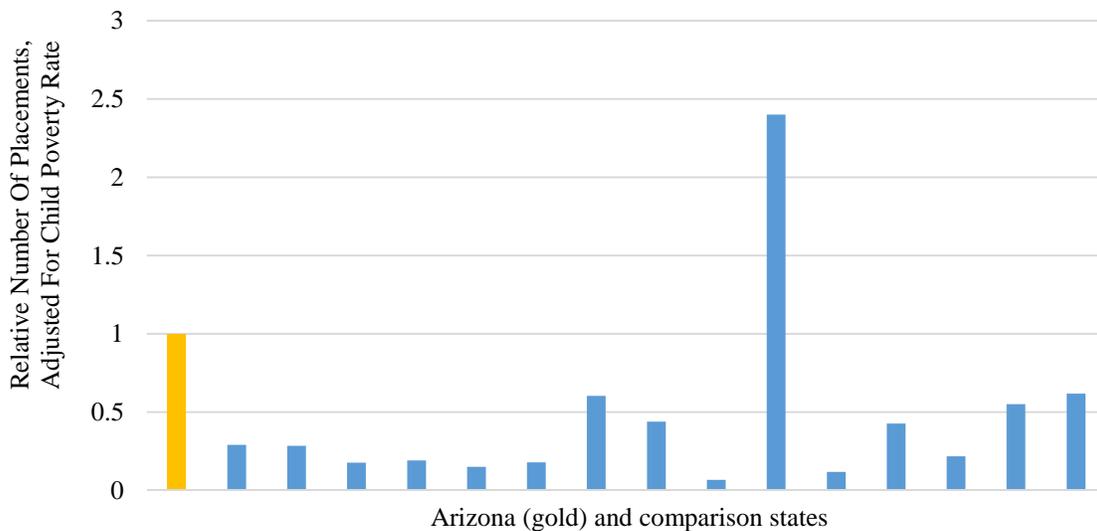
Because Arizona substantiates so few cases, we opted to standardize our measure of the placement rate by taking the number of substantiated cases in a given year and using that figure to

¹³ Chapin Hall at the University of Chicago. (2015). Center for State Child Welfare Data. Retrieved from: <https://fcd.chapinhall.org/>

calculate the number of admissions per 1,000 maltreatment victims. In this particular case, we do not link the maltreatment data to the placement at the child level. Instead we use the raw counts of both placement and maltreatment victims. In this particular case, we use all placements for the first time in each year from 2005 through 2012. The placement rate reported is the average for those years. Again, we report the rate as the relative rate: Arizona is the comparison state and each state rate is expressed as the difference between that state’s rate and Arizona’s rate. Finally, the rates are adjusted for the state’s poverty rate in an effort to account for the link between socio-economic wellbeing and the need for placement.

With respect to other states in the model, the rate of placement in Arizona is substantially higher than it is in all of the other states but one.

Figure 10: Relative Number of Placements per 1,000 Maltreatment Victims Adjusted for Child Poverty Rate 2005 to 2012¹⁴



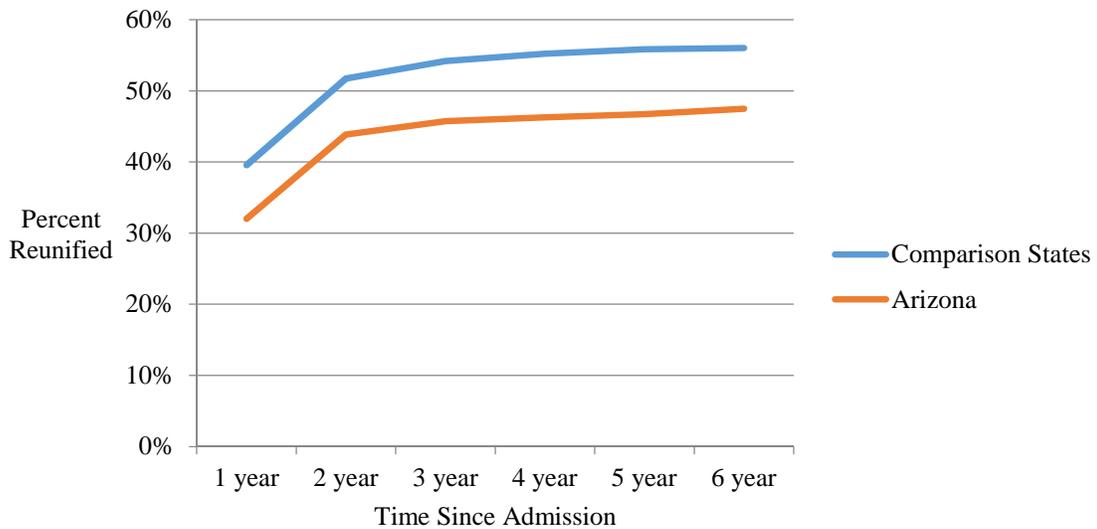
With regard to length of stay, the experience of children in Arizona again differs from what children in other states experience. To capture those differences, we examined the cumulative likelihood of leaving care by either reunification or adoption. The cumulative likelihood was computed by asking, of those children admitted, how many left care to either reunification or adoption by the end of each year for up to six years following placement. For example, if 100 children were admitted in calendar year 2007 and by the end of one year (from the start of

¹⁴ Chapin Hall at the University of Chicago. (2015). Center for State Child Welfare Data. Retrieved from: <https://fcd.chapinhall.org/>

placement) twenty-five children left for reunification, then the cumulative reunification rate after one year would be 25%. If in the next year another 25 children left care, then the cumulative rate of adoption at the end of two years would be 50%. In the analysis presented here we averaged rates over each entry cohort from 2007 through 2012.

