

**WELFARE REFORM  
JOINT COMMITTEE  
AND TASK FORCE**

**FINAL REPORT**

**ARIZONA LEGISLATURE**

**DECEMBER 31, 2000**

## **WELFARE REFORM JOINT COMMITTEE AND TASK FORCE**

### **Establishment**

The Welfare Reform Joint Committee and Task Force was originally established by Laws 1997, Chapter 300.

### **Members**

The six-member Committee consists of the following members:

Representative Anderson, Co-Chair

Senator Petersen, Co-Chair

Representative Jarrett

Senator Smith

Representative Horton

Senator Cunningham

### **Meeting Dates**

The Welfare Reform Joint Committee and Task Force met on the following dates:

| Date of Meeting  | Agenda Attachment | Minutes Attachment |
|------------------|-------------------|--------------------|
| August 3, 2000   | Attachment # 2    | Attachment # 3     |
| October 26, 2000 | Attachment # 4    | Attachment # 5     |

### **Purpose**

To examine areas related to welfare, including but not limited to child care, transportation, employers and job training, life skills and the role of nonprofits, and privatization; to appoint a task force consisting of experts in various fields who will report to the Joint Committee; and to make specific recommendations to the legislature by December 15, 2000 regarding the establishment of a fund administered by the Department of Economic Security to provide greater coordination in state programs using funds from the temporary assistance for needy families block grant.

### **Recommendations**

No recommendations were adopted by the Welfare Reform Joint Committee and Task Force.

## Welfare Reform Joint Committee

**PURPOSE:** To examine areas related to welfare, including but not limited to child care, transportation, employers and job training, life skills and the role of nonprofits, and privatization; to appoint a task force consisting of experts in various fields who will report to the Joint Committee; and to make specific recommendations to the legislature by December 15, 2000 regarding the establishment of a fund administered by the Department of Economic Security to provide greater coordination in state programs using funds from the temporary assistance for needy families block grant.

### **MEMBERSHIP:**

House Three members of the House of Representatives, not more than two from the same political party and one designated as Co-Chair, appointed by the Speaker of the House of Representatives:

**Anderson (Co-Chair), Horton, Jarrett**

Senate Three members of the Senate, not more than two from the same political party and one designated as Co-chair, appointed by the President of the Senate:

**Cunningham, Petersen (Co-Chair), Smith**

**Notes:** The Welfare Reform Joint Committee Co-Chairs shall appoint a task force consisting of experts in various fields who will meet as directed by and report to the Joint Committee. See Laws 1997, Chapter 300, Section 66 for descriptions of thirteen required Task Force membership positions. The Joint Committee may appoint or form working groups or subcommittees as necessary. The Joint Committee and the Task Force shall report to the Speaker of the House of Representatives, the President of the Senate and the Governor by December 31 annually.

STAFF: S-Barbara Guenther; H-Keri Sparks

REPORT DATE: 12/31/1999, 12/31/1997, 12/31/2000, 12/31/2001, 12/15/1998

EXPIRATION DATE: None

STATUTORY CITE: Laws 1997, Chapter 300; Laws 1999, Chapter 223; Laws 2000, Chapter 393, Section 15.

# ARIZONA STATE LEGISLATURE

## Joint Interim Meeting Notice

### Open to the Public

### Welfare Reform Joint Committee and Task Force

**DATE:** August 3, 2000

**TIME:** 10:00 a.m.

**PLACE:** Senate Hearing Room 1

### AGENDA

1. Governor's report on welfare reform by Jodi Beckley, Policy Advisor
2. JLBC report by Stefan Shepherd on:
  - ◆ TANF surplus funds
  - ◆ Arizona Works caseload reduction
  - ◆ Department of Economic Security (DES) / Maximus performance comparison
3. Agency reports by DES and selected contractors on TANF programs:
  - ◆ Funding, use and outcomes
  - ◆ TANF exit study
  - ◆ Efforts to overcome major barriers
  - ◆ Tribal programs
4. Report on program outcomes, progress and rural pilot rollout by the Arizona Works Procurement Board and Deborah Krause, Maximus
5. Report on federal Social Security Block Grant by Carol Kratz, Maricopa Association of Governments, and Bruce Liggett, DES:
  - ◆ Congressional budget reductions
  - ◆ TANF transfer limit
  - ◆ Discussion of possible replacement funding
6. Report on Workforce Investment Act by Darcy Bucholz and John Morales:
  - ◆ Rural
  - ◆ Urban
7. Public Comment
8. Adjourn

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ARIZONA STATE LEGISLATURE  
Forty-fourth Legislature - Second Regular Session

**WELFARE REFORM JOINT COMMITTEE AND TASK FORCE**

Minutes of Meeting  
Thursday, August 3, 2000  
Senate Hearing Room 1 - 10:00 a.m.

(Tape 1, Side A)

The meeting was called to order at 10:10 a.m. by Chairman Anderson and attendance was noted by the secretary.

**Members Present**

- |                              |                                      |
|------------------------------|--------------------------------------|
| Supervisor "Chip" Davis      | Representative Horton                |
| George Dean                  | Gloria Hurtado for Mayor Skip Rimsza |
| Mayor Tom Hessler            | Leah Palmer                          |
| Jeannie Jertson              | Craig Sullivan                       |
| John Lewis                   | Susan Webb                           |
| David Mendoza                | Supervisor Mary Wilcox               |
| Senator Petersen, Cochairman | Representative Anderson, Chairman    |

**Members Absent**

- |                    |                        |
|--------------------|------------------------|
| Senator Cunningham | Representative Jarrett |
| David Everitt      | Stanley Grossman       |
| Senator Smith      |                        |

**Speakers Present**

- Jodi Beckley, Policy Advisor, Governor's Office
- Stefan Shepherd, Fiscal Analyst, Joint Legislative Budget Committee (JLBC)
- John Clayton, Director, Arizona Department of Economic Security (DES)
- Debra Cayedito, Administrator, Office of Workforce Development and Policy, Arizona Department of Commerce (DOC)
- Bruce Liggett, Assistant Director, Division of Policy and Program Development, Arizona Department of Economic Security (DES)
- Gretchen Evans, Vice President, Workforce Development, Goodwill Industries of Central Arizona, Inc.
- Jeri Lynn Westin, representing herself
- Beth Hicks, Project Manager, Maximus
- Vince Wood, Assistant Director, Division of Benefits and Medical Eligibility, Arizona Department of Economic Security (DES)

Carol Kratz, representing Maricopa Association of Governments (MAG)  
Darcy Bucholz, Director, Workforce Development Division, Maricopa County  
John Morales, Executive Director, Yuma Private Industry Council, Inc.  
Eddie Sissons, Executive Director, William E. Morris Institute for Justice  
Father John Feit, Community Liaison, St. Vincent De Paul Society

### **Opening Remarks**

Chairman Anderson welcomed new Members to the Committee and the Members briefly introduced themselves.

Chairman Anderson reminded the Members that the ultimate goal of welfare reform in Arizona is to help people move to self-sufficiency and function as productive members of society. The Committee plays an important role in overseeing implementation, tracking progress, and making improvements for greater results in the years ahead.

He related that he attended a "Smart Marriages" conference in Denver, where he learned that the Governor of Oklahoma approved about \$10 million of Temporary Assistance for Needy Families (TANF) funds to help people prepare for and make marriages work. He said he spoke at a conference sponsored by the Empowerment Network in Philadelphia where faith-based organizations from around the country met to find out what can be done in cooperation with government.

