

# Supporting Arizona Women's Economic Self-Sufficiency 2013 Update\*

An Analysis of Funding for Programs that Assist Low-Income Women  
in Arizona – and the Impact of those Programs

Report Produced for the Women's Foundation of Southern Arizona  
by the Grand Canyon Institute

Research Fellow Molly Castelazo



\*Updated in Fall 2014 to include data through 2013.

## Acknowledgements

The author would like to acknowledge the significant and invaluable research assistance of Staci D'Aguanno. The guidance of Grand Canyon Institute board chair George Cunningham, without whom this report would not have been possible, is also gratefully acknowledged. The support and guidance of Grand Canyon Institute research director Dave Wells is gratefully acknowledged, as is the considerable effort invested by Laura Penny, the former executive director of the Women's Foundation of Southern Arizona.

The Women's Foundation would like to thank Pam Grissom for underwriting this research.

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## 1 2013 Update














Last year, the Women’s Foundation of Southern Arizona endeavored to catalogue the state-funded and/or state-implemented programs in Arizona that have the effect of supporting the economic self-sufficiency of low-income women. Our aim was to analyze both funding for those programs and their impact, as measured in economic terms (return on investment).

Much changed over our original study period (2007-2012). Has much changed in the last year?

This year, we endeavored to answer that question by updating our collected data, adding in the year 2013. In this section we briefly highlight how funding and outcomes have changed between 2012 and 2013. Within the report, all data that has been updated is highlighted blue.

### 1.1 What changed (or didn’t) in 2013

**Table 1: Funding Changes 2007-2013 and 2012-2013**

		<b>Δ 2007-2013</b>	<b>Δ 2012-2013</b>
	Arizona Health Care Cost Containment System (AHCCCS)	Some programs eliminated; others frozen	Coverage restored January 2014
	Adult Education	Funding eliminated in 2010	Funding restored in 2013
	Community colleges	-58%	+1.5%
	Child support enforcement services	-6.5%	+8.7%
	Childcare subsidies	Funding eliminated; program frozen	Still no funding
	Targeted early childhood education	Funding repealed	Still no funding
	K-12 education	-14.7%	-1%
	Universities	-39%	-3%
	Joint Technical Education District (JTED) programs	-7.1%	-0.1%
	Career and Technical Education (CTE) programs	-12%	-1.8%
	Temporary Aid for Needy Families (TANF)	-25%	-1%
	Housing programs supporting low-income Arizonans	-56%	-71%
	Services for victims of domestic violence	-16%	-6%

### 1.1.1 Funding improved 2012-13



#### **Healthcare – Arizona Health Care Cost Containment System (AHCCCS)**

- **Some programs eliminated; others frozen\***
- **\*Coverage restored January 2014**

In 2009, Arizona imposed the largest AHCCCS spending reductions in the state's history. Those cuts included the elimination of health insurance coverage for nearly 10,000 parents with income between 100 and 200 percent of the federal poverty level (FPL); a freeze on enrollment for childless (non-custodial) adults in the state's Medicaid program; and an enrollment freeze for the state's health insurance program for children with income levels too high to qualify them for AHCCCS (for children 6 and older, that is 100% FPL).

Increases in federal funding tempered dramatic declines in state funding between 2009 and 2011. In 2013, state funding for AHCCCS accounted for 32 percent of total funding; the majority of funding came from the federal government. State funding prior to the recession was at about the same level – 33 percent of total funding in 2007 and 2008. In 2009, 2010, and 2011, however, the federal government accounted for a larger share of total funding; the state share was 23, 21, and 24 percent – respectively. In 2012, the state's share of funding increased to 31%.

The increase in state share of funding in 2012 and 2013 was not due to a relative expansion of state spending, but due to the federal government's pullback of aid it had offered to the states during the height of the recession. Between 2008 and 2009, federal AHCCCS funding increased 16.4 percent. Between 2011 and 2012, as the federal government pulled back its aid, federal AHCCCS funding decreased 14.8 percent.

The freeze on AHCCCS Care enrollment for childless adults remained in effect through the end of 2013. On January 1, 2014, Arizona restored Proposition 204 coverage to childless adults living below the FPL and expanded coverage to adults earning up to 133% of the FPL as well as children with family incomes up to 133 percent of the FPL.<sup>1</sup> Thus over the period of 30 months Arizona will have implemented the largest cuts in the history of the program and had to manage the restoration of many of those reductions.<sup>2</sup>

*For full details, see Section 4.3.*



#### **Adult Education – state funding**

- **Funding eliminated in 2010 then restored in 2013<sup>3</sup>**

In 2010, the state cut funding for adult education programs, and in doing so risked elimination of the federal matching funds, which at the time amounted to \$11 million. Some of the community colleges

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<sup>1</sup> Proposition 204 is a voter-approved initiative that expanded AHCCCS coverage to persons (effectively childless adults) with income at or below 100% FPL.

<sup>2</sup> Additional resources for the impact of the Affordable Care Act on AHCCCS include Burns & Associates, Inc. (2012), Stall, J., and Upston, A. (2013), Grand Canyon Institute (2013), and Grand Canyon Institute (2012).

<sup>3</sup> State funding for Adult Education programs was reinstated in 2013.

stepped in and allocated federal stimulus funds to serve as a temporary funding “match” to what the state had cut, allowing Arizona to keep its federal match. The state restored funding to the programs in 2013.<sup>4</sup>

It’s not likely, however, that a restoration of funding will suffice to meet all of the need that exists. The number of people on the waitlist for Adult Education services did decline between 2012 and 2013 – 9.4 percent. Nevertheless, in every year of our study period, including 2013, there was a waitlist. The number of individuals on the waitlist increased 1.7 percent between 2007 and 2013.

*For full details, see Section 6.4.*



#### **Community colleges – state funding**

- **2007-2013: -58%**
- **2012-2013: +1.5%**

State funding for community colleges was 58 percent lower in 2013 than in 2007. However, funding increased slightly between 2012 and 2013 – up 1.5 percent. The trend was the same on a per-student basis. Between 2007 and 2013, state funding for community colleges per Full Time Student Equivalent (FTSE) declined 63 percent. Between 2012 and 2013, funding per student increased 7.2 percent.

The number of students enrolled at Arizona’s community colleges increased 13.2 percent between 2007 and 2013. Between 2012 and 2013 there were 5.3 percent fewer students.

*For full details, see Section 5.6.*



#### **Child support enforcement services – state funding**

- **2007-2013: -6.5%**
- **2012-2013: +8.7%**

Child support has been demonstrated to reduce mothers’ reliance on government programs. According to research by the U.S. Census Bureau, for parents living below poverty, child support was an essential source of income – representing 62.6 percent of the average income for custodial parents below poverty who received full support.

Overall between 2007 and 2013, state appropriations for Child Support Enforcement services fell 6.5 percent, a total decline of \$1.3 million. Between 2012 and 2013, however, state appropriations rose 8.7 percent. Over the entire period, total child support enforcement collections increased 7.0 percent, from \$630 million in 2007 to \$674 million in 2013.

*For full details, see Section 7.2.*

### **1.1.2 No change in funding 2012-13**

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<sup>4</sup> Support Adult Basic Ed Arizona (2013).





### **Childcare subsidies – state funding**

- **Funding still eliminated; program still frozen**

Without a childcare subsidy, many single mothers – certainly those with income at or below 165 percent of the FPL – could not afford to leave the home for education or work, and these are activities that promote the economic self-sufficiency of women and their children over the long run. Yet the importance of work as a means of economic self-sufficiency is clear: “Employment is the surest means to avoid poverty, if one can secure full-time work and keep it all year.”<sup>5</sup>

Yet between 2007 and 2013, total funding (from all sources) for subsidized childcare declined 36 percent. That fall is driven by declines in state General Fund (GF) funding, which dropped from \$75 million in 2007 to \$0 in 2012 and 2013. That does not include funding for childcare subsidies under the Child Protective Services and Jobs Child Care programs – the only two programs to have received more funding in 2013 than in 2007 (see Section 4.2).

Those funding cuts directly impacted Arizona's children and their mothers: At the end of state fiscal year 2013 there were 6,407 families on the waiting list to receive subsidized childcare. That waiting list represents 32 percent of the total population of families served and unserved by the program, and does not include the families who have not applied but would be eligible if the program were not frozen.

*For full details, see Section 4.2.*



### **Targeted early childhood education – state funding**

- **Funding still repealed**

Despite the very high positive returns that early childhood education demonstrates, Arizona completely eliminated state funding for early childhood education programs, repealing the Arizona Early Childhood Block Grant (ECBG) allocation in 2010.<sup>6</sup> ECBG funding remains repealed.

Declines in state funding for early childhood education were partially offset by increases in federal funding; the federal government now funds 100 percent of Arizona's Head Start and Early Head Start programs. Funding increased 11 percent between 2007 and 2013. However, much of that increase was part of the ARRA stimulus package and is already being rolled back – funding declined 5 percent between 2012 and 2013.

First Things First (FTF) continued to provide substantial funding for early childhood education programs in 2013. Funded by a voter-initiated 80-cent tax on tobacco products, FTF has helped to fill in the gap left by the state's elimination of funding.<sup>7</sup> FTF funding grew 246 percent between its first year and 2012. Between 2012 and 2013, funding rose 14 percent. First Things First is now the largest single funder of early childhood education programs in the state.

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<sup>5</sup> Urban Institute. (2013).

<sup>6</sup> The state also de-funded full-day kindergarten, which demonstrates similar long-term benefits as early childhood education.

<sup>7</sup> In 2006, Arizona voters established the Early Childhood Development and Health Board, known as First Things First (FTF) to provide early childhood health and education support to Arizona's low-income families. The program is funded by an 80-cent per pack increase on tobacco products, which is dedicated to First Things First.

*For full details, see Section 5.2.*

### 1.1.3 Funding cuts worsened 2012-13



#### **K-12 education – per-student state funding**

- **2007-2013: -14.7%**
- **2012-2013: -1%**

In 2013, the median annual earnings for Arizona women with a high school diploma was \$6,993 more than the median annual earnings for Arizona women who did not graduate from high school. Over a 50-year career, that difference amounts to more than \$349,650.<sup>8</sup>

Despite the very clear benefits of quality K-12 education, Arizona decreased state funding for those programs by 4.7 percent overall and 14.7 percent on a per-student basis between 2007 and 2013. Some of the state's funding decreases were made up for by federal and local dollars. Still, total funding decreased 1.8 percent overall and 5 percent per student. It wasn't only during the worst years of the recession that state funding decreased. Between 2012 and 2013, state funding for K-12 education declined another 1 percent per student.

Exacerbating the declines in funding from formula programs, non-formula programs, AZ Dept. of Education administration, School Facilities Board (SFB) funding, and miscellaneous is the state's systemic underfunding of education relative to the Proposition 301 formula. Prop. 301, passed in 2000, requires that the legislature increase education funding annually to account for inflation. The legislature has not done that since fiscal year 2009.