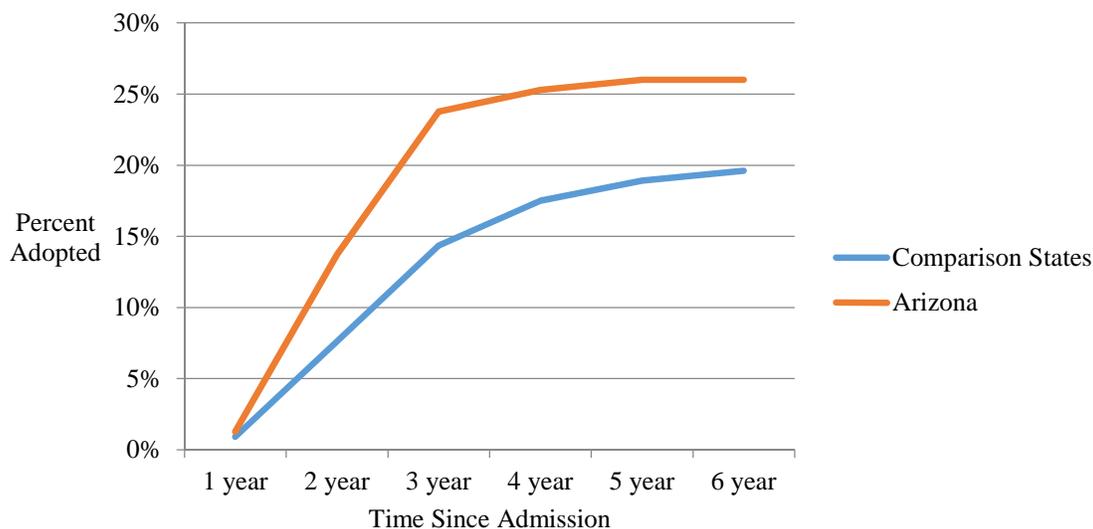
The results are displayed in Figures 11 and 12. With regard to reunification, about 40% of children who entered care between 2007 and 2012 will be reunified within one year in the comparison states. The comparable figure in Arizona is about 33%. At each subsequent interval, the gap persists – the cumulative rate of reunification is about 80% lower in Arizona. For adoption, the narrative flips. Children in Arizona are much more likely to be adopted than children in other states, with the difference becoming much more pronounced about three years after children enter care.

Figure 11: Cumulative Likelihood of Reunification: Children Admitted 2007 to 2012 Arizona and Comparison States¹⁵



¹⁵ Chapin Hall at the University of Chicago. (2015). Center for State Child Welfare Data. Retrieved from: <https://fcd.chapinhall.org/>

Figure 12: Cumulative Likelihood of Adoption:
Children Admitted 2007 to 2012 Arizona and Comparison States¹⁶



Why did the caseload grow?

There is no single factor that accounts for the increase in the number of children served by Arizona's child protection system. Nevertheless, it is important to consider the larger context in which these changes played out. We examined three basic trends:

- Increases in the number of children living in Arizona
- Increases in the number of children living in poverty in the state
- Cut backs in child care and other subsidies that led to fewer families being served

Taken together, a growing number of children, an increase in the number of children living in poverty, and reductions in core services likely combined to unravel the child protection system over a relatively short period of time.

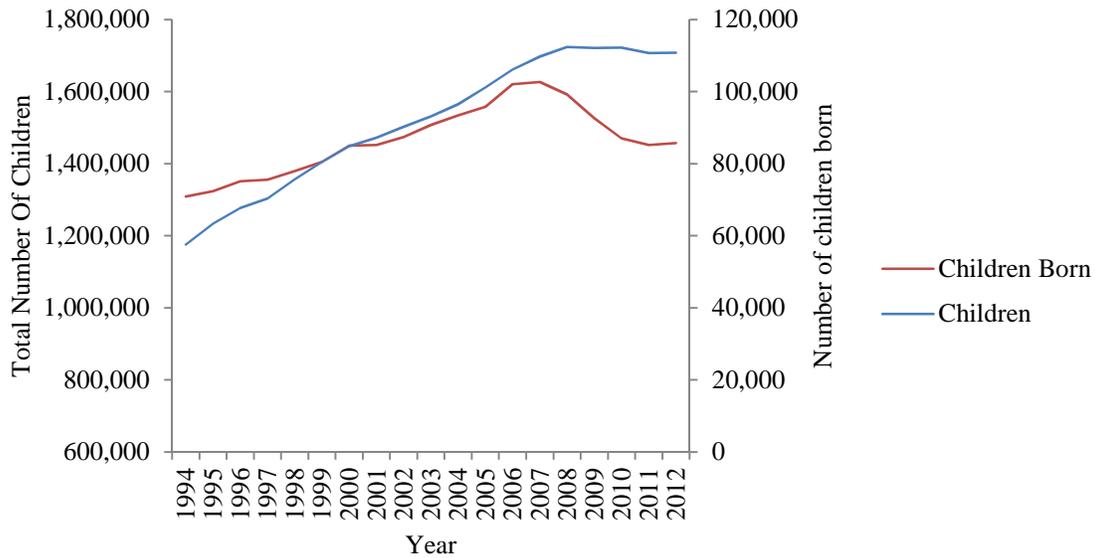
Number of children and number of children in poverty

All things being equal (i.e., reporting rates, substantiation rates, placement rates), if a state's population of young people under the age of 18 is growing, then one should expect a slow steady increase in the demand for child welfare services. In the case of Arizona, as shown in Figure 13, there had been a persistent increase in the number of children living in the state. The overall increase was driven to a large extent by the number of children born each year, notwithstanding a

¹⁶ Chapin Hall at the University of Chicago. (2015). Center for State Child Welfare Data. Retrieved from: <https://fcd.chapinhall.org/>

precipitous drop in births during the recession. From 1994 through 2008, births increased by about 40%. Given how the risk of placement changes with age (i.e., risk is highest among very young children and adolescents), population growth in the late 1990s means the population of adolescents coming of age was significantly larger between 2007 and 2010 than at times earlier in the decade.

