



DEPARTMENT OF
ECONOMIC SECURITY
Your Partner For A Stronger Arizona

ANNUAL REPORT

State Fiscal Year 2019

Douglas A. Ducey, Governor

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STATUTORY AUTHORITY

The Arizona State Legislature established the Department of Economic Security (DES or Department) in 1972 by consolidating multiple state entities to provide an integrated approach to human services. The Department invests approximately \$4 billion annually to assist more than 2.9 million Arizonans and provide timely, accurate, and beneficial services to assist those in need.

Each year, the Department is required to submit an annual report to the Governor and Legislature in accordance with Arizona Revised Statutes (A.R.S.) § 41-1960 that provides information regarding Arizona's economic security needs and resources; the use, training, and placement of manpower; and recommendations for the next Fiscal Year (FY). This report highlights the efforts of programs within DES and its provider networks to provide services to Arizona's children, adults, and families to ensure that they have an opportunity to live safely and become self-sufficient, the current economic conditions within the state, and statistical information.

DES OVERVIEW

The Department established a True North as part of continuous improvement efforts to serve as a constant reminder of the agency's commitment to serve Arizonans.

DES TRUE NORTH

All Arizonans who qualify receive timely DES services and achieve their potential.

The DES True North is supported by the Department's mission to make Arizona stronger through the agency's programs and services.

DES MISSION

The Department of Economic Security makes Arizona stronger by helping Arizonans reach their potential through temporary assistance for those in need, and care for the vulnerable.

The Department has established four goals to accomplish this mission:

- Serve Arizonans with integrity, humility, and kindness;
- Support Arizonans to reach their potential through social services that train, rehabilitate, and connect them with job creators;
- Provide temporary assistance to Arizonans in need while they work toward greater self-sufficiency; and
- Provide children with food, health care, and parental financial support; provide services to individuals with disabilities; and protect the vulnerable by investigating allegations of abuse, neglect, and exploitation.

The Department endeavors to fulfill its mission by employing five core values that serve as the foundation for the work performed by the Department:

- **Teamwork:** We collaborate with humility, and partner with kindness;
- **Respect:** We appreciate each other, and value those we serve;
- **Integrity:** We are trustworthy, honest, and reliable;
- **Accountability:** We commit to excellence, innovation, and transparency; and
- **Diversity:** We respect all Arizonans and honor those in need.

DES had 7,767 employees and operated from 92 direct-service offices, 13 residential facilities, and 30 administrative offices at the end of State Fiscal Year (SFY) 2019. DES owns 26 of the facilities and leases two of those properties to private entities. The remainder of DES locations are leased. The Department is divided into six districts with the central administration located in Phoenix.

The Department has approximately 6,000 contracts and agreements with non-profit and for-profit organizations, governmental agencies, Tribal governments, and other community partners throughout Arizona. These contracts provide services to Arizonans across the human service delivery continuum and critical operational support to the Department and its staff.

COMMITMENT TO SERVING ARIZONANS

The need for DES services is critical for the individuals, children, and families who make Arizona their home. The Department helps more than two million Arizonans reach their full potential every year by providing temporary assistance to those in need. The Department's commitment to building the capacity of Arizonans who receive DES services requires DES staff to demonstrate the Department's five core values every day through interactions with the public and fellow colleagues.

The Department's 43 programs, housed among five Divisions, provide a wide array of services delivered through offices, staff throughout Arizona, and through a network of community-based providers. The Department works collaboratively with businesses, communities, local and national advocacy organizations, other state agencies, federal agencies that oversee programs, and Tribal nations to deliver services to Arizonans.

The multi-faceted programs within the Divisions collaborate to provide other supportive services that provide opportunity, care, and assistance for Arizonans in need and provide temporary assistance and services to reach greater self-sufficiency. Client-facing Divisions within the Department include:

- Division of Aging and Adult Services (DAAS)
- Division of Benefits and Medical Eligibility (DBME)
- Division of Child Support Services (DCSS)
- Division of Developmental Disabilities (DDD)
- Division of Employment and Rehabilitation Services (DERS)

The Department has also provided support to staff through the Division of Technology Services (DTS) and the Division of Business and Finance (DBF).

PARTNERSHIPS

The Department is committed to engaging our valued partners with respect, gratitude, and transparency. Employees from all levels in the agency are engaged with partners and stakeholders to coordinate action to achieve the Department's mission.

The Department has continued to examine its operating support systems over the years to take advantage of opportunities where the private sector could provide cost effective operating support, such as:

PROGRAM SERVICES OUTSOURCED THROUGH CONTRACTS

- Shelter and case management services for people experiencing homelessness;
- Shelter and supportive services for victims of domestic violence;
- Food and utility supports;
- Independent living and other community-based supports for older Arizonans;
- Refugee resettlement services;
- Employment services for the Jobs Program;
- Supplemental Nutrition Assistance Employment Program Career Advancement Network (SNAP CAN), a community-based employment and training partnership providing employment readiness opportunities to eligible SNAP recipients;
- Call centers to provide basic benefit information;
- Pharmacy Benefit management for DDD American Indian Health Plan (AIHP) members;
- Child care services provided for eligible families;
- Child care training and technical assistance provided to DES contracted child care providers servicing eligible families, including:
 - Health and safety training and technical assistance,
 - Expulsion prevention training and technical assistance, and
 - Infant/toddler care training;
- Child care resource and referral;
- Child support payment processing;
- Employer new hire reporting, which is used to validate employment and the incomes of child support obligors;

- Genetic testing to establish paternity;
- Workforce employment and training programs through the Workforce Innovation and Opportunity Act (WIOA) Title I; including helping employers recruit, develop, and retain qualified employees, and assisting job seekers in the pursuit of employment opportunities;
- Acute, long-term care, and behavioral health services to individuals with developmental disabilities;
- Rehabilitation and vocational services for individuals with disabilities to obtain or maintain employment and independence in the community;
- Central Referral system for children referred to Arizona Early Intervention Program (AzEIP); and
- Service coordination and team-based early intervention therapies, supports, and services for children referred to and eligible for AzEIP.

BUSINESS FUNCTIONS OUTSOURCED THROUGH CONTRACTS

- Mailroom services;
- Office supply delivery;
- Specialized printing;
- Office-moving services;
- Electronic Benefits Transfer (EBT) card issuance for Temporary Assistance for Needy Families (TANF) Cash Assistance (CA), Supplemental Nutrition Assistance Program (SNAP), Child Support, and Unemployment Insurance (UI) benefits;
- Kiosks at local child support offices to collect child support payments;
- Translation and interpretation services;
- Typing and preparation of transcripts for administrative hearings;
- Teleconferencing and digital recording of administrative hearings;
- Telephone systems; and
- Data entry of wage data submitted by employers.

ACCOUNTABILITY

The DES Office of Inspector General (OIG) exists to safeguard Arizonans by preventing and detecting fraud, waste, abuse and misconduct. OIG has six principal functions:

1. Audit, assessment and review;
2. Administrative and criminal investigation;
3. Research and analysis;
4. Risk management;
5. Protective security; and
6. Hearing and deciding the outcome of appeals for Unemployment Insurance and public assistance programs administered by DES.

The Public Assistance Benefit Fraud (PABF) Unit completed and finalized 7,075 investigations during SFY 2019. The investigations resulted in an estimated cost avoidance of \$3,603,772. The PABF Unit referred 324 cases for administrative action and 68 cases for prosecution. The prosecution referrals resulted in 38 convictions and a total of \$213,013 in court ordered restitution, \$3,335 in court-ordered fines, and \$2,672 in court-ordered fees. PABF recoveries paid prior to sentencing totaled \$44,576.

The Unemployment Insurance Benefits Fraud (UIBF) Unit referred 244 cases to the Attorney General's Office for prosecution during SFY 2019. The anticipated recovery amount was \$1,147,146. The UIBF Unit referred 109 completed reports of investigation to DERS for civil collection. The findings of these investigations resulted in fraudulent overpayments, however there was not enough evidence available for criminal prosecution. The UIBF Unit also referred 95 completed reports of investigation to DERS that involved identity theft in SFY 2019. The Attorney General's Office had 252 UI benefits case direct complaints filed with the courts with 270 convictions. Court-ordered restitution totaled \$573,257, court-ordered fines totaled \$61,844, and court-ordered fees totaled \$7,687. UI recoveries paid prior to sentencing totaled \$986,240.

DIVISION OF AGING AND ADULT SERVICES

DAAS administers a statewide program of advocacy, social services, and programs to serve at-risk and older adults, with an emphasis on at-risk and older adults with the greatest social and economic needs. Aging and adult services include investigative and protective services; case management; home care; home repair, adaptation, and renovation; transportation; the State Health Insurance Assistance Program (SHIP); the Family Caregiver Support Program; the Long-Term Care Ombudsman (LTCO); legal assistance; congregate meals; home-delivered meals; socialization/recreation; counseling; subsidized employment; volunteer opportunities and training; and adult day care. Through its community services programs, DAAS addresses urgent, short-term basic needs and strategies for long-term solutions by providing direct services and utilizing comprehensive community networks and partnerships.

ADULT PROTECTIVE SERVICES PROGRAM

The Adult Protective Services (APS) program, under DAAS, receives and investigates allegations of abuse, neglect and exploitation of vulnerable adults. Additionally, APS responds to reports of self-neglect, meaning a vulnerable adult is allegedly unable to meet minimum basic needs due to a physical or mental impairment.

APS is divided into four districts with investigative responsibilities throughout the state. Allegations of abuse, neglect, self-neglect, and exploitation are reported to the Central Intake Unit (CIU). The number of communications submitted to CIU has increased each year since 2015 and reached 31,255 communications of allegations of abuse in SFY 2019. CIU assigns communication as an APS report when statutory criteria regarding age, vulnerability, maltreatment, and jurisdiction are present. There were 17,328 APS reports alleging maltreatment of 16,771 clients during SFY 2019.

The APS CIU improved the average time to answer calls from 2 minutes 47 seconds to 38 seconds in SFY 2019. The APS Quality Assurance Team used Arizona Management System (AMS) concepts to develop a process to assess consistent decision making at the CIU and by APS investigators. The APS

Quality Assurance Team developed standard work to ensure consistency while completing case reviews.

An APS investigator's goal is to complete an investigation of alleged abuse, neglect, self-neglect, and exploitation within sixty days based on national standards; however, there are some investigations that need more time due to the complexity of the case, such as financial or medical issues, the cognitive impairments of a client, or law enforcement involvement. APS investigated 20,192 allegations of abuse, neglect, self-neglect, and exploitation during SFY 2019 and succeeded in safely closing 73 percent of cases within 60 days. Allegations of self-neglect made up 26 percent of the allegations received.

APS participated in the planning for and hosting of the first DAAS World Elder Abuse Awareness Day (WEAAD) Conference held on June 13, 2019. WEADD is commemorated on June 15th every year worldwide. The DAAS WEAAD event provided education to 250 conference attendees and allowed APS to network with other agencies and individuals serving elderly community members. The 2019 WEAAD theme of "Lifting Up Voices" aimed to raise awareness of the cultural, social, economic, and demographic processes affecting elder abuse and neglect.

COMMUNITY SERVICES BLOCK GRANT

DAAS contracted Community Services Block Grant (CSBG) funding to 12 Community Action Agencies (CAAs) during SFY 2019 to provide services to alleviate the causes and conditions of poverty. The CAAs leveraged CSBG funding with other resources at a ratio of 29:1 to serve 50,923 households, including 13,844 single parent female households and 36,451 households at or below 100 percent of the federal poverty level. CAAs were aided in these efforts by volunteers who donated a combined 403,909 hours of their time. Additionally, CAAs undertook a broad range of community and economic development initiatives, including:

- The formation of new partnerships with the Arizona Commerce Authority, Local First Arizona, and other organizations through DES' facilitation;

- The creation of transportation infrastructure in underserved rural areas. The first transportation route launched in December 2018 and provided 2,091 low-cost trips in the second half of SFY 2019; and
- Small business incubation. CAAs continued to provide training, and in some cases financing, to aspiring entrepreneurs, with 34 new business plans being finalized and approved in SFY 2019.

FAMILY CAREGIVER SUPPORT PROGRAM

The Family Caregiver Support Program strengthens families by providing services that assist family and informal caregivers in order to care for their loved ones at home for as long as possible. Services provided include counseling and training, respite, and supplemental services. DAAS provided support services to 13,972 caregivers in SFY 2019 according to the most recent State Program Report submitted to the National Aging Programs Information Systems.

HOME AND COMMUNITY-BASED SERVICES

Home and Community-Based Services (HCBS) provides help with daily activities while allowing many vulnerable adults to remain in their own homes or live with their families by reducing the need for institutional care.

Respite services, a critical component of the HCBS, provide short-term relief care for vulnerable adults that allows caregivers temporary relief from their caregiving responsibilities. Data from the 2013 National Survey of Older Americans Act Participants indicates the critical role that family caregivers play in delaying or eliminating the placement of loved ones in institutional settings. Respite care has proven to be a vital component to supporting family caregivers. DAAS provided respite services to 847 family caregivers in SFY 2019.

Non-medical HCBS provide the necessary support services to help individuals remain in their homes and communities. The Department contracts with eight Area Agencies on Aging to identify eligible recipients and provide services such as personal care, homemaker services, and case management.

The Department provided services to 13,952 older adults to help maintain their independence and avoid premature and costly institutionalization in SFY 2019.

LONG-TERM CARE OMBUDSMAN PROGRAM

The Long-term Care Ombudsman (LTCO) Program works to resolve problems related to the health, safety, welfare, and rights of individuals who live in long-term care facilities and received 3,996 complaints in SFY 2019. The Department contracts with eight Area Agencies on Aging to regularly visit all nursing and assisted living facilities statewide and to directly serve and respond to resident complaints about quality of life and care issues in those facilities. The LTCO Program is often the primary responder to complaints about eviction or inadequate discharges, which are the most frequent complaints in nursing homes and assisted living facilities. The Ombudsman complaint resolution process is often conducted without outside intervention, which can save on regulatory and legal costs while achieving the resident's desired outcome.