In 2013, the Arizona Supreme Court ruled in *Cave Creek Unified School District v. Ducey* in favor of the coalition of Arizona school districts and education organizations that had filed a lawsuit in June 2010 to compel the legislature to meet its obligation to fund Prop. 301. The Supreme Court ruled that the legislature violated the Voter Protection Act when it only provided a partial increase that was less than the inflationary requirement.

Estimates peg the level of underfunding for the current school year at more than \$300 million. The estimated level of accumulated underfunding is \$1.4 billion. The state has yet to deliver any of those funds.

*For full details, see Section 5.3.*



#### **Universities – per-student state funding**

- **2007-2013: -39%**
- **2012-2013: -3%**

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<sup>8</sup> U.S. Census Bureau, 2013 American Community Survey

In total, state funding for Arizona's three public universities declined by 28 percent between 2007 and 2013 and increased 1 percent between 2012 and 2013. But on a per-student basis, state funding was down 39 percent between 2007 and 2013 and down 3 percent between 2012 and 2013.

Universities are particularly vulnerable to funding cuts. Because of state funding formulas for Medicaid and K-12 education and mandatory sentencing in prisons, higher education is one of the most vulnerable areas during budget crises. The same is true for other non-formula funded programs such as the Early Childhood Block Grant that had funded early childhood education before the state legislature repealed it.

In cutting funding by 28 percent, the state shifted a greater share of the burden of higher education onto the universities themselves and, in turn, onto the students. Tuition and fees for resident undergraduates increased 81 percent between 2007 and 2013. In 2007 the average of annual resident undergrad tuition and fees across the three universities was \$4,502. By 2013, it was \$8,154.

Financial aid rose between 2007 and 2013, too – 75 percent in total. Theoretically, those increases would maintain higher education accessibility for low-income women who might otherwise struggle with 81 percent higher tuition and fees. But the state cannot take credit; state funding for financial aid declined 86 percent – from \$12.6 million in 2007 to \$1.73 million in 2013. State funding for financial aid continued declining between 2012 and 2013 – down 6.5 percent.

*For full details, see Section 5.7.*



#### **Joint Technical Education District (JTED) programs – per-student state funding**

- **2007-2013: -7.1%**
- **2012-2013: -0.1%**

Overall, funding for JTED programs in Arizona rose 24 percent between 2007 and 2013. Program enrollment, as measured by Average Daily Membership (ADM), rose 33 percent.<sup>9</sup> So on a per-student basis, funding for JTED actually declined 7.1 percent.

Between 2007 and 2013, the share of contributions by funding source changed significantly. In 2007, the state contributed \$57 million to the total of \$79 million in funding – a share of 72 percent. In 2013, the state contributed more money – \$60 million – but its contribution as a share of the total was 60 percent. The counties picked up a significant amount of the slack; while their contribution is still relatively low (\$7.5 million of the \$97.5 million total in 2013), their share has risen from almost nothing to 7.5 percent.

*For full details, see Section 6.3.*



#### **Career and Technical Education (CTE) programs – per-student state funding**

- **2007-2013: -12%**
- **2012-2013: -1.8%**

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<sup>9</sup> Average Daily Membership, or ADM, is a count of resident and state-placed students who receive an elementary or secondary education at public expense.

Between 2007 and 2013, state funding for CTE programs through the State Block Grant for Vocational Education increased 1 percent, not accounting for inflation. Federal funding through the Federal Perkins Vocational Education Basic Grant increased only 1 percent as well. Measured on a per-student basis, total funding for CTE programs declined 12 percent. Between 2012 and 2013, funding declined just under 2 percent.

*For full details, see Section 6.3.*



### **Temporary Aid for Needy Families (TANF) – monthly Cash Assistance payment**

- **2007-2013: -25%**
- **2012-2013: -1%**

State funding for the Cash Assistance program decreased dramatically – 96 percent between 2007 and 2013. As a result of Arizona's dramatic cuts to TANF Cash Assistance, participation in the program decreased significantly. In comparison, participation rose nationwide.

In Arizona, participation in TANF Cash Assistance decreased significantly during a period when – by the program's stated goal of providing a stopgap in periods of economic crisis – it should have been increasing. The decline in TANF Cash Assistance cases was not a national phenomenon. According to the Center on Budget and Policy Priorities, between December 2007 and December 2011 – when Arizona's TANF caseload declined by 54% – the national caseload *grew by 10 percent*.<sup>10</sup>

Beyond declines in participation, benefits have declined substantially as well. The average monthly payment per family fell 25 percent between 2007 and 2013 – from \$275.83 to \$207.27. In 2013, the average monthly payment was 30 percent lower than the average monthly payment of \$296.30 *in 1997*. Taking inflation into account, the decline is substantially more severe. According to the Center for Budget and Policy Priorities, nationwide the median TANF benefit level in 2011 was 24 percent lower in real terms than in 1996. The benefit erosion was deeper in Arizona: in 2011, Arizona's average benefit level was 46 percent lower in real terms than in 1996.<sup>11</sup>

*For full details, see Section 7.3.*



### **Housing programs supporting low-income Arizonans – dollar commitments**

- **2007-2013: -56%**
- **2012-2013: -71%**

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<sup>10</sup> Center on Budget and Policy Priorities (2013). *Arizona TANF Caseload Fact Sheet*.

<sup>11</sup> <http://www.cbpp.org/files/11-19-13tanf/AZ.pdf>

Between 2007 and 2013, funding for housing programs decreased 56 percent. By itself, that decrease could be deceptive; between 2007 and 2012, funding actually rose 53 percent. Federal Low Income Housing Tax Credits ended in 2013, cutting that source of funding from \$210 million in 2012 to \$15 million in 2013.

Despite the fact that \$952 million went to funding Low Income Housing Tax Credits in Arizona between 2007 and 2013, housing affordability has worsened. Among the lowest income households (those with incomes of less than \$20,000) who owned a home in 2013, 68 percent spent 30 percent or more of their income on housing. Among renters at that income level, 93 percent spent 30 percent or more of their income on housing. Those who spend more than 30 percent of their income on housing are considered “housing stressed.”

*For full details, see Section 8.2.*



#### Services for victims of domestic violence – victims served

- 2008-2013: -16%
- 2012-2013: -6%

The number of people served by programs for victims of domestic violence between 2008 and 2013 depends on which metric is considered. On one hand, the total number of adults and children served by the various programs declined over 16 percent. On the other hand, in 2013 compared to 2008, Arizona provided 5.7 percent more nights of shelter; 13 percent more hours of case management, counseling, and advocacy; and fielded 1.2 percent more hotline calls for victims of domestic violence.

Funding for services for victims of domestic violence in Arizona was relatively stable between 2007 and 2013. Total funding increased 1.3 percent. In real terms – taking inflation into account – funding declined. The agency that spent the most on such services – the Department of Economic Security – spent 5.8 percent less in 2013 than 2007. (That decline was made up for by the Department of Public Safety; Governor's Office for Children, Youth, and Families; Department of Health Services; and Criminal Justice Commission, which together increased funding by 24 percent.)

*For full details, see Section 8.3.*

## 1.2 Can the state afford to restore funding?

In our initial study period – between 2007 and 2012, across nearly every program Arizona funds, the state enacted deep cuts. Driving these cuts were significant budget deficits driven in large part by the bust of the housing bubble in Arizona as well as the economic impact of the Great Recession. Like Arizona, many states enacted deep spending cuts as revenues declined sharply.

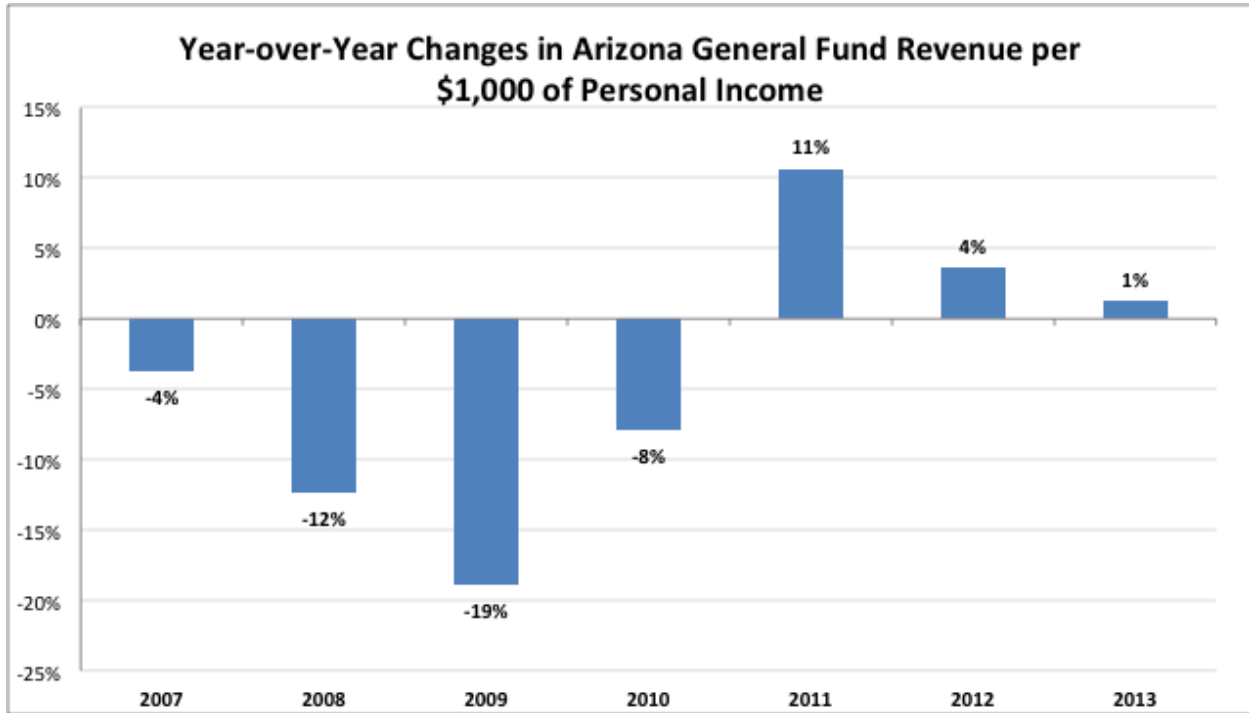
In 2012, we wrote “But many states have since restored funding at least to pre-recession levels. In most cases, Arizona has not.”<sup>12</sup> **As the updates here make clear, the state has still not restored funding – in many cases, the state *continued to cut* funding in 2013.** Yet in the past three years, general fund

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<sup>12</sup> For example, state general fund expenditures in 14 states are at or very near pre-recession levels, including in Nevada, which like Arizona was one of the hardest-hit states in the recession. General fund expenditures in Arizona, in contrast, remain far below pre-recession levels; only four states, including Michigan, have recovered general fund expenditures to a lesser extent than Arizona.

revenues per \$1000 of personal income have increased every year over the last. Tax revenues flowing into state coffers have rebounded since 2010. They are not back to 2006 levels, but they are rebounding.

