

-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.

Arizona Department of Economic Security

Five-year Review Report

Title 6. Economic Security

Chapter 10. DEPARTMENT OF ECONOMIC SECURITY

The Jobs Program

ARTICLE 1. JOBS: GENERAL PROVISIONS

ARTICLE 3. JOB DISPLACEMENT GRIEVANCE PROCEDURES

Equal Opportunity Employer/Program • 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. To request this document in alternative format or for further information about this policy, contact your local office; TTY/TDD Services: 7-1-1. • Free language assistance for DES services is available upon request. • Ayuda gratuita con traducciones relacionadas con los servicios del DES está disponible a solicitud del cliente.

December 31, 2015

Revised March 16, 2016

INTRODUCTION

A. GENERAL

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) provides federal funds to states for the purpose of assuring that needy recipients receive cash assistance and employment services that will help them avoid long-term welfare dependence. PRWORA included the establishment of the Temporary Assistance for Needy Families (TANF) block grant, which includes cash assistance, work program funds, and emergency assistance funds.

Federal law mandates a percentage of TANF work eligible individuals participate in defined work activities for a minimum number of hours each month. Failure to achieve the required work rate on a statewide basis has implications that could result in a reduction in the State's TANF grant funds.

The Jobs Program is Arizona's mandatory employment and training program for work-eligible individuals in households receiving TANF Cash Assistance. The program engages work eligible individuals in a variety of work-related activities to improve their employability and offers supportive and some specialized services – dependent on funding – to remove barriers to employment. These activities and supportive services are provided to encourage and promote adequate employment at the earliest opportunity.

The Jobs Program is administered by the Employment Administration within the Division of Employment and Rehabilitation Services. Pursuant to A.R.S. 46-300.01, the Jobs Program case management and employment services were privatized beginning April 1, 2007. Contracts were awarded to Maximus and ResCare to operate the program in service delivery areas throughout the state. Maximus provides services to Jobs Program clients in Maricopa County, while ResCare provides services for the balance of the state.

B. RULES NOT REVIEWED IN THIS REPORT

The Department has not reviewed the rules listed below, and intends for the rules to expire because they are obsolete:

R6-10-118. Transportation-related Expenses

R6-10-125. Subsidized Employment – JOBSTART

R6-10-126. Employer Participation – JOBSTART

R6-10-304. Further Appeal

ANALYSIS OF RULES

A. STATUTORY AUTHORITY

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

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

B. OBJECTIVE

ARTICLE 1. JOBS: GENERAL PROVISIONS

R6-10-101. Definitions

The objective of this rule is to set forth uniform definitions for key terms used in Chapter 10. The purpose of this rule is to ensure the public understands the terms used in Chapter 10.

R6-10-101.01. Applicability

The objective of this rule is to specify to whom Chapter 10 applies. The purpose of this rule is to identify the persons to whom Chapter 10 applies.

R6-10-102. Work Requirement

The purpose of this rule is to explain the work requirement for recipients of cash assistance, the conditions under which a recipient is not required to participate in work activities, the minimum hourly requirements for work activities, the sanction and withholding requirements, and the conditions for voluntary participation in the Jobs Program for recipients already participating in work activities. The objectives of this rule are to ensure that the requirements described within prevent errors in administering the requirements and that the requirements are clearly represented and easily understood by the public.

R6-10-103. Tribal Welfare-to-Work Program

The purpose of this rule is to explain that the Jobs Program does not serve persons who are eligible for a tribal cash assistance program or services through a tribal program similar to the Jobs Program. The objective of this rule is to ensure there is no confusion between the Jobs Program and the Tribal Jobs Program.

R6-10-104. Selection for Participation in the Jobs Program

The objective of this rule is to explain the selection priorities for cash assistance recipients to participate in the Jobs Program. The purpose of this rule is to ensure priority of service is provided to recipients so that individuals most in need receive services through the Jobs Program.

R6-10-105. Jobs Introduction Meeting

The objective of this rule is to explain the Jobs Introduction Meeting, including notification and attendance requirements, available supportive services, the structure of the meeting, and procedures for rescheduling a meeting. The purpose of this rule is to ensure the key elements of the Jobs Introduction Meeting are clear and performed accurately.

