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# DEPARTMENT OF ECONOMIC SECURITY

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*Your Partner For A Stronger Arizona*

## **Annual Welfare Reform Report** **State Fiscal Year 2024**



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## Introduction

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The Arizona State Legislature established the Arizona Department of Economic Security (ADES) under [A.R.S. § 41-1954](#) to provide an integrated statewide approach to human services. ADES employees serve around three million Arizonans annually through approximately 60 programs. These programs provide a wide array of services delivered both virtually and in person, through ADES offices and a network of community-based providers throughout Arizona.

Pursuant to Laws 1997, Chapter 300, Section 76, ADES is required to annually report “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 (DV), level of participation in job training, education for the transition to self-sufficiency and number of substantiated cases of child abuse and neglect.”

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](#). The DCS [Semi-Annual Child Welfare Report](#) provides child safety data including number of substantiated cases of child abuse and neglect.

The appendix of this report includes welfare reform data for State Fiscal Year (SFY) 2024 and SFY 2023.

# Program Overviews

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## Temporary Assistance for Needy Families (TANF) Cash Assistance (CA)

### Table One

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TANF CA provides temporary cash benefits and supportive services to Arizona families, as detailed in the [State of Arizona TANF State Plan](#).

Table One provides, for SFY 2023 and 2024:

- Information about **TANF CA caseloads**, including the average number of assistance units and individuals receiving benefits per month. Each TANF CA case pertains to a single assistance unit, and each assistance unit may contain one or multiple individual recipients.
- Information about **payments and expenditures**, including the average TANF CA payment received by an assistance unit per month (also averaged per individual) and the total annual amount of TANF CA disbursed.
- Data relating to **TANF CA ineligibility**, including the number of assistance units with a child subject to the benefit cap under [A.R.S. § 46-292\(H\)](#), and the number of assistance units (both new applications and existing clients) who were determined ineligible due to income exceeding the applicable percentage of the Federal Poverty Level<sup>1</sup> (FPL). To be eligible for TANF CA, an assistance unit must belong to a family whose countable income after applying appropriate disregards does not exceed 100 percent of the current FPL, or when the TANF CA is being requested by a non-parent caretaker relative for the dependent child only, 130 percent of the current FPL.
- Data relating to **time limits**, including the number of TANF CA cases that reached the 12-month State Time Benefit Limit (STBL), the number of cases that reached the 60-month federal time limit, and the number of assistance units that received benefits beyond the STBL after a time extension under [A.R.S. § 46-294\(G\)](#) or a hardship extension. The table also provides the average number of months of benefits received by assistance units subject to the STBL.<sup>2</sup>

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<sup>1</sup> [U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Programs, 2024](#).

<sup>2</sup> Includes all State of Arizona TANF CA cases except 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.

- Data about **participation in specific TANF CA programs, including 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. An assistance unit is limited to one Grant Diversion payment within a 12-month period. The table also shows the number of assistance units participating in the **Two-Parent Employment Program (TPEP)**, a time-limited employment program that provides TANF CA benefits to children deprived of parental support due to the unemployment or underemployment of the primary wage-earning parent.

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## TANF Jobs Program

### *Table Two*

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The TANF Jobs Program is a mandatory employment and training program for work-eligible individuals in households receiving TANF CA. The goal of the TANF Jobs Program is to improve participants' skills in preparation for obtaining permanent, unsubsidized employment and to remove barriers to employment.

Table Two provides, for SFY 2023 and 2024:

- **Program participation data**, including the number of TANF CA recipients served by the TANF Jobs Program and the subset who were placed in work activities through the program. TANF CA recipients are not required to participate in work activities when they are temporarily deferred from work requirements, participating in a barrier resolution activity, or are not work-eligible.
- TANF Jobs Program **deferral data**, including the number of TANF CA recipients who received deferrals from the TANF Jobs Program, categorized by reason.
- **Employment outcomes** for TANF Jobs Program participants, including wages, employer-provided health care benefits, and unsubsidized employment outcomes.
- A breakdown of TANF Jobs Program participants who complied with program requirements through **other activities**, including preparing for and searching for employment, work experience for capacity building, high school or General Educational Development (GED) courses, and participating in vocational education.

- Information related to TANF Jobs Program **assistance that promotes self-sufficiency** for participants, including supportive services such as transportation, shelter, utility assistance, and participation in employment where Fair Labor Standards Act (FLSA) supplemental payments are required. 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 that the employment meets federal requirements.<sup>3</sup>

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## **Child Care Assistance (CCA)**

### *Table Three*

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CCA 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. CCA is available to TANF Jobs Program participants and TANF CA recipients who are employed or enrolled in the Grant Diversion Program, as well as other populations who meet the eligibility requirements. Transitional CCA 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, CCA co-payments, which are based on a client's family size and income level, are between \$0.50 and \$2.50 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.