REFUGEE RESETTLEMENT PROGRAM

The Arizona Refugee Resettlement Program (RRP) supports and advances successful resettlement of refugees, individuals forced to flee their home countries due to persecution, war, and human rights violations.

RRP contracts with public and private organizations to provide culturally competent and linguistically responsive services. The services support successful resettlement and achievement of greater economic self-sufficiency. Most of the contracted services are employment related and include English language education and case management. Additional programs include:

- Administration of Transitional Refugee Cash and Medical Assistance;
- Coordination of Refugee Domestic Medical Exams;
- Refugee Health Promotion;
- Refugee Intensive Employment Services;

- Refugee Program Development;
- Refugee School Support;
- Refugee Youth Mentoring;
- Services to Older Refugees; and
- Unaccompanied Refugee Minors.

RRP works in partnership with the Corporation for National and Community Service's AmeriCorps Volunteers in Service to America (VISTA) project. The RRP provided opportunities for 10 VISTA volunteer members who were placed with eight refugee serving partner agencies in Central and Southern Arizona in SFY 2019. The RRP addresses barriers to employment and seeks to enhance public health and education. The 10 VISTA volunteer members provided 2,803 individuals volunteer opportunities, contributing 12,301 hours of service. Through these projects, more than 2,803 refugees benefited from improved access to services. The VISTA members also participated in four collaborative days of service, including the September 11th National Day of Service, AmeriCorps Week, Martin Luther King Jr. Day of Service, and World Refugee Day 2019. During these days of service, the VISTA members worked alongside and with the Welcome to America Project, HandsOn Greater Phoenix, St. Mary's Food Bank, Refugee Women's Health Clinic, and the World Refugee Day Planning Committee. Additionally, this year was the first year of the AmeriCorps VISTA Summer Associate program, also administered by RRP, in which eight summer associates completed 3,227 hours of service and helped to provide educational programs to 405 students and refugee youth over the course of 10 weeks.

RRP contracts with Friendly House in Phoenix and Pima Community College Adult Education in Tucson to provide English Language Training (ELT) to refugees. The training emphasizes English learning as a direct path to gainful employment and self-sufficiency. There were 18,717 instances of course attendance, with 37,454 hours of ELT instruction provided to 730 clients during SFY 2019.

The RRP provides linguistically and culturally appropriate foster care designed to meet the needs of refugee children identified by the U.S Department of State through a contracted provider. The RRP prioritizes providing specialized case management services and obtaining foster care providers for

children without a parent or guardian and children that have no family care available. The Trafficking Victims Protection Reauthorization Act extends Unaccompanied Refugee Minors (URM) eligibility to certain special immigrant juveniles (Special Juvenile Immigrant Status) and to unaccompanied minors with U.S. Victims of Crimes visas. The URM program welcomed 18 new minors and 12 minors exited the program during Federal Fiscal Year (FFY) 2019.

Arizona's Intensive Employment Services (IES) is an evolution of the previous Office of Refugee Resettlement Targeted Discretionary (TAG-D) Program, which operated during Federal Fiscal Years (FFYs) 2016-2018. TAG-D focused on providing specialized employment and case management support, whereas the new IES includes elements for establishing the evidence-based Individual Placement Support model to enhance the capacity of the program. IES supports refugees seeking jobs that have extensive barriers to employment. Target groups include refugees enrolled into Preferred Communities, clients with serious mental illness (SMI), and individuals who present prolonged adjustment disorders. IES contracts in Maricopa and Pima Counties were awarded in July 2019, with 11 clients entering the program in October 2019.

SHORT-TERM CRISIS SERVICES

Short-Term Crisis Services (STCS), which is partially funded by TANF, provides help to households experiencing emergent needs that cannot be met with their own income and resources. Households must have income at or below 125 percent of the federal poverty level or 150 percent of the federal poverty level if a senior or a person with disabilities is a member of the household to qualify for services. If TANF funds are used for this service, the household must also include a child under 18. All eligible household members must meet U.S. citizenship or qualified legal resident criteria and must be Arizona residents at the time of the application. Services provided may include emergency shelter, case management, eviction prevention, move-in assistance, utility deposits or payments, rent payments, and other special services appropriate for securing and maintaining employment.

STCS helped 1,148 families with children receive Emergency Assistance to make their rent or mortgage payments to prevent foreclosure in SFY 2019. In parallel, the Low-Income Home Energy Assistance Program (LIHEAP) served 32,094 households with utility bill or fuel assistance, with a monthly average of 74 percent of these households containing one or more vulnerable members (defined as elderly, disabled, or a small child). LIHEAP funds were also provided to the Arizona Department of Housing's Weatherization program and were used to improve the safety and/or energy efficiency of 371 homes. Rapid Re-housing is one of the most commonly used interventions for individuals experiencing homelessness in Arizona. In SFY 2019, 1,736 individuals were housed through the Rapid Re-housing program and 10,434 individuals were served by DES-contracted emergency shelters. Homeless prevention programs located in Maricopa County, Pima County, and the balance of state served 394 households. A total of 12,973 persons experiencing or at risk of becoming homeless were served through contracted service providers during SFY 2019, of which 68 percent were served in Maricopa County, 13 percent were in Pima County, and 19 percent were served in the remainder of the state.

STATE HEALTH INSURANCE ASSISTANCE PROGRAM

The State Health Insurance Assistance Program (SHIP) is an independent program federally funded by the U.S. Department of Health and Human Service (DHHS), Administration for Community Living (ACL) whose mission is to empower, educate, and assist Medicare-eligible individuals, their families, and caregivers through objective outreach, counseling, and training to make informed health insurance decisions and optimize access to care and benefits. The Arizona SHIP provided one-on-one assistance to 26,485 Medicare/Medicaid beneficiaries and over 270 public events were held and attended by over 16,744 individuals during SFY 2019. Arizona's SHIP is instrumental in:

- Presenting and distributing information to groups and individuals on Medicare benefits, coverage rules, written notices and forms, appeal rights and procedures;
- Assisting individuals with obtaining coverage through options including Medicare, Medicare Advantage Part C Plans, and programs designed to help people with limited incomes pay for their

healthcare. Programs for low-income individuals include Medicaid, the Medicare Savings Program and the Low-Income Subsidy. The SHIP also helps individuals compare Medical Supplemental (Medigap) insurance policies and explain how the supplemental insurance options work in conjunction with Medicare; and

- Providing information on long-term care insurance, and when needed, referring individuals to the Social Security Administration and local Medicaid offices for additional assistance. Many SHIP counselors are volunteers trained and certified to assist older adults and individuals with disabilities.

DIVISION OF BENEFITS AND MEDICAL ELIGIBILITY

DBME administers the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) Cash Assistance (CA) program. The public need for assistance to obtain food, health care, and housing has increased significantly. The number of Arizonans enrolled in SNAP increased by 53 percent, from 537,000 in SFY 2007 to 824,197 in SFY 2019. In the last several years, however, state economic conditions have started to stabilize. After reaching peak demand levels in October 2011, SNAP caseload numbers have leveled off.

Applicants and participants in TANF CA, SNAP, and Medicaid have been able to review ongoing case status, report family changes, and receive important help regarding their cases via the My Family Benefits (MFB) website since 2010. This website has become a proven tool for empowering customers to maintain and monitor their benefits and case status. This process has benefited customers by making the information they need more readily available. Lobby and call center contacts are reduced by allowing the customer to submit change reports through the website. During SFY 2019, there were 89,848 MFB website page views. The MFB website has also been successful in helping clients to access detailed information regarding their TANF CA, SNAP, and Medicaid services by redirecting them to sites with information about such services as:

- Electronic Benefits Transfer (EBT) account information;
- The Hunger Relief Program;

- Medicaid health coverage;
- Mid-Approval Contact online form;
- Updates on potential benefit overpayments; and
- Use of the online Health-e-Arizona Plus (HEAplus) application, which supports TANF CA, SNAP, and Medicaid application processes.

DBME has operated an Interactive Voice Response (IVR) system since SFY 2014, which uses intelligent routing, educational messages, new skill sets, and rules for staff handling telephone calls. Customers can receive electronic information regarding their cash, nutrition, and medical assistance benefits without having to wait to speak to a live person. When a customer requires additional assistance, the IVR intelligent routing transfers the customer to the correct resource. DBME processed 246,615 customer calls in SFY 2019, which included eligibility determination status, administrative hearings and policy clarifications. Improved call routing accuracy resulted in higher customer satisfaction and reduced cost to the Department.

The IVR is also able to recognize when a customer has submitted an online application and needs an eligibility interview and directs these calls to a DBME staff member for a telephone interview. During SFY 2019, 265,446 SNAP telephone interviews were completed, and 25,989 TANF CA telephone interviews were conducted. In July 2019, the IVR incorporated recorded customer education, as well as customer rights and responsibilities when customers call to complete their interview.

- Customer education helps prepare the customer for a successful interview by providing information about required documents and encouraging customers to upload required documents prior to the interview, which allows cases to be processed faster and the interviewer to verify customer information at the time of the interview.
- The rights and responsibilities portion of the IVR informs customers of the services available for their household and ensures customers are advised of all aspects of the application process. Information can be repeated, as needed, for the customer. This portion occurs prior to the interview

and allows the interviewer to address case-specific questions and complete more interviews in less time. Topics covered in the rights and responsibilities portion of the IVR include:

- Voter registration information,
- Appeal process,
- First contact resolution,
- Change reporting requirements,
- Penalties of an Intentional Program Violation (IPV),
- Requirement to cooperate with the Quality Control (QC) process, and
- EBT replacement requirements.

DBME continues to partner with Fidelity Information Services, LLC (FIS) regarding the value and security for EBT cards issued to customers. FIS has created a new mobile application that gives customers another communication channel to manage their benefits. FIS also rolled out a plan that allows customers to request replacement EBT cards through the IVR system rather than having to wait to speak to a live person.

Effective July 2019, SNAP approval periods for continuation of benefits changed from every six months to twelve months for eligible households, which has reduced the current interview requirements from twice per year to once per year. Customers are now required to complete a Mid-Approval Contact (MAC) at the mid-point of the new approval period to report any changes in circumstances that may affect ongoing eligibility. The MAC process improves continued eligibility for customers by providing the opportunity to report changes and further justify ongoing eligibility. The IVR system incorporates the MAC process using the new Smart Action process. Smart Action records a customer's response and generates a document that DBME staff place into the customer's electronic case file. Based on a customer's responses, the entire process can be conducted electronically, which allows cases to be approved for the remainder of the 12-month certification period. If there are changes needed, the IVR

system routes the customer to a live eligibility worker who reviews the Smart Action document and completes the MAC process, which may include requesting any additional verification, as needed.

DBME has implemented a strategic franchise business model by introducing a new Client Education process to local offices, which leads to better prepared customers, first-contact resolution, and shorter wait times. The new Client Education process was introduced to seven offices in SFY 2019, with 12 additional offices scheduled to implement the process by the end of SFY 2020. Staff in the offices where the model has been implemented are provided with sequencing tools and training to improve the client experience and workplace efficiency. The Client Education process is based on the premise that DES shall respect customers' time and value their experiences during their local office visit. The model enhances customer service where staff help customers understand the application process and prepare them for a successful eligibility interview. The Client Education process involves a new configuration of the office lobby flow design that involves interactions with a variety of staff with dedicated roles and office features and functions, including:

- Greeter: An employee who welcomes customers to the office and directs them to the appropriate resource based on their needs;
- Client Educator: An employee who screens customers' documents and assesses their level of preparedness to successfully complete an interview;
- Program Service Evaluator: An employee who completes an eligibility interview with a customer and provides guidance through the application process; and
- Resource Center: An area in a local office in which a customer can access and print additional documents, if needed.

DBME has also found a way to use customer wait-times to enhance connection and engagement through the Digital Signage Project, which has been implemented to collect, manage, and publish content digitally in local offices throughout the state. The goals of the Digital Signage Project include:

- Raising awareness, educating customers, and promoting events of public interest;

- Disbursing sensitive information to customers and staff quickly and easily; and
- Minimizing the perceived wait time for customers by keeping the customers engaged in the digital content.

The digital content combines educational and public service announcements (PSAs) and displays from the data tracking system, FAST Tracker. The FAST Tracker supports front office displays for customers, which provides an estimate of customer wait time, as well as educational information, such as an opioid-related PSA from the Arizona Department of Health Services (ADHS), as well as back office displays for employees, which provides a summary of customers in queue, which customers are being served, and any staff who need assistance.

DBME is in the process of implementing GreenSpace, a project that is a Center of Excellence in a call center environment and provides a scalable solution to increase productivity, reduce waste, improve processes, and meet customer demand. The call center team joined forces with the local office team to experience face-to-face interviews for two weeks, serving 71 Arizonans a day with only seven Program Service Evaluators with a case accuracy of 100 percent. The GreenSpace team is currently meeting or exceeding all established metrics and are continuing to follow a hiring and staff development plan for DBME to meet headcount commitments. The goal at the jump-off point in February 2019 was eight customers to be served per staff per day with an accuracy rate of 96 percent and an average handle time of 48.85 minutes. By July 2019, the goals were increased to 13 customers served per staff per day with an accuracy rate of 98 percent and an average handle time of 32 minutes. Currently, the actual metrics are 14.8 customers served per staff per day, with an accuracy rate of 98.75 percent and an average handle time of 26.1 minutes.

DBME has implemented the SiteWire project, a people-first experience to make client interactions successful and to develop a faster path to the customer's highest potential, which involves in-person feedback from both customers and staff. SiteWire is a three-part project that involves a DBME homepage redesign on the DES website, simplified notices to customers, and a mobile friendly experience.

The Department continues to collaborate with Arizona Health Care Cost Containment System (AHCCCS) in response to the Affordable Care Act and contract with a private vendor to provide a separate call center for basic customer questions about Medicaid enrollment and services. The vendor also handles basic inquiries from customers regarding TANF CA and SNAP. The vendor accepts customer e-mails and conducts customer web chats. This private vendor call center responded to 1,192,795 telephone calls, 10,514 emails, 53,045 web chats, reset 81,214 HEAplus passwords, and entered 152,018 telephonic applications in SFY 2019.