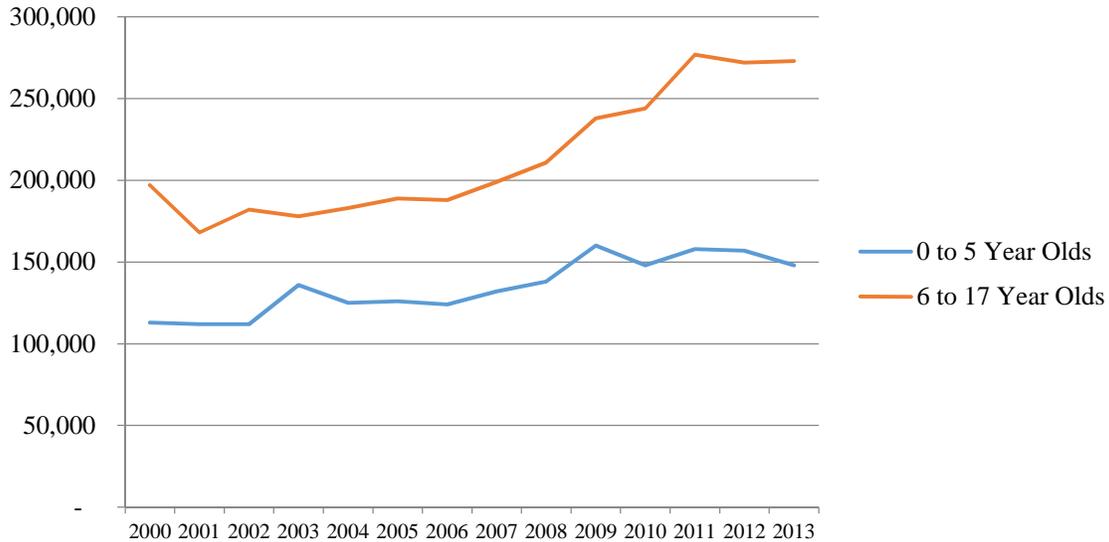
Figure 13:
Number of Children Born in Arizona: 1994 to 2012¹⁷



Together with a growing population of children, Arizona also faced significant increases in the number of children living in poverty. Poverty is a risk factor for child welfare system involvement, largely due to an increased risk of neglect. In Arizona, through much of the last decade, the number of children living in poverty rose steadily, as shown in Figure 14.

¹⁷ Annie E. Casey Foundation. (2015). Retrieved from: <http://datacenter.kidscount.org/data#AZ/2/0>
Morrison Institute for Public Policy. (2015). Arizona Indicators. Retrieved from: <http://www.arizonaindicators.org/demographics/births>

Figure 14:
Children Living in Poverty by Age Group: 2000 to 2013¹⁸



Supports for vulnerable families

The economic recession, which started affecting Arizona residents around 2007, thrust families into increasingly difficult circumstances.¹⁹ At the same time, the supply of services and supports families would have otherwise relied on began to shrink. Internal and external stakeholders interviewed across the state said repeatedly that families were no longer able to access the level of support from the state and from their communities that was once available to them. The more serious reductions were said to have occurred in 2009 and beyond, increasing vulnerability and, thus, the rate of contact with the child welfare system.

State investment in childcare subsidies is perhaps the best example of how the state scaled back services. Between 2009 and 2010, the number of families receiving childcare subsidies fell sharply from 25,077 in 2009 to 17,679 in 2010, a decline of nearly 30% in one year.²⁰ Total state expenditures dropped from \$193,751,359 to \$136,241,993 over the same time period, another reduction of almost 30%. Although a waiting list for subsidies was put in place in 2009, by State Fiscal Year 2012, Arizona had cut State funding for this program completely.²¹ In 2014, the same

¹⁸ Chapin Hall at the University of Chicago. (2015). Center for State Child Welfare Data. Retrieved from: <https://fcda.chapinhall.org/>. Annie E. Casey Foundation. (2015). Chapin Hall at the University of Chicago staff analysis of data retrieved from: <http://datacenter.kidscount.org/data#AZ/2/0>

¹⁹ Policy Points. (2009). Social safety net stretched by demand. *Arizona Indicators, 1(1)*. Morrison Institute of Public Policy.

²⁰ Department of Economic Security. (2010). Annual Child Care Report to the Joint Legislative Budget Committee. https://www.azdes.gov/InternetFiles/Reports/pdf/child_care_jlbc_2010.pdf

²¹ Eisenbarth Hager, C.J. (2011). *IMPACT: Child Care Assistance Programs*. Morrison Institute for Public Policy.

year the Governor and Legislature took action to create the new Department, only 12,634 Arizona families received a subsidy.²² These data are found in Figures 15 and 16.

