



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

State Fiscal Year 2023 Annual Welfare Reform Report



**Katie Hobbs, Governor
Angie Rodgers, Director**

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Introduction

Pursuant to Laws 1997, Chapter 300, Section 76, the Arizona Department of Economic Security (ADES) 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 Arizonans annually through approximately 60 ADES Programs. These programs provide a wide array of services delivered both virtually and in-person, throughout Arizona, through ADES offices and 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 1,085¹ substantiated cases during calendar year 2022, a decrease from 2021 due to factors including fewer reports received, fewer allegations being proposed for substantiation, and Protective Services Review Team (appeals) backlogs.

The appendix of this report includes tables with welfare reform data for State Fiscal Year (SFY) 2023 and SFY 2022.

¹ DCS anticipates the 2022 number of substantiated cases will increase as appeals and backlog cases are completed.

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

TANF CA provides temporary financial assistance to needy families as well as additional services designed to support families as they move toward self-sufficiency.

The Governor's Declaration of Emergency due to COVID-19, which temporarily suspended lifetime limits for receipt of TANF CA, ended on March 30, 2022. The federal 60-month limit and the state benefit limit (STBL) of 12 months were reinstated on June 1, 2022. The reinstatement of the STBL caused a notable increase in the number of assistance units who reached the STBL, as well as other data differences between 2022 and 2023, as seen in table one of the appendix.

Table one provides, for SFY 2022 and 2023:

- Information about **TANF CA caseloads**, including the average number of assistance units and individual recipients 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, the average amount received by an individual per month, and total annual amounts of TANF CA disbursed.
- Data relating to **TANF CA ineligibility**, including the total number of cases that were closed due to sanctions during each SFY, the number of assistance units (both new applications and existing clients) who were determined ineligible due to exceeding the needy family income standard, the total number of 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. To meet the needy family income standard, a family's countable income must be at or below 100 percent of the Federal Poverty Level (FPL)² or 130 percent of the FPL if assistance is requested by a nonparent caretaker relative for only the dependent child.
- Data relating to **time limits**, including number of TANF CA cases that reached the STBL, the number that reached the federal time limit, and the number of cases that were granted a hardship extension to the STBL. The table also provides the average number of months of benefits received by assistance units subject to the STBL, which 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

² [U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Programs](#), 2023.

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. 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. The table also shows the number of assistance units that qualified for 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.

TANF Jobs Program Work Activities and Outcomes (Table Two)

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

In response to the COVID-19 public health emergency, Arizona instituted a general waiver of work requirements for all participants in the TANF Jobs Program, which remained in effect until June 1, 2022. Except for June of 2022, participation in the TANF Jobs Program was voluntary for the entire timeframe reflected in table two. The waiver of work requirements combined with the suspension of the STBL contribute to notable differences in program participation and outcomes data between 2021 when flexibilities were implemented and 2022, when flexibilities expired.

Table two shows:

- **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 Jobs Program **deferral data**, including number of TANF CA recipients who received deferrals from the TANF Jobs Program categorized by reason for deferral.
- Information about **wait times**, including the average number of days for TANF CA recipients to be contacted by TANF Jobs Program staff to begin participation in the TANF Jobs Program, once the recipient is determined eligible for TANF CA and DES/Division of Benefits and Medical Eligibility has created an automated referral. This also includes the

number of individuals waiting to be served at the end of each fiscal year.

- Employment Outcomes for TANF Jobs Program participants, including **wages, health care benefits, and unsubsidized employment outcomes.**
- A breakdown of TANF Jobs Program participants who complied with 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.
- Information related to TANF Jobs Program assistance that promotes **self-sufficiency** for participants, including supportive services such as transportation, shelter, and utility assistance, and participation in employment where Fair Labor Standards Act (FLSA) supplemental payments were 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 the employment meets federal requirements.³

Child Care (Table Three)

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 or enrolled in the Grant Diversion Program, as well as certain grandparents and other guardians. 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 \$.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 monthly average of **all children authorized to receive child care assistance, those utilizing child care assistance, and 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' **child care assistance expenditure amount**, both of which increased from 2021 to 2022 as a result of general rate increases, enhanced quality rate increases, and continued

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

suspension of the waiting list to receive child care assistance.

Housing Stability, Utility Assistance, and Domestic Violence Programs (Table Four)

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 Domestic Violence Program**, which supports the establishment, maintenance, and expansion of programs and projects to prevent incidents of family violence, domestic violence, and dating violence. The program provides immediate emergency shelter, transitional housing, and supportive services such as legal advocacy, counseling, and employment training for survivors of domestic violence and their dependents. The Arizona Domestic Violence Program connects participants with community resources to prevent victimization and promote and support self-sufficiency.

Non-Marital Births in Arizona (Table Five)

Table five shows the number of non-marital births in Arizona, as provided by the Arizona Department of Health Services (DHS).