GRANT DIVERSION PROGRAM

The TANF Grant Diversion Program allows eligible families with a job-ready adult to receive a one-time cash grant equal to three months of TANF CA benefits. The cash grant helps eliminate immediate barriers to employment and provides the wage earner the opportunity to attain full-time employment within 90 days of DBME receiving the TANF CA application. There were 6,973 TANF CA eligible families in SFY 2019 who were diverted from long term TANF CA through participation in the Grant Diversion Program. Over 90 percent of families receiving a Grant Diversion payment from July 2018 to January 2019 did not return to long term TANF CA within 180 days.

DIVISION OF CHILD SUPPORT SERVICES

DCSS helps families to establish legal paternity for children, establishes and enforces child support orders, and helps locate noncustodial parents. DCSS encourages family responsibility and works to ensure that children are supported by their parents by connecting them to resources that remove barriers and support self-sufficiency. DCSS had 160,985 cases and collected more than \$685 million in SFY 2019.

Employers play an important role in DCSS and are relied on for reporting current data, processing withholding orders, and overall participation in the child support program to ensure support funds are disbursed in a timely manner. This helps to ensure the financial security of children and families through withholding child support payments from employee paychecks and enrolling children in their parent's health insurance plans. DCSS offers a service called e-Employer, in which employers may electronically complete income withholding orders, medical support notices, employment verifications and terminations. Employers are not charged for this service, which expedites support to families. The Employer Relations Team (ERT) registered 490 employers for e-Employer in SFY 2019. The ERT maintains over 600,000 employer records in the Arizona Tracking and Location Automated System (ATLAS) database with the number steadily growing. The ERT has issued over 1,273 limited income

withholding orders to employers to collect from wages and bonuses, as well as the Social Security Administration to collect from qualifying benefits, totaling \$1,200,104 as of SFY 2019.

DCSS is federally charged to oversee the statewide administration of Arizona's Voluntary Paternity Program. Providing technical assistance and guidance, the Hospital Paternity Program (HPP) works collaboratively with hospitals and birthing facilities throughout Arizona, the ADHS Bureau of Vital Records, and each county's vital registration office to provide paternity establishment services for unmarried couples immediately following the birth of their child. This collaborative effort established paternity for 35,046 children born in Arizona to unwed parents in SFY 2019. HPP is available daily by telephone and electronic means to all birth recorders in the State of Arizona. HPP's Court Order Maternity database was upgraded in June 2018 and was part of a continuous effort to develop new programs and retain accurate data in the ATLAS system. The Paternity Acknowledgement process was streamlined, and the form was eliminated due to numerous completion errors and costly rework. HPP and the ADHS Bureau of Vital Records work in collaboration to conduct quarterly trainings to individuals, hospitals, birthing facilities, midwives and other DES Divisions and programs. HPP continues to present at the Compadre Teenage Pregnancy Program to teen parents and pregnant youth with the goal of educating as many teens as possible on child support services, the HPP process, and the importance of establishing paternity. HPP is planning to conduct additional outreach at various public libraries within Maricopa County; these outreach efforts are to focus and impact a much larger group of teen parents and pregnant youth. HPP offered road shows at Yuma Regional Medical Center and Tuba City Health Care facility as they introduced new birth recorders to the OB ward. The HPP staff provided one-on-one education on the processes of completing an acknowledgement of paternity and answered questions on the process of genetic testing, rescissions, and divorce decrees. DCSS remains number one in the nation in paternity establishment.

DCSS was awarded a grant of more than \$780,000 to design and implement projects attempting to increase the perception of fairness in child support legal proceedings. The Procedural Justice-Informed Alternatives to Contempt (PJAC) grant was awarded by the U.S. DHHS Office of Child Support

Enforcement (OCSE) in SFY 2016. The State of Arizona was selected as one of six entities to receive the five-year demonstration project grant. DCSS staff closely track randomly selected cases and actively engage parents in the child support process by providing enhanced services through community partnerships and referral to other state agencies for support services. The goal is to avoid contempt proceedings leading to incarceration, court costs, and reliance on public benefits. DCSS case managers in Maricopa County use standard work developed to review cases for possible contempt of court situations. The cases are then randomly assigned to either a control group or a treatment group. There were 371 non-custodial parents whose cases were the control group and 689 non-custodial parents in the treatment group as of SFY 2019. Staff associated with the PJAC grant have developed dispute resolution skills in efforts to remove barriers from non-paying parents. Specific case action plans are developed to meet individual needs of clients to increase the consistency and reliability of child support payments. PJAC case managers are present during court appearances and are directed by the court to meet with non-paying parents immediately. DCSS has also developed new family violence related policy and procedures, desk aids, and training designed for the child support professional.

DCSS has found a way to better serve and educate the people of Arizona using its Community Engagement team, which travels throughout Arizona to inform parents and caretakers about the multitude of opportunities available. This people-centric group collaborates and creates ongoing statewide partnerships with local community organizations including parenting and fatherhood programs, family law clinics, parental accountability programs, court programs and federal, state and private correctional facilities. The Community Engagement team educates the public on available child support services and resources and offers live presentations to trained liaisons that include the latest child support information. These sessions may provide an overview and a short video tailored to diverse populations and their needs and represents DCSS at many community events, homeless organizations, resource and wellness fairs, and conferences. Through the Community Engagement team, DCSS partners with correctional facilities, domestic violence shelters, rehabilitation clinics, faith-based

organizations, community action agencies, high schools, Tribal partners and nonprofit organizations. The DCSS Community Engagement team partners with the DES Office of Community Engagement to use inter-divisional resources that allow Outreach liaisons to serve community members with a multitude of needs. The DCSS Community Engagement team was able to share child support information with 12,386 people statewide at 480 events in SFY 2019.

DIVISION OF DEVELOPMENTAL DISABILITIES

DDD helps empower Arizonans with developmental disabilities to lead self-directed, healthy, and meaningful lives. DES supports and serves over 42,000 people with developmental disabilities throughout Arizona. DDD offers habilitation, attendant care, employment, residential, and support coordination services to eligible members. The majority of DDD members are also eligible for long-term care services through the Arizona Long Term Care System (ALTCS). DES continues to lead the country for providing services to members and families in their own homes and communities. Most DDD services are delivered by a statewide network of individual and agency providers with 99 percent of individuals served either in their home or other community settings.

DDD contracts with two outside vendors - Mercy Care and UnitedHealthcare Community Plan - to implement, manage, and provide integrated services and supports for members enrolled in ALTCS determined to have behavioral health needs, including individuals with SMI. Members covered under the contract with UnitedHealthcare Community Plan include those with the AHCCCS Children's Rehabilitative Services (CRS) qualifying conditions. The purpose of the contract was to ensure seamless coverage for members receiving services through CRS once the AHCCCS Complete Care health plans went into effect on October 1, 2018. This contract was to cover the "gap" year until new DDD Health Plans were implemented on October 1, 2019. These new health plans include CRS coverage for eligible members. In preparation for the implementation of the DDD Health Plans, DDD facilitated 18 statewide informational sessions on the AHCCCS Complete Care health plans and how the ALTCS members will continue to have access to CRS. Additionally, DDD met with the directors of

each of the four CRS multi-specialty interdisciplinary clinics to provide education regarding this change and provide training on DDD services.

DDD staff traveled 8,164 miles and held 60 in-person forums throughout Arizona and conducted three forums via WebEx for members, families, and providers between March 18, 2019 and May 30, 2019. DDD partnered with Raising Special Kids, a nonprofit organization that provides support and information for parents of children with disabilities and special health care needs, who facilitated the member and family forums to 526 participants and the Institute for Human Development at Northern Arizona University (NAU), which facilitated the provider forums to 252 participants. The purpose of the forums was to obtain community input regarding what was going well with DDD Long Term Services and Supports (LTSS), what needs improvement, recommended solutions for improvement, and feedback on an alternate service delivery model and Governor Ducey's Executive Order 2019-03 *Relating to Enhanced Protections for Individuals with Disabilities*. Raising Special Kids and NAU conducted an analysis of the responses and provided written reports that can be found on the DES website at <https://des.az.gov/services/disabilities/developmental-disabilities>.

DDD also has an Intergovernmental Agreement (IGA) with the Navajo Nation Division of Social Services to provide comprehensive case management for DDD ALTCS members that are residing on the Navajo Nation. The comprehensive case management duties are the same as a DDD Support Coordinator. The contracted unit served an average of 208 members per month during SFY 2019.

The DDD Contracts Unit developed amendments for three health plan contracts, a new CRS contract, two new Intermediate Care Facilities contracts, a Partners in Policymaking contract, National Core Indicators contract, and assisted with drafting of the Integrated Health Plan Request for Proposal (RFP) in SFY 2019. Additionally, the DDD Contracts Unit assisted in the development of eight solicitations and is assisting in processing amendments for Transaction Code Set Conversion, Health Information Exchange Services, and Eligibility Review Services. The Contracts Unit has increased its contractual support for the Arizona Training Program at Coolidge (ATPC). The DDD Contracts Unit maintained

over 600 Qualified Vendor Agreements and ensured they were compliant with contractual requirements in SFY 2019.

DDD collaborates with the Arizona Department of Housing (ADOH) and AHCCCS to secure affordable housing for members through a Section 811 Project Rental Assistance (PRA) program grant. The Section 811 PRA program enables individuals with disabilities who are income and ALTCS eligible to live in integrated, affordable housing. The 811 PRA grant allotted for 62 apartments throughout the state of Arizona, of which 55 have been identified and are leased as vacancies occur as of SFY 2019. DDD was allotted 27 renovated apartments as part of affordable housing opportunities in a joint project with the Housing Authority of Maricopa County (HAMC). Due to the success of the partnership, DDD has been allotted three additional apartments for a total of 30 during SFY 2019; four members made a progressive move, three members moved from an Adult Developmental Home (ADH) into their own apartments, and one member who was homeless moved into his own apartment. DDD provided a letter of support for the HAMC to apply for mainstream vouchers that enabled families to lease affordable private housing of their choice. The HAMC was awarded 45 vouchers in March of 2019 and gave DDD members preference for 11 of them. Support Coordination referred over 92 members to the DDD Affordable Housing waitlist. An additional 23 members were referred to the mainstream voucher waitlist.

The DDD Housing Engagement Resources and Opportunity (HERO) Unit coordinates and develops the DDD Member Update newsletter that is published three times each year. The HERO Unit also provides resource assistance to members of the community including Social Security benefit, and Medicare and Medicaid information to DDD members and families. The HERO Unit assisted 38 households with moving into affordable housing and seven households with moving out of affordable housing for various reasons in SFY 2019.

There are about 750 children who are DDD eligible and served by the Department of Child Safety (DCS). The Department has a designated DCS Liaison to facilitate effective working relationships with DCS field sections, including site visits to individual DCS field sections, presentations on DDD

information, participation in joint workgroups, and facilitation of inquiries from both the Department and DCS staff. The DDD DCS Liaison Unit participated in a total of 47 meetings or educational presentations to DCS staff and stakeholders.

DDD endeavors to provide job training services to DDD members so that members successfully achieve competitive integrated employment with the help of the Vocational Rehabilitation Services (VR) program, which is part of the DERS. DDD and the VR program have developed a collaborative Supported Employment pilot program to identify barriers to a coordinated, seamless, and timely referral of DDD members to VR for Supported Employment Services. Staff have been able to streamline the referral process by developing standard work to facilitate referrals, improve communication between the Divisions, and increase the knowledge of staff, members, and families participating in both systems. DDD staff referred 431 DDD members to the VR program for services related to competitive integrated employment during SFY 2019. DDD continues to collaborate with VR regarding transition services and employment opportunities for DDD members.

The goal of the DDD Employment Annual Improvement Plan is to increase the annual net gain of DDD Arizona Long Term Care System (ALTCS) members engaged in community employment with supports. There were 2,543 ALTCS eligible members ages 18 to 65 in community employment, which is both competitive integrated employment and Group Supported, during SFY 2019.

THE ARIZONA EARLY INTERVENTION PROGRAM

The Arizona Early Intervention Program (AzEIP) is a comprehensive, coordinated statewide system of early intervention supports and provides services to children from birth to three years old who have disabilities or developmental delays and their families. AzEIP was established under Part C of the Individuals with Disabilities Act (IDEA) and requires early intervention providers to use their data system, I-TEAMS, for billing and data collection. Historically, when a child in early intervention also became DDD eligible, the AzEIP contractors would be required to bill in DDD's data system for those children, causing an unnecessary burden on AzEIP contractors and did not allow efficient monitoring practices. AzEIP worked diligently to enhance their data system, which launched in December 2018.

The enhancements ensured that most of the billing for providers occurred in one system, streamlining data entry, monitoring, and time spent providing services to eligible children in Arizona. AzEIP received a monthly average of 1,383 referrals in SFY 2019. In the last calendar year, AzEIP served a cumulative total of 11,568 children with Individualized Family Service Plans.

AzEIP awarded new Team-Based Early Intervention contracts statewide on July 1, 2019. The Team-Based Early Intervention Scope of Work is a leading contract model supporting evidence-based practices in early intervention. The development included support from the DES Office of Procurement along with early intervention practices in other states. The new contract provides a new high-quality standard for contractors providing services to children and families enrolled in AzEIP.

AzEIP and ADHS created a data sharing agreement through a three-year grant. This partnership ensures that all children in Arizona potentially identified as having a hearing impairment either through AzEIP or ADHS, will be tracked through data sharing. Additionally, ADHS, AzEIP, and the Arizona Schools for the Deaf and Blind collaborated to hold a one-day conference to educate over 200 AzEIP and DDD Service Coordinators on hearing impairments, supporting families with community resources, and strengthening the partnership with the early intervention providers at the Arizona Schools for the Deaf and Blind.