**Figure 1: Year-over-Year Changes in Arizona General Fund Revenue per \$1,000 of Personal Income**



Now that the economy is recovering, further growing the economy will require being smart about how Arizonans' tax dollars are allocated to maximize the economic return on our investment. As the research detailed here shows, supporting programs for women and their children, in many cases, does exactly that. This study reveals the specific programs where investment generates payoff for the state as a whole.

## 2 Abbreviated Version - Supporting Arizona Women's Economic Self-Sufficiency

**This Section 2, pages 1-30, is an abbreviated version of the full report, providing an overview of the economic status of women in Arizona; an explanation of our methodology; and highlights of each of our key findings.**

**Links to corresponding sections of the full report are highlighted. The full report begins on page 31.**

The Women's Foundation of Southern Arizona has endeavored to catalogue the state-funded and/or state-implemented programs in Arizona that have the effect of supporting the economic self-sufficiency of low-income women. Our aim was to analyze both funding for those programs and their impact, as measured in economic terms (return on investment).

In the past half-decade there has been a lot of popular discussion about the state's deep cuts to a whole range of programs. Driving these cuts were significant budget deficits driven in large part by the bust of the housing bubble in Arizona as well as the economic impact of the Great Recession.

The common understanding of Arizona's response to its fiscal woes is accurate; across nearly every program the state funds, it enacted deep cuts. But the story is more complex than that. It is a story of state funding cuts. It is also a story of the state passing on its program funding responsibility. Many of these programs generate significant return on investment; cutting funding to them will have real economic growth impact now and in the future.

In nearly every program we analyzed, the state deeply cut funding – sometimes eliminating funding – passing responsibility on to the federal government, to local governments, and in many cases to the individuals served by the programs themselves. For example, when the state repealed funding for full-day kindergarten, it passed the responsibility on to local school districts, many of which have sought ways to continue funding full-day kindergarten, though that means pulling limited resources from elsewhere. As another example, when the state cut funding for universities and community colleges, the institutions responded with significant tuition increases.

The picture that emerges shows Arizona undermining support for the economic self-sufficiency of low-income women:

- State funding for subsidized childcare **eliminated**; program frozen
- Some healthcare (AHCCCS) programs eliminated; others **frozen**<sup>13</sup>
- State funding for Early Childhood Education **eliminated**
- **14.7% per-student cut** in state funding for K-12 education
- **58% cut** in state funding for community colleges
- **28% cut** in state funding for universities
- **7.1% per-student cut** in funding for Joint Technical Education District (JTED)
- **12% per-student cut** in funding for Career and Technical Education (CTE)

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<sup>13</sup> The freeze on AHCCCS Care enrollment for childless adults remained in effect through the end of 2013. On January 1, 2014, Arizona restored Proposition 204 coverage to childless adults living below the FPL and expanded coverage to adults earning up to 133% of the FPL as well as children with family incomes up to 133 percent of the FPL.

- State funding for Adult Education **eliminated** 2010-2012 then restored in 2013<sup>14</sup>
- **6.5% cut** in state funding for child support enforcement services
- **25% cut** in average monthly TANF Cash Assistance payment; **55% cut** in average monthly # of cases
- **Only 23%** of unemployed receive unemployment insurance in 2013Q4
- **16% fewer** victims of domestic violence served

A budget is reflective of the state's priorities. What do the state's dramatic cuts to programs designed to support the economic self-sufficiency of low-income women say about Arizona's priorities?

To be fair, our study period encompasses the deepest and longest recession since the Great Depression. Like Arizona, many states enacted deep spending cuts as revenues declined sharply. **But many states have since restored funding at least to pre-recession levels. In most cases, Arizona has not.**<sup>15</sup>

Now that the economy is recovering, further growing the economy will require being smart about how Arizonans' tax dollars are allocated to maximize the economic return on our investment. As the research detailed here shows, supporting programs for women and their children, in many cases, does exactly that.

This study reveals the specific programs where investment generates payoff for the state as a whole.

**A budget is reflective of the state's priorities. What do the state's dramatic cuts to programs designed to support the economic self-sufficiency of low-income women say about Arizona's priorities?**

### Can Arizona afford it?

That is a fair question; there are many programs, or levels of funding, that may be ideal but are simply not attainable (not affordable, not politically feasible, etc.). In the case of the programs we assess here, seeking even the low bar of simply restoring funding to pre-recession levels, the answer to the question "Can we afford it?" is resoundingly "yes."

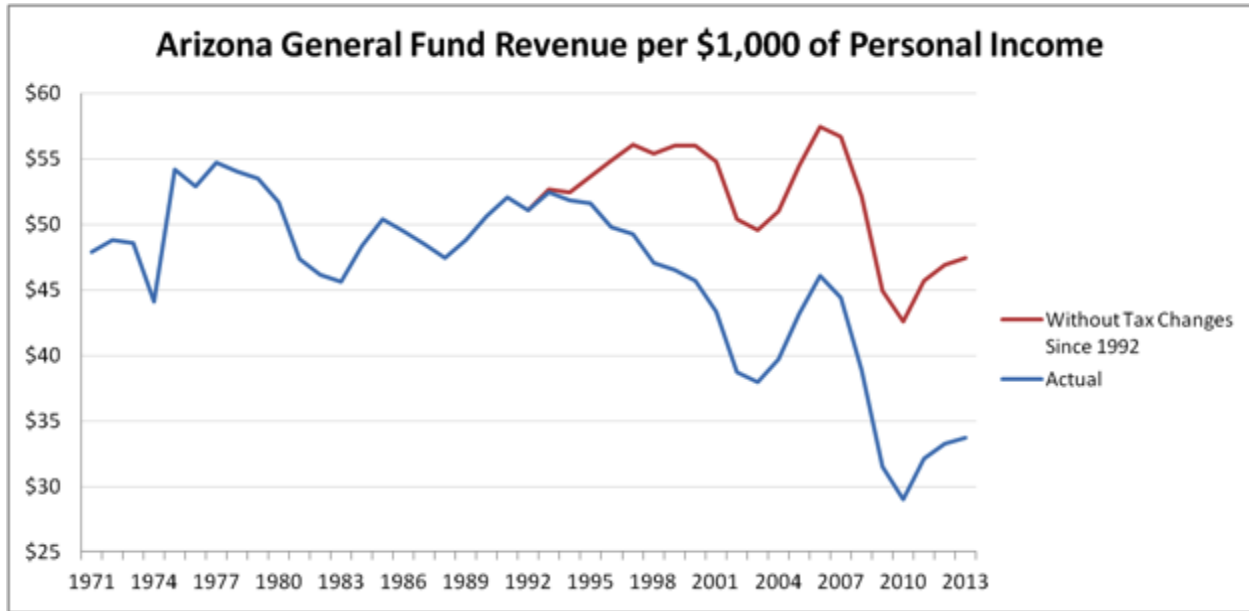
We answer that question in part by turning to analysis by Grand Canyon Institute research fellow Tom Rex that shows there would be no adverse effect on the Arizona economy were we to revert to pre-1992 levels of taxation, and that would have generated \$3.15 billion for the state in 2012 and \$3.28 billion in 2013.

### Figure 2: Arizona State Government General Fund Revenue per \$1,000 of Personal Income<sup>16</sup>

<sup>14</sup> State funding for Adult Education programs was reinstated in 2013.

<sup>15</sup> For example, state general fund expenditures in 14 states are at or very near pre-recession levels, including in Nevada, which like Arizona was one of the hardest-hit states in the recession. General fund expenditures in Arizona, in contrast, remain far below pre-recession levels; only four states, including Michigan, have recovered general fund expenditures to a lesser extent than Arizona.





Increasing revenues may not be on the current legislative agenda. Yet when faced with a potential loss of jobs, the legislature in 2011 enacted a large series of business tax reductions that will ultimately cost the state half a billion dollars a year. Why? Because the legislature believed that the tax cuts would provide a positive return on investment.

Indeed, seeing revenue increases and program funding increases from the perspective of the return enables us to answer the “Can we afford it?” question. In the case of programs that have clearly demonstrated returns on investment well in excess of \$1 for every \$1 spent, **the answer is not “Yes, we can afford to fund these programs” but rather “We can’t afford to not fund them.”**

## 2.1 The Economic Status of Women in Arizona

The percentage of Arizonans classified as living in poverty (those with income below the federal poverty level) increased dramatically during our study period. While the total population of Arizona (males and females of all ages across all household types) increased 4 percent between 2007 and 2013, the number of Arizonans with income below the federal poverty level (FPL) increased 37 percent. In other words, Arizonans who had been living above the poverty level fell into poverty. That is not particularly surprising given the worst economic downturn since the Great Depression that began in December 2007 and whose effects are still present today.

In our 2013 report (with data through 2012), we reported that the increase in the incidence of poverty was more pronounced for males than females. We said that was consistent with the notion of the Great Recession as a “mancession” and the fact that Arizona’s deepest job losses were in industries typically dominated by men, such as construction.<sup>17</sup> However, when we take 2013 into account, the increase in the

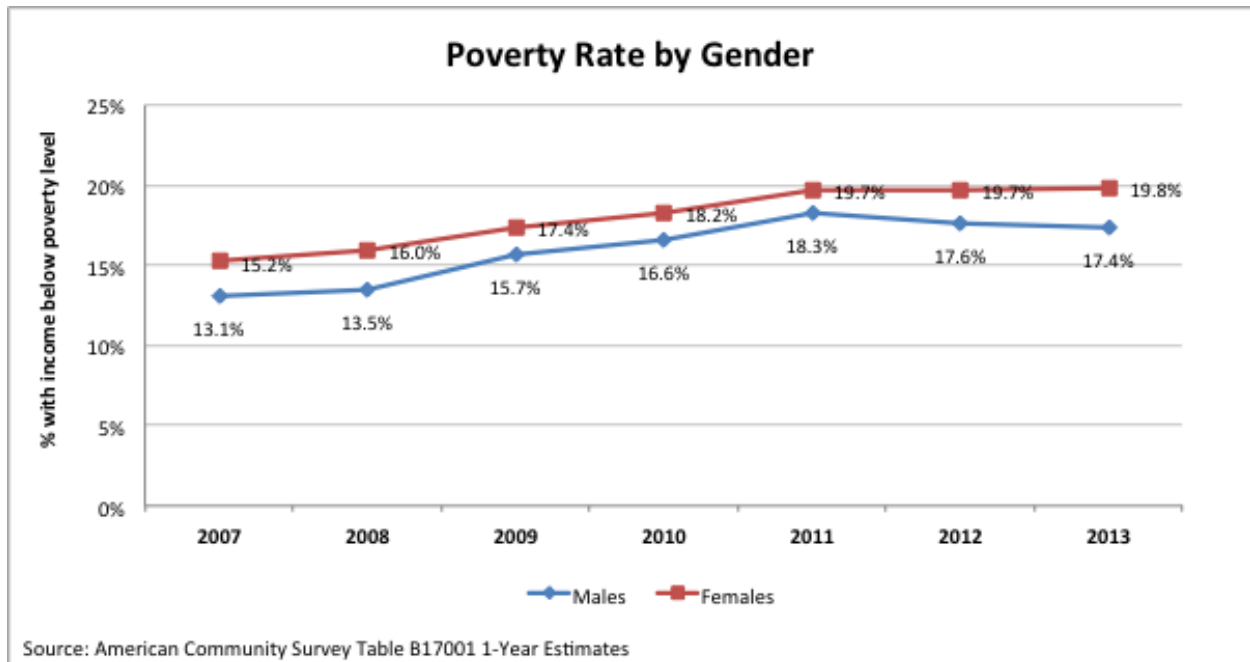
<sup>16</sup> Grand Canyon Institute (2013). *The Effects of Tax Reductions In Arizona: Significantly Reduced Government Revenue and No Apparent Impact on Economic Growth.*

<sup>17</sup> Yet according to the IWPR/Rockefeller Survey of Economic Security, Women and Men Living on the Edge: Economic Insecurity After the Great Recession: “The Great Recession, dubbed the ‘mancession’ because men’s job losses were more than twice as large as women’s, has increased women’s economic vulnerability more than it has men’s. For example, among workers, where as 61 percent of men report having enough savings to cover two months

incidence of poverty was actually the same between men and women. The number of men living below the FPL increased 37 percent between 2007 and 2013; the number of women living below the FPL increased 37 percent as well.