Chairman Anderson said it is exciting to see what is being done in other states and expressed a hope that Arizona will continue to lead on welfare reform issues. He added that he will be sending the Members additional information he obtained this summer.

### **Governor's Report on Welfare Reform**

Jodi Beckley, Policy Advisor, Governor's Office, expressed appreciation for the work done by the Committee and welcomed the new Members. She related background information on the federal welfare reform law and measures taken in Arizona. She noted that Congress amended the law limiting states' flexibility and is now considering reductions to several programs that help low-income families and adults. Significant reductions to the Social Services Block Grant (SSBG) are also being considered. In addition, federal welfare reform legislation expires September 30, 2002, which will occur during the next State biennial budget. Debate and discussion on reauthorization is expected to begin in 2001.

She said it is important to sustain TANF spending levels in the long term. Governor Hull is concerned about the State's overall budget picture. Revenues are in line with projections and it appears unlikely that any surprise significant increases will be received. Issues that may appear on the ballot could have an impact, including proposals regarding tobacco settlement revenues and elimination of the State's income tax, which represents nearly 48 percent of the general fund.

Ms. Beckley indicated that during the next biennial budget cycle it is important to focus on existing urgent needs by targeting help to families in crisis and utilizing methods with a proven

measurable impact on families. She submitted that the following priorities allow for the main goals of TANF to be met while making prudent use of surplus TANF funds:

- Short-term assistance employment and supportive services (job readiness/training, child care, and transportation).
- One-time infrastructure investments (computer upgrades, case management redesign, and improved linkage between agencies [for example, the Governor's No Wrong Door initiative]).
- Time-limited pilot projects (privatization of welfare, life skills training, and drug treatment programs).

Ms. Beckley outlined improvements relating to child care that are being considered:

- Adjustments in the subsidy system to lessen the financial burden on families.
- Utilizing funding currently earmarked for quality improvements to build on increased funding for accredited providers approved by the Legislature.
- Increasing parents' access to information about child care options and information to providers.
- Expanding options for the care of school-age children.

#### **Joint Legislative Budget Committee (JLBC) Report**

Stefan Shepherd, Fiscal Analyst, Joint Legislative Budget Committee (JLBC), reviewed a handout regarding the TANF Balance (Attachment 1), noting that the potential changes under discussion in Congress could change the figures. If TANF revenues are reduced, "excess" expenditures would increase and the ending balance would decrease for the next biennial budget. The \$35 million figure in "excess" expenditures could also increase with significant downturns in the economy and pressures on cash benefits, job training, or child care systems. He related that "excess" expenditures are essentially "excess" appropriations and the money is just now being spent. Additional appropriations in the 2000 Session were for new types of programs to help meet the four goals of the TANF program. He defined "excess" expenditures as the amount of expenditures (or appropriations) in excess of estimated TANF revenues expected in a particular fiscal year from the TANF Block Grant.

He reviewed a handout relating to Caseload Reduction (Attachment 2), pointing out that in calendar year 1999, caseload performance was not better for Arizona Works (Maximus) than EMPOWER Redesign. He added that since August 1999, child-only cases increased about 5 percent in Arizona Works and 8.6 percent in EMPOWER Redesign.

Mr. Shepherd advised Mr. Mendoza that no adjustments were made for demographic or other differences in the programs. The comparison portion of the formula is compared to EMPOWER Redesign in Maricopa County only, not the Indian reservations or other parts of the State. He informed Ms. Jertson that this is the first time he has seen child-only data in four years of working on the DES budget, so he does not know if it is an ongoing or changed trend.

Mr. Shepherd indicated to Senator Petersen that he believes it would be possible to find out the number of new people and those that were termed off the welfare rolls, although he does not know if DES or Maximus have the information readily available.

Ms. Palmer suggested that it would be helpful to know how much it costs to move people from Maximus and EMPOWER Redesign since the costs could differ in each program.

Mr. Shepherd replied that some basic financial data is available regarding Arizona Works expenditures, but it is not very detailed, so he will work with Maximus and DES on that. He acknowledged that it is mandatory for Arizona Works to perform the function at 78 percent of the cost of EMPOWER Redesign. Maximus bid at a percentage of total administrative costs and can make up a portion with bonuses. The number, however, does not necessarily include client service dollars and relates more to case managers rather than transportation vouchers.

He advised Ms. Horton that states have 24 or 36 months to spend any one year's particular grant; however, DES structured the budget to make sure the grant is spent before spending funds from the next grant to avoid returning any monies to the federal government. The only other time limit is that no one knows what will happen when the federal welfare reform legislation expires.

Mr. Shepherd brought up the fact that Chairman Anderson requested performance comparisons, but indicated that he cannot provide the information at the moment. JLBC, however, is required to conduct an evaluation of the first year of the Arizona Works pilot program. A comparison will be difficult because of data issues, programmatic and demographic differences, etc. The evaluation will not be as in-depth as the contracted evaluation for the Arizona Works Procurement Board. Criteria are specified in statute, but are more quantitative than qualitative in nature. He added that the evaluation should be finished by the end of 2000.

He related to Supervisor Wilcox that JLBC began discussions a few weeks ago with DES, Maximus, and the Procurement Board's contractor about extracting necessary data for the evaluation. He surmised that a meaningful analysis cannot be provided until near the end of 2000, but added that he will present any preliminary information he obtains to the Committee.

He advised Ms. Jertson that TANF funding should be spent on the initiatives suggested by Ms. Beckley prior to federal legislation authorizing expiration of the TANF program.

Ms. Palmer suggested a presentation by the Procurement Board in conjunction with the Committee or vice versa rather than having Mr. Shepherd act as a liaison between the two.

Ms. Hurtado noted that she is a member of the Procurement Board. She said even though collection of evaluation data will be slow and there are problems with comparisons, some performance measures were established to determine incentives, which could be shared with the Committee.

## Agency Reports by DES and Selected Contractors on TANF Programs

John Clayton, Director, Arizona Department of Economic Security (DES), related the following accomplishments by DES in the past year:

- The child support enforcement program collected over \$214 million, exceeding the goal and surpassing last year's collections of \$189 million.
- In order to deal with more difficult clients, office hours were extended and mailings are sent out for re-certification, etc., so customers do not have to miss work to go to DES, client notices are being revised to be more understandable, and sanctioning activities are being modified.
- The network of providers in child care has been increased with safety as a major concern.
- Customer service is taken more seriously than in the past.
- Under the Workforce Investment Act, a plan was developed for each part of the State.
- The JOBS program has been very successful and exceeded federal participation rates. The number of people placed in jobs from last year increased 34 percent.
- The Wheels To Work program is very successful

(Tape 1, Side B)

He indicated that DES' vision, developed with the Governor's Office, is to become more customer-friendly and streamline administrative services in local offices. He related issues that will be focused on as a result of consultation with support groups and other stakeholders around the State:

- Safety and well being of children.
- Doing more for the aging population.
- Increasing economic prosperity, self-sufficiency, and assisting individuals in meeting their full potential.
- Increasing customer services/client satisfaction.

Mr. Clayton addressed the following major DES initiatives:

- No Wrong Door, in which people can access services through technology.
- JOBS Advisory Group to give DES advice about the JOBS program.
- Assignment of a liaison to work with charitable, religious, and private organizations.
- Providing clients with an opportunity to obtain post-secondary education.
- Improving the automation process.
- Redesigning the Employment Transition Program implemented last Session so it is more accessible to people.
- Studying how to successfully implement the Kinship Care Program.