DIVISION OF EMPLOYMENT AND REHABILITATION SERVICES

DERS is a partner in ARIZONA@WORK, the statewide workforce development system that strengthens Arizona's economy by developing the workforce and matching employers with job seekers; helps employers recruit, develop, and retain the best employees for their needs; and serves job seekers of all ages, skill sets, and experience levels.

ARIZONA APPRENTICESHIP OFFICE

The Arizona Apprenticeship Office within DERS creates and develops registered apprenticeship programs in all industries in Arizona. The Arizona Apprenticeship Office added 71 new programs and 2,426 new apprentices during SFY 2019, including programs in health care, construction,

manufacturing, information technology, hospitality, water and wastewater treatment, insurance, and other services. Veterans who become apprentices in approved registered apprenticeship programs can use GI Bill benefits if they qualify for the program. The Arizona Apprenticeship Office works closely with ARIZONA@WORK Centers and conducts outreach to business service representatives and the Tribal Nations within the state to increase the availability of apprenticeship programs in Arizona for jobseekers and employers.

BUSINESS SERVICES

The DERS Business Service team partners with businesses to develop solutions addressing company and industry-related workforce needs and issues. DERS has the network to connect jobs to people using locally based services. The DERS Business Service team is laying the foundation for a stronger Arizona economy by helping Arizona businesses succeed and grow. There were 62,918 active employer accounts, 3,363 newly created employer accounts, 516,677 jobs posted, and 2,460 direct services provided to employers in SFY 2019.

CHILD CARE ADMINISTRATION

The Child Care Administration (CCA) provides child care assistance to eligible families who participate in employment activities and specific education and training activities related to employment by providing financial support intended to offset a portion of child care costs. This financial support allows families better access to high-quality, early care and education settings for their children. The Department began implementing changes to benefit children and families and to support child care providers across Arizona under the authority granted by the passage of Arizona's SFY 2020 state budget.

The Department also increased the provider reimbursement rate an average of 30 percent during SFY 2019. The last reimbursement rate increase that occurred across the board took place in 2007. When setting reimbursement rates, the Department uses a Market Rate Survey, which takes into

consideration variables such as geographic differences, the age of a child, the type of child care setting, and whether a child receives full-day or part-day care. Additionally, CCA expanded tiered reimbursement to include child care programs that have a three-star rating in the First Things First Quality Rating Program and are contracted with DES effective June 3, 2019. These child care programs will receive a five percent incentive payment to further support quality within their programs, with the objective being to make high quality child care available to more DES child care eligible families. A total of 51,454 children and 28,222 families received child care assistance during SFY 2019.

Successful implementation of the expulsion prevention policy was made possible through training for child care providers and parents. CCA expulsion prevention specialists and other professionals with expertise in child development, mental/behavioral health, and early childhood special education provided technical support and guidance. The expulsion prevention policy implemented by CCA was instrumental in preventing preschool expulsion for 60 out of 245 children in SFY 2019.

SECOND CHANCE CENTERS

DES, in partnership with the Arizona Department of Corrections (DOC), opened the Second Chance Centers (SCC) in 2017, which focuses on providing services to incarcerated individuals deemed most likely to recidivate, to create safer communities by reducing recidivism. SCCs now operate in three prisons in Arizona and have the capacity to serve 265 incarcerated individuals at Lewis Prison and 50 incarcerated individuals at Perryville Prison in Maricopa County, and 48 incarcerated individuals at Manzanita Prison in Pima County. DERS and DOC staff collaborate to remove employment barriers for SCC participants by providing vocational and soft skills training, resume assistance, interview techniques, basic computer training, and nutritional and medical services. DERS staff served 1,881 individuals through the Second Chance Reentry Program, with 1,343 job placements in SFY 2019.

The Department received the Pinnacle for Workforce Development Award from the National Association of State Workforce Agencies (NASWA) Employment and Training Committee in SFY 2019 for demonstrating excellence and innovation in the area of workforce development.

Additionally, DBME assists incarcerated individuals with their nutrition and medical assistance needs at the SCCs. Arizona's waiver request for the Prisoner Pre-Release SNAP Application Filing was approved in December 2017, allowing the Department to accept applications submitted by incarcerated individuals prior to release from a correctional facility, while considering the date of release from the correctional facility as the date of application. DOC has worked closely with DES on the application process and their Correction Officers act in an assistor role when entering a Health-e-Arizona PLUS (HEAplus) application for an incarcerated individual. In SFY 2019, 794 incarcerated individuals applied for SNAP benefits and 93 percent of the applications were approved, while 3,564 incarcerated individuals applied for Medicaid and 86 percent of the applications were approved.

WORKFORCE INNOVATION AND OPPORTUNITY ACT - TITLE I

The Workforce Innovation and Opportunity Act (WIOA), implemented in Arizona as a coordinated workforce system branded ARIZONA@WORK, aligns workforce investment, education, and economic development systems to support a comprehensive, accessible, high-quality system to serve businesses and job seekers. DES administers three of the four WIOA core programs through DERS, serving businesses and job seekers, while prioritizing veterans and individuals with barriers, such as low-income individuals, individuals involved in the court system, and individuals with disabilities. DES collaborates with the Arizona Department of Education (ADE), which administers the fourth core program and provides adult education and literacy services. DES and ADE are represented on the Governor's Workforce Arizona Council, which sets the strategic direction for ARIZONA@WORK.

DES is designated as the administrative and fiscal oversight agency for WIOA Title I funds and oversees the contracts with local governments in the 12 Governor-designated Local Workforce Development Areas (LWDAs). Each LWDA is overseen by a Local Workforce Development Board (LWDB), that determines strategy for the region across ARIZONA@WORK programs. The LWDBs administer contracts for services to adults, dislocated workers, and youth. Adult and dislocated worker services include career planning, structured job search, resume assistance, job referrals, employment

history and skill assessment, training services, and supportive services. Individuals identified as needing additional training to be able to secure employment may be eligible for training services. The youth program focuses on youth ages 14 to 24 with barriers to employment and out-of-school youth by providing an array of services that prepare youth for postsecondary education, training, or employment. Youth services include career planning, comprehensive guidance, counseling, tutoring, and summer employment opportunities. Work experiences include summer employment opportunities, pre-apprenticeships, internships, on-the-job training, or occupational skills training, and other supportive services. The WIOA Title I programs served 11,440 adults, 994 dislocated workers, and 4,194 youth in SFY 2019.

The Eligible Training Provider List (ETPL) consists of approved educational providers who offer training services to meet the skill and educational development needs of adult, dislocated worker, and out-of-school youth program participants. These include persons who are disabled or may require Vocational Rehabilitation (VR) program services for current employment opportunities in Arizona. Each Eligible Training Provider (ETP) program is evaluated by the LWDB ETPL approver using criteria that ensures the program meets the demand for occupations in the LWDA, aligns with the sector strategies and respective local plans, allows for informed customer choice prior to being approved for the ETPL, and results in certification or accreditation. There were 227 ETPs, 438 initial programs, and 822 subsequent programs active on the ETPL, which includes programs in rural and metropolitan areas, as well as online training.

VOCATIONAL REHABILITATION

DERS partners with AHCCCS through an Interagency Service Agreement (ISA) to provide enhanced Vocational Rehabilitation (VR) program services to individuals determined to have a SMI to increase the number of employed individuals with psychiatric disabilities being served by the statewide Managed Care Organizations (MCO). The SFY 2019 ISA budget was \$11.3 million per year with AHCCCS matching 21.3 percent of federal funds. This funding covers operating and client expenditures, which

include 52 specialty Behavioral Health VR Counselors who work with and are assigned to various statewide behavioral health clinics.

DERS provides enhanced, structured, and goal-oriented vocational and educational activities through coordination and collaboration with high schools statewide. Students with disabilities participate in activities that are geared towards helping them prepare for, obtain, and maintain employment. DERS partnered with 29 high school districts in SFY 2019, allowing 3,965 students with disabilities to receive enhanced VR program services.

VR program staff provided Career Counseling and Information and Referral (CCI&R) services, designed to encourage individuals with disabilities to consider competitive integrated employment and provide information regarding employment opportunities, independent living services, and other community supports, to approximately 1,645 individuals currently participating in sub-minimum wage employment in SFY 2019.

There were 2,070 individuals with significant disabilities who gained competitive integrated employment in SFY 2019 as a result of participation in the VR program and earned an average hourly wage of \$13.09, which is higher than the state minimum hourly wage of \$11.00.

OFFICE OF COMMUNITY ENGAGEMENT

The Office of Community Engagement (OCE) brings statewide awareness of DES services and engages community organizations in collaborative efforts to address the needs of Arizona's vulnerable populations. OCE aims to improve the quality of life of those in need by providing accessible, efficient and effective services.

OCE has held bi-annual informational forums since 2016 in Tucson, Phoenix, Flagstaff, and Yuma, with plans to expand to Kingman in northwestern Arizona in SFY 2020. The purpose of these forums is to strengthen the shared mission with valued community partners by bringing awareness of changes or updates that have occurred within DES over the previous six months, engaging in dialogue regarding mutual efforts that impact the vulnerable populations served, and provide an opportunity to work with

our community partners to identify systemic issues that need to be addressed. Other agencies have also been invited to participate in the forums including AHCCCS, DCS, the Department of Corrections, and the Governor's Office of Constituent Services. The OCE endeavors to ensure that human services providers are kept informed about DES operations and have an opportunity to provide feedback. The target audience for these forums is both leadership and direct-service staff from organizations that provide human services in each region.

The OCE represented DES as the coordinator in developing a partnership with the Gospel Rescue Mission to establish a DES presence at the Center of Opportunity, a housing and resource hub for under-resourced populations in Tucson, which opened in early June 2019. DES has both a DBME Family Assistance Administration (FAA) office and an ARIZONA@WORK office within the facility.

The OCE has established external community partnerships to provide numerous business functions for the Department. OCE was instrumental in the expansion of DES services at the Human Services Campus (HSC) in Phoenix and continues to provide critical services to Arizonans. In SFY 2019, the Vocational Rehabilitation (VR) program completed 26 Individualized Plans for Employment with clients referred from the HSC to assist with services needed to help them meet their employment goals. Four clients became successfully employed, while the other clients are currently receiving services to prepare them for job goals, as well as disability-related supports needed to be successful in the workplace prior to looking for work.

The OCE also established DES on the Spots (DOTS), which are ongoing service centers that facilitate access to DES services in rural areas and Tribal lands by partnering with community organizations. DES does not pay office space fees in 93 percent of the DOTS locations. A total of 31 DOTS served 16,123 citizens from July 2018 through June 2019.

OFFICE OF TRIBAL RELATIONS

The DES Office of Tribal Relations strengthens and maintains government-to-government relationships while promoting timely and effective resolution of issues of mutual concern and serves to strengthen

and maintain an increase in the understanding of Tribes' legal and political status and enhance internal Tribal awareness.

Each of the client-facing program Divisions has a Tribal Liaison that partners with the Office of Tribal Relations to provide support and address day-to-day and contract-related issues with each of the 22 Arizona Tribes.

The DBME Tribal Liaison worked with the Pascua Yaqui Tribal TANF Program in SFY 2019 to identify systemic barriers between DES and the Pascua Yaqui Tribe, which hindered eligibility for DES services for Tribal members. This collaboration prevented the potential loss of DES services for eligible Tribal members.

The DDD Tribal Liaison facilitated effective working relationships with the 22 federally recognized Arizona Tribes, including site visits and participation in 86 Tribal meetings and presentations with representatives of Tribal leadership and Tribal community members. The DDD Tribal Liaison assisted in resolving 198 member-related complaints and general inquires for Tribal members in SFY 2019.

DDD has 2,019 members who identified themselves as American Indian/Alaskan Native. The DDD Tribal Liaison tracked Tribal affiliation of members for the 22 Arizona Tribes, as well as non-Arizona Tribes, for accurate data to be shared with the Tribes and for Department planning purposes.

The DDD Tribal Liaison also assisted Navajo and Hopi Social Services Departments in addressing transportation issues experienced by DDD members when attempting to travel to and from medical or behavioral health provider visits and identified and provided information regarding resources available within all Tribal communities.

COMMITMENT TO QUALITY

In order to provide Arizonans the best services and commit to excellence, innovation, and transparency, it is imperative for the Department to invest in providing quality training and resources to staff.

The Office of Professional Development (OPD) is responsible for providing training to the Department in various topics and have specialized Division teams that focus on training staff to implement programs that provide the services Arizonans need to achieve their potential.

DTS is responsible providing technology operations, support, design, and architecture for the agency's information technology needs. There are shared information assets, Division and business-specific assets, and relationship and oversight of the State Department of Administration information technology and services. With many touchpoints, priorities, and requests, alignment and communication are critical. The current focus is operational stability, operational security, efficiencies, culture, and customer service.

TRAINING

The OPD implemented several programs to professionally develop staff and continued to build its capacity to support the Department in SFY 2019. New or revised training content was developed with the goal of being performance-based and tied to business outcomes. Additionally, OPD started a collaborative course fulfillment process under which agency stakeholders, subject matter experts, trainers, instructional designers, and training support staff are involved in the design, development, and eventual implementation of a learning program. This three-year project will help ensure the right information and perspective is considered throughout the process and will greatly reduce rework, increasing speed to market with a better product. OPD did extensive work on establishing most of this process in SFY 2019, ensuring that instructional designers were educated and began training agency stakeholders. Improvements in the number and quality of courses being delivered to staff is already occurring.

The Operations Training Unit was expanded at the end of SFY 2018 in order to provide support for the Department's Divisions. OPD introduced new hires to the AMS culture by incorporating key concepts into New Employee Orientation. The Instructor and Instructional Systems Design certifications were also substantively improved and AHCCCS and Arizona Department of Transportation (ADOT) have both adopted these certifications. Additionally, during SFY 2019, OPD:

- Implemented LinkedIn Learning throughout the Department, with a resulting 80 percent increase in engagement related to support of education and professional development within OPD, which continues to be beneficial for the professional growth and development of all DES employees;
- Established *Learning Journey for Instructional Designers*;
- Conducted internal workshops, training, and a conference to increase the skill of OPD staff and drive improvements in products and services to customers; and
- Delivered soft skills training to DES staff, including *Customer Service*, *Critical Thinking*, *Dealing with Difficult Situations*, and *Real Colors*.