Nevertheless, in every year of our study period females had a higher *relative* incidence of poverty than males did. In 2007, 15.2 percent of females (of all ages, across all household types) in Arizona lived in poverty (compared to 13.1 percent of males of all ages across all household types). In 2013, the poverty rate was 19.8 percent for females compared to 17.4 percent for males.

**Figure 3: Poverty Rate by Gender**



**A larger relative percentage of women than men are low-income**

Why is it that women have a higher relative incidence of poverty than men? There are a number of likely contributing factors, including:

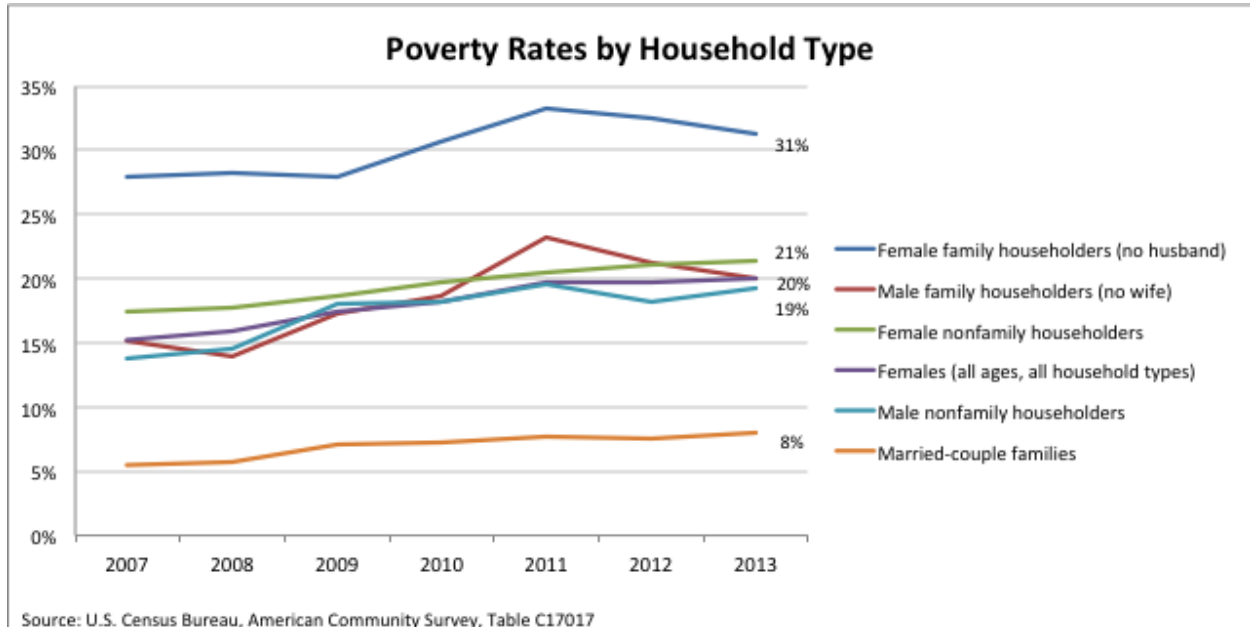
- Women are more likely to be out of the workforce than men, and being out of the workforce is a contributing factor to poverty. In addition, women are less likely than men to work full-time, year-round, yet working full-time, year-round is an important determinant of economic self-sufficiency.
- Women make up a relatively smaller share of high-paying occupations than men do. Within the same occupational categories, women earn less than men do.

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of earnings if they lost their jobs, only 43 percent of women would have that much savings....Women report more hunger, more difficulty paying bills or affording healthcare, and more inability to meet their children's needs....women seem to have remained in the recession a year and a half after its end.”

- Women are more likely than men to be singularly responsible for children; among single-parent families with incomes below the poverty level, 79 percent were headed by women. Furthermore, families headed by single women had the highest poverty rate among all types of households – 31 percent in 2013. In comparison, the rate of poverty among families headed by a single man was 20 percent. The poverty rate among married-couple families was 8 percent.

**Figure 4: Poverty Rates by Household Type**



## 2.2 Methodology

We took those determinants of poverty listed above (responsibility for children, workforce participation, occupation, and earnings) and analyzed the programs that might promote low-income women’s self-sufficiency in those areas. Then we added another significant determinant of poverty (for both women and men): education. We also looked at housing; while it is not a *determinant* of poverty, whether a person rents or owns (housing tenure) is strongly correlated to poverty, and housing presents a significant struggle for many low-income women.

1. **Poverty rates by workforce participation:** Are women more likely than men to be out of the workforce? Are women in the workforce less likely to work full-time, year-round? If so, what might potential policy or program responses be? We analyze childcare programs and healthcare (Arizona’s Medicaid program, AHCCCS). *This is [Section 2.3.1](#) of this Abbreviated Version.*
2. **Poverty rates by educational attainment: How important is education as a means of improving women’s economic self-sufficiency?** If it is very important, what might potential policy or program responses be? We analyze Early Childhood Education programs; K-12 Education programs; Nutrition Assistance; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); community colleges; and universities. *This is [Section 2.3.2](#) of this Abbreviated Version.*

3. **Poverty rates by earnings and occupation: Are women more likely than men to work low-paying jobs?** If so, what might potential policy or program responses be? We analyze K-12 STEM programs; Joint Technical Education District (JTED) and Career and Technical Education (CTE) programs; adult education programs (including GED); and job training programs. *This is [Section 2.3.3](#) of this Abbreviated Version.*
4. **Poverty rates by family type: Are women more likely than men to be singularly responsible for children?** If so, what might potential policy or program responses be? We analyze Arizona's child support enforcement services; Temporary Aid for Needy Families (TANF); unemployment insurance; and teen pregnancy reduction programs. *This is [Section 2.3.4](#) of this Abbreviated Version.*
5. **Poverty rates by housing tenure:** How likely are low-income women to be renters rather than homeowners? If they are much more likely to rent, what might potential policy or program responses be? We analyze housing programs and services for victims of domestic violence. *This is [Section 2.3.5](#) of this Abbreviated Version.*

Figure 5: Mapping Determinants of Poverty to Policy Responses/Programs



## 2.3 Key Findings

This section covers the key findings from our analysis of the programs designed to support the economic self-sufficiency of low-income women in each of the five areas described above (enabling workforce participation; enabling education gains; enabling higher earnings; enabling childcare; and enabling home stability). We do not report a finding for every program analyzed. **Our key findings are based on:**

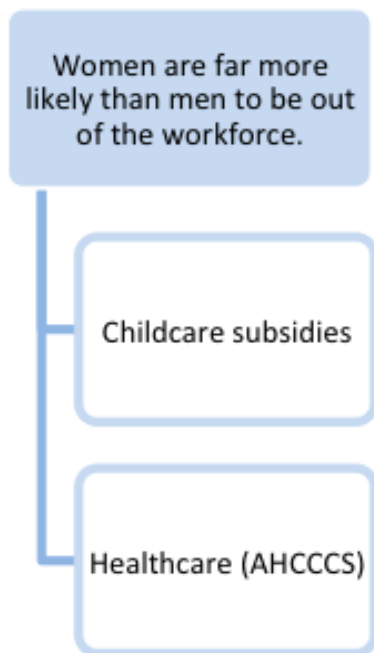
- The absolute level of program funding (the program's relative importance in the budget)
- How funding has changed in the last six years
- The impact that the program has on the economic self-sufficiency of women

**Full details on our analysis of every program, including findings, are in the body of the full report (beginning in [Section 4](#)).**

2.3.1 Women are far more likely than men to be out of the workforce. Being out of the workforce is a contributing factor to poverty; women not in the labor force are more likely to be in poverty than women in the labor force. Furthermore, women are less likely to work full-time, year-round and poverty rates are higher among those who work only part-time or part-year.

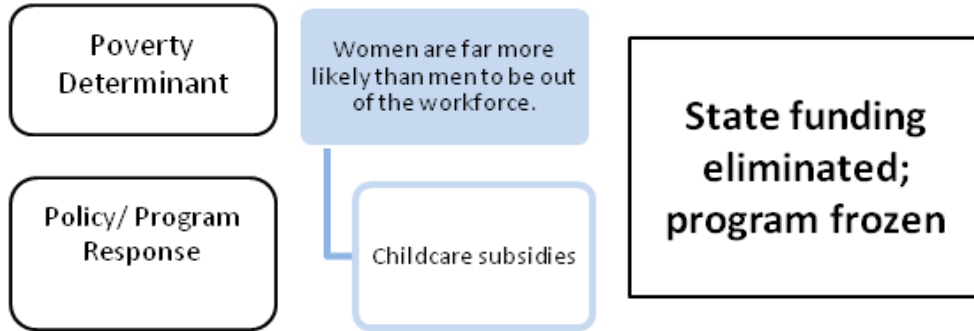
Women are more likely to be out of the workforce than men: **59 percent of individuals not in the labor force are women**. And being out of the workforce is a contributing factor to poverty: the poverty rate of women not in the labor force is 24 percent; the poverty rate of women in the labor force (working or looking for work) is 12 percent.

In addition, women are less likely than men to work full-time, year-round: 43 percent of all full-time, year-round workers are women. Yet working full-time, year-round is an important determinant of economic self-sufficiency: **the poverty rate among women who only work part-time or part-year is more than five times higher than the poverty rate among women who work full-time, year-round** (21 percent versus 4 percent).