R6-10-106. Temporary Deferrals

The objective of this rule is to explain the temporary deferral process, and who qualifies for a temporary deferral from the requirement to participate in work activities. The purpose of this rule is to eliminate confusion regarding the temporary deferral process, including determining who qualifies for the deferral.

R6-10-107. Participant Assessment; Referral

The objective of this rule is to explain the Participant Assessment, and the process for making referrals for services resulting from the assessment. The purpose of this rule is to ensure assessments are completed properly and the subsequent referrals are appropriate and properly executed.

R6-10-108. Employment Plan

The objective of this rule is to explain the recipient's employment plan, including what must be included in the employment plan, and how the employment plan may be revised. The purpose of this rule is to ensure recipients receive accurate and effective employment plans.

R6-10-109. Primary Activities

The objective of this rule is to explain, for all recipients, including Two-Parent Employment Program (TPEP) recipients, the required participation hours per week, what constitutes primary activities, and the preference for unsubsidized employment as a primary activity. The purpose of this rule is to ensure understanding and accurate execution of the primary activities and required hours of participation in primary activities.

R6-10-110. Participation that Meets the Work Requirement

The objective of this rule is to explain the various ways in which a participant may meet the work requirement. The purpose of this rule is to ensure participants are offered all possible, situationally appropriate, and allowable methods of participation to meet their work requirement.

R6-10-111. Secondary Activities

The objective of this rule is to describe Secondary Activities and explain that the Jobs Program may assign a participant to secondary activities only after the participant completes the required participation in primary activities. The purpose of this rule is to ensure secondary activities are offered and assigned as appropriate and that participation in required primary activities is followed.

R6-10-112. Job Search and Job Readiness Assistance

The objective of this rule is to explain that the Jobs Program may assign a participant to job search and job readiness activities as a primary activity under certain circumstances. The purpose of this rule is to ensure job search and job readiness activities are assigned appropriately and needed skills and assistance are received.

R6-10-113. On-the-Job Training (OJT)

The objective of this rule is to explain the circumstances under which the Jobs Program may assign a participant to On-the-Job Training. The purpose of this rule is to ensure the proper assignment, operation, and execution of the On-the-Job Training component.

R6-10-114. Work Experience

The objective of this rule is to explain the circumstances under which the Jobs Program may assign a participant to work experience. The purpose of this rule is to ensure work experience activities are properly assigned.

R6-10-115. Community Service Programs

The objective of this rule is to explain the circumstances under which the Jobs Program may assign a participant to a community service program. The objective of this rule is to ensure community service is properly assigned.

R6-10-116. Vocational Educational Training

The objective of this rule is to explain the circumstances under which the Jobs Program may assign a participant to vocational educational training. The purpose of this rule is to ensure vocational education training is properly assigned for no more than the allowable time period.

R6-10-117. High School, GED Preparation, and Education Directly Related to Employment

The objective of this rule is to explain the circumstances under which the Jobs Program may assign a participant to high school, GED preparation, and education directly related to employment. The purpose of this rule is to ensure that these activities are assigned appropriately and that their respective guidelines are followed.

R6-10-119. Support Services

The objective of this rule is to explain what supportive services may be available to Jobs Program recipients, as budget permits. The purpose of this rule is to ensure the provision of allowable supportive services within the guidelines of the Jobs Program.

R6-10-120. Participant Complaint Resolution

The objective of this rule is to explain the procedures for addressing and resolving participant complaints. The purpose of this rule is to ensure participant complaints are handled accurately, fairly, and efficiently.

R6-10-121. Failure to participate; Good Cause Reasons; Verification; Establishment of Good Cause

The objective of this rule is to explain the consequences of a participant failing to participate in the Jobs Program, along with good cause reasons, verification procedures, and notice requirements. The purpose of this rule is to ensure accurate understanding of, and compliance with, the Good Cause and Verification of Good Cause processes.

R6-10-122. Services to Address Barriers to Participation

The objective of this rule is to explain procedures for addressing barriers to participation. The purpose of this rule is to ensure participants receive quality care and assistance with their barriers to participation and self-sufficiency.