The Department has committed to creating a culture of servant leaders and offered various one-day leadership training courses at a statewide level, with 169 distinct course sessions offered during SFY 2019 and impacting approximately 2,000 attendees. Additionally, OPD is in the process of finalizing a new supervisory leadership training program called *Management Essentials*, which will be offered to all new supervisors in DES during SFY 2020.

OPD has also implemented leadership training to mid- and high-level managers as part of the Department's ongoing effort to change culture. *Situational Leadership II* (SLII) has been offered as a pilot program to the DBME management team, consisting of 23 attendees and will be offered to middle management and other interested Divisions based on the success of the initial implementation.

LEVERAGING TECHNOLOGY

Most of the Department's programs use document imaging for Department records that must be stored electronically. This process allows for easy access and is more cost effective than storing paper documents. In FY 2012, the Department received a SNAP Process and Technology Improvement Grant that enabled piloting automated document recognition and indexing software in FY 2013. After testing various indexing tools, DES fully implemented the Lexmark Intelligent Document Capture/Brainware document indexing solution, which recognizes the type of document that is scanned and automatically indexes the document into its online document management system where it is retrievable by multiple search criteria. The change has led to greater efficiency by providing rapid access to client documentation records. In SFY 2019, Brainware processed 24,746 documents with an average time of 26.6 seconds for each document to be indexed.

The Department also successfully transitioned all staff from Microsoft Outlook to Google mail and calendaring services in September 2019. Each Division recruited Google Champions to help facilitate the transition, assist employees, drive change, and mitigate risk within the Divisions.

DIVISION OF AGING AND ADULT SERVICES

TRAINING

The *Personal and Environmental Safety Training* series, developed by OPD, includes computer-based and instructor-led training that was provided during SFY 2019 to APS staff who make home visits. This series is included in the new APS investigator training.

This *Personal and Environmental Safety Training* series was recorded and shared at the 2019 National Adult Protective Services Association (NAPSA) conference to demonstrate how course content and instruction is provided to attendees and the importance of staff safety during home visits with clients. APS has agreed to share this training as a national best practice.

LEVERAGING TECHNOLOGY

APS received a second three-year U.S. DHHS ACL grant that covers 2018 to 2020, which will replace and improve the Department's current data system with a new case management system that will offer a more robust approach to improving client outcomes. The new case management system for DAAS will improve the capability to collect and report advanced data to ACL's National Adult Maltreatment Reporting System (NAMRS), which is the federal reporting system for APS programs. NAMRS collects quantitative and qualitative data on APS practices, policies, and investigation outcomes related to the maltreatment of older adults and adults with disabilities. The new case management system will allow DES to gather and submit data consistent with these standards.

A new method of data analysis will involve connecting the APS case management system with data systems of other service providers that may be assisting the client, such as other DAAS programs, DAAS contractors, DERS, DDD, and the Area Agencies on Aging (AAA). Linking client information among service providers will allow APS to gain greater insight into the APS client population and the services they need, increase the client's connection to services from the start of an investigation to ensure eligible services are being provided, and provide a holistic approach to service provision that will improve the timeliness and quality of services provided to APS clients.

DIVISION OF BENEFITS AND MEDICAL ELIGIBILITY

TRAINING

The OPD DBME Training Team focused on collecting data and overall sustainability of the FAA *Onboarding New Employees* (ONE) curriculum implemented during SFY 2018. As part of the sustainability plan, the OPD DBME Training Team used AMS principles to continually check and adjust the design and delivery of the curriculum to successfully prepare program service evaluators (PSEs) to holistically determine eligibility across the TANF CA, SNAP, and Medicaid.

In addition to sustainability measures for new-hire training, OPD centered on cross-divisional problem-solving, streamlining existing processes, forecasting to meet training demand, and leadership training for the Division.

During SFY 2019, OPD DBME Training Team accomplishments included:

- An increase of the OPD DBME statewide full-time training delivery staff from 25 employees to 33 employees;
- A total of 77 FAA ONE classes conducted, using 25 training rooms statewide and resulted in 717 graduating PSE trainees;
- Tracked baseline data of PSE trainees post-FAA ONE at the six-month mark for 26 classes and discovered that case accuracy for trainees was 87 percent and tenured PSEs who had not received FAA ONE training was 91 percent, and dollar accuracy of determining appropriate benefit levels for trainees was 94 percent and tenured PSEs who had not received FAA ONE training was 97 percent;
- An increase in the monthly average of graduating classes from approximately four classes in SFY 2018 to approximately five classes in SFY 2019;
- An increase in the number of FAA ONE classes offered per month from approximately three classes in SFY 2018 to approximately five classes in SFY 2019;
- Implementation of the FAA ONE course assessment with an average passing score of 87 percent;
- Creation of a trainee and instructor capacity forecasting plan as a countermeasure to variations in training demand;
- Participation in cross-divisional and internal formal problem-solving to create or streamline processes in partnership with:
 - DBME Employee Relations to create standard work for classroom behavior;
 - DTS to streamline classroom system login processes; and
 - OPD Operations to streamline classroom feedback processes to enable PSEs the opportunity to provide Level One Survey data relative to the delivery and design of the FAA ONE curriculum, and the adequacy of facilities used by the instructors to deliver the training;
- Expansion of sharing training information by way of interactive, monthly “Coffee Talks” via WebEx hosted by the OPD DBME Training Management Team and attended by DBME/FAA field leaders;

- Creation or modification of 35 instructor standard work and 22 supervisor standard work documents;
and
- Development and submission of the first FAA ONE Annual Report, which included:
 - Current-State Analysis
 - FAA ONE Curriculum Overview
 - Resource and Implementation Schedule
 - Field Support
 - FAA ONE Scheduling and Forecasting
 - Classroom Performance
 - New Hire Graduation Rates
 - Instructor Development Practices
 - Participant Feedback and Feedback Trends

LEVERAGING TECHNOLOGY

DBME developed Service Evaluator Answers Now (SEAN), a new artificial intelligence Skype and web-based tool, that helps staff quickly find sections in the Cash and Nutrition Assistance Policy (CNAP) manual that are needed to correctly determine eligibility for customers. Each night SEAN is updated with the most common inquiries to increase response times. Currently, the response time averages 1.95 seconds, with an overall average response rate of 99.86 percent and an average satisfied response rate of 83.77 percent based on feedback from staff when they access SEAN. Staff can express their satisfaction with the response by selecting a "thumbs up" or "thumbs down" icon to indicate whether the response was successful and meaningful. Over a period of one month, SEAN was accessed 10,654 times and had 3,153 sessions with 59 percent being new users. In October 2019, SEAN was introduced to the public and made available for customers to use through the DES website, which will make it easier for the public to retrieve TANF CA and SNAP policy information. The Department hopes to expand SEAN to other areas within DES soon.

TRAINING

The priority for DCSS during SFY 2019 was to expand the training courses available to both new and tenured Child Support Professionals. DCSS partnered with OPD to develop additional debt and enforcement courses, as well as a new establishment course, to support the professional growth and development of child support staff. DCSS expanded the Domestic Violence training that was developed in support of the PJAC grant and trained 460 DCSS staff in SFY 2019. The expanded 8-hour Domestic Violence training is being delivered to all child support professionals to teach them how to recognize and respond to family violence if the custodial parent has indicated that family violence is occurring or has occurred with the non-custodial parent in the past. The DCSS case manager is then able to refer the custodial parent to the appropriate resource, such as the Address Confidentiality Program, if necessary. This valuable training ensures child support professionals are provided the information, support, and tools needed to help custodial parents pursue child support as safely as possible.

LEVERAGING TECHNOLOGY

Overall usage of the self-service applications continues to increase, indicating widespread acceptance by DES customers.

The DCSS Payment Gateway allows noncustodial parents to make a child support payment electronically over the Internet or by phone. The Payment Gateway processed 65,596 payments, more than half of which were made via the Internet, that were distributed to custodial parents in SFY 2019 and totaled over \$22 million.

DCSS Touch Pay kiosks allow noncustodial parents to make child support payments at local DES/DCSS offices and other locations using cash, credit or debit cards, and checks without waiting in line to speak to a staff member. There were 24,832 payments processed by the Touch Pay kiosks totaling over \$6 million that were distributed to custodial parents in SFY 2019.

TRAINING

The OPD DDD Training Team was challenged with training all 2,000 DDD employees in preparation of the October 1, 2019 Integrated Health Plan transition. The OPD DDD training team successfully delivered the new training to 93 percent of all Division staff from August 18, 2019 to September 20, 2019. The OPD DDD Training Team is revising the six-week Support Coordinator New Hire training, with 125 modules designed to prepare coordinators to be job ready. Other course projects are in development, including enhancements to cardiopulmonary resuscitation (CPR) and first aid. DDD still makes use of e-learning through the Relias library of job-specific trainings. The OPD DDD Training Team is also involved in a workgroup to address abuse and neglect training for stakeholders, as required by Executive Order 2019-03 *Relating to Enhanced Protections for Individuals with Disabilities*. One of the focuses for SFY 2020 is reviewing and revising all existing training, as well as identifying job specific training for each functional area within DDD. All projects are tied to current practices and philosophies being established within DDD.

LEVERAGING TECHNOLOGY

DDD's Customer Service Center (CSC) developed a pilot program with the intent to reduce the average number of days required to close members grievances in SFY 2017. After the successful results of the pilot program, the CSC implemented the pilot to transition all CSC Representatives to Specialists in SFY 2018. The average number of days required to close member grievances in SFY 2018 was 40 days, and after the implementation of the pilot program, this number was reduced to 25 days in SFY 2019.

The DDD CSC has improved telephone performance standards to ensure all incoming calls from the toll-free number to the CSC unit are answered promptly. Calls should be answered in less than 45 seconds, which is the standard per AHCCCS. The CSC has exceeded expectations by improving

answering incoming calls from over a minute in July 2018 to an average of 24 seconds from October 2018 to June 2019.

The DDD CSC measures the number of calls that are answered on the first ring. When this standard was created, the rate of calls answered by the first ring was 72 percent in June 2018 and increased to 98 percent in October 2018. The rate has stayed above 98 percent for the remainder of SFY 2019.

The DDD CSC works closely with individuals, families, system partners, providers, and community stakeholders and uses the Resolution System (RS), an automated system, to track member and provider inquiries, community grievances, and summarize resolution of issues. Grievances are tracked in the RS and the complainant receives regular status updates regarding the grievance. The RS helps to identify patterns of concern to ensure systemic identification and resolution. DDD responded to 1,955 complaints and the DDD CSC responded to 21,567 telephone call inquiries or grievances in SFY 2019. The DDD feasibility report was completed in SFY 2019, with a determination to enhance the existing integrated suite of computer applications, known as FOCUS, rather than purchasing new and separate commercial off-the-shelf software applications to complete the same functionality. The recommendation is to upgrade FOCUS to a cloud environment. Additionally, DDD is in the process of conducting a solicitation for a new claims processing system.

DIVISION OF EMPLOYMENT AND REHABILITATION SERVICES

TRAINING

DERS and OPD staff completed a revision of the Supplemental Nutrition Assistance Program (SNAP) Employment & Training (E&T) program training. This revision divided content into three separate modules and was completed in only two weeks after being dormant for over two years. The two teams worked together closely and efficiently to develop and deliver the training to SNAP E&T specialists across the state.

The two teams also worked together on major revisions of the Unemployment Insurance (UI) Adjudications courseware. This project is in the final design phase and should be launched soon,

providing courseware which is state of the art and will assist UI Adjudicators with becoming job ready and prepared to serve Arizonans.

In addition, OPD worked with DERS to offer a Complaint System training for Employment Service program specialists, which three enforcement federal agencies - the Equal Employment Opportunity Commission, the U.S. Department of Labor, and the Occupational Safety and Health Administration - attended, as well. One of the main purposes of this gathering was to instruct Employment Service program specialists about how the complaint system process works and how to work in collaboration with the federal agencies.

OPD and DERS also completed 30 training modules for CCA, new training modules for UI Auditors, UI Tax staff, and UI Benefits staff, completed a new course for the Libera database case management, revised intake protocol and policy within the Rehabilitation Services Administration Core I material, and created an E-wages training for the Tucson region.

LEVERAGING TECHNOLOGY

The ARIZONA@WORK's web-based labor exchange, case management, and reporting system - Arizona Job Connection (AJC) - connects Arizona businesses with job seekers and recorded 2,533 self-service registrations in SFY 2019. AJC provides case management, data collection, and reporting capabilities for U.S. Department of Labor programs, including Veterans, Migrant and Seasonal Farmworkers, Re-employment, Trade Adjustment Assistance, and Work Opportunity Tax Credit. There is also flexibility to include other workforce-related programs, such as the Jobs Program and SNAP E&T.

The UI Tax program offers a variety of methods to employers for conducting business electronically. These options require no purchase of software by employers, and many require very little IT intervention. A total of 407,916 UI tax reports were filed electronically in SFY 2019, including 70,862 reports filed on the online Tax and Wage System (TWS) and 337,234 reports filed using the bulk file upload system Arizona UI Reporting for Employers (AZURE).

The UI Benefits program offers the ease of filing initial and continuing claims to UI claimants, as well. In SFY 2019, 90.2 percent of new UI claims and 91.1 percent of continued claims were filed electronically via the Internet.

PROPOSED ACTIONS FOR NEXT FISCAL YEAR

The Department is committed to helping Arizonans reach their full potential. DES continues to work within AMS to ensure government is working at the speed of business by using Lean management principles to drive continuous improvement within each of the Division.

DCSS completed a feasibility study for the replacement of the existing child support computer system, ATLAS, which provided an assessment of several options. The final report was submitted to the U.S. DHHS OCSE in October 2017 and received approval in March 2018. DCSS is in the planning and procurement phases of the system modernization project. Design and implementation of the new system is anticipated to begin in Spring 2020. The new system is expected to enable substantial increases in child support collections, improvements in payment timeliness, and real-time access to debt information.

