



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

State Fiscal Year 2022 Annual Welfare Reform Report



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Introduction

Pursuant to Laws 1997, Chapter 300, Section 76, the Arizona Department of Economic Security (ADES/Department) submits its Annual Welfare Reform Report:

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 Arizona State Legislature established ADES in 1972 by consolidating the authority, power, and duties of seven State entities, followed by an eighth entity in 1974 (A.R.S. § 41-1954) to provide an integrated approach to human services. ADES employees serve approximately three million fellow Arizonans annually through approximately 50 ADES Programs. These programs provide a wide array of services delivered both virtually and in-person, throughout Arizona, in ADES offices and via a network of community-based providers.

In 2014, the Arizona State Legislature established the Department of Child Safety (DCS), separate from ADES, to provide oversight, transparency, and independence for the State's child welfare function, according to A.R.S. § 8-451. DCS' [Semi-Annual Child Welfare Report](#), which provides data on substantiated cases of child abuse and neglect, shows 3,208 substantiated cases during calendar year 2021.

The attached appendices include data tables with welfare reform measures for State Fiscal Year (SFY) 2022 and SFY 2021.

Temporary Assistance for Needy Families (TANF) Cash Assistance (CA) (Appendix One)

TANF CA provides temporary financial aid to needy families and opens the door for additional services designed to support families as they move toward self-sufficiency.

While the Governor's Declaration of Emergency due to COVID-19 was in effect from March 11, 2020 through March 30, 2022, the federal 60-month time limit and the state's 12-month time limit were suspended, as permitted by the implementation of a pandemic-related federal hardship extension and Arizona Laws 2020, Chapter 53, Section 4. The suspension allowed an otherwise eligible TANF CA recipient subject to the time limits to continue receiving TANF CA. After the Governor rescinded the Declaration of Emergency, the federal and state time limit requirements were reinstated, effective June 1, 2022.

Appendix One, Data Table A provides the average number of assistance units and individual recipients receiving TANF CA per month (each case pertains to a single assistance unit, and each assistance unit may contain one or multiple individual recipients), the average TANF CA payment received by an assistance unit per month and the average number of months of benefits received by TANF CA assistance units that are subject to the State Benefit Limit (STBL) of 12-months. The STBL applies to all Arizona TANF CA cases except for Tribal TANF Programs and child-only cases where TANF CA benefits are provided only for a child in the legal custody of the state, an Arizona tribal court, or a tribal child welfare agency and placed in unlicensed foster care. Table 1 also provides the number of assistance units out of the average monthly TANF CA caseload that qualified for the Two-Parent Employment Program (TPEP).

Appendix One, Data Table B provides data relating to TANF CA ineligibility, including the total number of TANF CA cases that were sanctioned during SFY 2022, and the total number of TANF CA assistance units that include a benefit cap child who is not eligible for TANF because the child was born or adopted during the natural or adoptive parent's Family Benefit Cap Period (FBCP) and did not qualify for an FBCP exemption. Appendix One, Data Table B provides the number of TANF CA cases that reached the STBL and the federal time limit, as well as the number of cases that were granted a hardship extension. Appendix One, Data Table B provides the total number of TANF CA recipients who participated in the Grant Diversion Program, which allows a TANF CA recipient who is likely to be employed within a 90-day window to receive a lump-sum cash payment equal to three times the monthly TANF CA payment for which they are eligible. In addition to the financial support, Grant Diversion recipients may receive employment services and short-term support services to resolve one-time issues during the 90-day window, pending

employment. An assistance unit is limited to one Grant Diversion payment within a 12-month period.

TANF Jobs Program Work Activities and Outcomes (Appendix Two)

The TANF Jobs Program is a mandatory employment and training program for work-eligible individuals in households receiving TANF CA benefits and offers supportive and specialized services and work-related activities to remove barriers to employment, increasing employability.

While the Governor's Declaration of Emergency due to COVID-19 was in effect, Arizona instituted a general waiver of work requirements for all participants in the TANF Jobs Program. During that period, participation in the TANF Jobs Program was voluntary, and participants were not sanctioned for declining participation or failing to meet work requirements. After the Governor rescinded the Declaration of Emergency, mandatory participation requirements were reinstated effective June 1, 2022.

Appendix Two, Data Table A provides the TANF CA recipients served by the TANF Jobs Program, the average wait time for TANF CA recipients to begin participation in the TANF Jobs Program after becoming eligible for TANF CA, and the number of TANF CA recipients who received deferrals from the TANF Jobs Program, further categorized by reason for deferral.

Appendix Two, Data Table B provides the outcomes for TANF Jobs Program participants, including the percentage of TANF Jobs Program participants who achieved unsubsidized employment for longer than 90 days. Data Table B also provides the percentage of TANF Jobs Program participants who did not return to TANF CA after achieving unsubsidized employment.

Appendix Two, Data Table C provides a breakdown of TANF Jobs Program participants who participated in non-core activities or complied with the TANF Jobs Program requirements through activities that were not unsubsidized employment, including preparing for and searching for employment, work experience for capacity-building, and high school or General Educational Development (GED) courses. For teen parents, high school or GED courses are considered a core activity.