R6-10-123. All Families Except TPEP Families: Sanction Process

The objective of this rule is to explain the sanction process, including case review, notice requirements, restoration of benefits, sanction levels, and monitoring of sanctioned participants. The purpose of this rule is to ensure an accurate understanding of the sanction process for clients to avoid sanctioning and for the Jobs Program to facilitate accurate sanctioning.

R6-10-124. TPEP: Failure to Participate; Withholding

The objective of this rule is to explain the consequences of a TPEP participant failing to participate with Jobs Program requirements, including notice requirements, case closure, and the entitlement to a fair hearing. The purpose of this rule is to ensure that TPEP clients understand the withholding process as a result of failing to participate with Jobs Program requirements and for the Jobs Program to know how to accurately facilitate the withholding process.

R6-10-301. Definitions

The objective of this rule is to apply the definitions from Article 1 to Article 3. The purpose is to ensure readers understand the meaning of key terms found within Article 3.

R6-10-302. Job Displacement

The objective of this rule is to explain under what circumstances an employee of an employer with whom Jobs participants are placed in unpaid or subsidized jobs may file a grievance regarding job displacement. The purpose of this rule is to ensure all parties fully understand the grievance rights of a regular employee of an employer when the regular employee is displaced by a Jobs Program client.

R6-10-303. Grievance Process

The objective of this rule is to explain the grievance process. The purpose of this rule is to ensure that the regular employees and Jobs Program employers have a clear understanding of the Jobs Program Grievance Process.

C. EFFECTIVENESS

The Department has found the following rules to still be effective:

- R6-10-101.01. Applicability
- R6-10-103. Tribal Welfare-to-Work Program
- R6-10-113. On-the-Job Training (OJT)
- R6-10-114. Work Experience
- R6-10-115. Community Service Programs
- R6-10-116. Vocational Educational Training
- R6-10-117. High School, GED Preparation, and Education Directly Related to Employment
- R6-10-120. Participant Complaint Resolution
- R6-10-122. Services to Address Barriers to Participation
- R6-10-301. Definitions
- R6-10-302. Job Displacement
- R6-10-303. Grievance Process

The Department has found the following rules to be ineffective:

R6-10-101. Definitions – this rule is ineffective as it contains obsolete terms and lacks current and necessary terms, such as “core activity” replacing “primary activity” and reference to “Jobs” instead of “the Jobs Program.”

R6-10-102. Work Requirement – this rule is ineffective as it contains outdated requirements that no longer reflect the current practice within the Jobs Program. The current rule requires clients to work in federally countable activities for a minimum of 35 hours per week. The intention is to change the rule to reflect the federal work participation requirement, which ranges from 20 to 35 hours per week depending on certain factors, while keeping the 40 hour per week maximum. The change is needed to conform to current practice and ensure that contractors can work with clients, who have barriers to employment, through non-countable activities that serve to eliminate barriers such as substance abuse and mental health conditions.

R6-10-104. Selection for Participation in the Jobs Program – this rule is ineffective as it contains selection and priority of service requirements that no longer exist within the Jobs Program because the Family Assistance Administration (FAA) approves a household for TANF and refers work eligible individuals to the Jobs Program.

R6-10-105. Jobs Introduction Meeting – this rule is ineffective as the name of the meeting referenced within has changed. The Jobs Introduction Meeting is now called the Initial Jobs Program Case Management Appointment.

R6-10-106. Temporary Deferrals – this rule is ineffective as the process for a temporary deferral from the Jobs Program and verification methods for domestic violence has changed. The Jobs Program now requires a timeframe to be determined for a client's temporary deferral and a requirement to substantiate a temporary deferral when the client claims a disability or domestic violence has occurred that prevents a client's participation in work activities.

R6-10-107. Participant Assessment; Referral – this rule is ineffective as the process for conducting specialized assessments of Jobs Program participants has changed. The Jobs Program now requires that specialized assessments shall be conducted by a licensed or certified professional.

R6-10-108. Employment Plan – this rule is ineffective as the term for the referenced plan has changed and requirements to revise the plan have changed. The “employment plan” is now called the “employment and career development plan”. Locations for each assigned work activity must now be included in the employment and career development plan.

