



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Janice K. Brewer
Governor

Neal Young
Director

DEC 09 2009

The Honorable Janice K. Brewer
Governor of Arizona
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Brewer:

I am pleased to submit the Arizona Department of Economic Security's *State Fiscal Year 2009 Annual Welfare Reform Report: Moving Families to Greater Economic Mobility and Stability*, as required by Laws 1997, Chapter 300, Section 76. The report highlights the successes and accomplishments of Arizona's welfare programs during state fiscal year (SFY) 2009 and includes data comparisons from SFY 2008 to SFY 2009.

If you have any questions, please contact me at (602) 542-5757.

Sincerely,

Neal Young
Director

Enclosure

cc: President Robert L. Burns, Arizona State Senate
Speaker Kirk D. Adams, Arizona State House of Representatives
GladysAnn Wells, Director, Arizona State Library, Archives and Public Records



DEPARTMENT OF ECONOMIC SECURITY

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State Fiscal Year 2009
Annual Welfare Reform Report:
Moving Families to Greater Economic Mobility and Stability

Janice K. Brewer, Governor
Neal Young, Director

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Executive Summary

The Department of Economic Security (DES) is pleased to report on the status of implementation of services and supports to help individuals and families achieve economic mobility and stability. This report is in compliance with Laws 1997, Chapter 300, Section 76:

By September 1 of each year, the department of economic security shall submit a report to the president of the senate, speaker of the house of representatives and governor regarding welfare reform implementation. The report shall include information on outcome measures such as length of employment, amount of earned income, hourly wage, hours worked per week, total family income, health coverage, use of child care, issues concerning welfare reform in rural areas, housing, number of out-of-wedlock births, length of deferral for victims of domestic violence, level of participation in job training, education for the transition to self-sufficiency and number of substantiated cases of child abuse and neglect. The information shall be for the most current year and the previous year and shall be compiled in a manner and form that allow an assessment of the effectiveness of welfare reform in this state, including areas in which temporary assistance for needy families is being operated by the Arizona works agency pursuant to title 46, chapter 2, article 9, Arizona Revised Statutes, as added by this act.

The most pressing issue, as further detailed in this report, is the economic recession and its impact on both increasing needs of families and the decline in the ability of the state to meet those needs. This report highlights the primary areas of focus for DES in its efforts to provide services to Arizona's children and families to ensure they have an opportunity to become self-sufficient. These areas vary in scope from those designed to provide families with a safety net to meet basic needs of housing and food, to programs intended to ensure that children who are unable to reside with their birth parents are provided the opportunity to grow up in the homes of relative caregivers.

The work of the Department is driven by its core vision, mission, goals, values, and guiding principles. The DES vision is a bold one: *every child, adult, and family in the State of Arizona will be safe and economically secure*. In order for this vision to be realized, DES has established three goals:

1. Strengthen individuals and families.
2. Increase self-sufficiency.
3. Develop the capacity of communities.

The Department's objective is to move beyond simply delivering services and to place greater focus on helping individuals and families gain the tools they need to effectively and permanently escape the hardships of poverty and other barriers that currently prevent them from being self-sufficient. While some situations warrant more intensive and longer-term involvement between DES and individuals or families, the Department's primary focus is to prevent dependence and, where possible, provide short-term, less intrusive services and supports that help the individual or family take ownership of their own success.

The recessionary economy that has driven increased caseloads and costs in the Department's budget has also lowered state tax collections. In response to the \$1.6 billion shortfall in state revenues, Senate Bill 1001 (Laws 2009, First Special Session, Chapter 1) was enacted on January 31, 2009. SB 1001 mandated reductions of almost \$103 million as the Department's share of the funding adjustments necessary to resolve the state's deficit. The Department had to make reductions of \$153.4 million by the end of June 2009 in order to operate within the Department's available funding.

In March 2009, one of the actions that the Department had to take to comply with the funding reduction was to reduce Cash Assistance payments to all recipient families by 20 percent. Additionally, other supportive services, such as employment supports, in-home family supportive programs, and alcohol and drug abuse prevention programs were reduced as well. These reductions are evident in the data provided in the report Appendices.

The Department must continually monitor the services it provides and make adjustments to meet ever-changing demographics and needs. Included in this report is an update on the services designed to meet the needs of a growing population receiving Temporary Assistance for Needy Families (TANF) Cash Assistance: families with children who are cared for by non-birth parents, often relative caregivers. These child-only assistance families make up almost half of today's Cash Assistance population. In many situations, these families require not only financial assistance but also parental support.