Mr. Clayton concluded by stating that DES should feel good about its successes. There is a big challenge in the future, but by working together, many goals can be achieved. In response to questions, he provided the following information:

- Coordination under the No Wrong Door initiative is two-fold. First, the initiative involves using technology so that if a particular service is not administered in an office, information can be transferred to another program to begin the application process. A resource directory could be available to tell people exactly where to go or make a referral to another office for the client. Secondly, the service delivery system could be changed internally so one DES worker can handle much more than in the past.
- DES is setting up local advisory committees tied to every county to give advice on how to proceed in terms of office operations and programs. The Hopi reservation developed ideas for enhancing the service delivery system and has started to implement some of the ideas. In appropriating funding for rural areas and reservations, it is important to consider certain aspects, such as transportation.

Ms. Horton urged Mr. Clayton to review the recommendations the Committee adopted for Indian reservations to determine what can be done to implement those.

Ms. Webb asked about the progress of the State comprehensive plan for workforce development developed jointly by DES and the Arizona Department of Commerce (DOC). She indicated that as an employer representative, she would like to find a way to coordinate what DES is doing in the area of distance learning and telework and convince employers that telework is a major way of solving the problem of not having qualified people.

Debra Cayedito, Administrator, Workforce Development and Policy, Arizona Department of Commerce (DOC), related that the comprehensive plan is the basic framework of Arizona's entire workforce development system, which comprises over \$250 million provided to the State annually. The plan focuses on the supply-demand labor side of the system. About a year ago, with enactment of the Workforce Investment Act (WIA), states were given the option to form a unified plan. Arizona opted to go with the minimum, which is the State's Workforce Investment Act. It encompasses the Wagner-Peyser Act, which is a job service system, as well as the dislocated worker and youth piece. Discussions are still underway with the WIA implementation team about unification, but the current WIA minimum plan was implemented over the past 18 months.

Mr. Clayton acknowledged that it is a challenge within DES to convince some administrators that telework is an invaluable asset that should be utilized.

Ms. Webb commented that it is difficult to provide training for people in the middle of nowhere; however, if distance learning and telework could be combined, with employers involved in the process, resources would be available, resulting in a win-win situation.

Mr. Clayton indicated that he would like to talk to DOC about the issue and report back on what has been done in the past and what can be done in the future. In response to questions, he provided the following information:

- People show up at DES' doorstep often due to lack of prevention services. It is very obvious that there were problems in the households of some of the people involved in the welfare

system. If those problems had been identified earlier and the people knew about access to services, the situation would probably not have reached the point where the client abused his/her children. Prevention pays.

- Arizona reduced out-of-wedlock births, which is one of the top issues included in deprivation factors for why people receive assistance.

Mr. Clayton added that another item under review is how the child support program can become a larger component in meeting DES' goals. It would be good business policy to bring the dads in to ascertain their skills and provide training, if necessary, so they can obtain jobs that pay an adequate enough wage to pay child support.

Bruce Liggett, Assistant Director, Division of Policy and Program Development, Arizona Department of Economic Security (DES), stated that DES is in the process of updating the annual welfare reform report, which is due in September 2000. He noted that last year's report was provided to the Members (Attachment 3).

He reviewed a handout relating to TANF Funded Programs/Services, which lists the various programs funded by TANF monies (Attachment 4). He related that as caseloads reduced, the State shifted money from ongoing cash assistance to other preventative or supportive services. Funds were also targeted to domestic violence.

Mr. Liggett reviewed a handout relating to the Status of DES Welfare Related Research (Attachment 5). He added that some of the studies should be available in late fall 2000 and others should be available in early 2001.

Ms. Wilcox requested a breakdown of the private versus State Program for the cash assistance exit study. Mr. Liggett noted that the study of people who applied for welfare but did not complete the process identified those associated with Arizona Works versus the EMPOWER Redesign program. He provided the following information in response to questions:

- The studies were done through universal matches, samples, and interviews.
- The amount of people benefiting from support service programs will be contained in the annual report in September 2000.
- Thirty-five percent returned to welfare one year later. There is a two-year time limit for adults receiving cash assistance out of a 60-month time period. For example, if a person loses his/her job, which is the reason most people return, the person can reapply as long as the time limit still applies. The person would again be assigned a JOBS case manager who would work to get the person re-employed.

Ms. Palmer indicated that according to national statistics, only about 47 percent of people leave TANF for work.

Mr. Liggett replied that DES took a snapshot of the peoples' status one year later. There is a very high percentage of people lost who did not reapply, some of which are included in the study. Breakouts in terms of subsets for people who were sanctioned and others are available.

Mr. Liggett reviewed a handout regarding \$1 Million Tribal TANF Appropriation *SFY 2000 and 2001* (Attachment 6). He related that the 1999 appropriations bill provided a \$1 million appropriation each year for two years for tribes for TANF purposes. The amounts are based on the size of the tribe. He informed Ms. Horton that it is special supplemental money. Much more TANF money is used to operate DES offices on reservations and tribes retained some of their own money for tribal employment programs. He added that several tribes operate their TANF program, which is shown on the next handout, Arizona Tribal TANF (Attachment 7).

Ms. Horton indicated that there is a huge need in rural communities and Indian tribes, especially for child care.

Mr. Liggett responded that tribes receive funding directly from the federal government through the Child Care and Development Block Grant and are also eligible for the State's child care and development program. He added that he will provide more complete information to her.

Ms. Webb expressed a wish to find out how many child care providers are available and if any initiatives encourage people to become providers, especially in the home. She pointed out that if transportation is a problem in rural communities, children cannot be transported even if there is a child care center.

Mr. Liggett acknowledged that child care is a challenge in rural areas. He noted that federal child care money was used in the last few years to specifically target family child care homes in rural areas, particularly with low-income families. A helpful option for families in the TANF or JOBS program is using relatives to provide child care, who do not have to meet the certification requirements. Relatives who are providers receive 90 percent (\$8 to \$9 per day per child) of what a certified home receives (\$10 per day per child) and many are willing to provide the service.

Ms. Webb indicated that families, once employed, should pay into their own child care support, but considering child care costs and the housing subsidy, it is very difficult to put the families to work.

Ms. Horton asked if a client could become a certified child care worker to keep his/her own child. Mr. Liggett said no, but relatives could.

Mr. Lewis recommended that the Committee address expenditures in Indian communities on a future agenda, noting that he would like to work with DES to provide an update for the Members.

Mr. Mendoza asked how many people leaving the welfare rolls are homeless and how many have children.

Mr. Liggett replied that people are asked questions in terms of whether or not there is a problem with rent and their housing situation. Interviews with the follow-up sample were very rich in terms of learning about experiences of the families. He added that he is looking forward to the updated study that will be available later this year and provide an even longer-term picture.

Ms. Jertson asked if the Employment Transition Program funded at \$9 million works with already existing employment-type programs. Mr. Liggett answered that contractors coordinate with many of the local providers.

Mr. Liggett referred to Chairman Anderson's earlier comment about out-of-wedlock birth rates. He related that the federal government provides bonuses to states that reduce the rate, and Arizona is one of five states in contention. Additional information must be provided regarding the number of abortions in the State, so DES is working with the Arizona Department of Health Services (DHS) to determine if the data is available. At Ms. Horton's request, he agreed to provide a breakdown of ages in which the rate decrease occurred.