Figure 15: Arizona Child Care Subsidies: Clients Served 2005 to 2014

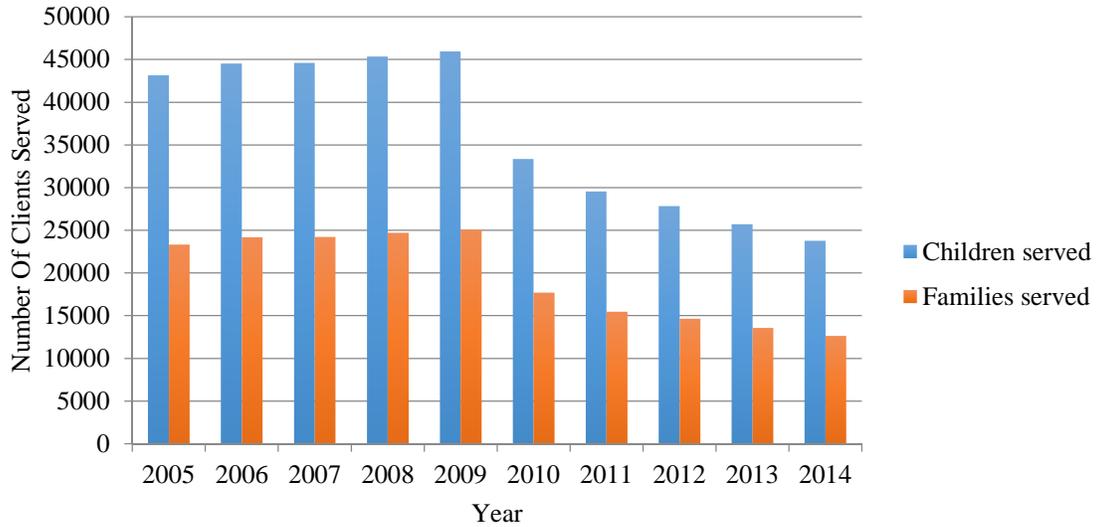
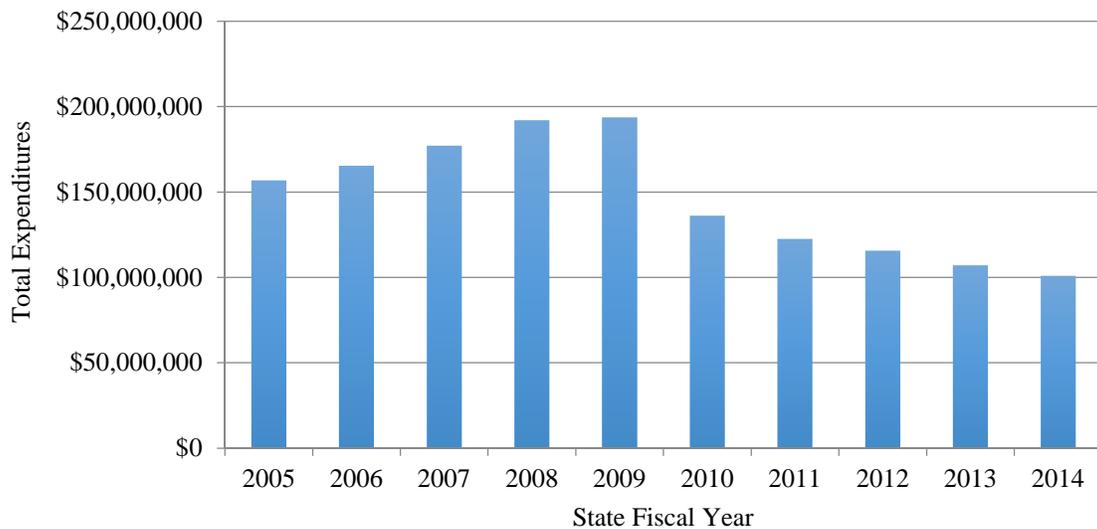


Figure 16: Total Expenditures for Child Care Subsidies by State Fiscal Year: 2005 to 2014



Understanding Regional Variation in Arizona

Given the broad mission of child welfare systems for keeping children safe, there is a tendency to see state child welfare systems as a whole when in truth child welfare systems are local and differ

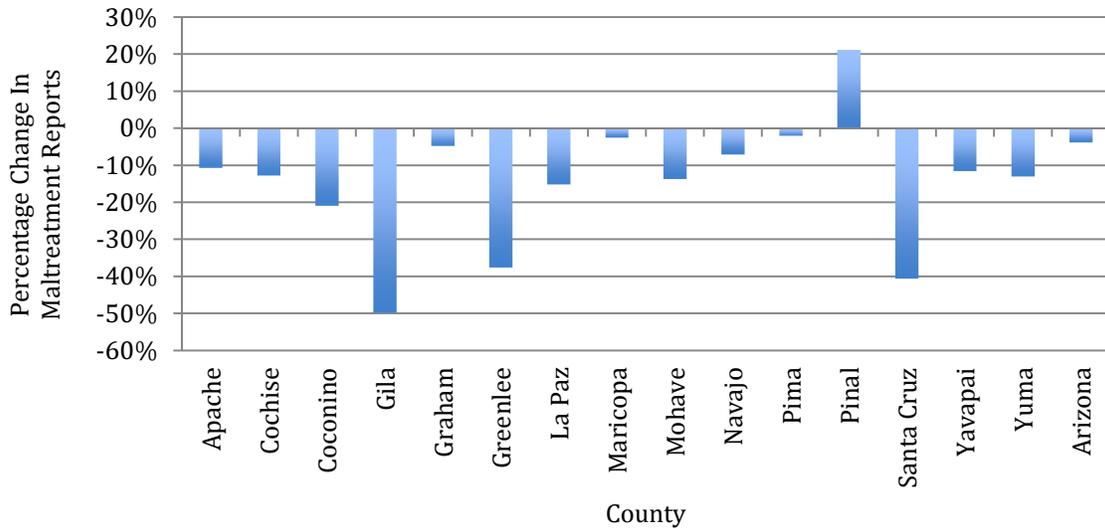
²² Department of Economic Security. Annual Child Care Report to the Joint Legislative Budget Committee. 2005-2014.

in ways that show up as differences in what happens to children. Indeed, a key feature of the Arizona landscape is that although the statewide narrative is quite pronounced, local narratives are far more varied. In terms of strategic direction, this local variation is what should attract the attention of policy makers and other stakeholders.

Maltreatment

The statewide change in maltreatment reports from 2009 through 2014 triggered the decision to create the new Departmental structure and reinvestment in the workforce. Although the increase in maltreatment proved to be a powerful narrative, the local storyline is more complicated. First, the magnitude of the post 2009 increase has to be understood in terms of what had been happening in the five prior years. Between 2004 and 2008, all but one county in Arizona experienced a downturn in the number of maltreatment reports accepted. The statewide drop totaled nearly 4%; in some counties it was as much as 50%, as shown in Figure 17. The smaller statewide change is attributable to the fact that Arizona’s largest counties – Maricopa and Pima – both experienced changes in the 5% range whereas Pinal County experienced a 20% increase.

