

-Preface-

Department of Economic Security

Five – Year Review Reports

A.R.S. § 41-1056 requires that at least once every five years, each agency shall review its administrative rules and produce reports that assess the rules with respect to considerations including the rule's effectiveness, clarity, conciseness and understandability. The reports also describe the agency's proposed action to respond to any concerns identified during the review. The reports are submitted in compliance with the schedule provided by the Governor's Regulatory Review Council.

A.R.S. § 18-305, enacted in 2016, requires that statutorily required reports be posted on agency's website.

6. **Are the rules clear, concise, and understandable?** Yes No

If not, please identify the rule(s) that is not clear, concise, or understandable and provide an explanation as to how the agency plans to amend the rule(s) to improve clarity, conciseness, and understandability.

7. **Has the agency received written criticisms of the rules within the last five years?** Yes No

If yes, please fill out the table below:

Commenter	Comment	Agency's Response
NA	NA	NA

8. **Economic, small business, and consumer impact comparison:**

Each of the rules in Article 3 were created effective June 1, 2013. Since no economic, small business, and consumer impact statement is available from the last making of Article 3 rules, the Department is providing an assessment of the actual economic, small business, and consumer impact of the rules pursuant to A. R. S. § 41-1055(C).

- a. **Persons who are directly affected by, bear the costs of, or directly benefit from the rules:**

Article 3:

This rulemaking provides a postage cost savings to the Department without any economic impact on business or consumers. Providing the option for business and consumers to receive documents electronically, with consent, provides faster service and less cost.

- b. **Cost-benefit analysis:**

In SFY 2012, prior to the current rules being effective, the Department resolved 79,298 appeals at the cost of \$1.20 per appeal in postage. In SFY 2018, the Department resolved 36,895 appeals at the cost of \$1.21 per appeal. Providing these documents electronically, with the consent of the recipients, allowed for much faster delivery, better service, at less cost to the Department. While first class postage increased from \$.45 per ounce in SFY 2012 to \$.50 per ounce in SFY 2018, the ability to transmit documents electronically allowed the Department to hold postage costs per appeal nearly level during this period. Also, these rules do not directly impact public and private employment and small businesses.

c. **The probable cost and benefit to private persons and consumers who are directly affected by the rules:**

The rules do not have any negative financial impact upon private persons and consumers, except for the minimal costs that may be associated with their participation in the rulemaking process.

d. **Probable effects on state revenues:**

State revenues are positively impacted by the electronic transmission of documents instead of the conventional delivery via the U. S. Postal Service due to postage and materials savings. In addition, fewer staff are needed to electronically transmit documents than to manually print, post and mail the same documents.

9. **Has the agency received any business competitiveness analyses of the rules?**

Yes

No

10. **Has the agency completed the course of action indicated in the agency's previous five-year review report?**

Please state what the previous course of action was and if the agency did not complete the action, please explain why not.

These rules were enacted in June of 2013 and have not been subject to a five-year review until now.

11. **A determination that the probable benefits of the rule outweigh within this state the probable costs of the rule, and the rule imposes the least burden and costs to regulated persons by the rule, including paperwork and other compliance costs, necessary to achieve the underlying regulatory objective:**

The Department believes that the rules impose the least burden and costs to persons subject to these rules, including paperwork and other compliance costs.

12. **Are the rules more stringent than corresponding federal laws?**

Yes

No

Please provide a citation for the federal law(s). And if the rule(s) is more stringent, is there statutory authority to exceed the requirements of the federal law(s)?

There are no federal laws or rules which correspond to these rules. These rules expand accessibility.

13. **For rules adopted after July 29, 2010 that require the issuance of a regulatory permit, license, or agency authorization, whether the rules are in compliance with the general permit requirements of A.R.S. § 41-1037 or explain why the agency believes an exception applies:**

The Department has determined that A.R.S. § 41-1037 does not apply to these rules because they do not require a regulatory permit, license, or agency authorization.

14. **Proposed course of action**

If possible, identify a month and year by which the agency plans to complete the course of action.

On September 24, 2018, approval was received from the Governor's Office to consolidate the appeals process rules contained in multiple sections of the Arizona Administrative Code. The elements of due process are consistent across multiple programs for which Appellate Services provides hearings. A single source of hearing procedure rules will provide significantly better service and understanding to customers and stakeholders. These rules should be completed in May 2020.