He advised Ms. Wilcox that the Employment Transition Program was implemented last year, but has been underutilized. It was originally targeted at people with multiple barriers, but DES became concerned about the sanctioning rate and began to make referrals to the program based on families in a sanction status. Referrals began to increase, but after discussions and review of research, a determination was made to begin referring people before sanctioning. One initiative relates to more performance-based programs with contractors so payment is based on outcomes rather than recipients. Discussions are currently underway with providers and many other people about what the program should be, and the advisory council mentioned by Mr. Clayton for the JOBS program is in place.

Ms. Wilcox noted that the City of Phoenix and Maricopa County are coordinating a one-stop shop and she would like DES to become a partner. The more resources can be brought together, the less administrative overhead there will be, leaving more money to use for the clients.

(Tape 2, Side A)

Gretchen Evans, Vice President, Workforce Development, Goodwill Industries of Central Arizona, Inc., noted that the Wheels To Work program operates in partnership with DES and advised that Paul Wilson, Coordinator, is available to answer any questions. She pointed out that the Members were provided with a brochure concerning the program (Attachment 8) and a sample of advertising to increase donation of vehicles (Attachment 9).

Ms. Evans said, although the program officially became effective in 1998, Goodwill was not awarded a contract until July 1999. Goodwill began leasing vehicles in November 1999 and the program is currently Statewide (Attachment 8).

She explained that Goodwill receives referrals from a DES or Maximus case manager and a job specialist checks to insure that eligibility criteria are met (Attachment 8). The participant is interviewed to assess vehicle needs and a driving record background check is initiated, as well as an assessment of the participant's driving capabilities. A vehicle is identified for the participant and DES is consulted to make sure the participant obtains insurance before arrangements are made to transfer the vehicle to the participant. This process takes four to eight weeks.

Ms. Evans related that DES assists with insurance for the first six months of the lease, but the participant is responsible for insurance during the second six-month period. The participant pays a \$20 lease payment to Goodwill and is responsible for routine maintenance and daily expenses (gas, oil changes, etc.), but Goodwill takes care of any major repairs that occur during the lease period. Successful completion of the 12-month lease period results in ownership of the vehicle by the participant.

She indicated that only vehicles in driveable condition or those that do not require too costly repairs are solicited. The fair market value is determined for the State tax credit, and once the vehicle is accepted, arrangements are made to transfer title and provide the tax credit to the donor. The vehicle is repaired, registered (including emissions testing), and test-driven before transfer to the participant. She identified delays in vehicle preparation, lack of sufficient donations, the repair process, and registration. She said there are currently about 80 vehicles in the program, but some are not ready to lease. Approximately 120 participants are in the process of qualifying to receive a vehicle.

Ms. Evans advised that the program is proving to be very successful. It is the only statewide vehicle program for welfare recipients in the country. In addition, 186 leases were signed in the first eight months of operation, so those individuals have been able to maintain employment and stay off welfare. In many cases, the vehicle is what made the difference in keeping a job. She submitted that the key to success of the program is the close-working relationship between DES and Goodwill.

Ms. Evans reviewed a handout relating to Goodwill Arizona Wheels to Work *State Fiscal Year Report (November 1999 - June 2000)* (Attachment 10).

She informed Senator Petersen that Goodwill spent about \$1.9 million on the program as of the end of State FY 2000. The appropriation to Goodwill was for \$1.8 million, but there was also carryover money from the year when the program was not yet operational.

Jeri Lynn Westin, representing herself, testified that as a single mother of two teenagers also raising two teenage nieces, the dream of owning a vehicle seemed impossible. She was forced to depend on buses, taxis, and friends to go anywhere and her children were unable to participate in after-school functions. She said when she was first told about the Wheels To Work program, she thought it would be great not to have to take the bus or beg rides to work every day. She never anticipated the feeling of independence in being able to go to the grocery store at any time, the security of being able to pick up an ill child from school, or take an injured child to the hospital, if necessary.

She remarked that she took her children and three of their friends camping up north for eight days and they had a great time. It was only possible because she has a vehicle. She acknowledged that it is necessary to have a job and transportation, but having a vehicle also changed her quality of life. She concluded by stating that the Wheels To Work program is very important and should be supported.

Ms. Evans advised Mayor Hessler that the vehicles cannot be taken out of the country, but can be used for personal use. She noted that people will be reaching the end of the 12-month lease and receive title to vehicles in November 2000.

When Mr. Mendoza questioned if it would be cheaper to buy the cars, Ms. Evans replied that there is a strong case management component to the program. Dollars spent reflect repairs, emissions testing, change of title, etc. In addition, there is follow-up with the individuals for 12 months. If cars were just turned over to individuals, the vehicles could be lost because participants could not afford them.

She informed Ms. Webb that if the participant loses a job during the period of the lease, he/she is allowed 30 days to become re-employed, which would not happen if people were given the cars. If the person does not become re-employed within 30 days, the vehicle is repossessed.

Ms. Evans indicated to Chairman Anderson that car dealers made no donations, but Goodwill is still trying to work with them. Most vehicles were donated from private individuals and a few were donated from businesses.

THE MEETING RECESSED AT 12:25 P.M. UNTIL 1:15 P.M.

THE MEETING RECONVENED AT 1:30 P.M. THE SAME MEMBERS WERE PRESENT EXCEPT LEAH PALMER, CRAIG SULLIVAN, AND SUPERVISOR MARY WILCOX.

**Report on Program Outcomes, Progress and Rural Pilot Rollout by the Arizona Works Procurement Board and Maximus**

Beth Hicks, Project Manager, Maximus, gave a slide presentation regarding Arizona Works (Attachment 11) and provided the following information in response to questions:

- Maximus must operate at 78 percent of the administrative dollars used previously in the area. She is not sure what the actual savings figure is, but will find out.
- Maximus issues flat grants for child benefits, but not too many participants have complained. People who had their income reduced because of flat grants (about 10 percent of the caseload) were identified early on. Special supportive services and policies are designed to work with larger families, and the remainder of the caseload had an increase in benefit numbers.
- It is estimated that approximately 10 percent of the working requirement caseload are homeless at one point during the year. The standing caseload was initially over 1,800 but is over 1,400 now.
- Maximus purchased services for shelter coordination with TANF support services dollars and combines those with funds currently available by community action programs and other agencies. A variety of shelters are used and sometimes motel vouchers. There is a constant shortage of shelter care.
- Some offices are located at the Workforce Development Center in Mesa. Services are coordinated with the Job Training Partnership Act (JTPA) for co-enrollments and co-funding of plans, case management, staffing between the organizations, etc. Improvements are

needed and Maximus intends to become more involved in workforce investment boards and the collaboration going on around the Workforce Investment Act.

- Maximus co-located the Mesa, Chandler, and Tempe group services on the grounds of the East Valley Institute of Technology (EVIT) for availability of assessment and career exploration, on-site dedicated computer training, literacy with an occupational literacy focus, and on-site child care. Training is provided in combination with EVIT and the Maricopa Community College (MCC). TANF resource dollars and in-kind contributions from other partners resulted in a fabulous partnership that should work very well for everyone. Participants can obtain college credits for MAXAcademy classes so they realize how easy it is to obtain more credits. The purpose is to instill the concept of lifelong learning.
- The work requirement caseload reduction of 24 percent is attributed to economic factors, if anything. Also, Maximus has improved its operation and the services now offered substantially add to people's ability to obtain and retain jobs earning better wages.
- The 40 percent increase in wages of DES staff includes a full benefits package.
- Maximus appropriations are made to DES. Last year, it was difficult to identify all sources of funds and make sure it is spent appropriately, so DES now provides a list identifying what is available.
- Removing disincentives to work involves greater use of transitional services. It is important to support a program like Ticket to Work to remove disincentives for people receiving social security benefits so there is less of a risk in trying out work without having to reapply for benefits or risk losing health coverage. Part of the concept of marketing to the working poor is that it is okay to request help.

