



# Children's Action Alliance

*A Voice for Arizona's Children since 1988*

## **GOVERNOR BREWER'S BUDGET PLAN: SOME HIGHLIGHTS FOR KIDS AND FAMILIES**

January 17, 2014

### **Child Protective Services**

On January 13, Governor Brewer, through Executive Order, created the temporary Division of Child Safety and Family Services to report directly to her. She asked the legislature to work with her to create a permanent, separate Child Safety and Family Services agency. Governor Brewer's budget proposal includes \$15.3 million (general fund) in supplemental funding for the current year to increase the number of caseworkers and to address funding needs within the program. The FY 15 recommendation is \$80.2 million above the current year's general fund.

- Caseworkers, supervisors, and support staff - To reduce caseloads, the Executive recommends \$5.7 million in supplemental funding in FY 14 to hire 212 caseworkers and 120 supervisors and support staff beginning in February 2014. The FY 15 recommendation includes \$21.5 million for full-year funding for these new staff. In addition, the Executive recommends \$565,300 for 6 new attorneys to provide legal representation to CPS. The Executive also recommends \$3 million for 30 records retention staff to handle the increased number of requests from the courts and public for CPS records.
- Office of Child Welfare Investigations - Adds \$8.6 million for 68 investigators and 25 supervisors and support staff, allowing the office to increase its investigation rate to 100% for Maricopa and Pima counties.
- Emergency/Residential Placement - Provides \$18 million in supplemental funds for FY 14 (\$4.2 million general fund, \$13.8 million Long Term Care System Fund) to meet the increased demand for shelters and group homes when family foster homes are not available. This funding is not continued into FY 15.
- Children Support Services - Provides \$5.4 million in supplemental funds for FY 14 to keep up with the increased number of children in the CPS system, with \$5.6 million being continued into FY 15.
- Foster Care - No additional funding for children in family foster homes.
- Adoption - Provides \$6 million to keep up with caseload growth for adoptive families qualifying for services.
- CHILDS Replacement. Provides \$10 million through the Department of Administration to begin replacing the automated system for Child Protective Services.
- Creation of New Child Safety and Family Services Agency - Provides \$25 million to the Department of Administration for the capital, technology and other costs associated with creating a new state agency.

## **Child Care**

- No additional funding. Continues the enrollment freeze for low-income working families that has turned away an estimated 33,000 children since the freeze was put into place in February 2009.

## **DES Funding Backfill**

- Adds a net \$33.7 million general fund to replace one-time funding sources that have been depleted.

## **Arizona Early Intervention Program**

- Increases funding for the AZEIP program by \$1.5 million, which provides supports and services for infants and toddlers with developmental delays or disabilities.

## **Benefits and Medical Eligibility**

- Adds \$4.6 million to fund workers to increase the accuracy in eligibility determination and to combat fraud in the Supplemental Nutrition Assistance Program (SNAP) and TANF Cash Assistance.

## **Adult Protective Services**

- Adds 40 investigators, 24 support staff and \$5.2 million for Adult Protective Services.

## **Health Care**

- Medicaid Caseload and Inflation – The Executive recommendation continues Arizona's participation in the Affordable Care Act Medicaid with health coverage for children and adults with incomes up to 133% of the federal poverty level. It is projected that the health care assessment will bring in an additional \$55.7 million over FY 14. The general fund appropriation for AHCCCS and Behavioral Health Services will be a net reduction of \$18.4 million to the general fund.
- KidsCare - Continues the freeze on the original KidsCare program and fails to provide funding for the 37,000 children currently covered through KidsCare II (which ends on January 31, 2014). Arizona is the only state phasing out KidsCare.

## **WHAT ELSE IS HAPPENING IN THE BUDGET?**

### **Prisons**

- Operating Costs for Previously Authorized Prison Beds - The Executive recommendation includes \$22.4 million to annualize 500 new private-prison beds and 500 new state-operated beds that were activated during FY 14 and to fund the activation of a second 500 private-prison beds that will be activated during FY 15.
- Replace prison management system - The Executive recommends \$8 million, funded in the Department of Administration, for the second year costs of replacing the Arizona Inmate Management System.

### **Rainy Day Fund**

- Makes a \$50 million deposit to the Rainy Day Fund, bringing the balance to \$508.4 million by the end of FY 15.

### **Tax Cuts**

- Exempt electricity used by manufacturers from the sales tax - The Executive recommendation calls for eliminating the sales tax on power used by manufacturers. It is unclear what the cost of this proposal is; however, the Governor sets aside \$25-30 million for tax cuts.