Table Three provides the numbers of **all children authorized to receive CCA, authorized recipients who are utilizing CCA, and subset of children utilizing TANF-related and transitional CCA**. The table also shows the **average reimbursement ADES pays to child care providers as well as ADES' CCA expenditure amount**. Both of these increased from 2023 to 2024 as a result of reimbursement rate increases in April 2023, continued suspension of the waiting list to receive CCA, and the implementation of the Arizona Education Workforce Scholarship (AEWS) Program from April 2023 through June 2024. AEWS was a temporary program that provided CCA to eligible employees in the child care workforce, PreK-12 public schools, and publicly funded charter schools.

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<sup>3</sup> For example, FLSA supplemental payments are paid to Job Corps participants or to employees who exceed work experience hours.

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## Housing Stability, Utility Assistance, and DV Programs

### *Table Four*

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Table Four provides the number of individuals and families who received **housing stability and utility assistance services**, categorized by the type of service received. These services are provided through the Short-Term Crisis Services Program and Homeless Services Program.

Short-Term Crisis Services, which are partially funded by TANF, provide help to households experiencing emergent needs that cannot be met with their own income and resources. Services provided may include emergency shelter, case management, eviction prevention, move-in assistance, utility deposits or payments, and other special services appropriate for securing and maintaining employment.

The Homeless Services Program provides TANF-funded Emergency Shelter and Rapid Rehousing services to homeless families and their children. Emergency shelter services include emergency shelter, counseling, and supports such as case management, transportation, child care, and life skills training. Rapid rehousing services quickly place families into permanent housing, and may include short-term and medium-term rental assistance, as well as housing relocation and stabilization services, such as housing search and placement, case management, mediation, legal service, and credit repair.

Table Four also provides **participation data related to the Arizona DV Program**, which supports the establishment, maintenance, and expansion of programs and projects to prevent incidents of family violence, DV, and dating violence. The program provides emergency shelter and supportive services such as legal advocacy, counseling, and employment training for survivors of DV and their dependents. The Arizona DV Program connects participants with community resources to prevent victimization and promote self-sufficiency.

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**Non-Marital Births***Table Five*

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Table Five shows the numbers of total and non-marital births in Arizona, as provided by the Arizona Department of Health Services.



## Appendix<sup>4,5</sup>

**Table One: TANF CA Program**

	SFY 2023	SFY 2024
<b><i>Caseloads</i></b>		
Assistance Units Receiving TANF CA (Monthly Average)	5,609	5,329
Individuals Receiving TANF CA (Monthly Average)	11,354	11,008
<b><i>Payments and Expenditures</i></b>		
TANF CA Disbursed Per Assistance Unit (Monthly Average)	\$203	\$227
TANF CA Disbursed Per Individual Recipient (Monthly Average)	\$100	\$110
TANF CA Disbursed (Annual Total)	\$13,655,347	\$14,546,039
<b><i>Ineligibility</i></b>		
Assistance Units with Children Subject to Benefit Cap (Annual Total)	704	563
Assistance Units Ineligible Due to Income Exceeding Applicable FPL % (Annual Total)	3,548	2,188
<b><i>Time Limits</i></b>		
Cases Reaching STBL (Annual Total)	1,374	1,458
Cases Reaching Federal Time Limit (Annual Total)	70	61
Cases Exceeding STBL Due to 12-Month or Hardship Extension <sup>6</sup> (Annual Total)	1,519	1,458
Months per Year an Assistance Unit Subject to STBL Received TANF CA <sup>6</sup>	10.55	9.71
<b><i>Participation in Specific TANF CA Programs</i></b>		
Assistance Units Receiving a Grant Diversion Payment (Annual Total)	3,105	3,216
Assistance Units Participating in the TPEP (Monthly Average)	83	144

<sup>4</sup> All values rounded to the nearest whole number.

<sup>5</sup> Some SFY 2023 figures have been changed from the 2023 Annual Welfare Reform Report in order to reflect updated data.

<sup>6</sup> Reflects the average number of months an assistance unit continuously received TANF CA benefits within the applicable fiscal year.