DAAS hosted a two-day Partner Summit: *Connecting the Care, Finding the Treasure* for state-wide contracted community partners in February 2019. The focus of the summit was to begin assessing how DAAS programs, including APS, and its community partners can further connect service systems and collaborate to achieve a collective impact for mutual clients served. The information contributed by community partners was then compared to information obtained from the DAAS team's previous strengths, weaknesses, opportunities, and threats (SWOT) analysis, and a SWOT synthesis was completed. The combined information was used to guide DAAS strategic planning and annual improvement priorities for SFY 2020 and the results of the process were shared with community partners in May 2019.

DDD began work to identify improvements in its quality of service delivery and contract design for Home and Community Based Services (HCBS) through its Qualified Vendor System in SFY 2019 and will continue with robust stakeholder engagement in SFY 2020.

The DDD Tribal Liaison completed the Tribal Affiliation Project, which tracked the number of Tribal members who used DDD services delineated by Tribe. At the onset of the project, only 55 percent of

the Tribal DDD members identified as American Indian, without defining their Tribal affiliation. At the conclusion of this project, 99 percent of DDD members identifying as American Indian affiliated themselves with an Arizona Tribe, for a final total count of 2,019. As a result of the successful outcome of the Tribal Affiliation Project, the other Divisions will adopt this project in FY 2020.

AzEIP also completed training modules in partnership with the ADHS about children and families affected by Neonatal Abstinence Syndrome for the use of early intervention professionals in SFY 2019 and will be provided soon.

Training remains a high priority for the Department to ensure staff have the knowledge and ability to serve Arizonans. In SFY 2020, OPD plans to:

- Continue design of structured development programs for staff that will lead to advancement in knowledge over time, including identifying Learning Journeys for:
 - New hire training for all programmatic roles,
 - New supervisors,
 - Ongoing learning for experienced supervisors and above,
 - OPD trainers, and
 - OPD management staff;
- Continue delivery of *Real Colors* and other soft skills courses to improve customer service and teamwork of DES employees; and
- Increase the use of the LinkedIn Learning tool and implement a DES Leadership Mentoring Program and DES Leadership Speakers Series.

The overall employment situation in Arizona continues to improve significantly. Over the past nine years (2011-2018), Arizona nonfarm employment has increased from 2,411,400 to 2,856,000, an increase of 444,600 or 18.4 percent. In 2018, Arizona nonfarm employment increased by 78,700 jobs or 2.8 percent. Employment growth in Arizona is particularly impressive when compared to employment growth for the nation, which only increased by 1.7 percent (year-over-year) in 2018.

Arizona's economy consists of a wide range of industries offering opportunities for individuals seeking employment of all types. All eleven major industry sectors recorded positive year-over-year employment growth in 2018. Employment gains were led by Education and Health Services, which grew by 15,300 jobs or 3.6 percent. Other industry sectors that recorded notable 2018 employment growth include Construction (12,800 jobs or 8.8 percent), Financial Activities (6,400 jobs or 3.0 percent), and Manufacturing (6,000 jobs or 3.7 percent).

In addition to positive employment trends, several other economic indicators recorded positive trends in 2018.

- Arizona population levels continue to increase, growing 1.7 percent in 2018 over 2017 levels.
- Population is projected to grow at 1.5 percent in 2019 and 1.4 percent in 2020.
- Personal income levels and state gross domestic product (GDP) both increased in 2018 over 2017 levels.
- The rate of unemployment among Arizona residents remained consistent throughout 2018.
- Labor force participation levels grew dramatically in 2018, increasing by 111,806 people since 2017.
- Total employment is projected to increase by 2.7 percent from the third quarter of 2018 through the second quarter of 2020.

¹ This section has been provided by the Arizona Office of Economic Opportunity.

- The State Coincident Index for Arizona, an indicator for measuring economic activity, has increased and exceeded its prior peak in October of 2007.
- Per capita personal income growth in Arizona still lags behind the national average but is growing. The following are some factors that could potentially hinder growth of the local economy; however, the positive factors listed above outweigh the uncertainties described below in support of the Arizona Office of Economic Opportunity's (OEO's) projection:
 - Arizona's population below the poverty level (14.0 percent) exceeded the U.S. population below the poverty level (13.1 percent) in 2018.
 - The unemployment rate in Arizona consistently remains higher than the U.S. unemployment rate.
 - Arizona's per capita personal income is consistently lower than the U.S. per capita personal income.

ARIZONA INDUSTRY EMPLOYMENT PROJECTIONS (2018–2020)

During the two-year projection time period of the third quarter of 2018 to the second quarter of 2020, four sectors are projected to grow at a faster rate than the overall total annualized employment growth rate of 2.7 percent, and six sectors are expected to grow at a slower rate.

Leisure and Hospitality is projected to grow at the same rate as total overall employment growth (2.7 percent). The major sectors with higher expected annualized growth rates are Construction (5.8 percent); Manufacturing (3.6 percent); Professional and Business Services (3.0 percent); and Education and Health Services (3.0 percent). The major sectors expected to grow at a slower rate than total employment are Financial Activities (2.6 percent); Other Services (2.1 percent); Trade, Transportation, and Utilities (2.0 percent); Information (1.4 percent); Natural Resources and Mining (1.2 percent); and Government (0.6 percent).

- **Education and Health Services (EHS):** The EHS sector is projected to gain 37,126 jobs (6.0 percent) over the projection period. Growth is projected to be driven primarily by the Health Care and Social Assistance subsector.

- **Professional and Business Services (PBS):** The PBS sector is projected to have an increase of 26,177 jobs (6.1 percent) over the 2-year projection period. The Professional, Scientific, and Technical Services subsector will provide the largest share of this increase.
- **Leisure and Hospitality (L&H):** The L&H sector is projected to gain 19,255 jobs (5.5 percent) over the 2-year period. The largest projected job gain is expected in the Accommodation and Food Services subsector.
- **Construction:** The Construction sector is projected to gain 18,888 jobs (11.9 percent) over the 2-year period. The Specialty Trade Contractors subsector is expected to have the largest employment gain, and the Construction of Buildings subsector is projected to have the second largest employment gain. Home repair, home maintenance, rising building permits, and population growth are factors that support growth in this sector.
- **Trade, Transportation, and Utilities (TTU):** The TTU sector is projected to gain 21,741 jobs (4.0 percent) over the 2-year period. The largest projected job gain is expected in the Transportation and Warehousing subsector. Fewer gains are projected in Wholesale Trade and Utilities.
- **Financial Activities (FA):** The FA sector is projected to gain 11,414 jobs (5.3 percent) over the 2-year period. The Finance and Insurance subsector is projected to provide a substantial portion of this growth.
- **Manufacturing:** The Manufacturing sector is projected to gain 12,484 jobs (7.4 percent) over the 2-year period. Nondurable Goods, such as Food Manufacturing, are projected to grow substantially. Increases in Durable Goods will primarily be seen in Transportation Equipment Manufacturing and Fabricated Metal Product Manufacturing.
- **Other Services (Except Government) (OS):** The OS sector is projected to gain 4,309 jobs (4.3 percent) over the 2-year period.
- **Government:** The Government sector is projected to gain 2,056 jobs (1.3 percent) over the 2-year period.

- **Natural Resources and Mining (NRM):** The NRM sector is projected to gain 1,305 jobs (2.5 percent) over the 2-year period.
- **Information:** This sector is projected to have a gain in employment of 1,372 jobs (2.8 percent) over the 2-year period.

CONCLUSION

The Arizona Office of Economic Opportunity (OEO) is projecting modest employment gains in Arizona from the third quarter of 2018 to the second quarter of 2020. Over this time period, Arizona is projected to gain 165,691 jobs, growing at an annualized rate of 2.7 percent.

All eleven major sectors of the Arizona economy are projected to gain jobs during the 2018–2020 projected time period.

There are many positive indicators suggesting improvement in the overall economy and this momentum will continue through 2019. Nonfarm employment is increasing, and more individuals are entering into the Arizona labor force. Economic indicators such as: gross domestic product, employment, income levels, personal consumption expenditures, and residential real estate markets have shown improvements in 2018 over 2017 levels.

While there are risks and uncertainties associated with the indicators mentioned above, the positive factors described outweigh the uncertainties in support of the projections and overall health of the Arizona economy.

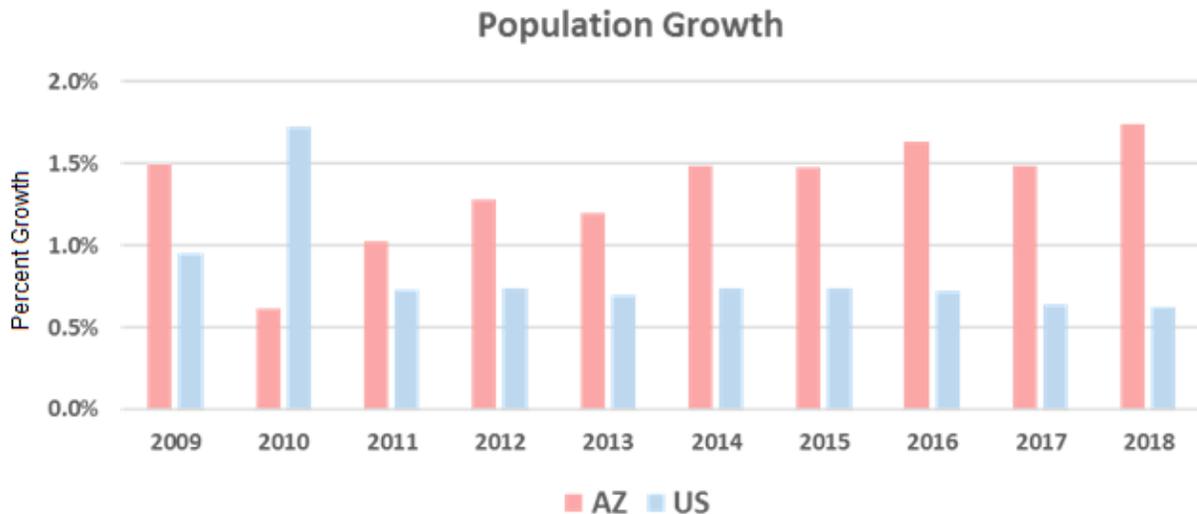
STATISTICS

ARIZONA DEPARTMENT OF ECONOMIC SECURITY COMPARISON BETWEEN ARIZONA AND UNITED STATES POPULATION FOR CALENDAR YEARS ENDED DECEMBER 31 (2018 IS THE MOST RECENT DATA AVAILABLE)

YEAR	ARIZONA POPULATION	UNITED STATES POPULATION	PERCENTAGE CHANGE IN ARIZONA POPULATION	PERCENTAGE CHANGE IN U.S. POPULATION
2009	6,368,649	304,093,966	1.5%	1.0%
2010	6,407,774	309,326,085	0.6%	1.7%
2011	6,473,497	311,580,009	1.0%	0.7%
2012	6,556,629	313,874,218	1.3%	0.7%
2013	6,634,999	316,057,727	1.2%	0.7%
2014	6,733,840	318,386,421	1.5%	0.7%
2015	6,833,596	320,742,673	1.5%	0.7%
2016	6,945,452	323,071,342	1.6%	0.7%
2017	7,048,876	325,147,121	1.5%	0.6%
2018	7,171,646	327,167,434	1.7%	0.6%

Sources: Arizona estimates were provided by the Arizona Office of Economic Opportunity; U.S. estimates were provided by the U.S. Census Bureau.

Note: The information contained in the sources used for this table is continuously revised and the amounts in the above table have been revised accordingly. Data presented may not match data reported for prior years.

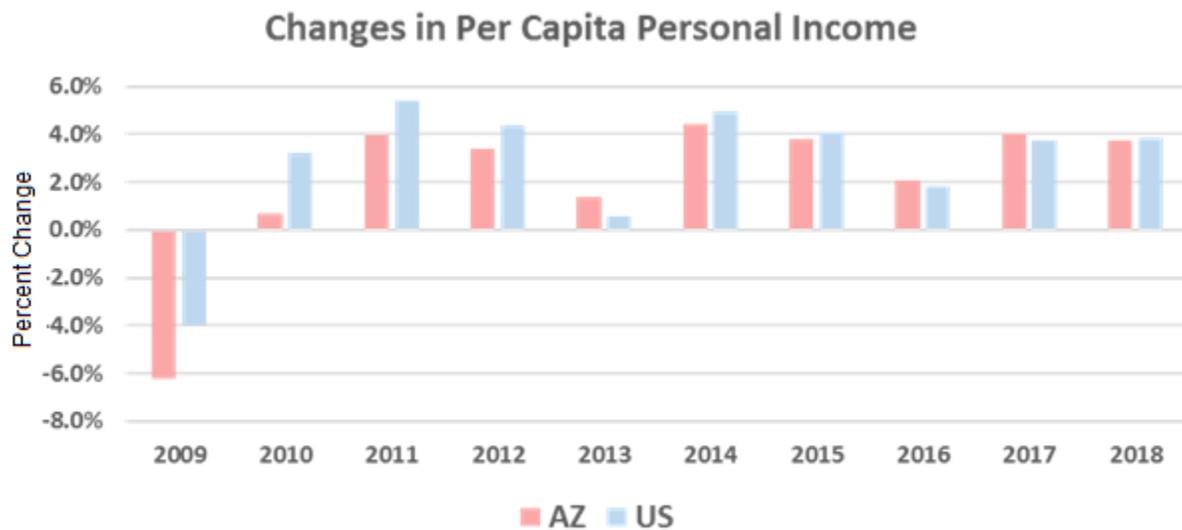


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
COMPARISON BETWEEN ARIZONA AND UNITED STATES PER CAPITA INCOME
FOR CALENDAR YEARS ENDED DECEMBER 31
(2018 IS THE MOST RECENT DATA AVAILABLE)**

YEAR	ARIZONA PER CAPITA INCOME	UNITED STATES PER CAPITA INCOME	PERCENTAGE CHANGE IN ARIZONA PER CAPITA INCOME	PERCENTAGE CHANGE IN U.S. PER CAPITA INCOME
2009	\$33,327	\$39,284	-6.2%	-4.0%
2010	\$33,555	\$40,546	0.7%	3.2%
2011	\$34,889	\$42,735	4.0%	5.4%
2012	\$36,064	\$44,599	3.4%	4.4%
2013	\$36,559	\$44,851	1.4%	0.6%
2014	\$38,175	\$47,060	4.4%	4.9%
2015	\$39,629	\$48,985	3.8%	4.1%
2016	\$40,456	\$49,883	2.1%	1.8%
2017	\$42,085	\$51,731	4.0%	3.7%
2018	\$43,650	\$53,712	3.7%	3.8%

Source: U.S. Department of Commerce, Bureau of Economic Analysis: SA1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income.