Figure 17: Change in Maltreatment Reports by County: 2004 to 2008²³



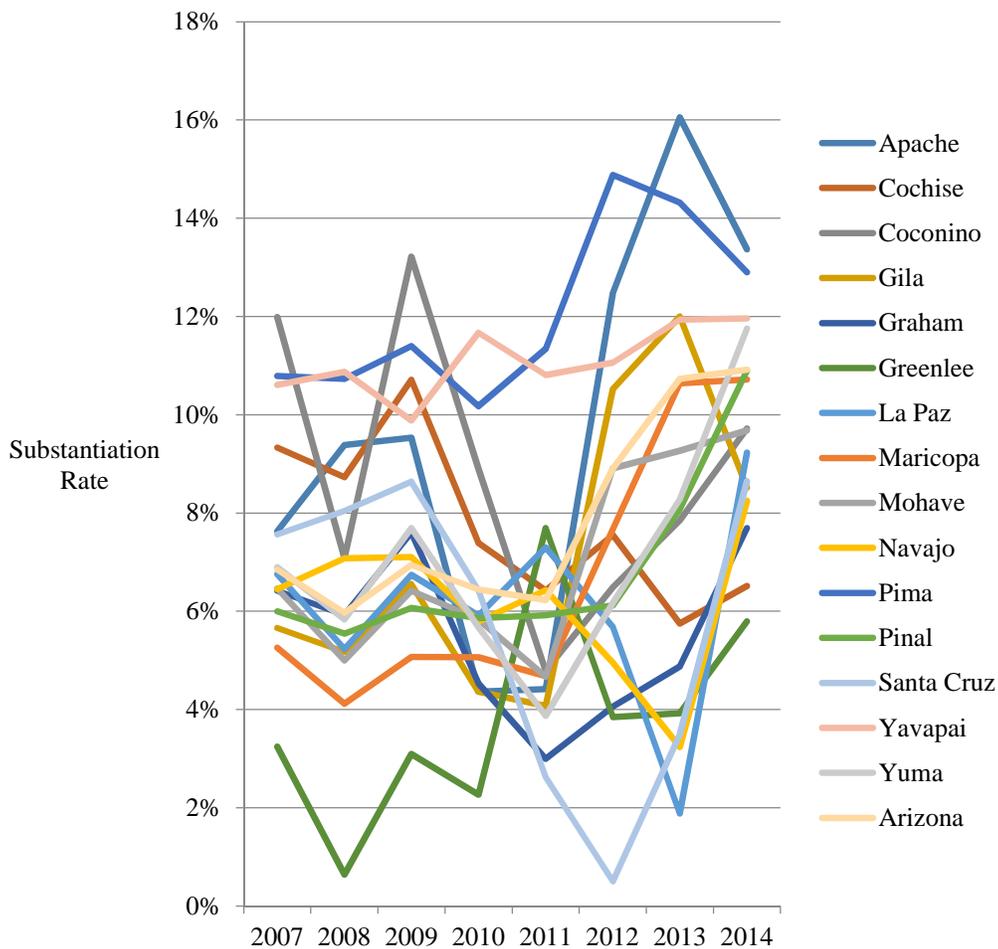
Against the lower base number of accepted maltreatment reports, the changes from 2009 through 2014 appeared that much more significant. However, when compared with maltreatment reports accepted earlier in the decade, the overall change is less pronounced. For example, when compared with 2004, six counties in Arizona actually had a *lower* number of maltreatment reports

²³ Department of Economic Security. (2004 – 2008). Child Welfare Reporting Requirements. https://www.azdes.gov/InternetFiles/Reports/pdf/semi_annual_child_welfare_report_oct_2013_mar_2014.pdf

accepted in 2014 than in 2004. When compared with 2009, all but one county had fewer reports in 2014 than in 2009. In context, then, the number of reports accepted is not per se dramatically higher, as of 2014, than what Arizona encountered in the past.

In part, the demand for child protection services is a function of the number of reports that go on to be substantiated. As noted earlier, the probability an accepted reported would lead to a substantiated maltreatment allegation increased in the post-recession period. Figure 18 amplifies this point and highlights the extent to which Arizona counties differ with respect to whether an accepted report will be substantiated.

Figure 18: Substantiation Rates as a Percentage of Accepted Reports by County: 2007 to 2014²⁴



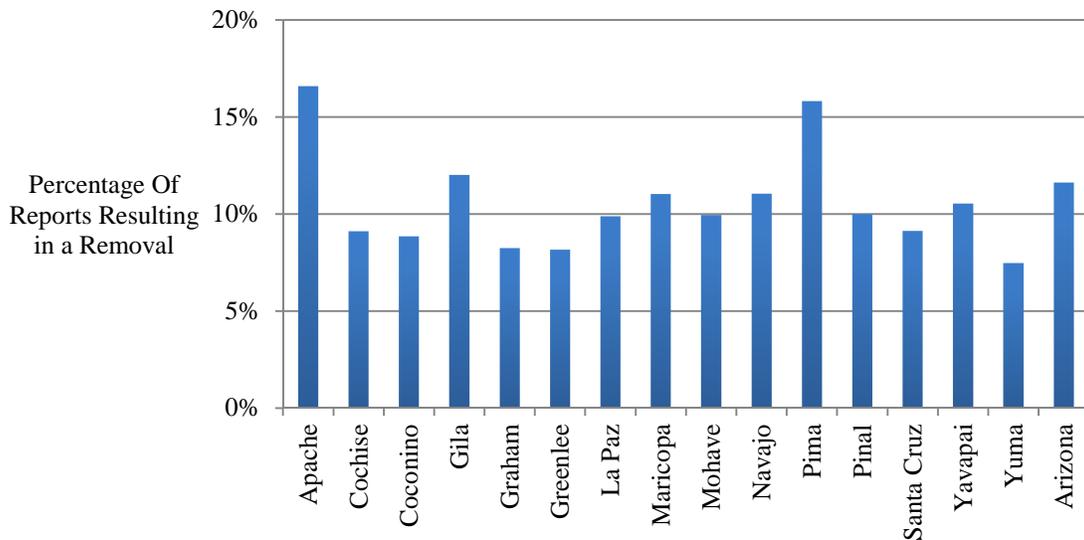
²⁴ Department of Economic Security. (2007 – 2014). Child Welfare Reporting Requirements. https://www.azdes.gov/InternetFiles/Reports/pdf/semi_annual_child_welfare_report_oct_2013_mar_2014.pdf. The data as presented are based on three-year moving averages.