Ms. Horton noted that State employees need pay increases, which is dramatically obvious in the handout (Attachment 11).

Ms. Webb said she indicated a concern a few years ago about moving people from one public assistance program to another, so it is only fair to point out that many clients included in the 44 percent deferred status reduction ended up going on social security. Ticket To Work, in conjunction with the Workforce Investment Act, will provide a way for people who have gone from deferred status to social security status to get off of social security.

Vince Wood, Assistant Director, Division of Benefits and Medical Eligibility, Arizona Department of Economic Security (DES), explained that if a person transfers to social security, it is shown by DES as a TANF caseload reduction; however, social security data would not be included because DES does not administer social security.

Chairman Anderson pointed out that if the person transfers to social security, TANF funds used for that person would be freed up.

(Tape 2, Side B)

Mr. Wood said he would find out for the next meeting why people are leaving TANF and how many transfer to social security.

Ms. Hicks related to Ms. Horton that in order to develop a rural service model, Maximus needs to talk to people who live in rural communities and identify gaps in service in order to extend the capacity of items the community indicates are needed. Maximus will consider more opportunities for in-home work, maybe taking services to people at times, and identifying some economic development possibilities between people and TANF resources to create additional job opportunities.

Mr. Anderson recommended that Ms. Hicks contact the MicroEnterprise program in southern Arizona, which has been very successful in helping people start their own businesses.

In response to questions, Ms. Hicks provided the following information:

- Maximus plans to utilize existing resources of EVIT, including the career lab and counseling services. Training was purchased from MCC that will be dedicated computer training for participants. Maximus will be purchasing slots and provide training vouchers or scholarships, etc., for enrollment or training in other programs.
- EVIT is on a bus route and Maximus has a van service. Some people drive and on-site child care is provided.
- Of the current staff, 67 percent are former State workers, who, on the average, earn 40 percent more than somewhat over a year ago. There has been some turnover and a fairly substantial amount of promotion.

**Report on the federal Social Security Block Grant (SSBG) by the Maricopa Association of Governments (MAG) and DES**

Bruce Liggett, Assistant Director, Division of Policy and Program Development, Arizona Department of Economic Security (DES), reviewed a handout relating to Proposed Federal Funding Reductions to the SSBG August 3, 2000 (Attachment 12).

Carol Kratz, representing Maricopa Association of Governments (MAG), gave a slide presentation on the Social Services Block Grant (Attachment 13). The Members were provided with a handout regarding Who Benefits from SSBG in Arizona *A Few Client Stories* (Attachment 14), which lists almost 290 agencies that provide services to over 500,000 people, as well as a copy of an article from the East Valley Tribune about the potential impact of possible federal cuts (Attachment 15). She indicated that the federal delegation suggested using other sources and has no idea how important SSBG funds are. Senator Jon Kyl voted for the \$6.9 million reduction, so she is very, very concerned.

**Report on Workforce Investment Act by Maricopa County and Yuma Private Industry Council, Inc.**

Darcy Bucholz, Director, Workforce Development Division, Maricopa County, gave a slide presentation regarding the Workforce Investment Act Arizona Implementation (Attachment 16, Pages 1 Through 4).

John Morales, Executive Director, Yuma Private Industry Council, Inc., gave a slide presentation regarding Implementing the Workforce Investment Act In Yuma County (Attachment 16, Pages 4 Through 6).

Ms. Bucholz concluded the slide presentation relating to Implementing the Workforce Investment Act in Maricopa County/Maricopa Workforce Connection, Inc. (MWC) (Attachment 16, Pages 6 Through 9).

Ms. Bucholz asked the Committee, in looking at recommendations, to consider bringing TANF programs into the one-stop service delivery system and take advantage of an opportunity to stop the current fragmented system.

### **Public Comment**

Eddie Sissons, Executive Director, William E. Morris Institute for Justice, remarked that last year the Arizona Coalition to End Homelessness conducted surveys, on a quarterly basis, of homeless shelter and service delivery agencies around the State. A study was recently compiled about why families are in the shelters and the impact of welfare on those families. She offered a presentation for the next meeting since the Maximus representative said homelessness is a difficulty with some clients. She added that last year a bill provided TANF money to help with housing issues, which may be an item the Committee might wish to discuss.

She indicated that she discovered difficulties with Maximus monthly data provided to the Procurement Board, which she brought to the attention of the Board, Maximus, and DES. As a result, there is supposed to be a new reporting format. She explained that the same difficulties are still being experienced in identifying domestic violence victims, which does not mean those clients should not be working, but may require some additional support services.

Ms. Sissons commended DES for efforts to improve client assessment, which is absolutely key as more difficult clients are moved to self-sufficiency. She said she is hopeful that the Employment Transition Program can be actualized, but unfortunately, the first year has been a disappointment.

Father John Feit, Community Liaison, St. Vincent De Paul Society, endorsed the Workforce Investment Act as a worthy and necessary successor of the JTPA. He indicated, however, that within the Act, there is little room and less funding for programs of remediation, which is lacking in the lives of Arizonans who remain unemployed or underemployed in the midst of a booming economy. He noted that there is a program in the community successfully working almost exclusively with people with multiple barriers to employment known as the Earn Alliance. It was funded by a \$5 million federal grant in 1998 and has been in force since January 1999. The Earn Alliance identified close to 4,000 households who had not responded or responded inadequately to the work first imperative of welfare reform. As of this date, 900 of those people, mostly heads of households, were moved into the workforce, with the majority earning at least \$8.50 per hour. He recommended that the Committee give serious consideration to continuing and extending the life of Earn Alliance beyond its federal grant expiration date of June 30, 2001.

Father Feit invited the Members to visit Earn Alliance at 520 West Van Buren. The program manager is Rick Marcum and the phone number is (602) 534-5200.

(Tape 3, Side A)

Without objection, the meeting adjourned at 3:08 p.m.

  
Linda Taylor, Committee Secretary

(Original minutes, attachments, and tapes are filed in the Office of the Chief Clerk. A copy of the minutes and attachments are filed with the Senate Secretary.)

Joint Interim Meeting Notice

Attachment 4

Open to the Public

**WELFARE REFORM JOINT COMMITTEE AND TASK FORCE**

DATE: Thursday, October 26, 2000

TIME: 2:00 p.m. - 4:00 p.m.