*This is Section 4 of the full report.*

2.3.1.1 Childcare Subsidies



*This is Section 4.2 of the full report.*

**When subsidies make childcare affordable, they allow low-income women to join the workforce, which is key to economic self-sufficiency. Yet the state cut funding for childcare subsidies in half and then froze the program to new enrollment.**

**One of the primary causes of women's lower workforce participation rates is that women are overwhelmingly more likely than men to be singularly responsible for children. A lack of affordable childcare can be a significant impediment to women's participation in the workforce.**

Without subsidies, childcare is unaffordable for most low-income women; the average cost of unsubsidized childcare is out of reach for most Arizona families living at or below 165 percent of the FPL. According to research by the Women's Foundation of Southern Arizona, the average cost of childcare for a family consisting of one adult, one preschooler, and one school-age child is \$1,181. That represents 30 percent of what the report calls the "self-sufficiency" wage, and 46 percent of the income defined as 165 percent of FPL<sup>18</sup>.

In other words, without subsidy, many single mothers – certainly those with income at or below 165 percent of the FPL – could not afford to leave the home for education or work, and these are activities, which promote the economic self-sufficiency of women and their children over the long run. Yet the importance of work as a means of economic self-sufficiency is clear: "Employment is the surest means to avoid poverty, if one can secure full-time work and keep it all year."<sup>19</sup>

Yet between 2007 and 2013, total funding (from all sources) for subsidized childcare declined 36 percent. That fall is driven by declines in state General Fund (GF) funding, which dropped from \$75 million in 2007 to \$0 in 2012 and 2013.

Those funding cuts directly impacted Arizona's children and their mothers: At the end of state fiscal year 2013 there were 6,407 families on the waiting list to receive subsidized childcare. In 2013, the program would have had to expand by more than 47 percent to serve all the families on the waiting list. And that measure of unmet need does not account for the families who have not applied but would be eligible if the program were not frozen.

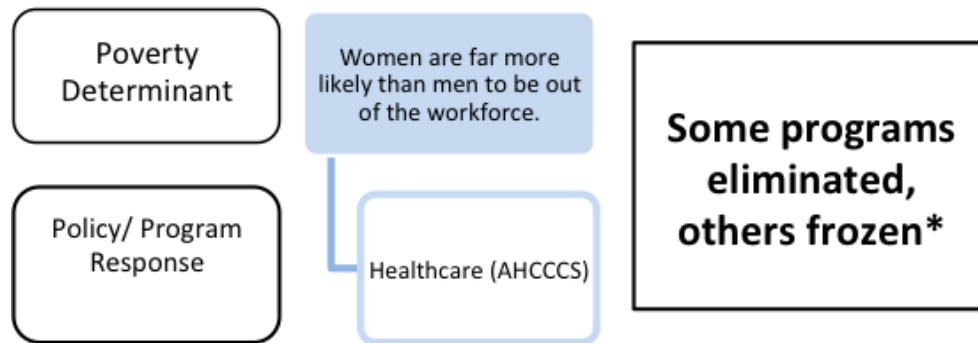
As an alternative to childcare programs, Early Childhood Education programs still enable low-income women to participate in the workforce, but they also demonstrate very significant benefits for the children (and by extension, for society at large) – preparing the next generation for economic self-sufficiency.

<sup>18</sup> Women's Foundation of Southern Arizona (2012).

<sup>19</sup> Urban Institute. (2013).



### 2.3.1.2 Healthcare (AHCCCS)



\*The freeze on AHCCCS Care enrollment for childless adults remained in effect through the end of 2013. On January 1, 2014, Arizona restored Proposition 204 coverage to childless adults living below the FPL and expanded coverage to adults earning up to 133% of the FPL as well as children with family incomes up to 133 percent of the FPL.

*This is [Section 4.3](#) of the full report.*

**Women who are healthy are more likely able to fully participate in workforce. Healthcare reaps tremendous dividends in other ways as well (longer life spans) and ultimately healthcare coverage for people who would otherwise be uninsured makes economic sense.**

The number of Arizonans enrolled in AHCCCS increased 25 percent between 2007 and 2013. Between 2012 and 2013, the number increased 2.8 percent. Between 2007 and 2012, the number of Arizonans without health insurance coverage increased 5.4 percent.<sup>20</sup> The expansion of Medicaid (AHCCCS is Arizona's Medicaid program) is associated with improved health outcomes.<sup>21</sup> Specifically:

- Large expansions of Medicaid eligibility were associated with a significant decrease in mortality
- Medicaid coverage reduces mortality among infants and children
- Eligibility expansions have been associated with a 25% increase in Medicaid coverage, 15% lower rates of un-insurance, a 21% reduction in cost-related delays in care, and a 3% increase in self-reported excellent or very good health

In 2009, Arizona imposed the largest spending reductions in the state's history. Those cuts included the elimination of health insurance coverage for nearly 10,000 parents with income between 100 and 200 percent of the federal poverty level (FPL); a freeze on enrollment for childless (non-custodial) adults in the state's Medicaid program; and an enrollment freeze for the state's health insurance program for children with income levels too high to qualify them for AHCCCS (for children 6 and older, that is 100% FPL).

Increases in federal funding tempered dramatic declines in state funding between 2009 and 2011. In 2013, state funding for AHCCCS accounted for 32 percent of total funding; the majority of funding came from the federal government. State funding prior to the recession was at about the same level – 33 percent of total funding in 2007 and 2008. In 2009, 2010, and 2011, however, the federal government accounted for a larger share of total funding; the state share was 23, 21, and 24 percent – respectively. In 2012, state funding increased to 31%.

<sup>20</sup> Between 2012 and 2013, the Census Bureau changed its methodology, so data for 2013 is inconsistent with 2012 and earlier. (But data according to the new methodology is not available prior to 2009.)

<sup>21</sup> Baicker, Epstein, and Sommers (2012).

The freeze on AHCCCS Care enrollment for childless adults remained in effect through the end of 2013. On January 1, 2014, Arizona restored Proposition 204 coverage to childless adults living below the FPL and expanded coverage to adults earning up to 133% of the FPL as well as children with family incomes up to 133 percent of the FPL.<sup>22</sup> Thus over the period of 30 months Arizona will have implemented the largest cuts in the history of the program and had to manage the restoration of many of those reductions.<sup>23</sup>

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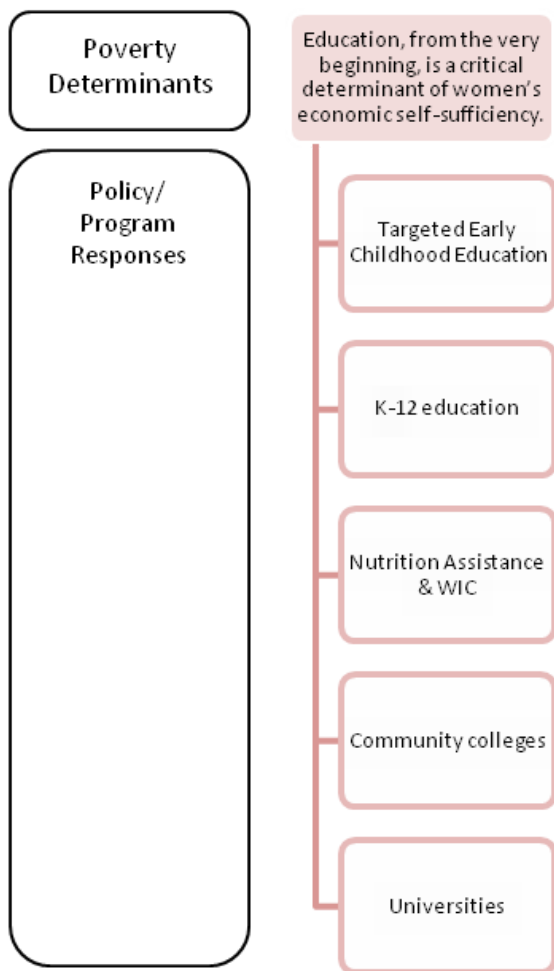
<sup>22</sup> Proposition 204 is a voter-approved initiative that expanded AHCCCS coverage to persons (effectively childless adults) with income at or below 100% FPL.

<sup>23</sup> Additional resources for the impact of the Affordable Care Act on AHCCCS include Burns & Associates, Inc. (2012), Stall, J., and Upston, A. (2013), Grand Canyon Institute (2013), and Grand Canyon Institute (2012).

### 2.3.2 Education, from the very beginning, is a critical determinant of women’s economic self-sufficiency.

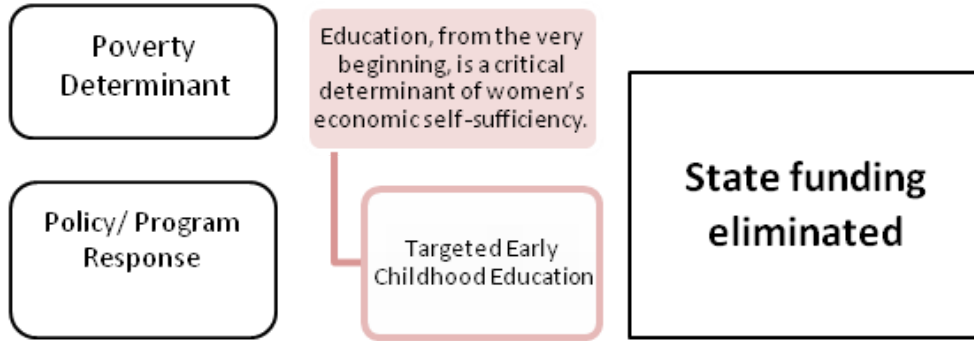
Education, from the very beginning, is a critical determinant of women’s economic self-sufficiency. At every level of educational attainment – high school graduation/GED, technical certification, Associate’s degree, Bachelor’s degree, and above – increases in educational attainment present an opportunity for increased economic self-sufficiency.