Self-Sufficiency Assistance for TANF Jobs Program Participants (Appendix Three)

Appendix Three provides information related to assistance provided to a TANF Jobs Program participant that promotes self-sufficiency, including participation in employment where Fair Labor Standards Act (FLSA) supplemental payments were required or where Grant Diversion was provided. FLSA supplemental payments are required when a client is employed by an employer who does not provide wages that meet FLSA standards, thus ADES provides supplemental payment to ensure the employment meets federal requirements.

Child Care (Appendix Four)

Child care assistance provides financial support to allow eligible families better access to high-quality child care services while participating in employment or specific education and training activities related to employment. Child care assistance is available to TANF Jobs Program participants and TANF CA recipients who are employed. Transitional child care assistance is available to support eligible former TANF CA recipients in maintaining employment or self-employment up to 24-months after the individual stops receiving TANF CA. Currently, child care assistance co-payments, which are based on a client's family size and income level, are between \$1.00 and \$5.00 per child, per day. A former TANF CA recipient who is eligible for transitional child care is only charged a co-payment for the first three children in the family needing care.

Appendix Four provides the monthly average of all children authorized to receive and actually receiving child care assistance, as well as the subset of children authorized to receive and actually receiving TANF-related and transitional child-care assistance. The table also shows the average reimbursement ADES pays to child care providers, as well as ADES' total child care expenditure amount.

Short-term Crisis Services and Non-Marital Births in Arizona (Appendix Five)

Short-Term Crisis Services, partially funded by TANF, provide help to households experiencing emergent needs that cannot be met with their own income and resources, including emergency shelter, eviction prevention including rental arrear payments, move-in assistance, utility deposits or payments, and other special services for securing and maintaining employment. ADES also contracts for specialized services for Domestic Violence (DV) survivors and their children, including emergency shelter for up to 120 days, transitional housing, counseling, transportation, child care, and life skills training.

Appendix Five, Data Table A provides the number of individuals and families who received Short-Term Crisis Services, categorized by the type of service received. The number of households, adults, and children receiving services through utility assistance programs, homeless prevention programs, and emergency shelters saw an increase as a result of the COVID-19 Pandemic. However, the number of adults and children receiving transitional housing services decreased due to the lack of affordable housing options. Data Table B provides the number of non-marital births in Arizona provided by the Arizona Department of Health Services (DHS).

**Appendix One: TANF CA Program
SFY 2022 and SFY 2021¹**

Data Table A	Average Number of Assistance Units Receiving TANF CA (Monthly)	Average Number of Individuals Receiving TANF CA (Monthly)	Average Total Amount of TANF CA Disbursed (Monthly)	Average Amount of TANF CA Disbursed Per Assistance Unit (Monthly)	Average Amount of TANF CA Disbursed Per Individual Recipient (Monthly)	Total TANF CA Payments Disbursed	Average Number of Assistance Units Participating in the TPEP Monthly)	Average Number of Months an Assistance Unit Received TANF CA (Subject to State Limit Only)
2022	6,289	12,947	\$1,308,622	\$208.08	\$101.07	\$15,703,461	273	13.94
2021	7,477	15,640	\$1,563,960	\$209.17	\$100.00	\$18,767,522	329	14.38

Data Table B	TANF CA Cases Closed Due to Sanctions	Number of Assistance Units with Benefit Cap Children	Assistance Units Receiving a Grant Diversion Payment	Number of Cases That Reached the Federal Time Limit	Number of Cases That Reached the State Time Limit	Number of Assistance Units That Received Benefits Past State Time Limit Due to Hardship Extension²	Number of Assistance Units Ineligible Due to Exceeding Needy Family Income Standard
2022	50	1,088	2,621	65	764	1,055	3,458
2021	63	1,193	3,011	0	0	2,216	1,686

¹ Numbers reflect data for the entire state for the full SFY.

² Number of cases eligible for benefits as of the last day of the SFY.

Appendix Two: TANF Jobs Program Work Activities and Outcomes SFY 2022 and SFY 2021¹

Data Table A	TANF CA Recipients Served by Jobs Program	TANF CA Recipients Placed in Work Activities	Number of TANF CA Recipients Deferred from Jobs Program (DV)	Number of TANF CA Recipients Deferred from Jobs Program (Caretaker of a Child Under Age One)	Number of TANF CA Recipients Deferred from Jobs Program (Caretaker of a Family Member in Medical Need)	Number of TANF CA Recipients Deferred from Jobs Program (Physical or Mental Impairment)	TANF CA Cash Assistance Recipients Waiting to Be Served as of June 30	Waiting Time (Days) After Becoming Eligible for TANF CA
2022	5,000	1,764	16	112	0	182	141	3
2021	6,439	2,203	5	405	0	237	82	2