The Department also had to evaluate its services to Cash Assistance families that include one or both parents and their children. As the national and state economies have worsened, it has become more challenging to provide employment support services to longer-term assistance families. In addition, families who otherwise have been self-sufficient find the need for short-term assistance to meet their needs. Trends in services to long-term assistance families, as well as for one time short-term assistance families, are highlighted in the report. The report includes information on Department efforts to promote participation in the federal Earned Income Tax Credit (EITC) by potentially eligible families. It also provides an update on the delivery of employment services using private vendors.

Finally, the report provides an update on two areas of additional supports to families who are faced with challenges to either maintain self-sufficiency or to become self-sufficient. The Department is seeing a rapid growth in the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp program, designed to ensure families have the ability to meet nutrition needs. Secondly, the report provides an update on in-home family services. These services provide support to families involved in the child welfare system who would otherwise not be able to care for their children in their own home.

The New Cash Assistance Caseload: “The Child-Only Population”

In recent years, the face of the Cash Assistance program has changed dramatically. When TANF first evolved out of the Aid to Families with Dependent Children (AFDC) program with passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, the typical beneficiary was a family where the unemployed birth parent (or parents) received benefits along with the children. Over the years, however, this program is becoming as much a family stability program as an employment and self-sufficiency program. Today, almost half of the Cash Assistance caseload is made up of child-only cases, changing the image of traditional Cash Assistance participants.

TANF child-only cases are those cases in which only a child or children are receiving assistance. A variety of circumstances result in child-only cases. In some cases, the child is not living with a parent, but with a relative, who chooses not to be included in the assistance group or whose income and assets preclude him or her from receiving Cash Assistance. In other cases, the living arrangement is disrupted through formal involvement with the child welfare system or other unforeseen circumstances that cause a child’s parent to be absent from his life. In other situations, the child is living with a biological parent, but the parent has otherwise been disqualified from receiving Cash Assistance for some reason.

In these “child-only” Cash Assistance cases, benefits are paid to families to help support the costs of the children in their care and, in most cases, the adults in the household are working and/or not eligible themselves for the program. Among the child-only Cash Assistance population, the number of cases represented by kinship arrangements—where a family member such as a grandparent, aunt, uncle, or sibling has taken guardianship of the children—has recently increased. When the state of Arizona passed its authorizing legislation to enact the changes required by PRWORA, much focus was placed on the employment needs of what was then the typical Cash Assistance client. But as the demographics of the Cash Assistance caseload change, DES and the state of Arizona is looking at program design changes that will best serve the multiple needs of the child-only assistance population.

The chart below detail the growing number of child-only Cash Assistance cases.

Average Monthly Number of Cash Assistance Recipients, Including Child-Only Cases

State Fiscal Year	Average Monthly Number of Cash Assistance (CA) Cases	Number of Child-Only Cases Among CA Cases	Percent of Child-Only Cases Among CA Cases
2009	38,467	18,840	49%
2008	37,030	18,196	49%

Despite minimal funding dedicated to this population's unique needs, the Department has established a few programmatic supports for these families in partnership with community organizations that focus on the needs of kinship caregivers and families. Kinship families that have a direct connection with the child welfare system may have access to more resources and support than those that have informally created a kinship situation due to a birth parent voluntarily giving guardianship of his or her child to a relative without the involvement of the child welfare system; for example, in the case where the birth parent is incarcerated or suffering from substance abuse or mental illness.

Arizona's Kinship Foster Care program, administered by the Department, prioritizes relatives as the first placement preference for children in the child welfare system who require out-of-home care. Many financial and non-financial services are made available to provide support to the kinship foster caregivers and provide stability for kinship placements. Financial assistance includes TANF child-only Cash Assistance, in addition to a monthly clothing supplement and a personal allowance. For those kinship foster caregivers who choose to become licensed as foster parents, a monthly foster care maintenance payment is issued to the kinship foster caregiver on behalf of the child. Non-financial services to support kinship foster caregivers include case management services, child care, parent aide services, parent skills training, a bimonthly newsletter that provides information focused on kinship care, training opportunities, and contact information for kinship support groups in the community.

In addition to services provided to kinship caregivers involved with the child welfare system, the Department's Family Connections Program (FC) dedicated two of 11 FC teams to focus on the provision of services and supports to voluntary kinship families in SFY 2009. The Phoenix FC team receives its referrals from the community, DES, private agencies, and self-referrals, and it provides services that include access to community services, case management, guardianships and licensure, networking, training, and needs addressed in the family plan. The Tucson team operates slightly differently in that the majority of its referrals come directly from the child welfare system with primary focus being to work with kinship care providers to support and strengthen the family to keep children out of foster care, or to maintain the children's kinship home following placement by child protective services. The FC teams, in addition to providing other services, help family's access financial assistance for which they qualify.