**The poverty rate among women with less than a high school degree (36 percent) is *six times higher* than among women with a bachelor’s degree or higher (6 percent) and almost three times higher than among women with some college (including an associate’s degree).**



*This is [Section 5](#) of the full report.*

#### 2.3.2.1 Targeted Early Childhood Education



*This is [Section 5.2](#) of the full report.*

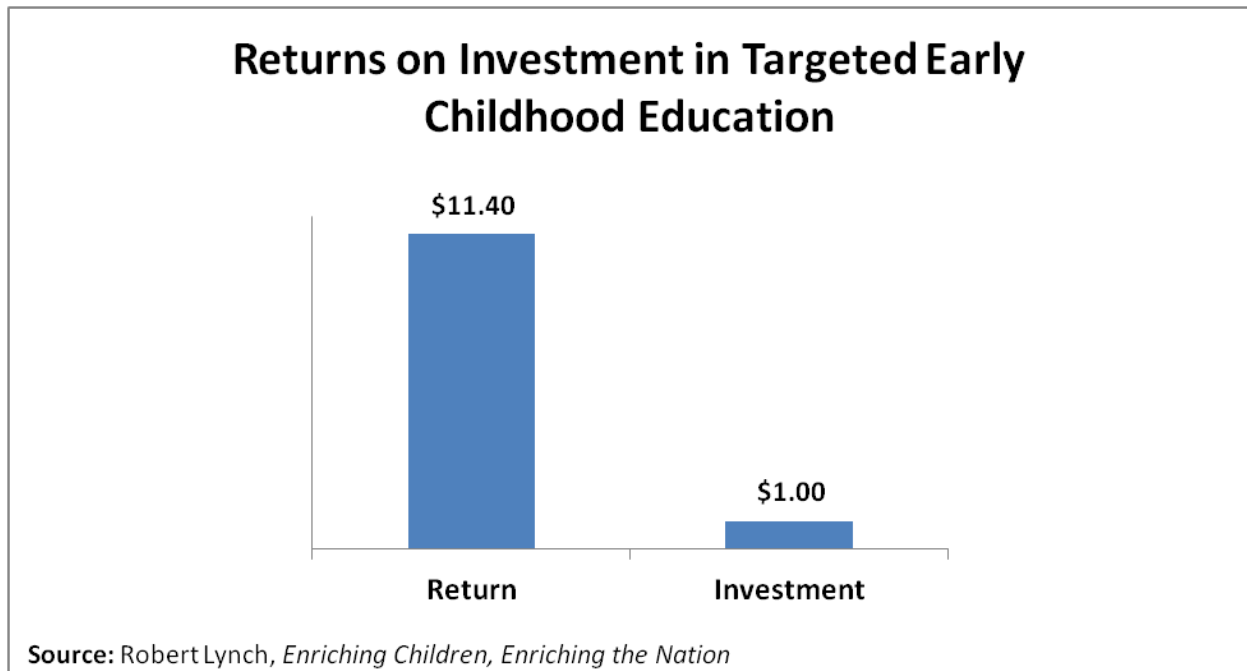
**Programs that provide high-quality education to girls and women can generate profound multigenerational impacts. The profound returns on investment in early childhood education, as detailed here, are clear. Further study may be necessary to assess the most cost- and outcome-effective model for that early childhood education, whether it is Early Head Start/Head Start, subsidies for private ECE, or something else.**

The research on the return on investment from Early Childhood Education programs divides the programs broadly into two categories: universal ECE programs, which are available to all children regardless of income; and targeted programs, which are available to children of families who meet income eligibility requirements (for example, 125 percent of the Federal Poverty Level, or families in the lowest quarter of income distribution).

Funding for early childhood education demonstrates a significant long-term return on investment, with returns of \$11.40 for every \$1 spent in targeted programs.<sup>24</sup> Returns are generated by the increased economic output of individuals who receive early childhood education, with total increases in compensation of \$4.9 billion. Returns are also generated by cost avoidance; for example, individuals who received early childhood education are half as likely to be arrested, leading to savings of \$3.2 billion (see [Table 10](#) in [Section 5.2.2](#)).

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<sup>24</sup> Lynch, R. (2007). Results consistent with most recent evaluation at age 26 of the Chicago Pre-School Program; see Reynolds et al. (2011).

**Figure 6: Returns on Investment in Targeted Early Childhood Education**

Despite the very high positive returns that early childhood education demonstrates, Arizona completely eliminated state funding for early childhood education programs, repealing the Arizona Early Childhood Block Grant (ECBG) allocation in 2010.<sup>25</sup> Before the ECBG allocation was repealed, its programs served 5,000 children.

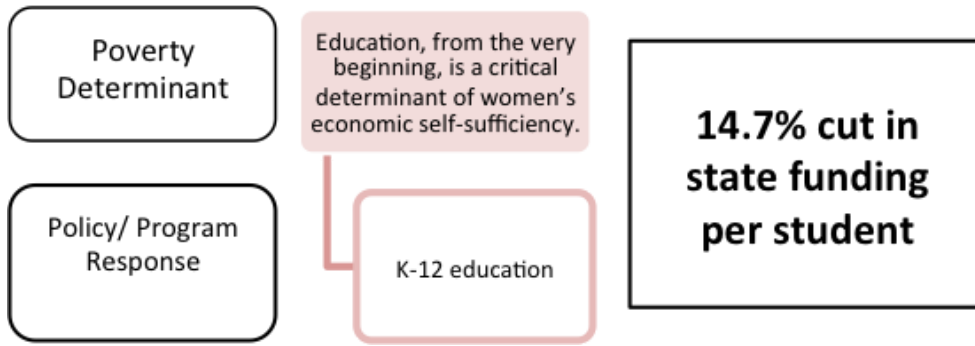
Declines in state funding for early childhood education were offset by increases in federal funding and substantial new funding from First Things First. The federal government now funds 100 percent of Arizona's Head Start and Early Head Start programs, and funding increased 11 percent between 2007 and 2013. However, much of the increase in federal funding was part of the ARRA stimulus package and is already being rolled back (funding declined 5 percent between 2012 and 2013).

First Things First, funded by a voter-initiated 80-cent tax on tobacco products has helped to fill in the gap left by the state's elimination of funding.<sup>26</sup> FTF expended \$38 million in 2009 and \$132 million in 2013. Over the same period, the number of kids provided scholarships to access early childhood education programs through FTF doubled.

### 2.3.2.2 K-12 Education Programs

<sup>25</sup> The state also de-funded full-day kindergarten, which demonstrates similar long-term benefits as early childhood education.

<sup>26</sup> In 2006, Arizona voters established the Early Childhood Development and Health Board, known as First Things First (FTF) to provide early childhood health and education support to Arizona's low-income families. The program is funded by an 80-cent per pack increase on tobacco products, which is dedicated to First Things First.



This is [Section 5.3](#) of the full report.

**Given that education is a powerful, if not *the most* powerful, means of attaining economic self-sufficiency, programs that are designed to provide for, and support, that education are critical. It starts at birth and continues in Kindergarten.**

Between 2005 and 2009, Arizona funded full-day kindergarten (FDK) for every public school in the state. Previously, the State had only half-day kindergarten. In 2010, the State rescinded funding for all-day kindergarten. Today, some schools continue to offer it; some do not. School districts remain required to offer half-day kindergarten, which is funded by the State.

One relevant benefit of full-day kindergarten is that it allows mothers to work full days themselves without having to make childcare arrangements for the other half of the day not covered by kindergarten. In addition, full-day kindergarten has been shown to yield academic achievement gains. When seen as a continuation of quality early childhood education programs, full-day kindergarten is a natural bridge into first grade.

The benefits of K-12 education as a means to promote the economic self-sufficiency of girls and women are clear. There are cognitive, social, and other benefits of course, but the most easily quantifiable benefit is economic: in 2013, the median annual earnings for Arizona women with a high school diploma was \$6,993 more than the median annual earnings for Arizona women who did not graduate from high school. Over a 50-year career, that difference amounts to more than \$349,650.<sup>27</sup>

Despite the very clear benefits of quality K-12 education, Arizona decreased state funding for those programs by 4.7 percent overall and 14.7 percent on a per-student basis between 2007 and 2013. Some of the state's funding decreases were made up for by federal and local dollars. Still, total funding decreased 1.8 percent overall and 5 percent per student.

It wasn't only during the worst years of the recession that state funding decreased. Between 2012 and 2013, state funding for K-12 education declined another 1 percent per student.

### 2.3.2.3 Nutrition Assistance & WIC

<sup>27</sup> U.S. Census Bureau, 2013 American Community Survey

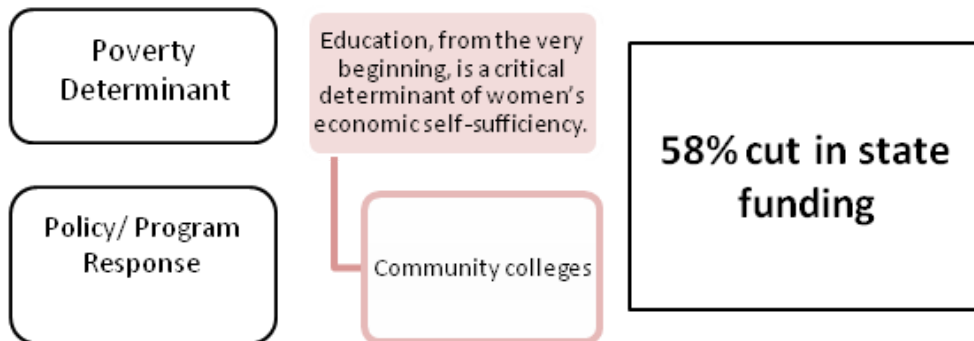


This is [Section 5.4](#) of the full report.

**Kids who face food insecurity have more trouble concentrating at school and tend to perform worse as a result. Nutrition is critical for kids to get the most out of their education.<sup>28</sup> The impacts of Nutrition Assistance (NA) and WIC are profound, and multigenerational. There are many reasons to support NA and WIC besides a moral imperative to feed hungry kids.**

The proven long-term benefits of Nutrition Assistance and WIC – including improved educational performance, higher earnings, and returns for the economy – suggest that rather than creating dependency on the social safety net, Nutrition Assistance and WIC give low-income individuals and their children a chance to move out of poverty. As we think about how best to support the economic self-sufficiency of low-income women, and focus on education, it is critical to also think about the ancillary factors – like nutrition – that impact a child’s educational prospects.

### 2.3.2.4 Community Colleges



This is [Section 5.6](#) of the full report.

**At every level of educational attainment – high school graduation, Associate’s degree, Bachelor’s degree, and above – increases in educational attainment present an opportunity for increased economic self-sufficiency.**

Women with an associate’s degree can earn substantially more than those with just a high school diploma or GED. Furthermore, women with an associate’s degree are less likely to be unemployed than less-educated women. For these reasons, community colleges are what the American Association of Community Colleges call “brokers of opportunity for a stronger middle class and more prosperous

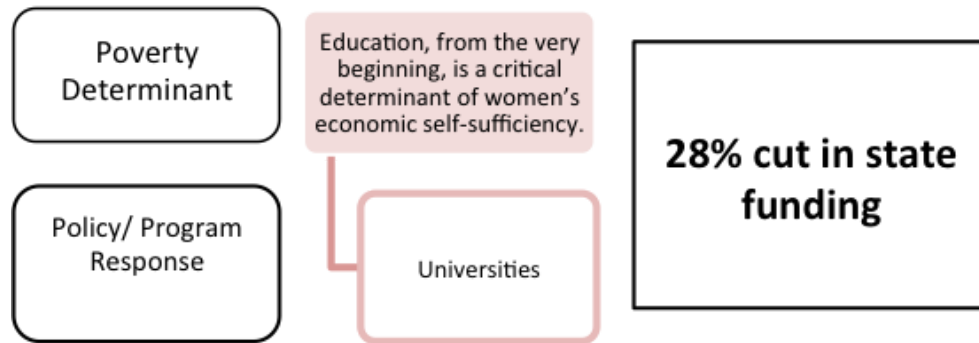
<sup>28</sup> USDA (2012). *Building a Healthy America: A Profile of the Supplemental Nutrition Assistance Program.*

nation.” The return to state and local governments on investment in community colleges was 16.1 percent (nationwide in 2007).<sup>29</sup>

Community college enrollments increased 13.2 percent between 2007 and 2013. (Though enrollment in 2013 was down 5.3 percent compared to 2012.) Between 2007 and 2013, state funding for the community colleges fell 58 percent, from \$163 million to \$69 million. The biggest cuts hit in 2012; in that year, state funding declined 51 percent compared to 2011. In 2013, state funding was up just 1.5 percent.