Definitions: Per capita personal income is equal to personal income of a given area divided by the resident population of the area. Personal income is the income received by a single individual and includes compensation, interest, and dividends.



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
COMPARISON BETWEEN ARIZONA AND UNITED STATES UNEMPLOYMENT
FOR CALENDAR YEARS ENDED DECEMBER 31
(2018 IS THE MOST RECENT DATA AVAILABLE)**

YEAR	NUMBER OF UNEMPLOYED IN ARIZONA	NUMBER OF UNEMPLOYED IN U.S.	UNEMPLOYMENT RATE ARIZONA (%)	UNEMPLOYMENT RATE U.S. (%)
2009	310,533	14,265,000	9.9%	9.3%
2010	320,251	14,825,000	10.4%	9.6%
2011	288,547	13,747,000	9.5%	8.9%
2012	252,529	12,506,000	8.3%	8.1%
2013	234,728	11,460,000	7.7%	7.4%
2014	210,504	9,617,000	6.8%	6.2%
2015	192,075	8,296,000	6.1%	5.3%
2016	174,579	7,751,000	5.4%	4.9%
2017	162,822	6,982,000	4.9%	4.4%
2018	166,205	6,305,500	4.8%	3.9%

Sources: Arizona: Arizona data provided by the Arizona Office of Economic Opportunity; U.S. data provided by the United States Department of Labor, Bureau of Labor Statistics (BLS).

Note: Figures are subject to revision.

Definitions: A person is unemployed if he or she has no job but is looking for work. The unemployment rate is the number of unemployed as a percentage of the labor force. The labor force is the sum of the employed and the unemployed.

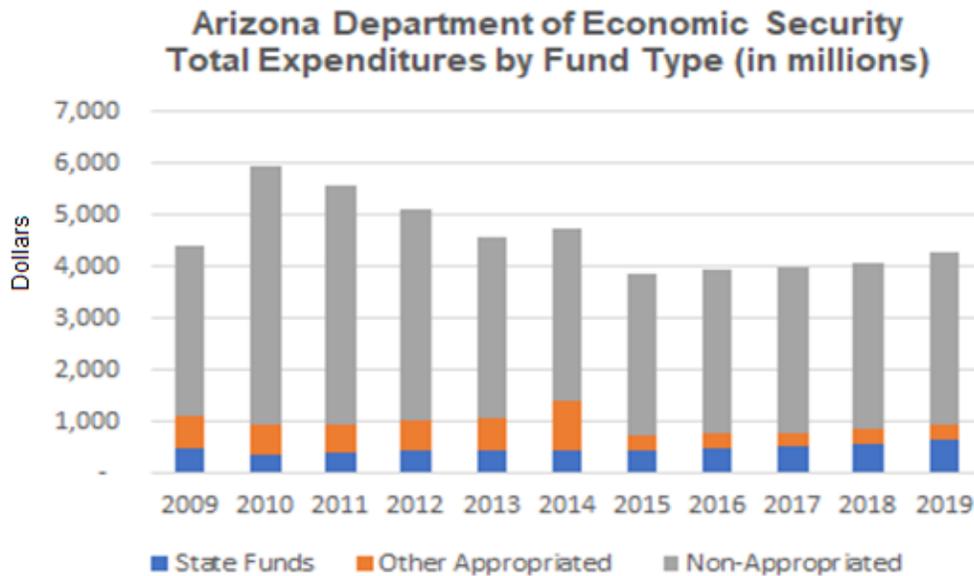
For more information go to www.laborstats.az.gov.



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
TOTAL EXPENDITURES BY FUND TYPE
FOR FISCAL YEARS ENDED JUNE 30**

YEAR	STATE FUNDS	OTHER APPROPRIATED FUNDS	NON-APPROPRIATED FUNDS	TOTAL FUNDS
2009	\$476,600,000	\$627,675,200	\$3,314,686,800	\$4,418,962,000
2010	\$354,908,900	\$568,732,300	\$5,008,483,700	\$5,932,124,900
2011	\$386,388,600	\$549,996,500	\$4,624,068,900	\$5,560,454,000
2012	\$437,373,100	\$599,577,200	\$4,091,369,800	\$5,128,320,100
2013	\$425,157,800	\$662,517,100	\$3,472,322,100	\$4,559,997,000
2014	\$461,322,500	\$953,274,800	\$3,320,671,600	\$4,735,268,900
2015	\$461,587,200	\$267,723,600	\$3,156,050,300	\$3,885,361,100
2016	\$502,934,200	\$271,847,900	\$3,187,665,700	\$3,962,447,800
2017	\$538,272,200	\$249,987,600	\$3,211,298,600	\$3,999,558,400
2018	\$586,110,300	\$283,478,200	\$3,202,137,100	\$4,071,725,600
2019	\$650,936,900	\$284,564,400	\$3,342,972,000	\$4,278,473,300

Source: The Arizona Department of Economic Security Budget Submission



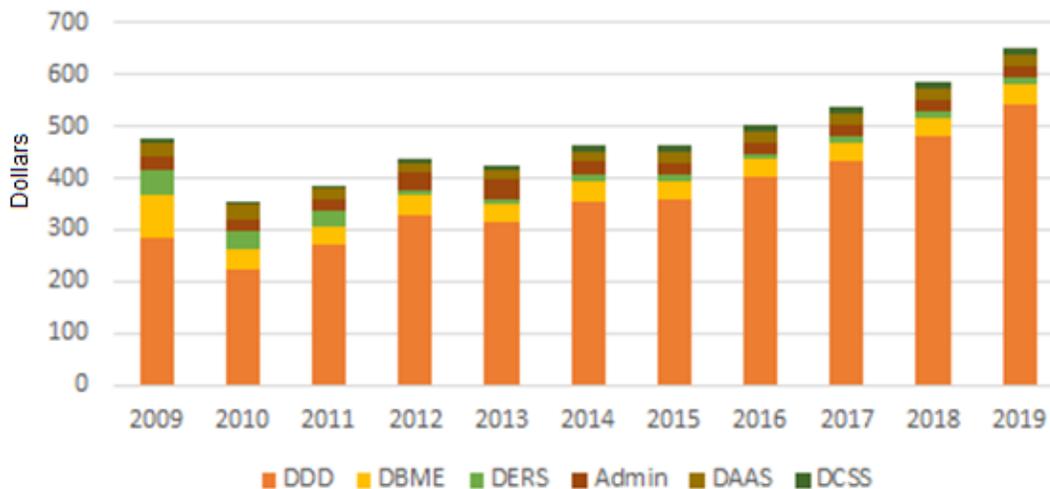
**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
STATE FUNDS RECEIVED BY DIVISION
FOR FISCAL YEARS ENDED JUNE 30**

YEAR	DDD	DBME	DERS	ADMIN ¹	DAAS	DCSS	TOTAL STATE FUNDS RECEIVED
2009	\$283,354,300	\$83,392,900	\$46,518,100	\$26,273,500	\$28,674,200	\$8,387,000	\$476,600,000
2010	\$222,140,700	\$42,236,600	\$33,659,300	\$22,519,300	\$27,573,700	\$6,779,300	\$354,908,900
2011	\$271,017,100	\$33,820,100	\$30,287,600	\$25,535,600	\$17,605,600	\$8,122,600	\$386,388,600
2012	\$329,589,300	\$38,473,600	\$9,461,300	\$33,749,900	\$17,713,000	\$8,386,000	\$437,373,100
2013	\$315,304,600	\$34,026,200	\$9,863,700	\$37,377,300	\$18,947,200	\$9,638,800	\$425,157,800
2014	\$356,172,800	\$35,709,000	\$15,178,400	\$25,755,100	\$17,738,800	\$10,768,400	\$461,322,500
2015	\$358,792,400	\$35,722,600	\$10,257,100	\$22,838,300	\$21,261,900	\$12,714,900	\$461,587,200
2016	\$400,101,000	\$35,616,500	\$11,214,400	\$21,713,500	\$21,815,300	\$12,473,500	\$502,934,200
2017	\$433,358,500	\$35,479,000	\$13,147,200	\$21,997,600	\$21,877,600	\$12,412,300	\$538,272,200
2018	\$480,556,500	\$35,616,500	\$13,174,400	\$21,703,800	\$22,623,100	\$12,436,000	\$586,110,300
2019	\$543,651,600	\$37,599,900	\$13,034,600	\$20,054,200	\$23,925,400	\$12,671,200	\$650,936,900

Source: The Arizona Department of Economic Security Budget Submission

¹ The Admin column references the Department's Administrative Divisions, including DBF.

**Arizona Department of Economic Security
State Funds Received by Division (in millions)**



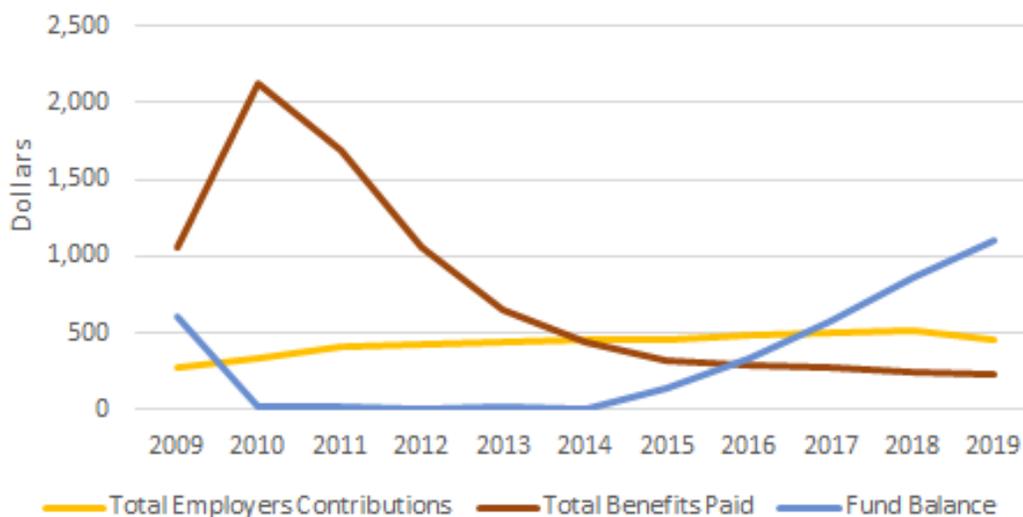
**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
UNEMPLOYMENT INSURANCE FINANCIAL TRANSACTION SUMMARY
FOR FISCAL YEARS ENDED JUNE 30**

YEAR	TOTAL EMPLOYER CONTRIBUTIONS	TOTAL BENEFITS PAID	FUND BALANCE
2009	\$276,732,990	\$1,061,358,568	\$602,590,236
2010	\$339,745,124	\$2,123,766,228	\$16,689,508
2011	\$412,472,497	\$1,684,068,675	\$16,864,876
2012	\$434,253,686	\$1,053,948,338	\$4,113,696
2013	\$446,578,260	\$654,321,961	\$14,944,329
2014	\$458,133,325	\$447,350,166	\$8,244,046
2015	\$463,467,338	\$320,502,958	\$135,097,528
2016	\$484,087,186	\$288,551,728	\$332,677,410
2017	\$498,520,801	\$270,807,529	\$571,469,308
2018	\$514,067,411	\$245,454,121	\$856,109,879
2019	\$450,218,852	\$228,282,756	\$1,101,115,339

Source: The Arizona Department of Economic Security, Unemployment Insurance Financial Transaction Summary Report.

Note: The total benefits paid amount for all fiscal years has been adjusted to include interstate benefits.