Both FC teams comprise multidisciplinary staffs that have an excellent working knowledge of the court systems, state policies, and laws governing kinship and guardianships. In addition, the two teams have an excellent working relationship with the community, which facilitates access to food, clothing, housing, and other services. The FC kinship teams work collaboratively with all other programs within the Department, community providers, and the community at large to ensure that families receive the supports they need.

Given the significant financial and resource constraints currently being faced and anticipated to continue for the Department, a determination was made to eliminate the Family Connection program. Although the work being done by the program will continue, the specialized knowledge and experience of the FC team members was integrated in the Department.

Lastly, the Division of Aging and Adult Services (DAAS) provides support to assist grandparents caring for their grandchildren. Up to 10 percent of the Title III-E funding DAAS receives from the federal Older Americans Act for the Family Caregiver Support Program (FCSP) can also be used to provide support services to grandparents who are raising their grandchildren. The federally funded FCSP provides services such as information, training, support groups, and occasionally respite care when needed. This program works closely with the Division of Children, Youth and Families (DCYF) and the Family Assistance Administration (FAA) as well as with many community-based agencies, as members of the Central Arizona Kinship Coalition (www.azkincare.org). The coalition helps coordinate support for kinship families across agencies and has been expanding to include partners and events that range statewide.

Though the programs detailed above do their best with minimal resources to identify and provide support for kinship families, a large number of the families in the kinship Cash Assistance caseload do not have regular interaction with or support from a DES case manager. As a result, their family stability may be at risk. It is highly likely that the adults in these families will themselves experience poverty due to the strains of caring for additional children while juggling work and other responsibilities. There is also high risk for children to end up in the child welfare system if their kinship caregivers do not have the necessary resources to provide adequate care. Both scenarios—family poverty and involvement in the child welfare system—present significant risk to the long-term outcomes for children in these families. To minimize the risk of family instability for these children and their caregivers, the Department will continue to look for innovative methods to focus on the special needs of kinship families.

Services and Supports for Individuals at Risk of Reaching the Lifetime Benefit Limit

TANF regulations in Title 45, Section 264.1 of the Code of Federal Regulations stipulate that a family in which the head-of-household or the spouse is included in the assistance grant (excludes “child-only” cases) may not receive more than five years of assistance. At the time that this federal regulation was enacted, Arizona’s Cash Assistance program was exempt from the five year time limit due to the state’s federally approved EMPOWER (“Employing and Moving People Off Welfare and Encouraging Responsibility”) welfare reform waiver under which the Cash Assistance program operated from November 1995 through expiration of the waiver in September 2002. EMPOWER contained a time limit that restricted adults to no more than 24 months of cash benefits in a 60 consecutive month period.

The federal five-year Lifetime Benefit Limit (LIBL) became effective for Arizona’s Cash Assistance households beginning in the benefit month of October 2002. Federal TANF regulations permit states the option of extending assistance beyond five years for these families when the family meets the state’s definition of “hardship” or when they contain a member that has experienced battery or cruelty as defined in the federal regulations. Arizona state law (A.R.S. § 46-294) allows Cash Assistance extensions beyond 60 months (or five years) of payments. The number of families that may be granted an extension cannot exceed 20 percent of the state’s average monthly Cash Assistance caseload.

To determine this figure, the state may use either the current year's monthly average or the prior year's monthly average. For federal fiscal year 2009, Arizona chose to use the average monthly caseload from FFY 2008, which was 35,632, resulting in a cap of 7,126 cases that could potentially be approved for an extension and receive a cash benefit past the 60-month LIBL.

Some LIBL families are granted extensions to the 60-month time-limited benefit if they meet the requirements of one or more of the hardship extension reasons discussed below. A Cash Assistance participant may request an extension of cash benefits beyond 60 months when they are experiencing a hardship that prevents them or their spouse from supporting the family independent of Cash Assistance.

Extension approval and the timeline for the extension granted are determined on a case-by-case basis. Extensions are reviewed at least every six months to determine whether the hardship has been resolved. While families are receiving benefits under an extension, they receive intensive case management from their contracted Jobs Program case manager.

LIBL Hardship Extension Reasons

A LIBL hardship extension may be approved when the household establishes one of the following LIBL hardship extension reasons:

- The family's head-of-household is a Non-Parent Specified Relative (NPSR) aged 60 or older.
- The family is experiencing one of the following verified hardships that prevents the head-of household or their spouse from supporting the family independent of Cash Assistance:
 - The head-of-household or spouse:
 - Has a temporary or permanent disability, as verified by a qualified medical source.
 - Is needed as a full time caretaker of their disabled adult or minor child, parent, spouse or domestic partner, as verified by a qualified medical source.
 - Is unable to complete their current educational or training program without CA.
 - Cannot find or afford child care.
 - Does not have readily available or affordable transportation.
 - The family is homeless.
 - A member of the family is a victim of crime or violence, including domestic violence.
 - A member of the family has another physical or mental hardship.