R6-10-109. Primary Activities – this rule is ineffective as the term for activities has changed and core activities for Jobs Program participants have changed. “Primary activities” are now called “core activities.” The reference to assignment of a Jobs Program client to primary activities for 30 hours per week needs to be removed; requirements for vocational education have changed; and the age of a single teen custodial parent or married teen parents in high school or GED classes and education directly related to employment is now under 20 years of age.

R6-10-110. Participation that Meets the Work Requirement – this rule is ineffective as participation that meets the Jobs Program work requirement has changed. The requirement for participants to meet the work requirement has changed for work eligible individuals in accordance with 45 CFR 261.31 and 261.32; a single custodial parent or caretaker relative in accordance with 45 CFR 261.35; and a single, teen custodial parent under 20 years of age in accordance with 45 CFR 261.33.

R6-10-111. Secondary Activities – this rule is ineffective as the term for activities has changed and non-core activities for Jobs Program participants have changed. “Secondary activities” are now called “non-core activities.” Job search and job readiness assistance may no longer exceed the maximum number of weeks in accordance with 45 CFR 261.34.

R6-10-112. Job Search and Job Readiness Assistance – this rule is ineffective as it contains limitations for these activities that are no longer used in the Jobs Program. Job search and job readiness assistance may not be used to count as a full week of participation.

R6-10-119. Support Services – this rule is ineffective as the term for services has changed and the services available to Jobs Program participants have changed. The Jobs Program no longer provides post-employment support services to participants whose TANF case closed due to employment.

R6-10-121. Failure to participate; Good Cause Reasons; Verification; Establishment of Good Cause – this rule is ineffective as the constitution of “failure to participate” has changed. Failure to participate has been clearly defined in draft rulemaking. The Jobs Program provides a participant 10 calendar days to provide a “good cause reason” as to why he or she failed to participate with the Jobs Program before a sanction is imposed.

R6-10-123. All Families except TPEP Families: Sanction Process – this rule is ineffective as the sanction process has changed. The Jobs Program now requires the Jobs Program case manager to mail a written Request for Good Cause Information/Last Chance to Stop the Sanction Appointment Notice to the participant to allow the participant the opportunity to comply with required work activities.

R6-10-124. TPEP: Failure to Participate; Withholding – this rule is ineffective as the withholding process has changed. The Jobs Program now withholds TPEP cash assistance until the participant again complies with the Jobs Program.

D. CONSISTENCY

The rules in Chapter 10 are consistent with state and federal law, except for the following rules, which need to be amended to reflect the 2007 changes to A.R.S. § 46-300 and changes to the federal law made by the Deficit Reduction Act of 2005, Pub. L. 109-171, Feb. 8, 2006, 120 Stat. 4, Short title, see 42 U.S.C.1305 note.

R6-10-101. Definitions - this rule is inconsistent with state and federal law due to obsolete terms and lacks current and necessary terms, such as “core activity” replacing “primary activity” and reference to “Jobs” instead of “the Jobs Program.”

R6-10-102. Work Requirement – this rule is inconsistent with state and federal law as it contains outdated requirements that no longer exist within the Jobs Program. For example, the Jobs Program may not require a participant who has not been temporarily deferred from the work requirement to participate beyond the federal work participation rate in accordance with 45 CFR 261.31 and 261.32.

R6-10-104. Selection for Participation in the Jobs Program – this rule is inconsistent with state and federal law as it contains selection and priority of service requirements that no longer exist within the Jobs Program because the Family Assistance Administration (FAA) approves a household for TANF and refers work eligible individuals to the Jobs Program.

R6-10-105. Jobs Introduction Meeting – this rule is inconsistent with state and federal law as the name of the meeting referenced within has changed, as well as the activities and requirements of the meeting. The Jobs Introduction Meeting is now called the Initial Jobs Program Case Management Appointment and the procedures for rescheduling this meeting are obsolete.

R6-10-109. Primary Activities – this rule is inconsistent with state and federal law as the term for activities has changed and core activities for Jobs Program participants have changed. “Primary activities” are now called “core activities.” The reference to assignment of a Jobs Program client to primary activities for 30 hours per week has been removed; requirements for vocational education have changed; and the age of a single teen custodial parent or married teen parents in high school or GED classes or in education directly related to employment is now under 20 years of age.