PLACE: Senate Hearing Room 1

**AGENDA**

1. Call to Order
2. Discussion of Federal Award for Arizona of \$20 Million - Governor's Office/DES/JLBC
3. Report on Workforce Investment Act - Tanya Marks, Maricopa County
4. Update on Abstinence Program - Toni Means, DHS
5. What Works - TANF Clients Testimony - DES and Maximus
6. Microenterprise Program Report - Roz Boxer
7. Update on the Nurse Home Visitation Program - DHS
8. Report on the Marriage and Communication Skills Commission - Representative Mark Anderson, Co-Chair
9. Presentation of Annual Report on Welfare Reform - DES
10. Child Care Accreditation Update - DES
11. Report From DES Regarding Food Stamps/Medicaid Notification Procedures
12. Tribal TANF Report - DES
13. Discussion on the Study of the Divorce Rate
14. New Business
15. Public Comment
16. Adjourn

**MEMBERS:**

|  |  |
|--|--|
| Senator David A. Petersen, Co-Chair                                  | Representative Mark Anderson, Co-Chair |
| Senator Tom Smith  | Representative Marilyn Jarrett         |
| Senator George Cunningham  | Representative Herschella Horton       |
| Hon. A. G. "Chip" Davis, Supervisor, Yavapai County                  |  |
| George Dean, President, Greater Phoenix Urban League                 |  |
| David Everitt, President, Crisis Pregnancy Centers                   |  |
| Stanley Grossman, Executive Director, Maricopa Skills Center         |  |
| Hon. Tom Hessler, Mayor, City of Sierra Vista                        |  |
| Jeannie Jertson, Assistant Director, Maricopa County Human Services  |  |
| John Lewis, Executive Director, Intertribal Council of Arizona       |  |
| David Mendoza, Legislative Director, AFSCME                          |  |
| Leah Palmer, Assistant Director, Center for Public Policy & Service  |  |
| Hon. Skip Rimsza, Mayor, City of Phoenix                             |  |
| Craig Sullivan, Legislative Liaison, Arizona Department of Commerce  |  |
| Susan Webb, Executive Director, Arizona Bridge to Independent Living |  |
| Hon. Mary Wilcox, Supervisor, Maricopa County                        |  |

*tmf*  
10/17/2000

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at 602-542-3032, (TDD) 542-6241.

Senate

ARIZONA STATE LEGISLATURE  
Forty-fourth Legislature - Second Regular Session

**WELFARE REFORM JOINT COMMITTEE AND TASK FORCE**

Minutes of Meeting  
Thursday, October 26, 2000  
Senate Hearing Room 1 - 2:00 p.m.

(Tape 1, Side A)

The meeting was called to order at 2:10 p.m. by Cochairman Petersen and attendance was noted by the secretary.

**Members Present**

David Everitt  
Stanley Grossman  
Jeannie Jertson  
Senator Smith  
Senator Petersen, Cochairman

Representative Jarrett  
John Lewis  
Leah Palmer  
The Honorable Mary Wilcox  
Representative Anderson, Cochairman

**Members Absent**

Senator Cunningham  
The Honorable "Chip" Davis  
George Dean  
The Honorable Tom Hessler  
David Mendoza

Representative Horton  
Gloria Hurtado  
Craig Sullivan  
Susan Webb

**Speakers Present**

Darcy Bucholz, Director, Workforce Development Division, Maricopa County  
Jodi Beckley, Policy Advisor for Human Services, Governor's Office  
Toni Means, Program Manager, Abstinence Only Education Program, Arizona Department of Health Services (DHS)  
Vince Wood, Assistant Director, Division of Benefits and Medical Eligibility, Arizona Department of Economic Security (DES)  
Bruce Liggett, Assistant Director, Division of Policy and Program Development, Arizona Department of Economic Security (DES)  
Vanessa Carillo, representing herself  
Lisa Vera, representing herself  
Rachelle Simmons, representing herself  
Debra Chapman, Training and Community Outreach Coordinator, Arizona Works  
Christina Mamoe, representing herself

Roz Boxer, Executive Director, Arizona Council for Economic Conversion  
Elsie Ayre, Bureau Chief, Bureau of Community and Family Health Services, Arizona  
Department of Health Services (DHS)  
Elizabeth Hudgins, Senior Program Associate, Children's Action Alliance

Guest List (Attachment 1)

### **Report on Workforce Investment Act**

Darcy Bucholz, Director, Workforce Development Division, Maricopa County, gave a slide presentation regarding Implementing the Workforce Investment Act (WIA) in Maricopa County (Attachment 2). She advised that about 20 percent of WIA participants are Temporary Assistance for Needy Families (TANF) recipients. She related that by bringing the mandatory partners together, great strides have been made in lessening, if not completely eliminating, duplication. There is still some duplication, though, within the TANF service programs.

Supervisor Wilcox suggested that Ms. Bucholz determine how to combine the programs and avoid duplication. Ms. Bucholz provided the following information in response to questions posed by the Members:

- WIA receives about \$48 million annually, which is very close to the amount of funding that was provided for the Job Training Partnership Act (JTPA), so it is not new money.
- In Maricopa County last year, outside the City of Phoenix and under JTPA, about 400 dislocated workers enrolled in the program and 285 were placed in employment, which does not mean the rest completed the program. From the economically disadvantaged population the WIA is required to serve, under JTPA, 334 were served last year and 276 were placed in employment.
- Those two programs under JTPA actually help people obtain jobs. With the new legislation, there should be many more people participating since individuals accessing the partnership services will also be obtaining employment.
- Under JTPA, there were separate funding streams for the summer program and the year-round program. About six years ago, funding for the year-round program was slashed by 79 percent. The year-round budget in Maricopa County was \$225,000 and 120 youth were served. For the summer program, which involves work experience and educational activities during the summer months from four to eight weeks, JTPA, in the past, served 1,500 youth. The measurement was not placement in employment, but return to school. For out-of-school youth, the measurement was placement in employment.
- Under WIA, which involves one funding stream and the summer program is a component within the program, only 500 youth were served last summer. Of those, approximately 300 continue services. Contracts were negotiated with organizations to serve a total of 1,000 youth over the course of this year in Maricopa County outside the City of Phoenix.

Supervisor Wilcox stated that Maricopa County is very proud of the program and commended Ms. Bucholz for doing a wonderful job.

## **Discussion of Federal Award for Arizona of \$20 Million**

Jodi Beckley, Policy Advisor for Human Services, Governor's Office, related that federal law in 1996 provided for bonuses to states for employment of TANF recipients and reductions in out-of-wedlock births. Arizona was one of five states to win both bonuses. In December 1999, \$2.7 million was received for success in moving people from welfare to work, which was used for a one-time bonus for DES employees and automation upgrades to improve customer service. On September 15, 2000, the Governor was notified by the United States Department of Health and Human Services (DHHS) that Arizona is one of five states to receive a bonus for reducing out-of-wedlock pregnancies. The \$20 million bonus was added to the State's FY 2000 TANF grant. The State has until September 30, 2001 to expend the funds for certain purposes, but after that date, the funds remaining in the account in Washington, D.C. can only be used to pay for cash benefits. She noted that the following items should be considered in deciding how to use the bonus funds:

- The funds are not ongoing revenues and should be primarily used for one-time infrastructure investments or time-limited projects.
- While there are ample surplus funds on reserve, spending at the current appropriation level will continue to deplete funds that may be needed in the near future so the bonus should be used prudently. Significant increases in revenue are not expected as budget requests for FY 2002-2003 are developed, and with the alternative fuels legislation, there will probably be a huge decrease in what is available for human services. As a result of the overall State budget picture, a creative and complicated budget can be expected in terms of use of TANF funds.

Ms. Beckley concluded by stating that it is critical to keep in mind the primary purpose of the TANF funds, which is short-term assistance, employment, and supportive services that keep families together and move them to self-sufficiency. Therefore, the Governor is considering three areas for use of the TANF bonus funds:

- No Wrong Door initiative.
- Redesign and infrastructure within DES.
- School age and after-school child care programs.