October 2007 was the first month that Cash Assistance households would have stopped receiving Cash Assistance benefits, based on the LIBL and reaching their five-year (60-month) time limit. In FFY 2008 (October 2007–September 2008), a total of 2,500 Cash Assistance households met the 60-month LIBL. Of those households, 1,183 (47.3 percent) requested an extension of cash benefits based on hardship and 626 (52.9 percent) of the households requesting an extension were eligible. Three hundred eighty-two (61 percent) of the approved extensions were for households in which the head-of-household was unable to work or engage in work activities due to a verified disability.

Expansion and Enhancement of the Grant Diversion Program

At various points in a person's lifetime, the challenge to make ends meet can present itself. Whether it is the sudden loss of employment, illness of a loved one, or the family car breaking down, individuals and families face financial hardship that can cause disruption to their lives. The Grant Diversion (GD) program allows a family applying for Cash Assistance the opportunity to receive an amount equal to three months of the Cash Assistance payment they would otherwise be eligible for in one lump sum. This can be very helpful to a family who has short-term needs to fulfill, particularly when there is a good likelihood that the parents will soon re-enter the labor market. Grant Diversion provides a boost of financial assistance to allow the family to meet their immediate needs without entering into long-term assistance programs, where the average length of stay on Cash Assistance is approximately one year. The Grant Diversion program is cost efficient, and serves as a deterrent to individuals developing long-term reliance on government assistance. Grant Diversion is first and foremost a program that promotes long-term self sufficiency through employment.

Cash Assistance applicants who do not have long-term barriers to employment are likely to be employed within 90 days and have financial need brought on by a short-term crisis in excess of the potential monthly grant amount such as eviction prevention costs, car repair, or excessive utility bills, are considered for the Grant Diversion program. The program focuses on identifying potential candidates and strongly marketing the option of diversion and employment after the Cash Assistance eligibility requirements are met. Grant Diversion provides employment-focused services to recipients during their 90-day eligibility period.

Below are two examples of how the Grant Diversion option has worked for real families.

1. "Sam" applied for assistance to meet his family's needs. He had recently left work at Basha's Distribution Center after working there for over two years. The DES case worker assigned to the family recognized that Sam had a stable work history and referred him for Grant Diversion on May 7, 2009. Having received a Grant Diversion payment, Sam was able to look for employment, find a new job and started working on May 26, 2009 with a temporary service and was assigned to Atlas Cold Storage Fry's Distribution Center. Sam is now working full-time for Fry's, earning \$11 per hour and does not require any further Cash Assistance.
2. "Allison" and her husband "Ygnacio" applied for Cash Assistance and were interviewed on April 6, 2009. Both were desperate to find employment to keep their home and support their three children. They were approved for Grant Diversion. The family received a Grant Diversion payment on April 7, 2009, which helped them pay their rent and some of their outstanding bills. Allison was referred to Home Depot, where she was hired for part-time employment. Although the hours were few to start, they are now increasing each week. Ygnacio has not found full-time work at this point but, his part-time work along with Allison's salary from Home Depot have provided them with enough income to meet their needs and keep their home.

The number of Grant Diversion applicants and recipients has increased over the past year allowing for greater opportunities for economic mobility and self-sufficiency and less reliance on government programs, as well as cost savings to the Cash Assistance program. During FY 2009, 2,952 Grant Diversion applications were approved, compared with 1,663 during the same time period in the previous year. These additional 1,289 represent a 3% increase in the total number of approved applications for Cash Assistance that were placed into Grant Diversion. This increase occurred at the same time as the unemployment rate was increasing in the state. Arizona's unemployment rate increased during this time and went from 5.7 percent to 8.7 percent during SFY 2009. The recidivism of Grant Diversion recipients back to the traditional Cash Assistance program was low, with a monthly average of 10 percent. The Department continues to monitor referrals to Grant Diversion closely to ensure that potential candidates for Grant Diversion are being screened and assessed appropriately, and clients are reaching their goals.

Leadership and staff at DES are working to refine the Grant Diversion program and enhance outreach and marketing to families as an alternative to the more traditional Cash Assistance program. During the last year, DES implemented the strategy of targeting Grant Diversion outreach efforts to Arizona's growing refugee population.

Volunteer Income Tax Assistance and Earned Income Tax Credit

The Department continues to implement strategies to increase individual's and families' self-sufficiency and economic security, including enhanced budgeting skills, financial literacy, and asset development opportunities. One specific strategy that DES has implemented is to promote the federal Earned Income Tax Credit (EITC) program and other tax credits such as the child care tax credit to potentially eligible families. In the last few years, the Department has opened its offices to the Volunteer Income Tax Assistance (VITA) program during the tax season.