R6-10-110. Participation that Meets the Work Requirement – this rule is inconsistent with state and federal law as participation that meets the Jobs Program work requirement has changed. The requirement for participants to meet the work requirement has changed for work eligible individuals in accordance with 45 CFR 261.31 and 261.32; a single custodial parent or caretaker relative in accordance with 45 CFR 261.35; and a single, teen custodial parent under 20 years of age in accordance with 261.33.

R6-10-111. Secondary Activities – this rule is inconsistent with state and federal law as the term for activities has changed and non-core activities for Jobs Program participants have changed. “Secondary activities” are now called “non-core activities.” Job search and job readiness assistance may no longer exceed the maximum number of weeks in accordance with 45 CFR 261.34.

R6-10-121. Failure to participate; Good Cause Reasons; Verification; Establishment of Good Cause – this rule is inconsistent with state and federal law as the constitution of “failure to participate” has changed. Failure to participate has been clearly defined and the Jobs Program provides a participant 10 calendar days to provide a “good cause reason” as to why he or she failed to participate with the Jobs Program before a sanction is imposed.

R6-10-123. All Families Except TPEP Families: Sanction Process – this rule is inconsistent with state and federal law as the sanction process has changed. The Jobs Program now requires the Jobs Program case manager to mail a written Request for Good Cause Information/Last Change to Stop the Sanction Appointment Notice to the participant to allow the participant the opportunity to comply with required work activities.

R6-10-124. TPEP: Failure to Participate; Withholding – this rule is inconsistent with state and federal law as the withholding process has changed. The Jobs Program now withholds TPEP cash assistance until the participant again complies with the Jobs Program.

E. ENFORCEMENT POLICY

The Department currently uses and regularly enforces all of these rules to the extent that they do not conflict with state or federal law.

F. CLEAR, CONCISE, AND UNDERSTANDABLE

R6-10-101. Definitions – this rule is not clear, concise, and understandable as it contains obsolete terms and lacks current and necessary terms, such as “core activity” replacing “primary activity” and reference to “Jobs” instead of “the Jobs Program,” which may be confusing to the public.

R6-10-101.01. Applicability – this rule is not clear, concise, and understandable as it does not clearly state that these rules apply to Jobs Program providers, as well as Jobs Program participants, which may be confusing to the public.

R6-10-102. Work Requirement – this rule is not clear, concise, and understandable as it contains outdated requirements that no longer exist within the Jobs Program, which may be confusing to the public.

R6-10-103. Tribal Welfare-to-Work Program – this rule is not clear, concise, and understandable as the program name is not recognizable because it has changed, which may be confusing to the public.

R6-10-104. Selection for Participation in the Jobs Program – this rule is not clear, concise, and understandable as it contains selection and priority of service requirements that no longer exist within the Jobs Program, which may be confusing to the public.

R6-10-105. Jobs Introduction Meeting – this rule is not clear, concise, and understandable as the name of the meeting referenced within has changed, as well as the activities and requirements of the meeting, which may be confusing to the public.

R6-10-106. Temporary Deferrals – this rule is not clear, concise, and understandable as the process for a temporary deferral from the Jobs Program and verification methods for domestic violence has changed, which may be confusing to the public.

R6-10-107. Participant Assessment; Referral – this rule is not clear, concise, and understandable as the process for conducting specialized assessments of Jobs Program participants has changed, which may be confusing to the public.

R6-10-108. Employment Plan – this rule is not clear, concise, and understandable as the term for the referenced plan has changed and requirements to revise the plan have changed, which may be confusing to the public.

R6-10-109. Primary Activities – this rule is not clear, concise, and understandable as the term for activities has changed and core activities for Jobs Program participants have changed, which may be confusing to the public.

R6-10-110. Participation that Meets the Work Requirement – this rule is not clear, concise, and understandable as participation that meets the Jobs Program work requirement has changed, which may be confusing to the public.

R6-10-111. Secondary Activities – this rule is not clear, concise, and understandable as the term for activities has changed and non-core activities for Jobs Program participants have changed, which may be confusing to the public.

R6-10-112. Job Search and Job Readiness Assistance – this rule is not clear, concise, and understandable as it contains limitations for these activities that are no longer used in the Jobs Program, which may be confusing to the public.