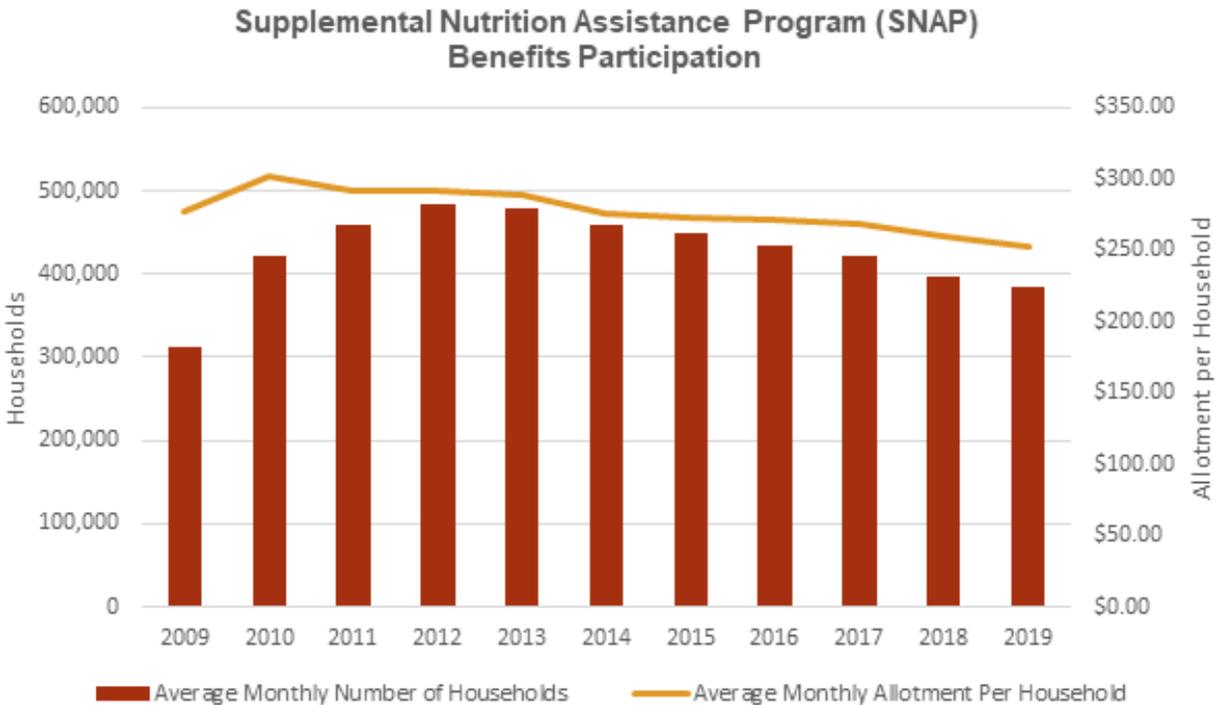
**Unemployment Insurance Contributions to Benefits
and Fund Balance (In Millions)**



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) BENEFIT PARTICIPANTS
FOR FISCAL YEARS ENDED JUNE 30**

YEAR	AVERAGE MONTHLY NUMBER OF HOUSEHOLDS	AVERAGE MONTHLY NUMBER OF PERSONS	AVERAGE MONTHLY ALLOTMENT PER HOUSEHOLD	AVERAGE MONTHLY ALLOTMENT PER PERSON	AVERAGE MONTHLY BENEFITS DISTRIBUTED
2009	313,126	752,772	\$277.44	\$115.41	\$86,875,088
2010	422,583	986,413	\$302.07	\$129.41	\$127,649,820
2011	458,580	1,049,522	\$291.35	\$127.30	\$133,607,965
2012	484,785	1,123,068	\$292.40	\$126.22	\$141,752,178
2013	479,386	1,116,068	\$288.90	\$124.09	\$138,493,811
2014	460,320	1,070,674	\$276.45	\$118.86	\$127,257,464
2015	448,754	1,027,845	\$273.06	\$119.22	\$122,535,437
2016	434,328	980,536	\$272.06	\$120.51	\$118,162,179
2017	422,591	946,184	\$269.26	\$120.26	\$113,785,667
2018	397,628	875,241	\$260.49	\$118.34	\$103,577,126
2019	383,491	824,197	\$253.15	\$117.79	\$97,082,260

Source: The Arizona Department of Economic Security, Division of Benefits and Medical Eligibility, Family Assistance Administration.

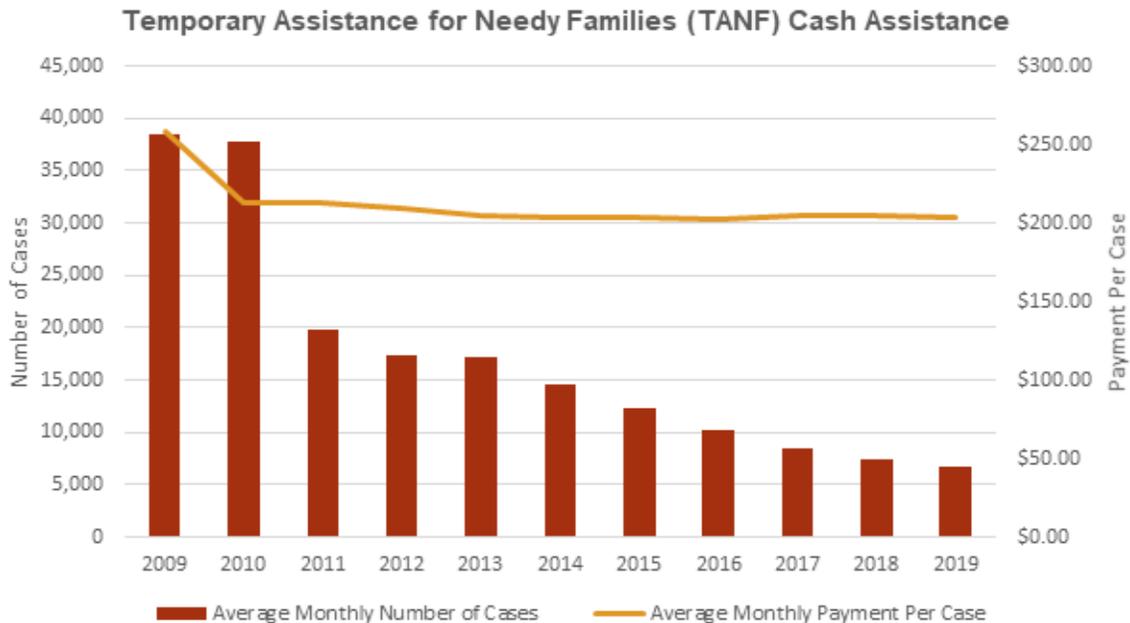


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES CASH ASSISTANCE
 FOR FISCAL YEARS ENDED JUNE 30**

YEAR	AVERAGE MONTHLY NUMBER OF CASES	AVERAGE MONTHLY NUMBER OF RECIPIENTS	AVERAGE MONTHLY PAYMENT PER CASE	AVERAGE MONTHLY PAYMENT PER RECIPIENT	AVERAGE MONTHLY PAYMENTS
2009	38,467	83,969	\$258.19	\$118.28	\$9,931,702
2010	37,779	82,127	\$213.21	\$98.08	\$8,054,784
2011	19,827	44,842	\$212.42	\$93.92	\$4,211,688
2012	17,310	39,194	\$208.89	\$92.26	\$3,615,885
2013	17,203	39,050	\$204.89	\$90.26	\$3,524,770
2014	14,621	32,888	\$203.82	\$90.61	\$2,980,065
2015	12,269	27,272	\$203.00	\$91.32	\$2,490,483
2016	10,192	22,171	\$201.89	\$92.81	\$2,057,745
2017	8,510	18,762	\$204.79	\$92.89	\$1,742,759
2018	7,459	16,195	\$204.16	\$94.03	\$1,522,828
2019	6,687	14,154	\$203.41	\$96.11	\$1,360,320

Source: The Arizona Department of Economic Security, Division of Benefits and Medical Eligibility, Family Assistance Administration.

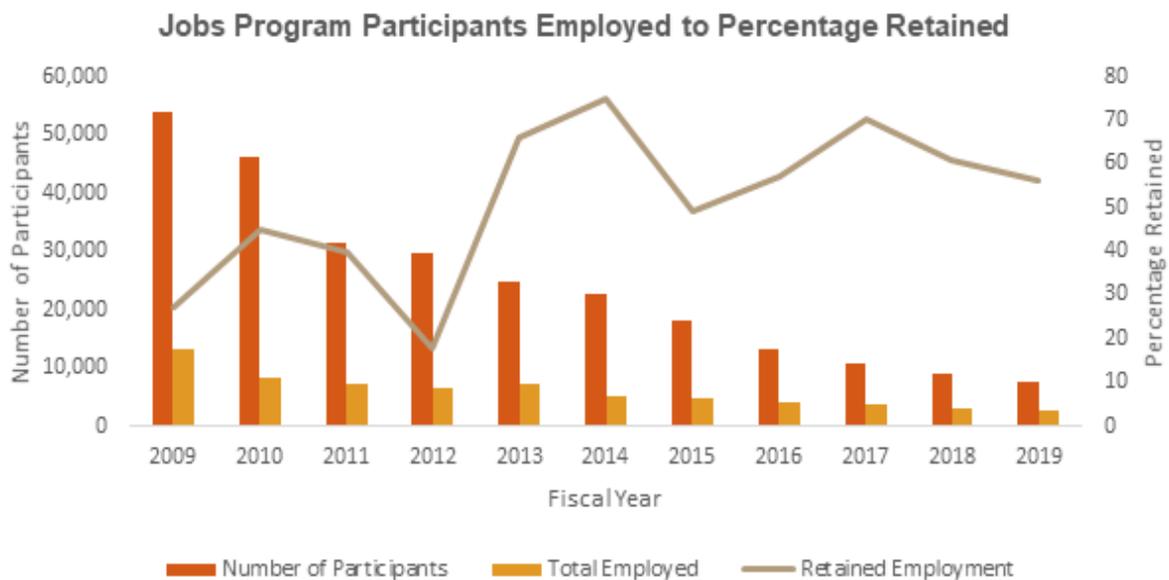
Note: The maximum state time limit to receive monthly Cash Assistance benefits was reduced to 36 months effective July 2010, 24 months effective August 2011, and 12 months effective July 2017. Effective October 1, 2017 the household may be eligible for a time limit extension up to an additional 12 months, if requested, and all adult household members are in compliance with Jobs Program requirements.



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
THE JOBS PROGRAM
COMPARISON OF PARTICIPANTS AND PARTICIPANTS EMPLOYED
FOR FISCAL YEARS ENDED JUNE 30**

YEAR	NUMBER OF PARTICIPANTS	TOTAL EMPLOYED	PERCENTAGE RETAINED EMPLOYMENT FOR AT LEAST 90 DAYS
2009	53,800	13,097	27%
2010	46,010	8,416	45%
2011	31,380	7,052	40%
2012	29,643	6,662	18%
2013	24,741	7,098	66%
2014	22,601	5,024	75%
2015	17,967	4,755	49%
2016	13,226	4,099	57%
2017	10,795	3,525	70%
2018	9,005	2,897	61%
2019	7,716	2,662	56%

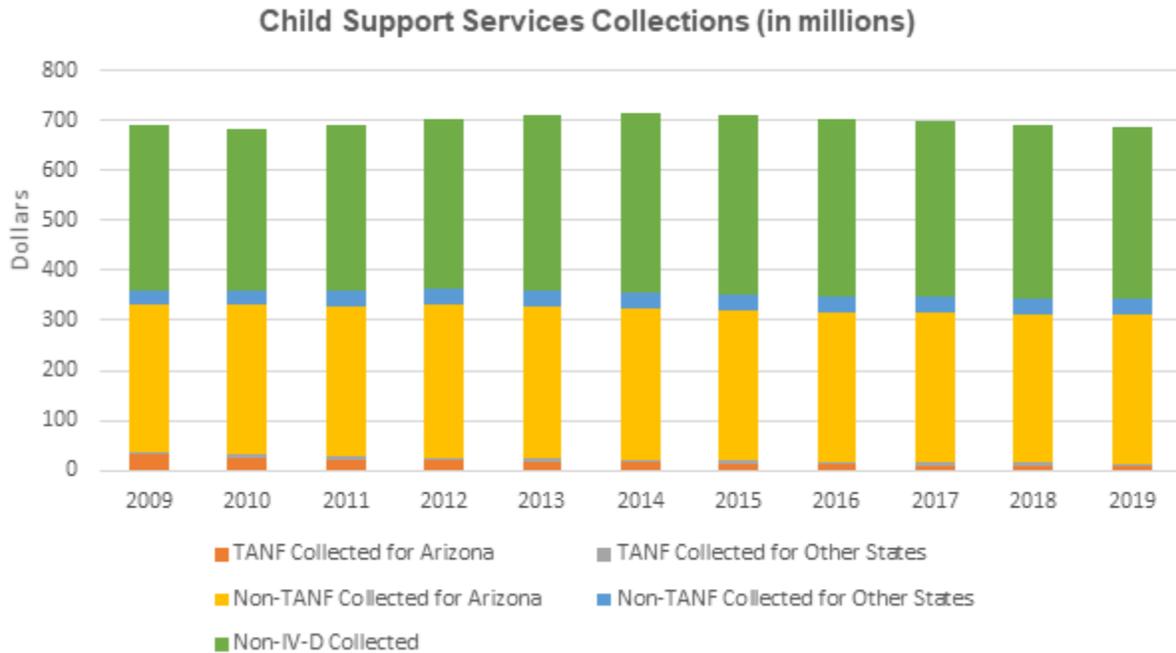
Source: The Arizona Department of Economic Security, Division of Employment and Rehabilitation Services, Workforce Development Administration.



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
CHILD SUPPORT SERVICES COLLECTIONS
FOR FISCAL YEARS ENDED JUNE 30**

YEAR	TANF COLLECTED FOR ARIZONA	TANF COLLECTED FOR OTHER STATES	NON-TANF COLLECTED FOR ARIZONA	NON-TANF COLLECTED FOR OTHER STATES	NON-IV-D COLLECTED	TOTAL COLLECTED
2009	\$31,337,600	\$7,402,700	\$294,618,000	\$27,266,400	\$328,738,000	\$689,362,700
2010	\$25,854,600	\$7,086,300	\$299,449,600	\$28,356,400	\$321,096,000	\$681,842,900
2011	\$21,248,700	\$6,757,400	\$301,646,700	\$29,625,500	\$329,574,400	\$688,852,700
2012	\$19,651,800	\$6,679,900	\$304,956,800	\$30,516,200	\$340,901,500	\$702,706,200
2013	\$17,557,700	\$6,604,800	\$305,361,400	\$32,124,800	\$350,691,200	\$712,339,900
2014	\$15,890,900	\$6,188,400	\$302,955,000	\$31,417,800	\$358,270,300	\$714,722,400
2015	\$13,248,300	\$6,001,000	\$299,959,600	\$30,582,700	\$359,527,200	\$709,318,800
2016	\$11,530,200	\$5,675,700	\$300,488,800	\$29,512,600	\$354,966,800	\$702,174,100
2017	\$10,650,700	\$5,538,900	\$300,439,000	\$29,812,700	\$352,742,300	\$699,183,600
2018	\$9,935,700	\$5,470,800	\$298,114,500	\$30,448,500	\$347,491,100	\$691,460,600
2019	\$9,207,300	\$5,363,500	\$298,726,000	\$30,618,500	\$341,993,800	\$685,909,100

Source: The Arizona Department of Economic Security, Division of Child Support Services.



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