The VITA program offers free tax preparation assistance to low- to moderate-income (generally people earning less than \$49,000 a year) Arizonans. Certified volunteers sponsored by various organizations receive training to help individuals prepare basic tax returns in communities across the country. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. Most locations also offer free electronic filing. Low-income families spend millions of dollars each year in tax preparation fees to claim their refunds and file their tax returns. The VITA program provides a free alternative and aligns naturally with the Department's vision and goals to strengthen individuals and families and increase their economic self-sufficiency.

Consistent with the Department's goals, the VITA program:

- Ensures low-income individuals and families are claiming the EITC. Research demonstrates that money returned from this credit lifts more children out of poverty every year than any other federal program.
- Saves low-income individuals and families millions of dollars in tax preparation fees. Research consistently shows this money, in combination with federal refunds, is used by low-income individuals and families to pay off debt, pay housing costs, or purchase necessities.

- Helps children and custodial parents receive child support owed. When there is an unpaid child support obligation, tax refunds are seized and paid to the custodial parent, which helps pay down the debt owed.
- Utilizes volunteers, making the program cost-effective to operate.

Hosting VITA sites in DES offices is a low-cost, effective way to bring this service to people who need it the most. The program's results indicate that the DES sites serve more people in the \$0–\$10,000 income range (including those on public benefits) than other VITA sites. By all accounts, the VITA program is a needed service and has wide-reaching benefits to the families the Department serves.

A written survey was completed by VITA program participants at the Maricopa County sites, indicating:

- 31 percent of people served had paid someone to do their taxes the previous year.
- 69 percent of people served earned less than \$20,000 the previous year.
- 23 percent of people served said they or someone in their household is disabled.
- 12 percent of people served were receiving unemployment benefits at some point in 2008.
- 15 percent of people that were working in 2008 identified themselves as unemployed now.

In tax year 2008, Arizona VITA sites prepared approximately 75,000 tax returns that provided \$76 million in tax refunds to low-income residents and saved VITA filers over \$22 million in tax preparation fees.

Over the past year, support for the VITA program has been enhanced in several ways, including:

- The program was expanded from four to six sites, including focusing on rural areas. Sites were located in local offices in Phoenix, Coolidge, Tempe, Flagstaff, Glendale, and Page.
- Collaborated with organizations around the state, including United Way of Pinal County and United Way of Northern Arizona to host VITA sites in the DES offices.
- Distributed the IRS EITC brochure, which was produced by the Governor's EITC Taskforce and paid for through donations from Arizona Public Service (APS), Salt River Project (SRP) and Southwest Gas.
- Trained and certified over 60 volunteers. Of the 43 DES VITA site volunteers, six were DES employees who volunteered during non-work hours to provide this community service.
- DES employees were provided information about VITA and EITC through a Department Web site. Over 30 DES employees received tax preparation assistance services through VITA.
- Prepared 25 prior year returns amounting to approximately \$6,500 in previously unclaimed money being returned to filers and \$7,500 in tax preparation fees saved.
- Returned approximately \$20,000 in state refunds.

DES VITA site volunteers contributed more than 1,000 hours of their time to help low-income families claim almost \$700,000 in refunds. This public service also saved those same families almost \$200,000 in tax preparation fees. In addition, the majority of the families served earned less than \$20,000 last year, which makes their tax refund the single largest income boost they receive all year. DES VITA sites help strengthen individuals and families by working with them to increase their income, which in turn improves their economic self-sufficiency.

Jobs Program Privatization

The Jobs Program is intended to prevent long-term reliance on financial assistance and offers Arizona's families the opportunity to become self-sufficient and economically independent through employment and employment related activities. The Jobs Program is Arizona's mandatory employment and training program for work-eligible individuals in households receiving Cash Assistance. The program engages the individual in a variety of work-related activities to improve their employability and offers activities and specialized services to remove barriers to employment. These activities and supportive services are provided to encourage and promote adequate employment at the earliest opportunity.

In 2004, the Arizona Legislature adopted Chapter 185, Forty-Sixth Legislature, Second Regular Session that amended A.R.S. § 46-300.01. As a result, A.R.S. § 46-300.01 required DES to issue a Request for Proposals for the statewide privatization of the Jobs Program. Awards for the Jobs Program's case management and employment services were made to two private vendors: MAXIMUS, which serves Maricopa County, and Arbor Education and Training (Arbor E & T), which serves residents throughout the remaining 14 counties in Arizona.