R6-10-113. On-the-job Training (OJT) – this rule is not clear, concise, and understandable as it lacks the requirement of providing a formal, written training plan for the Jobs Program participant, which may be confusing to the public.

R6-10-114. Work Experience - this rule is not clear, concise, and understandable as the program and plan names within are not recognizable because they have changed, which may be confusing to the public.

R6-10-115. Community Service Programs – this rule is not clear, concise, and understandable as it does not clearly define the types of community service programs that satisfy work participation requirements for the Jobs Program, which may be confusing to the public.

R6-10-116. Vocational Educational Training – this rule is not clear, concise, and understandable as study time for coursework that is counted toward the work participation requirement has changed, which may be confusing to the public.

R6-10-117. High School; GED Preparation, and Education Related Directly to Employment – this rule is not clear, concise, and understandable as the program and plan names within are not recognizable because they have changed, which may be confusing to the public.

R6-10-119. Support Services – this rule is not clear, concise, and understandable as the term for services has changed and the services available to Jobs Program participants have changed, which may be confusing to the public.

R6-10-120. Participant Complaint Resolution – this rule is not clear, concise, and understandable as it does not indicate action to be taken to remedy a complaint, which may be confusing to the public.

R6-10-121. Failure to participate; Good Cause Reasons; Verification; Establishment of Good Cause – this rule is not clear, concise, and understandable as the components of “failure to participate” has changed.

R6-10-122. Services to Address Barriers to Participation – this rule is not clear, concise, and understandable as the program and plan names within are not recognizable because they have changed, which may be confusing to the public.

R6-10-123. All Families Except TPEP Families: Sanction Process – this rule is not clear, concise, and understandable as the sanction process has changed, which may be confusing to the public.

R6-10-124. TPEP: Failure to Participate; Withholding – this rule is not clear, concise, and understandable as the withholding process has changed, which may be confusing to the public.

R6-10-302. Job Displacement – this rule is not clear, concise, and understandable as it references “Jobs” instead of “the Jobs Program,” which may be confusing to the public.

R6-10-303. Grievance Process – this rule is not clear, concise, and understandable as an obsolete program, JOBSTART, is referenced within the rule, which may be confusing to the public.

G. WRITTEN CRITICISMS

The Department has not received any written criticisms on any of the rules in Chapter 10.

H. ECONOMIC IMPACT COMPARISON

Arizona’s Jobs Program is charged with assuring that needy recipients receive cash assistance and employment services to help them avoid long-term welfare dependence. The Jobs Program provides eligible cash assistance 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 determining whether a cash assistance grant must be reduced or closed (sanctioned) if a cash assistance 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 (MOE) funding. Arizona’s SFY 2015 annual cost of operating the Jobs Program is \$13,590,811, including \$2,823,843 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 transportation allowances, GED training, and vocational skills training.

The Jobs Program reaches all of Arizona, except the areas served by the Native Employment Works (NEW) Program, and the Tribal TANF Program. Approximately 17,967 cash assistance recipients were served by the Arizona Jobs Program Contractors in SFY 2015.

The rules in Chapter 10 were last amended in 2006 to make them consistent with then current policy and practice, and in response to the *Olea v. Clayton* lawsuit and settlement agreement. At that time, the Department anticipated that the new rules would not impact state revenues, and would benefit Jobs Program participants by ensuring that they received due process before their case was closed under A.R.S. § 46-300 for non-participation. The rulemaking was not anticipated to impact business, small business, or political subdivisions. The Department has found the economic impact of the rules to be consistent with expectations identified in the economic impact statement associated with the 2006 rulemaking.

In 2007, A.R.S. § 46-300 was amended to require demonstration of compliance with work requirements in order to maintain eligibility and avoid sanctions. The current rules, as amended in 2006, do not align with A.R.S. § 46-300. Under current rules, a participant is required only to express an intent to participate in work activities in order to avoid a sanction. The Department's current practice, however, aligns with the provisions of A.R.S. § 46-300. This practice will be reflected in the rules to be promulgated.