She acknowledged that some of the other bonus money was used for infrastructure improvements, but the problem was not totally taken care of because it is rather significant. She advised Senator Smith that Rick Zelznak at the Government Information Technology Agency (GITA) continues to hold a policy position in the Governor's Office, so she communicates with him on a regular basis about DES' initiative and the No Wrong Door Initiative. A priority is not to duplicate one another's efforts. A consistent effort is also made to validate cost estimates developed internally with what it would cost to outsource so that funds made available by the Legislature are used prudently.

Supervisor Wilcox asked if the Committee can make recommendations for spending the \$20 million bonus. Cochairman Anderson replied that a Subcommittee could be formed, adding

that the purpose of this meeting is to hear recommendations. Supervisor Wilcox urged formation of a Subcommittee.

Ms. Beckley advised Ms. Jertson that a dollar amount is not available for implementation of the three suggested uses, but numbers are being developed. She related that there are not many school-age and after-school programs currently available and availability varies in different areas of the State. Senator Ruth Solomon is chairing a Committee that has done some work on the issue, so the concept is evolving. She pointed out that the Governor's Division for Children funded a needs assessment to identify gaps in school-age and after-school programs. She stated that Welfare Reform creates latchkey children and providing supervision during 3:00 to 6:00 p.m. aids in pregnancy prevention and decreases drug use and juvenile crimes.

Cochairman Petersen expressed a hope that the faith community can be involved in the after-school programs. Ms. Beckley responded that a study group focused on providing a place for the children to go, supervision, and other program components that lead to the desired outcomes rather than who provides the care and where. The group is not particularly concerned about the programs being school-based, but in a location where children congregate or that is convenient for parents. Cochairman Petersen noted that sometimes Requests for Proposals (RFPs) are set up in such a way that the faith community cannot participate or is not familiar with how to respond. He suggested that a work group determine how to involve the faith community.

Ms. Beckley conveyed to Cochairman Anderson that her comment regarding a "creative and complicated budget" means that attempts could be made by the Joint Legislative Budget Committee (JLBC) and the Governor's Office of Strategic Planning and Budgeting (OSPB) to make use of TANF resources to backfill a general fund crisis, the magnitude of which is not yet fully known; therefore, it would be prudent to focus on the primary purposes of TANF funds and what can be done in a concrete and immediate way to make use of the funds. She advised Mr. Lewis that the current surplus in TANF is about \$95 million. The account is over-appropriated by about \$36 million per year so if the spending level maintains at the current appropriated amount, the surplus would be completely spent by 2003.

Mr. Lewis commented that some continuing TANF efforts could be considered one-time expenditures and asked if consideration has been given to assessment of those programs. Ms. Beckley responded that as the caseload continues to decline, DES has been asked to assess all current programs to determine if the caseload is different, whether regrouping in a different direction is needed, and how the TANF picture is impacted.

Cochairman Anderson related that he cannot appoint the Subcommittee that Supervisor Wilcox mentioned earlier since a quorum of the Task Force is not present, but he will send a letter to the Members indicating that the Subcommittee will be appointed and ask for volunteers. If enough people are interested, a Subcommittee can be formed. He asked Vince Wood from DES to provide a breakdown at the next meeting of how much money from the last bonus was spent on computers and how much more would be needed from the \$20 million bonus.

## Update on Abstinence Program

Toni Means, Program Manager, Abstinence Only Education Program, Arizona Department of Health Services (DHS), provided an overview of the Abstinence Only Education Program (Attachments 3, 4, and 5).

(Tape 1, Side B)

Ms. Palmer asked if there is a correlation between the program and the \$20 million bonus the State received for reducing out-of-wedlock births. Ms. Means replied that there is no correlation since most of the programs were not running at full speed until January 1999. She specified that funding was appropriated in April 1997 and received in July 1997. Much time was spent in each of the counties publicizing the RFP and requirements and time was allotted to provide technical assistance before the RFP hit the streets. When the RFP was let out in November 1997, there was a challenge regarding charitable choice, which delayed a final decision. After the proposals were received, there was another challenge. Some programs began in August/September 1998, but all were not fully functional with everybody in the schools providing services until January 1999. As a result, some of the TANF funds reverted.

Vince Wood, Assistant Director, Division of Benefits and Medical Eligibility, Arizona Department of Economic Security (DES), explained that the TANF funds actually remain in Washington, D.C.

## What Works - TANF Clients Testimony - DES and Maximus

Bruce Liggett, Assistant Director, Division of Policy and Program Development, Arizona Department of Economic Security (DES), stated that last year the JOBS Program placed over 10,000 people from welfare into employment, which is a four percent increase over the previous year. He noted that three people will briefly share experiences with the program. He added that the average hourly wage was \$6.99.

Vanessa Carillo, representing herself, indicated that she moved to Arizona from Texas. She is a single mother with four children. She obtained help from the JOBS Program and a car through Wheels to Work. She began working for \$6 per hour and now makes \$10 an hour. She said her caseworker is always available when she needs her. She related that her children are 2, 4, 7 and 8 years old, and the two youngest go to day care. She has been in the program five to six months and attended different training sessions. In Job Readiness she was taught how to complete job applications, interview with people, and speak. In Employment Basics she learned computer skills and received help in obtaining a job at an insurance company.

In response to questions posed by the Members, she stated that the children in day care are at a center near home and the two in school are dropped off at the day care by bus. Before she obtained a car, she rode the bus. She and her children are covered under the Arizona Health Care Cost Containment System (AHCCCS) and qualify for two more years.

Lisa Vera, representing herself, testified that she was on welfare for many years. She is a single parent with three children. When she went through the JOBS Program, she received help with child care, transportation costs, and obtaining eyeglasses. When she began interviewing, she was given a clothing allowance. She said the program addressed needs she did not even know were holding her back. The caseworkers were all very friendly and helpful. She attended Employment Basics, which is a four-week training course, then she was hired as an instructor and has been working for almost seven months. She added that the JOBS Program is still helping her and provided another clothing allowance.

In response to questions posed by the Members, she said she feels more confident since she is working and breadwinner of the family. Before she entered the program, every time she tried to do something with her life, a benefit would be taken away and she would have to really struggle, but the JOBS Program provides help so the transition is easier.

Rachelle Simmons, representing herself, related that she moved to Arizona about a year ago to escape an abusive relationship in Colorado where she worked in the court system as a drug counselor. She immediately obtained a job in Arizona at the Sojourner Center, a domestic violence shelter; however, the Arizona Board of Fingerprinting denied a fingerprint card because of the recent domestic violence situation. She was devastated because she is a single parent with five children and no support system, and she did not know anyone in the State. She struggled with going to DES for assistance, because she has always been self-sufficient, and became very depressed. Finally, she went to DES and spoke with Mike Carrothers, a JOBS worker. She said she is so grateful the program is available because it provided a support system.

She noted that when she went to DES, applications were being taken for an eligibility interviewer, so she immediately scheduled an appointment and interviewed on October 27, 2000. In the meantime, she attended Motivational Monday, which was very encouraging and gave her hope. Following the class, the transmission went out in her car. She now uses Work Links, where she is taken to and from work and her children are taken to and from day care by taxi. She enrolled in the Wheels to Work program to obtain a car and currently works in the same building as Mr. Carrothers. Her children are much more stable because they were concerned about her, and she believes children should not have to worry about "grown folks' business." She indicated that she is not receiving child support, but hopes to receive it in the future.