Data Table B	Jobs Program Participants Who Found Unsubsidized Employment	Jobs Program Participants Average Hourly Wage (Unsubsidized Employment)	Jobs Program Participants Placed in Unsubsidized Employment with Health Care Provided	Adult Jobs Program Participants TANF CA Cases Closed Due to Earned Income (Unsubsidized Employment)	Percent of Adult Jobs Program Participants TANF CA Cases Closed Due to Earned Income (Unsubsidized Employment)	Percent of Jobs Program Participants Who Retained Unsubsidized Employment Longer Than 90 Days (Unsubsidized Employment) ²	Percentage of Jobs Program Participants Placed in Unsubsidized Employment Who Did Not Return to TANF CA
2022	1,334	\$15.46	193	908	11.2%	60%	89.35%
2021	1,593	\$14.64	245	987	12.4%	63%	88.42%

Data Table C	Number of Participants in Job Search/Readiness Activity	Number of Participants in Work Experience Activity ³	Number of Participants in Short-Term Work-Related Training Activity	Number of Participants in High School or GED Activity
2022	211	1,498	31	24
2021	144	2,069	25	41

¹ Revised from the figures published in the 2021 Annual Welfare Reform Report to reflect the most recently available data.

² The 90-Day Retention Rate for SFY 2022 is not finalized until October 2022. The SFY 2022 90-Day Retention Rate reflects data through March 2022.

³ Work Experience Activity includes Subsidized or Unsubsidized Employment, On-the-Job Training, Unpaid Work Experience, or Community Service.

**Appendix Three: Self-Sufficiency Assistance for TANF Jobs Program Participants
SFY 2022 and SFY 2021¹**

Data Table A	Participants Receiving Work Related Transportation Assistance	Participants in in Vocational Education Activities	Participants Receiving Shelter or Utility Assistance Allowance	Participants Receiving an FLSA Supplemental Payment	Total Amount of FLSA Supplemental Payments Issued
2022	1,291	46	409	1	\$79.00
2021	1,768	51	467	56	\$3,138

¹ Revised from the figures published in the 2021 Annual Welfare Reform Report to reflect the most recently available data.

**Appendix Four: Child Care
SFY 2022 and SFY 2021**

Data Table A	Monthly Average Number of All Children Authorized for Child Care Assistance	Monthly Average Number of All Children Receiving Child Care Assistance	Monthly Average Number of Children Authorized to Receive TANF-related and Transitional Child Care Assistance	Monthly Average Number of Children Receiving TANF-related and Transitional Child Care Assistance	Monthly Average Child Care Assistance Provider Reimbursement Per Child	Total Amount of Child Care Assistance Disbursed (Millions)
2022	44,730	25,796	3,503	2,009	\$666.61	\$188.80
2021	43,934	32,446	4,986	3,732	\$540.74	\$212.47

Appendix Five: Short-Term Crisis Services and Non-Marital Births in Arizona SFY 2022 and SFY 2021¹

Data Table A	Number of Households Participating in Utility Assistance Programs ²	Number of Households Participating in Homeless Prevention Programs ³	Number of Adults and Children Receiving Shelter Services (Emergency Shelters) ³	Number of Adults and Children Receiving Shelter Services (DV Shelter) ⁴	Number of Adults and Children Receiving Shelter Services (Transitional Housing) ⁴	Number of Mobile and Community Based Advocacy Hours Provided to DV Victims ⁴	Number of DV Survivors Receiving Services in Self-Help Clinics ⁴	Number of DV Survivors Receiving Services from Attorney or Paralegal ⁴	Number of DV Survivors Receiving Services from Lay and Legal Advocates ⁴
2022	24,645	8,634	21,852	3,777	231	86,906	1,536	5,698	6,774
2021	19,862	7,927	19,996	4,300	549	104,820	1,544	6,248	5,779

¹ Revised from the figures published in the 2021 Annual Welfare Reform Report to reflect the most recently available data.

² Data provided by Community Action Agencies.

³ Data provided by Homeless Prevention Service Providers.

⁴ Data provided by DV Survivors Service Providers.

Non-Marital Births in Arizona¹

Date Table B	Non-Marital Births
2022	35,306
2021²	35,353

¹ Data provided by the DHS.

² Revised from the figures published in the 2021 Annual Welfare Reform Report to reflect the most recently available data.

Under Titles VI and VII of the Civil Rights Act of 1964 (Title VI & VII), and the Americans with Disabilities Act of 1990 (ADA), Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Title II of the Genetic Information Nondiscrimination Act (GINA) of 2008, the Department prohibits discrimination in admissions, programs, services, activities, or employment based on race, color, religion, sex, national origin, age, disability, genetics and retaliation. The Department must make a reasonable accommodation to allow a person with a disability to take part in a program, service or activity. For example, this means if necessary, the Department must provide sign language interpreters for people who are deaf, a wheelchair accessible location, or enlarged print materials. It also means that the Department will take any other reasonable action that allows you to take part in and understand a program or activity, including making reasonable changes to an activity. If you believe that you will not be able to understand or take part in a program or activity because of your disability, please let us know of your disability needs in advance if at all possible. To request this document in alternative format or for further information about this policy, contact 602-364-3976; TTY/TDD Services: 7-1-1. • Free language assistance for DES services is available upon request. • Disponible en español en línea o en la oficina local.