The purposes of privatizing the Jobs Program were to:

- Establish a statewide privatized system of Jobs Program case management and employment services in accordance with the requirements of A.R.S. § 46-300.01;
- Implement, through the use of private contractors, a Jobs Program that will reduce the incidence of poverty in Arizona, reducing the size of the TANF caseload by increasing the rate of permanent unsubsidized employment placements among TANF recipients;
- Effect increased self-sufficiency for clients through a comprehensive, family-focused planning and service delivery process;
- Establish a framework to assure that Arizona continues to meet the federal TANF Work Participation Rate; and
- Increase community involvement through contractor developed community partnerships, collaborations, and subcontractors.

The contractors, MAXIMUS and Arbor E & T, are measured against the following five goals while providing services on behalf of the Department:

- Arizona TANF work eligible individuals will obtain employment.
- Arizona TANF clients, who obtain employment, will stay employed and achieve self-sufficiency.
- Barriers to employment and self-sufficiency are removed for TANF work eligible individuals and their families.

- TANF clients are involved in all aspects of program design, service planning, and service delivery.
- Design of the service delivery system is community-driven and unique to each geographic area. Service delivery is integrated, client-friendly, and provided in collaboration with community-based organizations.

The Department's Program Evaluation and Monitoring (PEM) unit monitors, evaluates, and provides feedback regarding the performance of the Jobs Program contractors. The PEM unit compiles and issues quarterly reports to the contractors regarding their performance. The reports serve as a report card indicating what measures have been exceeded, met, or failed by the contractor in each service delivery area.

The success of privatization of human services depends on many factors. The Department, its community partners, and contractors are all working to achieve success for Arizona's families. In SFY 2008, the Department issued a demand for assurances to both MAXIMUS and Arbor E & T due to their failing performance in the five key goal areas listed above. The contractors continue to operate under a corrective action plan that requires monthly updates and progress reports to be provided. Further information about employment, wages, and training through the Jobs Program are included in Appendices 2 and 3.

Supplemental Nutrition Assistance Program

The federal Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, is a nutrition assistance program that helps low-income people purchase nutritious foods. Through DES' Nutrition Assistance Program, thousands of Arizonans are able to provide adequate nutrition for their families. Eligibility for benefits is based on resources, income, and other non-financial requirements such as residency, citizenship or eligible non-citizen status, and cooperation with the Department's employment and training program.

According to the Center on Budget and Policy Priorities, families that receive nutrition assistance are less likely to be food insecure, resulting in decreased rates of Medicaid payments, a decreased likelihood of child abuse, and improved reading and math scores for children.¹ In addition, according to the United States Department of Agriculture (USDA), every \$5 in new Nutrition Assistance benefits generates almost twice as much (\$9.20) in total community spending.

In Arizona the Nutrition Assistance caseload has more than doubled in the past nine years, from 113,687 in 2001 to 364,924 in 2009. For FY 2009, the program sustained continued rapid growth, increasing by almost 37 percent. This caseload growth is, in part, a result of initiation of a USDA/FNS federal campaign to enroll more eligible individuals, particularly the elderly population.

¹ USDA Food Stamp Program. (2007 June). *Food Stamps Make America Stronger*. Retrieved July 26, 2007: http://www.fns.usda.gov/cga/FactSheets/Food_Stamps.htm

The increased Nutrition Assistance caseload can also be largely attributed to the economic downturn we are experiencing across the country and noticeably in Arizona. As financial resources become strained for Arizona families due to increasing unemployment, rising gas prices, and the rising cost of food, there is increasing demand for Nutrition Assistance. According to the Arizona Department of Commerce's Research Administration Web site, Arizona's unemployment rate increased from 5.7 percent in July 2008 to 8.7 percent in June 2009.

DES continues to devote the resources necessary to serve the growing caseload. Continuing to prioritize these services ensures that eligible Arizonans receive the Nutrition Assistance in a timely manner. This, in turn, results in a healthier population, lower long-term costs for the state, and economic revitalization at the local level.

In-home Services

Arizona's in-home services for families involved with the child welfare system seek to prevent further child abuse and neglect through provision of services to help stabilize family life and preserve the family unit. Families who benefit from in-home services are often identified by the presence of unresolved problems including existing or imminent child abuse, neglect, or dependency, as well as a home situation that presents actual and potential risk to the physical or emotional well-being of a child. Child welfare staff are able to utilize in-home services to support the delivery of integrated services and other in-home supports.

The average monthly number of families receiving in-home services steadily increased from 4,856 in FY 2006; to 5,279 in FY 2007; and 5,391 in FY 2008. This growth was attributed to a rise in the use of court ordered in-home intervention as well as the implementation of new integrated services contracts that increased the availability of in-home services to families. The number decreased slightly to 5,278 in FY 2009, partly as a result of recent contract reductions imposed due to budget constraints.

In-home services, including voluntary services without court involvement and court-ordered in-home intervention, are contracted and are available statewide. Although the actual design of services varies by district, services include parent aides, parenting skills training, counseling, self-help, and contracted case management. Families may also receive referrals for services provided by community resources, other DES programs, or other state agencies, including behavioral health services.