Over the eight-year period from 2007 through 2014, average substantiation rates (substantiated cases of maltreatment as percentage of accepted reports) varied widely (e.g. in 2012 between 1% in Santa Cruz County and 15% in Pima County). With such wide variation in substantiation rates, policy changes that emanate from a state policy context have to be viewed with an eye toward local impact. One also has to ask whether these differences reflect real differences in the situations facing Arizona families that are county-based or whether this variability speaks to how child protection works at the local level.

Placement

Counties in Arizona differ with respect to whether an accepted report will result in a removal. As shown in Figure 22, accepted reports of maltreatment in Pima led to placement in about 16% of the cases, when averaged over the years. The comparable figure in Maricopa was 11%, which is a difference of about 40%. In smaller counties such as Apache, Cochise, Coconino, and Yuma, placement rates varied from 17% to 7%.

Figure 19:
Percentage of Reports that Result in a Removal
by County: 2007 – 2014 (Average)²⁵



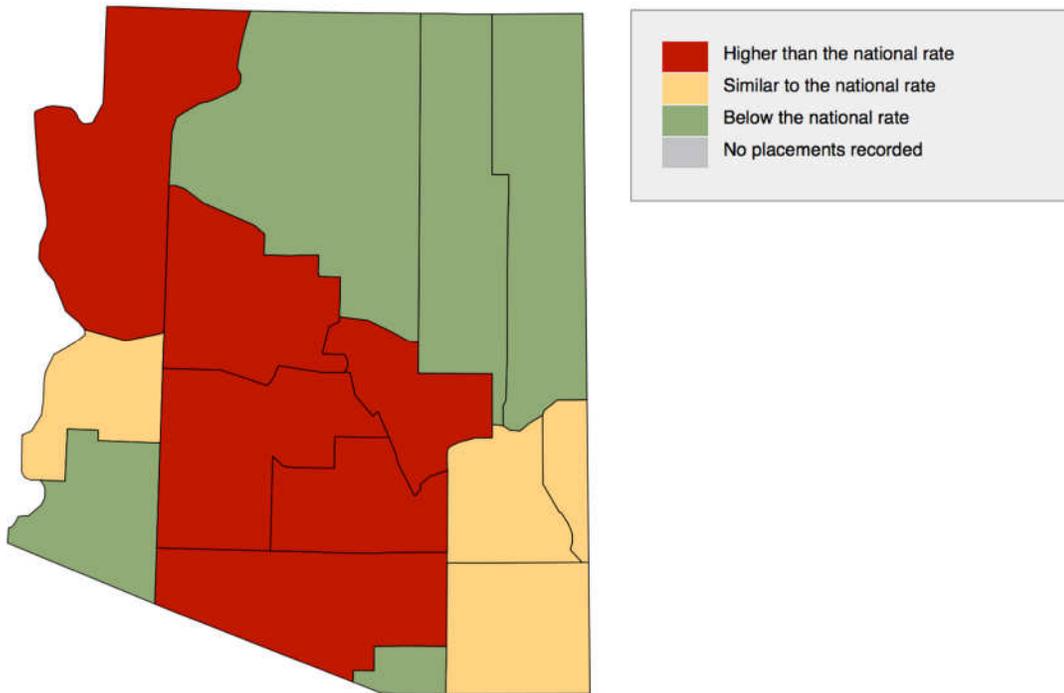
As previously noted, the rate of entry into out-of-home care per 1,000 maltreatment reports is among the highest in the nation. In Figure 20, county placement rates per 1,000 children living in the Arizona counties are compared with rates of placement in counties around the country. Rates are based on the years from 2007 through 2012. In addition, the analysis adjusts for the fact that

²⁵ Department of Economic Security. (2007 – 2014). Child Welfare Reporting Requirements. https://www.azdes.gov/InternetFiles/Reports/pdf/semi_annual_child_welfare_report_oct_2013_mar_2014.pdf

counties differ with respect to such issues as the economic wellbeing of the families living in the county. The map then expresses the results in terms of whether the rate of placement in the county is the same as, above, or below, the average for all the counties used in the analysis.

The results show that rates of entry into out-of-home care do vary significantly around the state. In the more heavily populated areas in the center and northwest corner of the state, rates of entry generally exceed the average. These regions are noted in red. In the northeast corner, as well as in Yuma and Santa Cruz counties, the entry rate is below the average of the other counties, which is noted in green. La Paz, Cochise, Graham, and Greenlee all had average placement rates (yellow).

Figure 20: Adjusted Placement Rates per 1,000 Children:
Arizona Compared to the Other States: 2007 to 2012²⁶

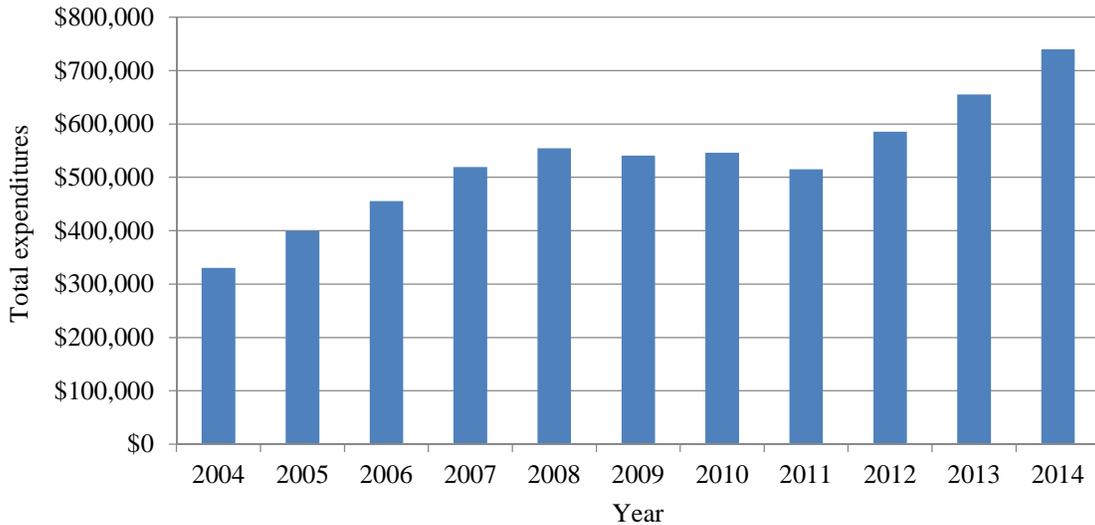


²⁶ Chapin Hall at the University of Chicago. (2015). Center for State Child Welfare Data. Retrieved from: <https://fcd.chapinhall.org/>

Fiscal and Human Resources

As shown in Figure 21, although the funding increase is impressive, it falls short of restoring funding levels to what they would have been had the fiscal trend in child welfare spending of the late 2000s continued.