As the state has decreased its funding of community colleges, the schools have had to make up the difference, and have done so in part through tuition increases. Averaged across all of the state’s community colleges, the average annual resident tuition and fees was 28 percent higher in 2013 than in 2007, and 1.8 percent higher in 2013 than in 2012.

### 2.3.2.5 Universities



*This is [Section 5.7](#) of the full report.*

The state cut its share of funding for Arizona’s three public universities by 28 percent between 2007 and 2013. Between 2012 and 2013, state funding to Arizona’s universities increased 1 percent.

In cutting funding by 28 percent, the state shifted a greater share of the burden of higher education onto the universities themselves and, in turn, onto the students. Tuition and fees for resident undergraduates increased 81 percent between 2007 and 2013. In 2007 the average of annual resident undergrad tuition and fees across the three universities was \$4,502. By 2013, it was \$8,154.

In 2012, for the first time, more of the universities’ funding came from tuition & fees and other collections than from the state General Fund. The Center for Budget and Policy Priorities ranked Arizona as top among the 50 states for its cuts to universities and for its tuition increases.<sup>30</sup>

General Fund cuts to universities are far worse when adjusted for inflation and examined on a per full-time equivalent student basis, where cuts have now placed inflation-adjusted per student funding back to levels not seen since the 1960s. [Figure 7](#) shows that state General Fund spending per student at both Arizona State University and University of Arizona in 2012 was lower in real terms (accounting for inflation) than in 1971. In fact, funding at ASU was 32 percent lower in 2012 than in 1971; at U of A funding was 27 percent lower.<sup>31</sup>

<sup>29</sup> American Association of Community Colleges (2013).

<sup>30</sup> Johnson, Leachman, Oliff, and Palacios (2013).



Figure 7: 1971-2013 State General Fund Spending Per FTE Student (2012\$)

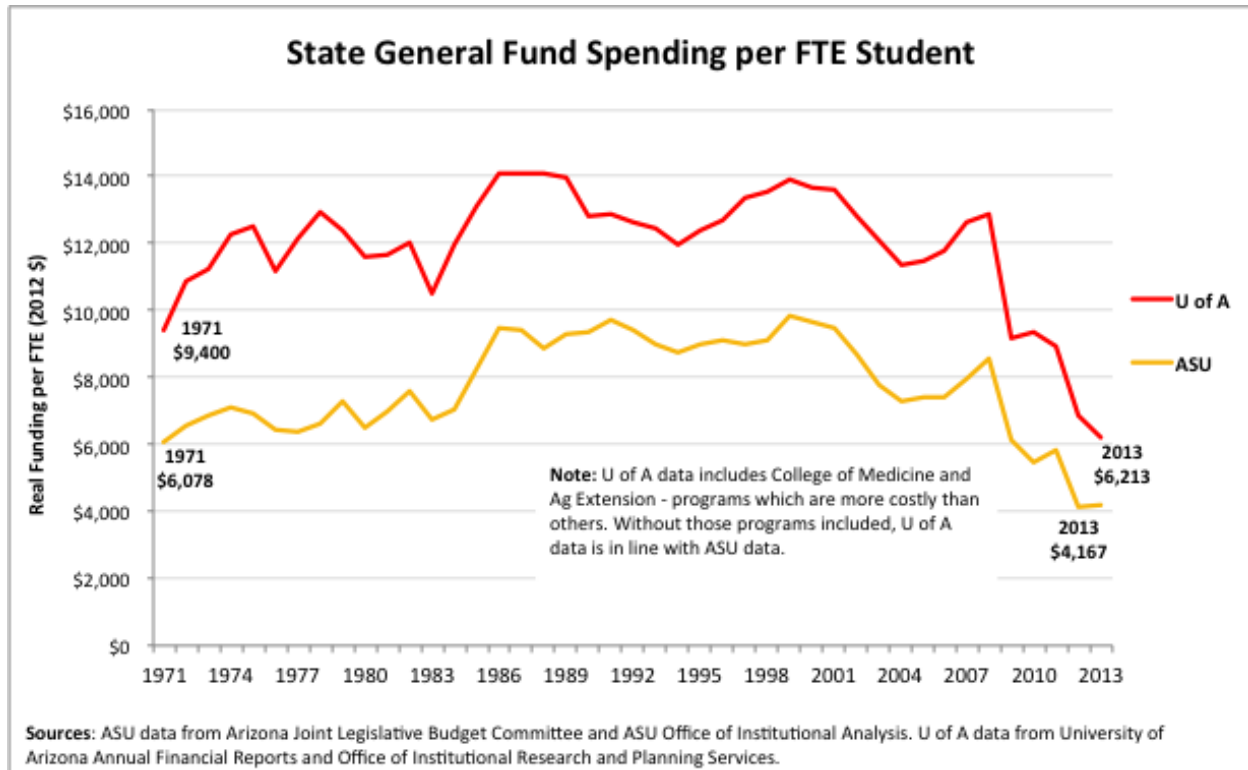


Figure 7 also provides a good comparison of the state's response to previous recessions. The recessions in 1980 and 1981-82 were not as long or as deep as the most recent recession, but they were significant. And yet as Figure 7 makes clear, state investment in education dipped only a bit, twice, and then proceeded to rise to unprecedented levels. In contrast, the state has continued to cut funding for Arizona's universities on a per-student basis, even after economic activity – and the state's coffers – has been recovering.

Financial aid rose between 2007 and 2013, too – 75 percent in total. Theoretically, those increases would maintain higher education accessibility for low-income women who might otherwise struggle with 81 percent higher tuition and fees. But the state cannot take credit; state funding for financial aid declined 86 percent – from \$12.6 million in 2007 to \$1.73 million in 2013. State funding for financial aid continued declining between 2012 and 2013 – down 6.5 percent.

Furthermore, when financial aid is not in the form of grants, but rather loans, the burden of financing education remains on the student's shoulders.

From the perspective of women's economic self-sufficiency, higher education is impactful in three particularly significant ways:

<sup>31</sup> This figure uses a conservative inflation adjustment, the Consumer Price Index. Due to greater inflation for higher education, if adjusted by the Higher Education Price Index (HEPI), the inflation-adjusted funding levels in years prior to 2012 would gradually grow larger than shown in the figure, such that by 1992 funding would be about 15 percent higher and 1971-1984 would be about 25 percent more. See Commonfund Institute, *Higher Education Price Index Report*, 2013. Available at <https://www.commonfund.org/CommonfundInstitute/HEPI/HEPI%20Documents/2013%20HEPI%20Report.pdf>.

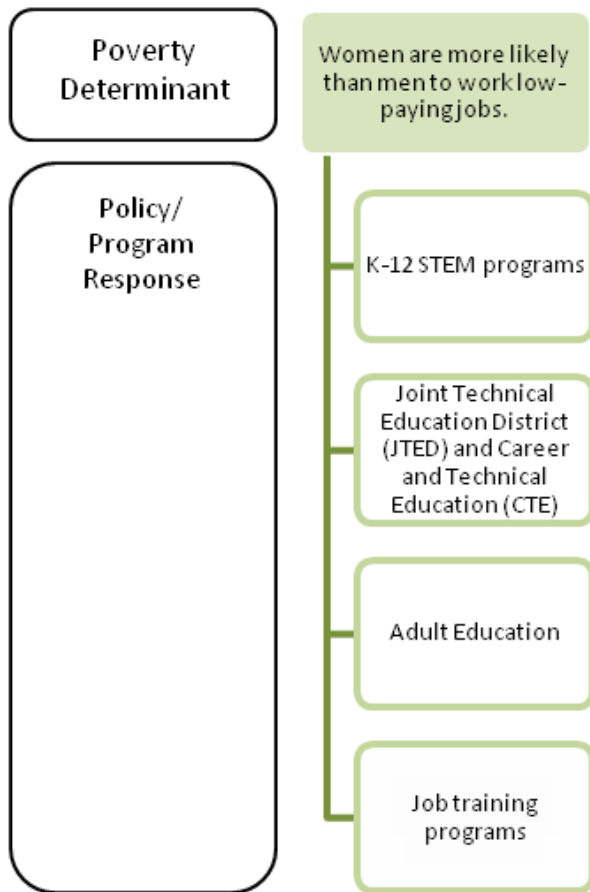
- Women with bachelor's degrees earn significantly more in their lifetimes than those without a college degree
- A bachelor's degree or higher opens the door to higher-paying occupations,
- Unemployment rates are far lower among individuals with a bachelor's degree or higher than among those with less education

### 2.3.3 Women are more likely than men to work low-paying jobs. Furthermore, women make up a relatively smaller share of high-paying occupations than men do.

Women are more likely than men to work low-paying jobs: **57 percent of all people employed in one of the five lowest paying jobs are female**; among people employed in one of the five highest paying jobs, 41 percent are women.

**Even within the same occupational categories, women earn less than men do.** Some of the gap is explained by occupational choice: women often choose lower-paying occupations, such as healthcare and professional support occupations, rather than higher-paying jobs even within those same fields.

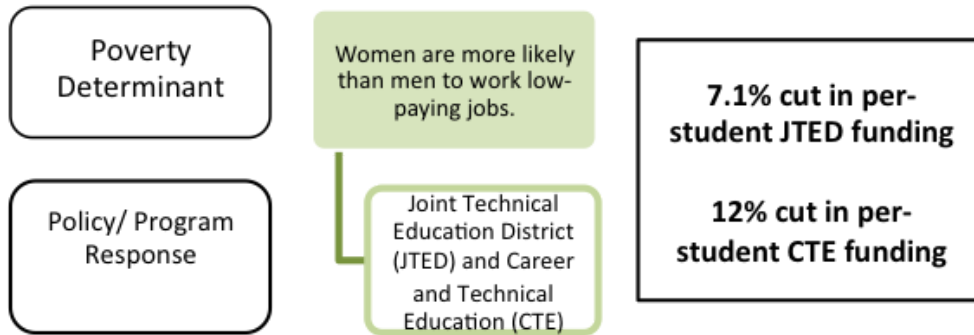
**Just one of the five most common occupations for women in Arizona pays enough to meet the self-sufficiency standard** for a woman in Maricopa County with a preschooler and a school-aged child.<sup>32</sup>



*This is [Section 6](#) of the full report.*

<sup>32</sup> Self-sufficiency standard as defined in Women's Foundation of Southern Arizona (2012).