This integrated services model includes two service levels—intensive and moderate—which are provided based upon the needs of the child and family. The model integrates collaborative partnerships between child protective services, community social service agencies, family support programs, and community and faith-based organizations. The contract provides an array of in-home services and service coordination and better ensures the appropriate intensity of services is provided. Services are family-centered, comprehensive, coordinated, community-based, accessible, and culturally responsive.

The program also assists families to access services such as substance abuse treatment, housing, child care, and many others. Services may be provided within the home of birth parent(s) or guardian(s), pre-adoptive or adoptive kinship, or foster family. The model may also be provided to transition a child from a more restrictive residential placement back to a foster or family home, or from a foster home to a family home. The model supports shared parenting by assisting foster parents to partner with parents and empowering parents to keep active in their children's lives.

Appendix 1: Cash Assistance Program

SFY 2009 vs. SFY 2008

	Total Cash Assistance Cases (Average Month-All Counties)	Total Cash Assistance Recipients (Average Month-All Counties)	Total Cash Assistance Payments (Average Month-All Counties)	Total Cash Assistance Payments (Average Per Case - All Counties)	Total Cash Assistance Payments (Average Per Recipient -All Counties)	Total Cash Assistance Payments (All Counties)	Two-Parent Cases	Adult Cash Assistance Cases	Child-Only Cases	Average Length of Time on Cash Assistance (Months)	Average Length of Time on Cash Assistance for Adults (Months)
2009	38,467	83,969	\$ 9,513,873	\$ 247.33	\$ 113.30	\$ 114,166,476	1,322	19,627	18,840	19.05	9.04
2008	37,030	80,221	\$ 9,798,822	\$ 264.62	\$ 122.15	\$ 117,585,869	748	18,833	18,196	19.52	9.76

	Cash Assistance Cases Closed due to Sanctions	Teen Parents Ineligible for Cash Assistance Due to Minor Parent Provisions	Cash Assistance Benefits Not Issued (Due to unwed minor parent policy)	Number of Cash Assistance Cases with Benefit Cap Children	Cash Assistance Recipients who Received AHCCCS*	Number of Cases which Hit Time Limit
2009	3,792	319	\$ 22,968	8,192	83,864*	1,894†
2008	1,712	284	\$ 16,086	8,308	77,576*	2,973

*Point in time end of fiscal year data from SFY 2009 and SFY 2008.

†For the time period of July 2008 to June 2009.

Appendix 2: Work Activities Through the Jobs Program

SFY 2009 vs. SFY 2008

	Cash Assistance Recipients Waiting to be Served	Waiting Time (Days) After Becoming Eligible for Cash Assistance	Total Cash Assistance Recipients served on Jobs Program	Total Cash Assistance Recipients Placed in Work Activities through Jobs	Total Cash Assistance Recipients Who Found Jobs	Average Hourly Wage	Cash Assistance Cases Closed due to Earned Income	Adult Cash Assistance Cases Closed Due to Earned Income	Job Retention Rate	Placements Who Did Not Return to Cash Assistance
2009	941	4	53,800	33,217	16,146	\$ 9.31	10,004	26.8%	26.9%	83.0%
2008	962	8	46,558	28,146	18,101	\$ 8.80	10,987	31.5%	31.9%	79.2%

	Participants in Types of Work Activities				Placements by Employment Category			
	Number of Participants in Job Search / Readiness Activity	Number of Participants in All Work Experience Activity	Number of Participants in Short- Term Work- Related Training Activity	Number of Participants in High School/GED Activity	Administrative / Office Support	Communications	Sales	Services and Agriculture Industry
2009	16,047*	12,346	4,417	407	17.7%	1.0%	13.8%	64.6%
2008	9,358	17,001	1,389	398	16.5%	1.0%	9.5%	73.0%

*Increase is due to Contractor shift in priorities.

Appendix 3: Self-Sufficiency Assistance Through the Jobs Program

SFY 2009 vs. SFY 2008

	Work Related Transportation Assistance	Number of Individuals Who Participated in Vocational Education Activities	Number of Individuals Who Participated in Post Employment Educational Training	Number of Individuals Who Engaged in Postsecondary Education	Number of Individuals Who Had Shelter/Utility Assistance Allowance Paid for by Jobs	Number of Individuals Who Participated in Job Readiness Activities	Total FLSA Supplemental Payments Issues	Number of Individuals Who Received FLSA	Number of Individuals Receiving Transitional Medical Services (Avg. Monthly)
2009	17,901	53*	0	11*	271*	No longer offered†	\$ 59,460.72‡	214‡	41,469§
2008	14,342	2,084	0	29	202	1,038	\$ 735,618.54	652	42,904

*Shift represents a change in contractor priorities.

