

-Preface-

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

**Arizona Department of Economic Security
Title 6, Chapter 10
Five-Year Review Report**

1. Authorization of the rule by existing statutes

General Statutory Authority: A.R.S. §§ 41-1954(A)(1)(b) and (c), (A)(3), and (E), 46-134(10), and 42 U.S.C. Chapter 7, Subchapter IV, Part A.

Specific Statutory Authority: A.R.S. §§ 46-101, 46-299, and 46-300, and 45 CFR Part 261.

2. The objective of each rule:

Rule	Objective
R6-10-101	The objective of this rule is to define terms used in Chapter 10.
R6-10-101.01	The objective of this rule is to identify the persons to whom Chapter 10 applies.
R6-10-102	The objectives of this rule are to explain work requirements for both single-parent family and two-parent family recipients of Temporary Assistance for Needy Families (TANF) Cash Assistance (CA), conditions under which a recipient is not required to participate in work activities, minimum hourly requirements for work activities, sanction and withholding requirements, conditions for voluntary Jobs Program participation for recipients already participating in work activities, and to ensure that the requirements are clearly represented and easily understood by the public.
R6-10-103	The objective of this rule is to ensure that a Preliminary Orientation is provided to work eligible TANF CA recipients, and to clarify that this requirement does not apply to non-Two-Parent Employment Program (TPEP) Jobs Program participants.
R6-10-104	The objective of this rule is to explain that the Jobs Program does not serve persons eligible for a tribal CA program or for services through a tribal program similar to the Jobs Program.
R6-10-105	The objective of this rule is to ensure all Jobs Program participants are selected and referred in the appropriate manner, and that TPEP Jobs Program participants begin receiving services upon reporting to the

Rule	Objective
	program office.
R6-10-106	The objective of this rule is to ensure that work eligible individuals receive appropriate notification for an initial Jobs Program case management appointment and understand attendance requirements, available supportive services, the structure of the meeting, the requirement of developing an Employment and Career Development Plan (ECDP), and procedures for rescheduling a meeting.
R6-10-107	The objective of this rule is to notify TANF CA recipients of situations that may exclude participation in the Jobs Program, and to provide the process for requesting and supporting an exclusion.
R6-10-108	The objective of this rule is to notify TANF CA recipients of situations that may warrant deferral from the requirement to participate in work activities, and to provide the process for requesting and supporting a deferral.
R6-10-109	The objective of this rule is to explain the requirement for assessments during and after the initial Jobs Program case management appointment, and the referral process for services resulting from the assessment.
R6-10-110	The objective of this rule is to explain the requirements of an ECDP, including what must be included in the ECDP, and how the ECDP may be revised.
R6-10-111	The objective of this rule is to notify all recipients, including TPEP recipients, what constitute core activities.
R6-10-112	The objective of this rule is to explain what participation meets the minimum work requirement, and that additional participation in work activities is allowed when minimum work requirements are met.
R6-10-113	The objectives of this rule are to explain that appropriate non-core activities may be offered and assigned, as appropriate, when participation in required core activities have first been met.
R6-10-114	The objectives of this rule are to ensure that job search and job readiness assistance are assigned appropriately, and that participation meets the minimum hours as indicated in the participant's ECDP.

Rule	Objective
R6-10-115	The objective of this rule is to ensure the proper assignment, operation, and execution of the on-the-job training component, including the requirements set forth in the participant's training plan.
R6-10-116	The objective of this rule is to ensure work experience activities are properly assigned to improve the participant's employability, or to meet work participation requirements, and that the Jobs Program appropriately evaluates a participant's entitlement to supplemental payments.
R6-10-117	The objective of this rule is to explain the circumstances under which the Jobs Program may assign a participant to a community service program, as well as to ensure that community service is properly assigned and that the Jobs Program appropriately evaluates a participant's entitlement to supplemental payments.
R6-10-118	The objective of this rule is to specify the circumstances under which the Jobs Program may assign, or allow a participant to remain in, vocational educational training, to ensure that vocational education training is properly assigned, that it is assigned for no more than the allowable time period, and that the participant is allowed appropriate homework time.
R6-10-119	The objective of this rule is to explain the circumstances under which the Jobs Program may assign a participant to high school, General Education Development (GED) preparation, and education directly related to employment, and to ensure that these activities are assigned appropriately and that their respective guidelines are followed.
R6-10-120	The objective of this rule is to explain and ensure the provision of allowable supportive services within the budget and guidelines of the Jobs Program.
R6-10-121	The objective of this rule is to explain and ensure the continued delivery of services and support to transitional program participants.
R6-10-122	The objective of this rule is to explain the participant complaint resolution process by which participant complaints are addressed and resolved, including participant and program responsibilities during the complaint process, to ensure participant complaints are handled accurately, fairly, and efficiently.

Rule	Objective
R6-10-123	The objective of this rule is to clarify what constitutes a failure to participate in the Jobs Program, as well as to explain good cause, verification procedures, and notice requirements.
R6-10-124	The objective of this rule is to ensure an accurate understanding of the sanction process for non-TPEP participants, to assist participants in avoiding sanctions, and to facilitate accurate sanctioning.
R6-10-125	The objective of this rule is to ensure an accurate understanding of the withholding process for TPEP assistance units as a result of a parent failing to participate with Jobs Program requirements, as well as to facilitate accurate withholdings.
R6-10-126	The objective of this rule is to explain case management services available to participants who have reached their lifetime TANF CA limit, for 12 months following that limit, to allow participants who may still benefit from case management to access these services, as well as to establish requirements for the notification of participants.
R6-10-301	The objective of this rule is to define terms used in Article 3.
R6-10-302	The objective of this rule is to ensure an employee displaced by a Jobs Program participant retains the right to seek an administrative redress for their grievance.
R6-10-303	The objective of this rule is to ensure that regular employees, displaced employees, and Jobs Program employers have a clear understanding of the Jobs Program grievance process.