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Table One: TANF CA Program

	SFY 2022	SFY 2023
Caseloads		
Assistance Units Receiving TANF CA (Monthly Average)	6,289	5,609
Individuals Receiving TANF CA (Monthly Average)	12,947	11,354
Payments and Expenditures		
TANF CA Disbursed Per Assistance Unit (Monthly Average)	\$208.08	\$202.87
TANF CA Disbursed Per Individual Recipient (Monthly Average)	\$101.07	\$100.23
TANF CA Disbursed (Annual Total)	\$15,703,461	\$13,655,347
Ineligibility		
Cases Closed Due to Sanctions (Annual Total)	50	42
Assistance Units with Children Subject to Benefit Cap (Annual Total)	1,088	704
Cases Exceeding STBL Due to Hardship ⁴ (Annual Total)	1,055	1,519
Assistance Units Ineligible Due to Excess Income (Annual Total)	3,458	3,548
Time Limits		
Cases Reaching STBL (Annual Total)	764	1,374
Cases Reaching Federal Time Limit (Annual Total)	65	70
Months per Year an Assistance Unit Subject to STBL Received TANF CA	13.94	10.55
Participation in Specific TANF CA Programs		
Assistance Units Receiving a Grant Diversion Payment (Annual Total)	2,621	3,105
Assistance Units Participating in the TPEP (Annual Total)	273	83

⁴ Number of cases eligible as of the last day of the SFY.

Table Two: TANF Jobs Program Work Activities and Outcomes⁵

	SFY 2022	SFY 2023
<i>Participants Served</i>		
TANF CA Recipients Served by Jobs Program	5,000	4,381
TANF CA Recipients Participating in Work Activities ⁶	1,876	1,833
<i>Individuals Deferred From Jobs Program by Reason for Deferral</i>		
Domestic Violence	16	37
Caretaker of a Child Under Age One	112	215
Caretaker of a Family Member in Medical Need	0	4
Physical or Mental Impairment	182	189
<i>Wait Times</i>		
Individuals Waiting to Be Served as of June 30	141	148
Average Wait Time After Becoming Eligible for TANF CA	3 days	3 days
<i>Employment Outcomes</i>		
Participants Who Found Unsubsidized Employment	1,455	1,155
Average Hourly Wage (Unsubsidized Employment)	\$15.46	\$16.15
Participants Placed in Unsubsidized Employment Providing Health Care	204	153
TANF CA Cases Closed Due to Earned Income from Unsubsidized Employment	11.2%	9%
Participants Who Retained Unsubsidized Employment > 90 Days	60%	53% ⁷
Participants Placed in Unsubsidized Employment Who Did Not Return to CA	89.35%	68.36%
<i>Participants by Other Activity Type</i>		
Job Search/Readiness Activity	211	477
Work Experience Activity ⁸	1,498	1,273
Short-Term Work-Related Training Activity	31	76
High School or GED Activity	24	37
<i>Self-Sufficiency Assistance Provided</i>		
Participants Receiving Work Related Transportation Assistance	1,291	1,543
Participants in Vocational Education Activities	46	94
Participants Receiving Shelter or Utility Assistance Allowance	409	348
Participants Receiving an FLSA Supplemental Payment	1	11
Total Amount of FLSA Supplemental Payments Issued	\$79	\$1,516

⁵ Revised from figures published in the 2022 Annual Welfare Reform Report to reflect the most recently available data.

⁶ This data excludes TANF CA Recipients Served by Jobs Program that are temporarily deferred from work requirements, are participating in a barrier resolution activity, and those who refuse to participate in TANF Jobs and therefore may be subject to sanction.

⁷ SFY 2023 figure to be finalized after report publication. Current figure reflects data through March 2023.

⁸ Includes subsidized or unsubsidized employment, on-the-job training, unpaid work experience, or community service.

Table Three: Child Care⁹

	SFY 2022 ¹⁰	SFY 2023
All Child Care Assistance (CCA)		
Children Authorized for CCA	44,990	46,051
Children Receiving CCA	25,617	25,462
Provider Reimbursement Per Child	\$675.46	\$915.13
Total Annual CCA Disbursed	\$206,355,312	\$280,864,421
TANF-Related / Transitional CCA		
Children Authorized to Receive TANF-related and Transitional CCA	3,497	3,424
Children Receiving TANF- related and Transitional CCA	1,999	1,888

Table Four: Housing Stability, Utility Assistance and Domestic Violence Programs^{11,12}

	SFY 2022	SFY 2023
Utility and Shelter Program Participation		
Households Receiving Short Term Crisis Services Utility Assistance	24,645	25,633
Households Participating in Homeless Prevention Programs	8,634	7,832
Individuals Receiving Emergency Shelter Services	21,852	25,167
Individuals Receiving DV Shelter Services	3,777	3,880
Individuals Receiving Transitional Housing Shelter Services	231	377
Participation in other DV Survivors Services		
Mobile and Community Based Advocacy Hours Provided to DV Survivors	86,906	84,288
DV Survivors Receiving Services in Self-Help Clinics	1,536	1,927
DV Survivors Receiving Attorney or Paralegal Services	5,698	5,003
DV Survivors Receiving Lay Legal Advocate Services	6,774	5,503

Table Five: Non-Marital Births in Arizona¹³

	SFY 2022	SFY 2023
Non-Marital Births	35,306	35,715

⁹ Statewide monthly averages, unless otherwise noted.

¹⁰ Revised from figures published in the 2022 Annual Welfare Reform Report to reflect the most recently available data.

¹¹ Revised from figures published in the 2022 Annual Welfare Reform Report to reflect the most recently available data.

¹² Certain data in this table is provided by Community Action Agencies, Homeless Prevention Service Providers, and DV Survivors Service Providers.

¹³ Data provided by Arizona Department of Health Services.

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.