†Contractors have discontinued delivery of job readiness workshops.

‡Decrease reflects changes in federal requirements for work participation.

§Reduction represents a decrease in families leaving Cash Assistance due to employment.

Appendix 4: Child Care

SFY 2009 vs. SFY 2008

	Total Children Authorized for Subsidized Child Care	Monthly Average of Children Receiving Subsidized Child Care (Monthly)	Total Number of Children Authorized to Receive Transitional Child Care	Monthly Average of Transitional Child Care Caseloads	Child Care Subsidies - Average Reimbursement	Total Amount Expended - Child Care Subsidies (Million)	Total Amount Child Care Co- Payments (Million)	Number of Individuals Who Participated in Employment Preparation Training	Number of New Certified Child Care Homes
2009	45,177*	45,957	6,947	6,945	\$ 351.34	\$ 202.1	\$ 15.7	409†	300
2008	53,237	45,367	8,624	7,781	\$ 352.85	\$ 202.1	\$ 15.5	478	350

*Reduction in numbers is due to the implementation of the Child Care Waiting List, February 2009

†Reduction reflects program funding reduction during SFY 2009

	Number of Child Care Providers Listed on CCR&R Registry	Number of Referrals Received for Child Care Services	Number of Providers Accredited and Eligible for the Enhanced Payment Rates	Approximate Number of Children Per Month Receiving Child Care in Accredited Programs	Child Care Provider Referrals - Number of Calls	Child Care Provider Referrals - Families Served via Internet	Number of Individuals Who Participated in Child Care Provider Training	Number of Child Care Providers Who Received Special Technical Assistance Training	Number of Practitioners Who are Registered in the S*CCEEDS
2009	729	22,824	193	3,383	10,841	29,013	22,882	644	5,037**
2008	573	18,132	170	3,400	15,774	35,939	24,913	744	4,682

**As of February 28, 2009 – Date of program termination by the Department due to budgetary constraints.

Appendix 5: Child Welfare Programs

SFY 2009 vs. SFY 2008

ARIZONA FAMILIES FIRST (AFF) Program			
	Number of Individuals Referred for Screenings for Substance Abuse Treatment	Number of Clients Who Received AFF Services	Average Length of Treatment (Days)
2009	3,992*	3,992*	185
2008	4,691	5,722	197

	Child Maltreatment Reports Received	Number of Families Receiving Comprehensive In-home Services	Number of Children Receiving Subsidized Guardianship
2009	33,178	3,753*	2,245
2008	34,989	5,509	2,095

*Decrease reflects reduction in available funds.

Appendix 6: TANF-Related Programs and Services

SFY 2009 vs. SFY 2008

	Crisis Assistance				Homeless Emergency Shelter	Domestic Violence Emergency and Transitional Shelter			
	Number of Families Who Received a Grant Diversion Payment	Number of Households Participating (TANF Utility Assistance)	Number of Households Participating (Eviction Prevention)	Number of Households Participating (Non-TANF Low Income Home Energy Assistance Program (LIHEAP)	Number of Households Participating (Special Needs)	Number of Persons Receiving Homeless Emergency Shelter Services	Number of Women and Children Receiving Shelter Services (Crisis Shelters)	Number of Women and Children Receiving Shelter Services (Transitional Shelters)	Counseling Hours in Shelter
2009	2,952	154*	2,776†	41,775	4	10,285	11,209	498‡	184,935
2008	1,663	367	2,540	28,158	13	10,825	10,623	655	156,042

*Decrease is a result of more families being served through increased federal funding in the Low Income Home Energy Assistance Program (LIHEAP). Families served under LIHEAP are not eligible for Utility Assistance.

†TANF funding previously used for Utility Assistance was redirected to serve more families facing eviction.

‡Decrease in number is a result of persons staying in transitional shelters longer which results in fewer beds being available for new intake.

	Legal Services for Domestic Violence Victims			Marriage and Communication Skills				Non-Marital Births
	Number of Victims Receiving Services in Self-Help Clinics	Number of Victims Receiving Services from Attorney or Paralegal	Number of Victims Receiving Services from Lay and Legal Advocates	Number of Organizations Conducting Workshops§	Total Number of Workshops Conducted§	Number of Participants in Workshops§	Number of Participants in Workshops (Who qualified for Vouchers)	
2009	1,572	11,195	2,214	1	21	456	452§	
2008	3,334	7,828	2,092	3	70	1,812	1,666	
2007								46,195**

§Funds for the program were eliminated for SFY 2009. Program operated on prior year carry forward funding only.

**Latest data available from Arizona Department of Health Services

DES Web Site - www.azdes.gov

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