**Table Two: TANF Jobs Program**

	SFY 2023	SFY 2024
<b><i>Participants Served</i></b>		
TANF CA Recipients Served by Jobs Program	4,381	4,612
TANF CA Recipients Participating in Work Activities	1,897	1,934
<b><i>Individuals Deferred From Jobs Program by Reason for Deferral</i></b>		
Domestic Violence	37	18
Average Months of Deferral for Victims of DV	2	3
Caretaker of a Child Under Age One	215	300
Caretaker of a Family Member in Medical Need	4	2
Physical or Mental Impairment	189	166
<b><i>Employment Outcomes</i></b>		
Participants Who Found Unsubsidized Employment	1,235	1,117
Average Hourly Wage for Participants in Unsubsidized Employment	\$16.22	\$18.75
Participants in Unsubsidized Employment with Employer-Provided Health Care	153	169
TANF CA Cases Closed Due to Earned Income from Unsubsidized Employment	766	606
Participants Who Retained Unsubsidized Employment Longer than 90 Days	506	370 <sup>7</sup>
Participants Who Retained Unsubsidized Employment Longer than 120 Days	504	379 <sup>8</sup>
Participants Who Retained Unsubsidized Employment Longer than 180 Days	449	256 <sup>8</sup>
Participants Placed in Unsubsidized Employment Who Did Not Return to CA	68%	86%
<b><i>Participants by Other Activity Type</i></b>		
Job Search or Job Readiness Activity	477	814
Work Experience Activity <sup>8</sup>	1,273	1,049

<sup>7</sup> SFY 2024 figure to be finalized after report publication when data is available for Q4 of SFY 2024. Current figure reflects data through March 2024.

<sup>8</sup> Deduplicated number of participants who completed any type of work activity, including subsidized or unsubsidized employment, on-the-job training, unpaid work experience, or community service. Some participants complete more than one type of work activity during a fiscal year.

Short-Term Work-Related Training Activity	76	53
High School Attendance or GED Course of Study	37	18
Vocational Education Activity	94	51
<b><i>Self-Sufficiency Assistance Provided</i></b>		
Participants Receiving Work Related Transportation Assistance	1,543	1,638
Participants Receiving Shelter or Utility Assistance	348	456
Participants Receiving an FLSA Supplemental Payment	11	2
FLSA Supplemental Payments Issued (Annual Total)	\$1,516	\$186

**Table Three: Child Care Assistance<sup>9</sup>**

	SFY 2023	SFY 2024
<b><i>All Child Care Assistance (CCA)</i></b>		
Children Authorized to Receive CCA	46,051	52,467
Children Receiving CCA	25,462	30,651
Provider Reimbursement Per Child	\$915	\$1,075
CCA Disbursed (Annual Total)	\$280,864,421	\$395,570,297
<b><i>TANF-Related / Transitional CCA</i></b>		
Children Authorized to Receive TANF-related and Transitional CCA	3,427	3,344
Children Receiving TANF-related and Transitional CCA	1,890	1,863
Provider Reimbursement Per Child for TANF-related and Transitional CCA	\$855	\$1,016
CCA Disbursed for TANF-related and Transitional CCA (Annual Total)	\$19,373,039	\$22,712,009

<sup>9</sup> Statewide monthly averages, unless otherwise noted.

**Table Four: Housing Stability, Utility Assistance and DV Programs<sup>10</sup>**

	SFY 2023	SFY 2024
<b><i>Utility and Shelter Program Participation</i></b>		
Households Receiving Short Term Crisis Services Utility Assistance	262 <sup>11</sup>	279
Households Participating in Homeless Prevention Programs	7,832	949 <sup>12</sup>
Individuals Receiving Emergency Shelter Services	25,167	34,565
Individuals Receiving DV Shelter Services	3,880	5,389
<b><i>Participation in other DV Survivors Services</i></b>		
Mobile and Community Based Advocacy Hours Provided to DV Survivors	84,288	78,727
DV Survivors Receiving Services in Self-Help Clinics	1,927	1,235
DV Survivors Receiving Attorney or Paralegal Services	5,003	6,742
DV Survivors Receiving Lay Legal Advocate Services	5,503	6,531

<sup>10</sup> Certain data in this table is furnished by Community Action Agencies, Homeless Prevention Service Providers, and DV Survivors service providers.

<sup>11</sup> The 2023 Annual Welfare Reform Report stated that 25,633 individuals received STCS utility assistance. This was an error, conflating Low Income Home Energy Assistance Program and Short Term Crisis Services utility assistance. The 2023 number has been revised to reflect STCS utility assistance only.

<sup>12</sup> Decrease is due in part to a reduction in or exhaustion of pandemic-era funding, which resulted in a reduction of contracted service providers administering homeless prevention services and programs.

**Table Five: Non-Marital Births<sup>13</sup>**

	SFY 2023	SFY 2024
Total Births in Arizona	78,380	78,130
Non-Marital Births in Arizona	35,715 (46% of total births)	35,482 (45% of total births)

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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, ADES prohibits discrimination in admissions, programs, services, activities, or employment based on race, color, religion, sex, national origin, age, disability, genetics and retaliation. ADES 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, ADES must provide sign language interpreters for people who are deaf, a wheelchair accessible location, or enlarged print materials. It also means that ADES 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 ADES services is available upon request. • Disponible en español en línea o en la oficina local.

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<sup>13</sup> Data provided by Arizona Department of Health Services.