3. **Are the rules effective in achieving their objectives?** Yes No

If not, please identify the rule(s) that is not effective and provide an explanation for why the rule(s) is not effective.

Rule	Explanation
N/A	N/A

4. **Are the rules consistent with other rules and statutes?** Yes No

If not, please identify the rule(s) that is not consistent. Also, provide an explanation and identify the provisions that are not consistent with the rule.

Rule	Explanation
N/A	N/A

5. **Are the rules enforced as written?** Yes * No

If not, please identify the rule(s) that is not enforced as written and provide an explanation of the issues with enforcement. In addition, include the agency's proposal for resolving the issue.

Rule	Explanation
N/A*	N/A*

*In accordance with Executive Order 2020-07, Laws 2020, Chapter 53 (waiver), and the Governor's Declaration of a Public Health Emergency, (COVID-19), issued March 11, 2020, the Jobs Program has provided for a general waiver of the work requirements for TANF CA, as well as related sanctions. This has resulted in a temporary suspension of the rules as they pertain to work requirements. The affected rules are as follows: R6-10-102; R6-10-107; R6-10-112; R6-10-123; R6-10-124; and R6-10-125.

Enforcement of these rule components will immediately resume, as written, when the aforementioned Governor's Declaration of a Public Health Emergency has been rescinded.

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.

Rule	Explanation
N/A	N/A

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
N/A	N/A	N/A

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

Arizona's Jobs Program is charged with assuring that recipients receive TANF CA and employment services to help them avoid long-term welfare dependence. The Jobs Program provides eligible TANF CA recipients the opportunity to become economically independent through employment. The Jobs Program helps remove barriers to employment by providing a variety of services that make a positive difference in participants' lives. Jobs Program participants are employed in a wide variety of settings in the private and public sectors. The Jobs Program is also responsible for referring a TANF CA recipient to the Division of

Employment and Rehabilitation Services' Finance and Business Operations Administration for reduction or closure (sanction) if a TANF CA recipient does not comply with Jobs Program work requirements.

Funding for the Jobs Program comes through TANF Block Grant federal and state Maintenance of Effort sources. Arizona's State Fiscal Year (SFY) 2020 annual cost of operating the Jobs Program is \$10,705,600, including \$3,450,976 for participant services. Participant service expenditures assist those participants with barriers which restrict participation in work activities or employment. Examples of these expenditures include services such as transportation allowances, GED training, and vocational skills training.

The Jobs Program reaches all of Arizona, except the areas served by the Native Employment Works Program, and the Tribal TANF Program. Approximately 7,315 TANF CA recipients were served by the Arizona Jobs Program Contractors in SFY 2020.

Rulemaking adopted and effective December 7, 2019 was implemented following consultation with those Arizona Department of Economic Security (DES/Agency) divisions that administer TANF CA and the Jobs Program. This rulemaking updated Jobs Program definitions and aligned program rules with both current practice and A.R.S. § 46-300 requirements mandating that Jobs Program participants demonstrate compliance with work requirements in order to both maintain eligibility and avoid sanctions. These rules are not anticipated to have any economic, small business, or consumer impact.

Since the 2015 five-year review, sanction levels for the subsequent years were as follows:

SFY	TOTAL
2016	4,028
2017	2,103
2018	1,238
2019	1,197
2020	804**

The monthly case closures due to failure to comply with the Jobs Program participation requirements in SFY 2020 are:

Month	Case Closures
Jul 2019	140
Aug 2019	115
Sep 2019	129
Oct 2019	119
Nov 2019	129
Dec 2019	134
Jan 2020	139
Feb 2020	139
Mar 2020	0**
Apr 2020	0**
May 2020	0**
Jun 2020	0**

**Sanctions (including case closures) due to work requirement non-compliance were temporarily suspended beginning in March, 2020 per Executive Order 2020-07, Laws 2020, Chapter 53, and the Governor's Declaration of a Public Health Emergency issued March 11, 2020.

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

Yes No

DES did not receive a business competitive analysis from a member of the public during this report period.

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

Yes No

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

In 2019, after extensive legal review, stakeholder input, and rulemaking revision, DES' proposed amendments to the rules were approved by the GRRRC, published, and became effective on December 7, 2019.

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:**

Through analysis provided by the Financial Services Administration and other DES program

subject matter experts, the Agency believes that the rules impose the least burden and cost to persons regulated by these rules, including paperwork and other compliance costs, necessary to achieve the underlying regulator objectives.

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 federal law(s)?

- 42 U.S.C. Chapter 7, Subchapter IV, Part A; and
- 45 CFR Part 261.

DES has determined that the rules in Chapter 10 are not more stringent than the corresponding federal authorities cited.

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:**

DES has determined that A.R.S. § 41-1037 does not apply to these rules, because the Agency is not proposing a new rule or an amendment to an existing rule that requires the issuance of a regulatory permit, license, or agency authorization.

14. **Proposed course of action:**

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

DES does not propose any action, as it does not anticipate promulgating new rules or amending existing rules in the immediate future, nor does it seek any legislative changes to the authorizing statutes.