Ms. Vera advised Cochairman Petersen that she receives \$7 per month in child support.

Debra Chapman, Training and Community Outreach Coordinator, Arizona Works, noted that Christina Mamoe has demonstrated that perseverance and determination can lead to positive results. She is a role model for her children and siblings, a great daughter to her mother, a valued employee, and a respected member of the community.

Christina Mamoe, representing herself, said she is the oldest of seven children. When she went to Arizona Works for help, her mother, siblings, and children were staying at a Travel Lodge. She was working at a Motel 6 on the graveyard shift for \$5.15 per hour and continued to look for work during the day. Her caseworker, Christie, Ms. Chapman, and Debra Krause worked together to help her obtain another room for her mother and younger sisters and brothers, and her

sister who also has children, because all were all staying in one room. She found another job and her mother found an apartment for her to move into, but because she had no leasing background, a high deposit on the rent was needed. Maximus helped with that and moving into the apartment.

Ms. Mamoe related that she and her five children have struggled, but she has a good job. Her mother and siblings live in a four-bedroom house in Mesa and she lives down the street. She has been working at a company called Debt Free for almost a year. She was promoted three times and currently works in the Finance Department. Her starting salary was \$9.25 per hour and now she makes \$11.50 per hour. She said she and her children have insurance with the company. Her children attend school in Mesa and are doing well. She pays her mother to help with the children so they do not go to day care. She added that she also attended college at ITT. It has been difficult, but in the long run, it will be worth it for her and the children.

She related to Cochairman Petersen that there are three potential supporters for the children, but she receives no child support and does not hope to in the future. She explained that no one forces her to be a mother to her children. She does it willingly because they are her children. She has not received assistance since October 1999 and difficult times still occur, but she is making it. She does not want to force the fathers to provide for the children because it is something that should come from within.

Ms. Jertson noted that some people with many children cannot afford to pay for dependent health insurance because too much is taken from their paycheck. Ms. Mamoe responded that about \$57 is taken from her check every week. She related to Cochairman Petersen that she has not applied for food stamps. Once she was sick, but Maximus helped because she was behind on the rent and out of work for a week. She knows Maximus will help in times of need, so she has not applied for assistance because she believes other people are more in need.

### **Microenterprise Program Report**

Roz Boxer, Executive Director, Arizona Council for Economic Conversion, remarked that she is fortunate to participate in a program that helps people start their own business through a partnership with the DES JOBS Program. She noted that it takes between two to six years for a business to become self-sufficient and show a profit. The communities of Douglas and Nogales were targeted and the Council has been working with 18 people over the last three years. She noted that the Members were provided with a handout about the program (Attachment 6), as well as letters of support (Attachment 7) and newspaper articles (Attachment 8). Of the 18 participants, nine started a business and all but four no longer receive cash assistance. Some of the people from last year and this year started a business, but the people the Council is working with now are still in the process.

Ms. Boxer advised Senator Smith that the budget is \$200,000 per year to help six people. Most cannot obtain loans from the conventional means because of a bad credit history, but the Council has a revolving loan program and loans have been given to a majority of the participants. The Council began working with three more people in July 2000. It costs about \$50,000 to start a business. People are also hired from within the community on a full-time basis because a continuing process is necessary to help the people with networking, marketing plans, and as a

resource. She noted that the most successful person has been in business over a year, and although a profit has not yet been realized, the business changed the person's life significantly.

Ms. Boxer explained that there are often no jobs in small rural areas, so these small businesses that are created will be hiring people. Most of the people in the program had been on assistance for a very long time so this is a major step. She noted that a federal program to develop businesses in rural communities involves a larger number of people who do not have to be JOBS and DES clients. Once DES clients have a business plan and begin networking, there is an opportunity to network with a much larger group of new entrepreneurs so they can learn what to expect and receive counsel from people who have been in the same situation.

Ms. Campbell from Arizona Works advised the Members that the average rate for workers placed in jobs is \$7.59 per hour.

Elsie Ayre, Bureau Chief, Bureau of Community and Family Health Services, Arizona Department of Health Services (DHS), provided an overview of the nurse home visitation program administered by DHS through a contract with Southwest Human Development, a community-based organization. She said it is designed to serve 100 women and funded at \$250,000 per year. The program is called Return to Basics (Attachment 9).

She remarked that the program began on July 1, 1999. The first six to eight months were used to develop infrastructure, design program materials, find a contractor, put a contract in place, and recruit and hire community health nurses. Over 200 hours were spent training nurses to run the program. She noted that 70 referrals were received since the program began. Twenty-five met the legislative criteria, but 20 accepted and enrolled in the program. Of the original 20, 17 are still in the program. Some attrition was experienced because people moved out of the area or were unresponsive to nurse visitations and contacts. She related that existing clients are 23 and 24 years old. An evaluation plan involves client satisfaction and data collection. Women enrolled in the program expressed satisfaction and like the interactive nature of learning that takes place during home visits. Data collection begins at entry of the client into the program and will provide information for evaluation.

Ms. Ayre informed Senator Smith that six nurses are employed by Southwest Human Development. The total amount of funding goes to the contractor so DHS keeps no money for administration. One staff person employed at DHS to administer the program is paid out of the Title V Maternal and Child Health Block Grant.

Ms. Palmer noted that there is quite a list of eligibility requirements (Attachment 9) and asked how the individuals are recruited. She also questioned how participants can be enrolled in TANF or Arizona Works during a first pregnancy. Ms. Ayre responded that the participants are not actually enrolled in TANF, but become eligible after giving birth. Regarding recruitment, extensive network building was done with community resources and schools in other areas in Mesa to build up the referral network before the program started. She acknowledged that the program is under-enrolled and indicated that she could work with Maximus or the WIA if that is not already done.

## Report on the Marriage and Communication Skills Commission

Cochairman Anderson related that the Commission held one meeting on October 4, 2000 and another meeting is scheduled for November 1, 2000. The Members are working on development of recommendations with DES for the RFP (the \$1 million appropriation for marriage skills courses) and compiling a handbook for couples obtaining a marriage license. He noted that background information is contained in a handout (Attachment 10).

Cochairman Anderson remarked that the remaining items will be added to the agenda for the next meeting since the allotted time is over. He will send a letter to the Members asking for preferred dates.

### Public Comment

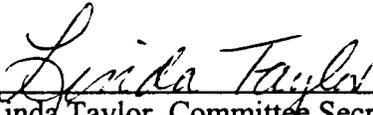
Elizabeth Hudgins, Senior Program Associate, Children's Action Alliance, stated that she staffs the Arizona Network for Community Responsibility, a group of 650 individuals and organizations around the State with a steering committee of about 20 people. Acknowledging that it will be a tight budget year and there is much TANF money on reserve, she recommend that TANF money be used for the following purposes:

- Provide updated training to JOBS case managers so clients can be helped as much as possible.
- One-time child care quality improvements.
- After-school programs as suggested by the Governor's Office.

Ms. Palmer stated that Ms. Hudgins' recommendations last year were excellent.

Cochairman Anderson thanked the Members for attending and asked Mr. Liggett to provide the Members with a copy of the 2000 Welfare Reform Annual Report to review before the next meeting.

Without objection, the meeting adjourned at 4:12 p.m.

  
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Linda Taylor, Committee Secretary

(Original minutes, attachments, and tape are on file in the Office of the Chief Clerk. A copy of the minutes and attachments are filed with the Senate Secretary.)