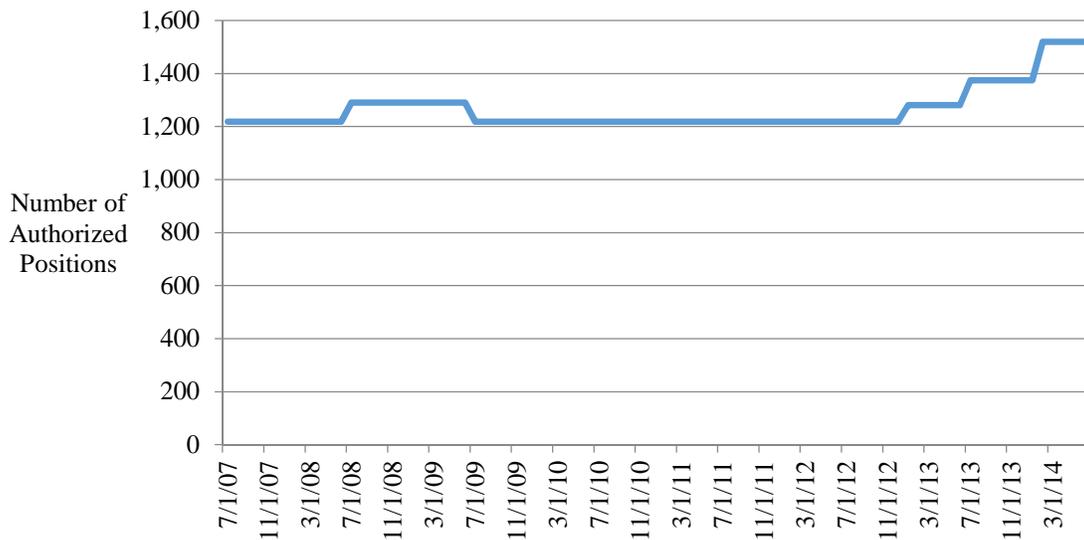
Figure 21: Total Expenditures (in millions) for Child Protective Services by Year: Arizona²⁷



Along with overall budget increases, elected officials also increased the size of the workforce. Figure 22 shows the number of authorized positions available to the child protection system over the years from 2007 through 2014. Except for a short-lived increase in the number of authorized positions for state fiscal year 2009, when the number of authorized positions was increased to 1,290, the state authorization levels held steady at 1,218 caseworkers and supervisors through December 31, 2012. Thereafter, lawmakers approved a series of increases in authorization levels, from 1,281 in January of 2013, to 1,374 in July of 2013, to 1,520 in February of 2014 (Figure 22).

²⁷ Department of Child Safety. DCS Budget History: 2004 to 2014.

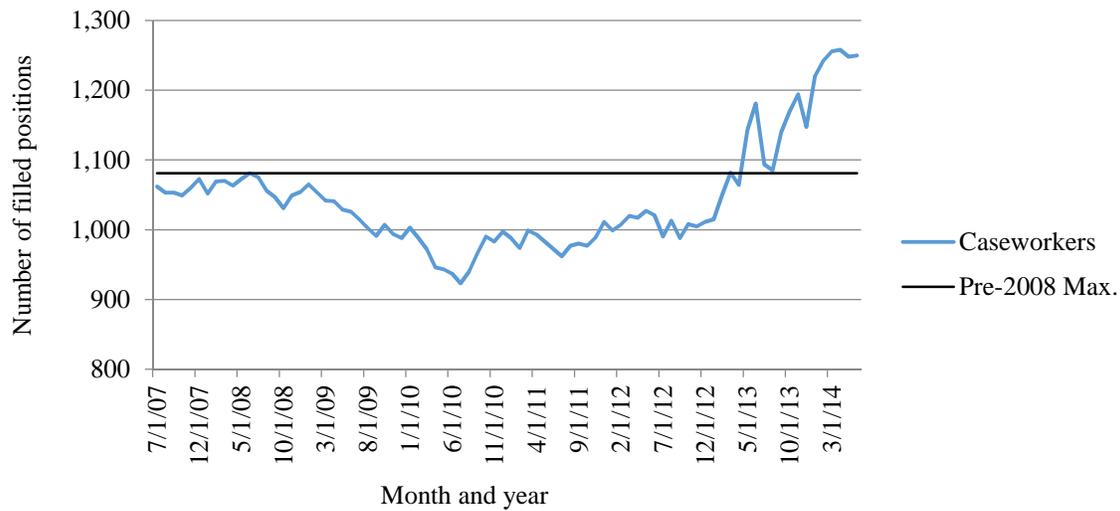
Figure 22: Number of Authorized Caseworker and Supervisor Positions²⁸



Although the willingness of lawmakers to authorize new positions is an important measure of how the state responded to the upswing in cases coming into the state’s child protection system, the number of filled position is a better measure of how many workers were available to do the work of the Department. Figure 23 shows how many positions were filled on a monthly basis, dating back to July of 2007. These data show that the number of filled positions declined sharply from a peak of 1,081 in July of 2008, just as the state was feeling the effects of the recession, to a low point of 923 workers in July of 2010. Given the number of authorized positions was held at 1,218 during that period, the filled positions amounted to a vacancy rate of about 25%.