Since the 2011 Five Year Review, sanction levels for the subsequent years were as follows:

SFY	TOTAL
2011	2,018
2012	2,250
2013	2,654
2014	2,213

The monthly case closures due to failure to comply with the Jobs Program participation requirements in SFY15 are:

Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15
184	192	160	149	151	135	131	140	215	253	208	213

Failure to comply with Jobs Program participation requirements is the primary reason for case closure, as shown below:

REASON	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15
DCSS SANCTION	15	7	17	17	18	17	11	11	5	9	13	7
FAIL TO COMPLY WITH JOBS	184	192	160	149	151	135	131	140	215	253	208	213
TOTAL	199	199	177	166	169	152	142	151	220	262	221	220

I. BUSINESS COMPETITIVENESS ANALYSIS

The Department did not receive a business competitive analysis from a member of the public during the process of preparing this report.

J. COURSE OF ACTION FROM PREVIOUS FIVE-YEAR REVIEW REPORT

In the previous Five-year Review Report approved by Council on July 12, 2011, the Department indicated its plans to amend R6-10-101, R6-10-109, R6-10-110, R6-10-111, R6-10-112, R6-10-115, R6-10-117, R6-10-121, and R6-10-123, and submit the Notice of Final Rulemaking to Council by December 2012. The Department received an exception from the regulatory moratorium to draft rulemaking for Chapter 10 on December 29, 2009. The Department reported that a rule package was in development. Notices of Docket Opening for 6AAC10, the Jobs Program, were published on June 10, 2010 (16 A.A.R. 929) and on July 15, 2011 (17 A.A.R. 1310).

The Department Rules Unit coordinated with the DES Divisions that administer the Jobs Program and the TANF Cash Assistance Program to complete a draft rulemaking to address the needed changes in Chapter 10. This rulemaking was drafted while the Department also accomplished the work necessary to complete high priority rulemakings in areas that impact vulnerable populations served by the Department including Adult Protective Services, Child Welfare Services, Tuberculosis Victims, and Persons with Disabilities. The draft rulemaking was transmitted to the Office of the Attorney General for legal review in April 2014.

On January 5, 2015, the Department's rulemaking was put on hold as a result of the moratorium imposed by the Governor's Executive Order 2015-01. On April 2, 2015, the Department sent a request to the Office of the Governor for an exception to proceed with certain rulemakings, including rulemaking to amend Chapter 10. Based on guidance from the Office of the Governor, on September 2, 2015, the Department submitted a shorter exception request list. That list continued to include the Chapter 10 rulemaking.

Executive Order 2015-01 expired on December 31, 2015. On February 10, 2016, the Department's rulemaking was again put on hold as a result of a rulemaking moratorium that was established by Executive Order 2016-03. The Department submitted a request for permission to proceed with high priority rulemakings that align with the justifications detailed in Executive Order 2016-03. On March 7, 2016 the Department received approval from the Governor's Office to proceed with six high priority rulemakings, including rulemaking for Chapter 10.

K. DETERMINATION OF BURDEN AND COSTS

With the amendments proposed in this report, the Department believes that the rules would impose the least burden and costs to persons regulated by these rules, including paperwork and other compliance costs, necessary to achieve the underlying regulatory objectives.

L. CORRESPONDING FEDERAL LAW

The Department has determined that the rules in Chapter 10 are not more stringent than corresponding federal statute and regulations, including the Block Grant to States for Temporary Assistance to Needy Families at 42 U.S.C. Chapter 7, Subchapter IV, Part A, and the amendments made by the Deficit Reduction Act of 2005, Pub. L. 109-171, Feb. 8, 2006, 120 Stat. 4, Short title, see 42 U.S.C. 1305 note, and federal regulations at 45 CFR §§ 261.31, 261.32, 261.33, and 261.35.

M. COMPLIANCE WITH A.R.S. § 41-1037

The Department has determined that A.R.S. § 41-1037 does not apply to these rules, because the Department 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.

N. PROPOSED ACTION

The Department received approval on March 7, 2016 to proceed with the rulemaking process for Chapter 10. The Department anticipates completing any further refinements needed to update the draft rulemaking, complete and respond to legal review, obtain stakeholder input, publish a Notice of Proposed Rulemaking and transmit the Notice of Final Rulemaking to Council by February 2017.