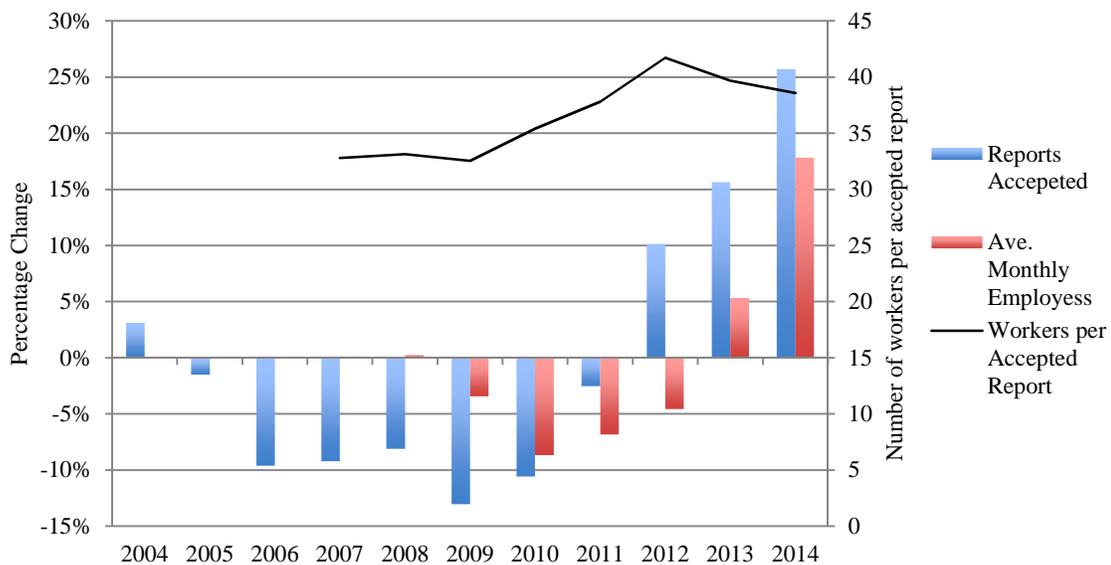
²⁸ Arizona Department of Child Safety. (2007 – 2014). DCS Bi-Annual Financial and Program Accountability Report. Retrieved from: <https://www.azdes.gov/appreports.aspx?Category=57&subcategory=20>

Figure 23: Number of Filled Caseworker and Supervisor Positions²⁹



After July of 2010, the state began to close the gap between authorization levels and positions filled, although the state did not reach pre-recession workforce levels until March of 2013, at which point the state was already well into the present situation.

Figure 24: Percentage Change in Reports Accepted, Average Monthly Employees and Employees per Accepted Report: 2004 to 2014³⁰



²⁹ Arizona Department of Child Safety. (2007 – 2014). DCS Bi-Annual Financial and Program Accountability Report. Retrieved from: <https://www.azdes.gov/appreports.aspx?Category=57&subcategory=20>

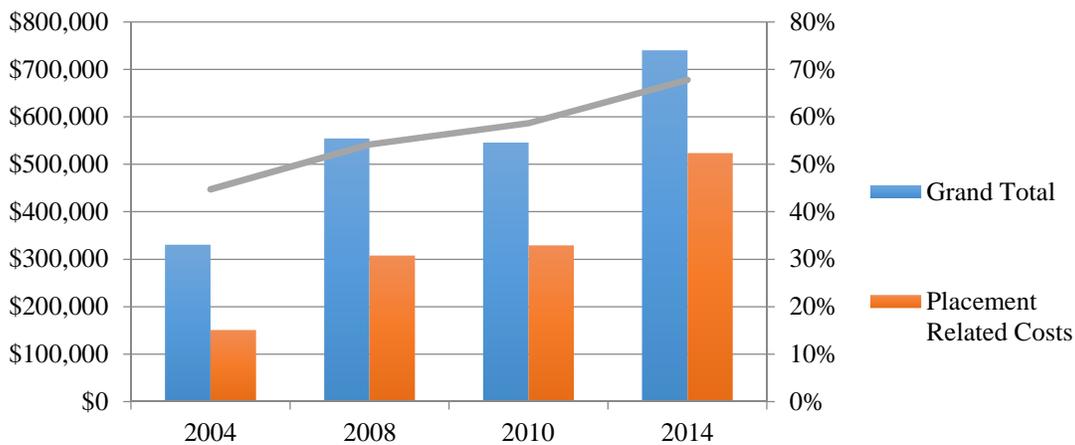
³⁰ Department of Economic Security. (2004 – 2014). Child Welfare Reporting Requirements. https://www.azdes.gov/InternetFiles/Reports/pdf/semi_annual_child_welfare_report_oct_2013_mar_2014.pdf. Arizona Department of Child Safety. (2007 – 2014). DCS Bi-Annual Financial and Program Accountability Report. Retrieved from: <https://www.azdes.gov/appreports.aspx?Category=57&subcategory=20>

Shown in Figure 24, these data reveal that although the number of workers has increased, the number of accepted reports per worker is still above levels in place the last time the caseload in Arizona was stable (prior to 2009). At present, we estimate the number of workers has to grow by an additional 200 workers, relative to current levels, to match the historical figures. Hiring 200 new workers would leave the Department within the 2014 budget authority. Moreover, given what workers said about job stress and related organizational issues, the Department will have to address the capacity shortfall if systemic risk is to be managed more effectively.

We also note that although the budget has increased significantly, the fraction of the total budget dedicated to providing care to children by someone other than their parents has grown substantially. In this case, care provided by persons other than parents includes care provided in foster care (including group homes and other congregate care settings), adoptive parents, and guardians.

Shown in Figure 25, these data indicate substitute care costs alone in Arizona in 2014 were about 60% greater than the *total* child protection budget just 10 years ago. Because so much of the resources are tied up in foster care, both the number of children in placement and the time needed to move children to permanency have a long-term structural impact on the state’s budget. To the extent these structural costs drive the overall budget, the state has less flexibility to invest in other parts of the system. However, underinvestment in in-home services and prevention will likely perpetuate the state’s tendency to serve more children away from their parents.

Figure 25: Total Budget Allocation, Cost of Substitute Care, and Substitute Care as a Percent of Total Budget³¹



³¹ Department of Child Safety. DCS Budget History: 2004 to 2014.