### 2.3.3.1 Joint Technical Education District (JTED) and Career and Technical Education (CTE)

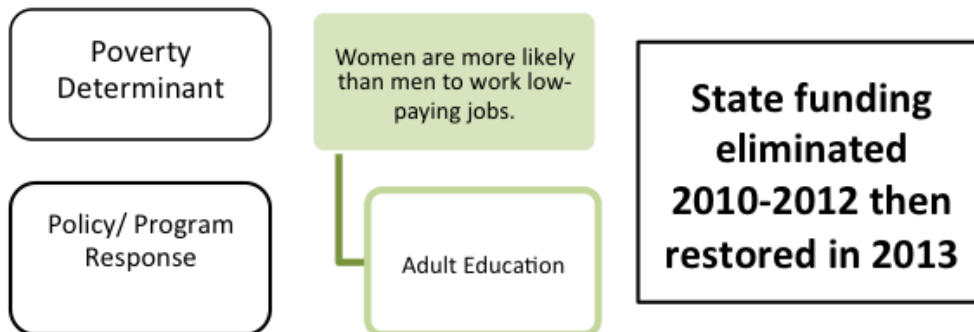


*This is [Section 6.3](#) of the full report.*

**Programs that are designed to encourage and enable women to work in higher-paying occupations can help low-income women become economically self-sufficient. Enabling individuals' economic self-sufficiency is certainly one of the goals of the JTED and CTE programs in Arizona.**

According to the Bureau of Labor Statistics, of the 20 fastest growing occupations, 10 require an associate's degree or less. If JTED and CTE programs are effective at encouraging women into higher-paying jobs and enabling their success in those jobs then the programs will be delivering tremendous benefit at a relatively low cost. Consider that the individual benefit alone of an associate's degree is multiplied by that individual's tax contributions and general spending in the economy. Moreover, much has been said about the need for the United States to nurture high-tech jobs; many of those jobs are technical/vocational in nature and are well served by CTE-type programs.

### 2.3.3.2 Adult Education



*This is [Section 6.4](#) of the full report.*

**In nearly every case, a high school diploma or GED is a critical pre-requisite for work in higher-paying occupations can help low-income women become economically self-sufficient.**

The returns generated by adult education programs that give individuals the basic education and credentials of a high school graduate are quite significant. In 2013, the median annual earnings for Arizona women with a high school diploma or GED was \$6,993 more than the median annual earnings for Arizona women who did not graduate from high school. Over a 50-year career, that difference

amounts to more than \$349,650.<sup>33</sup> As the U.S. Department of Labor points out, those extra earnings benefit not only the GED recipient and her family, but the economy as well in the form of both additional tax revenue on the earnings and in the form of additional spending. Those benefits accrue immediately.

Yet despite those benefits, there is a far greater demand for adult education programs in Arizona than there is currently service availability. In 2011, there were a third as many people on the waiting list for adult education services as were being served. In terms of funding, in 2010 the state eliminated funding for adult education programs (the federal government also provides funding).

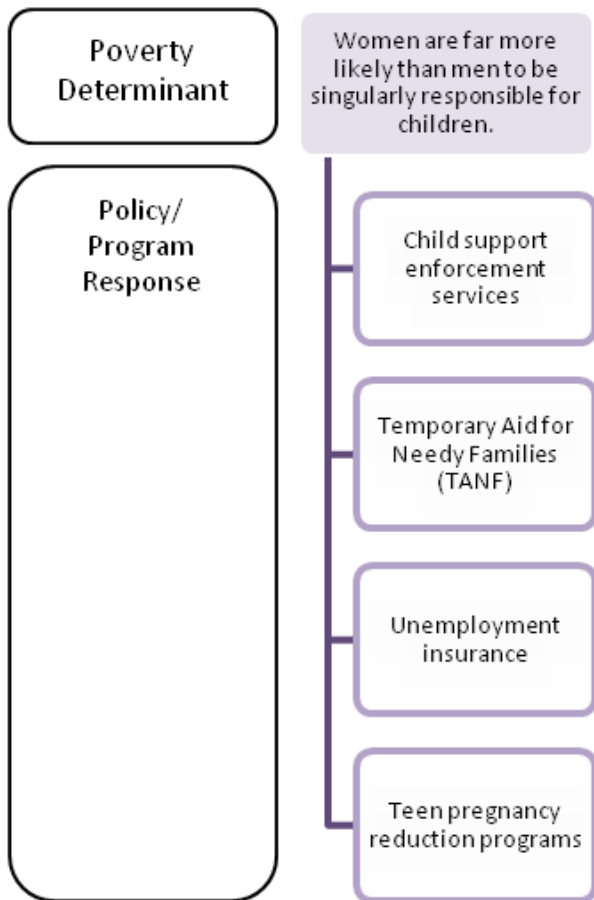
The state restored funding of \$4.5 million in 2013 – an increase of 1.1 percent over 2007. Yet even with restored funding, 5,679 Arizonans were on the waitlist for Adult Education services in 2013.

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<sup>33</sup> U.S. Census Bureau, 2013 American Community Survey

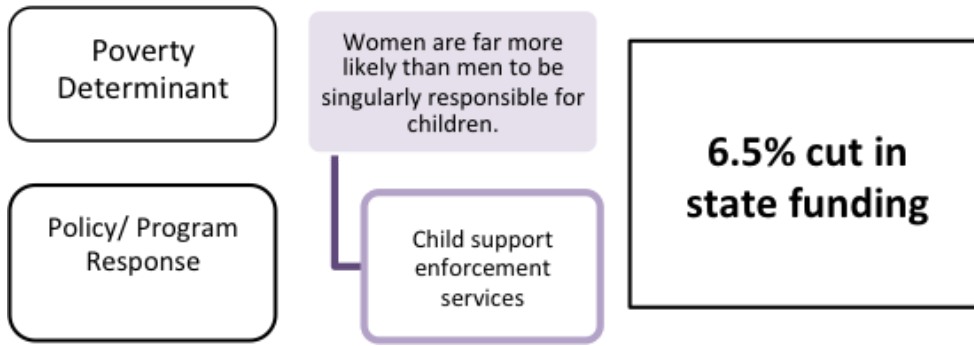
2.3.4 Women are far more likely than men to be singularly responsible for children. Among single-parent families with incomes below the poverty level, 79 percent were headed by women. Furthermore, single-mother families are more likely to live in poverty than any other type of family.

Women are more likely than men to be singularly responsible for children: **79 percent of low-income single-parent households are headed by women.** The incidence of poverty is dramatically higher among women with children than without: **31 percent of all single-mother households are low-income;** 21 percent of single women without children are.



*This is [Section 7](#) of the full report.*

2.3.4.1 Child Support Enforcement Services



*This is [Section 7.2](#) of the full report.*

**Child support has been demonstrated to reduce mothers’ reliance on government programs. According to research by the U.S. Census Bureau, for parents living below poverty, child support was an essential source of income – representing 62.6 percent of the average income for custodial parents below poverty who received full support.**

Overall between 2007 and 2013, state appropriations for Child Support Enforcement services fell 6.5 percent, a total decline of \$1.3 million. Total child support enforcement collections increased 7.0 percent, from \$630 million in 2007 to \$674 million in 2013. Taking inflation into account, the gain is relatively small. The fact that total collections didn’t decline as much as funding declined is reflective of the complex nature of enforcement services itself and of the impact it has on low-income women.

Research reveals that a number of factors that might otherwise seem unrelated positively impact the amount of child support a woman receives relative to what she is due. For example, the gap between the amount a woman receives and what she is due narrows when the child does better in school. Specifically, research published in the *American Economic Review* shows that when kids’ test scores improve, so do child support payments. The reason: “Because a noncustodial parent is unlikely to have complete information about investments in his child, he may use information about the child’s achievement as a signal of how well the CP cares for the child.”<sup>34</sup> For that reason, the effectiveness of Early Childhood Education and K-12 education programs can have positive spillover effects on child support collections.

The gap between the child support a woman is due and what she receives also narrows when the woman is working. Specifically, when the custodial parent works, the gap between expected and actual child support falls by roughly \$600 a year. So programs designed to enable low-income women’s workforce participation – such as childcare and healthcare (AHCCCS) – can also have positive spillover effects on child support collections.<sup>35</sup>

The average monthly child support payment in Arizona is \$227.<sup>36</sup> Yet most custodial parents do not receive the full amount they are owed. Nationwide, in 2009 just 42 percent of custodial mothers received all child support payments they were due. 29.5 percent did not receive payments at all.<sup>37</sup>

<sup>34</sup> Aughinbaugh, Alison (2001).

<sup>35</sup> Madalozzo, Regina (2007).

<sup>36</sup> Arizona Department of Economic Security (2013). *Welcome to Child Support Services*. The national average monthly child support payment is \$300. Both the national monthly average and the Arizona monthly average represent payments made to custodial parents of all income levels; the typical amount received by low-income women in Arizona is likely less.

<sup>37</sup> Grall, T. S. (2011).

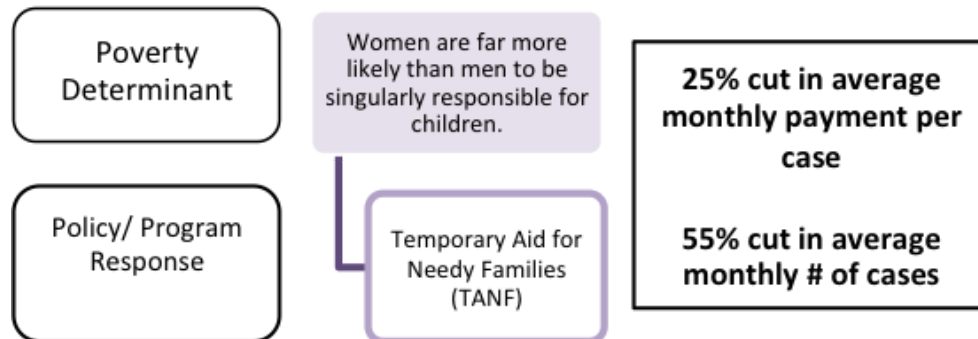
Research demonstrates significant benefits from child support payments:<sup>38</sup>

- Income from child support appears to have beneficial effects on children over and above income from other sources
- Child support reduces mothers’ reliance on welfare and increases employment
- Mothers invest more in their children as a signal to absent fathers of their commitment to the child in order to obtain more child support in the future
- Child support represented 62.6 percent of the average income for custodial parents below poverty who received full support<sup>39</sup>

The Division of Child Support Enforcement receives some of its operating funds from a portion of participating families’ TANF Cash Assistance (known as “State Share of Retained Earnings”). In 2012, the Division reported that cuts to the maximum length of time an individual could receive Cash Assistance had decreased its SSRE income, and asked for an additional \$4.5 million in state funding to avoid interruptions that “would undermine the efforts that have improved the program’s national ranking from 49th in 2006 to 28th in 2010.” The backfill funding was granted.

Given that women are more likely than men to be singularly responsible for children, if child support enforcement services help those sole-custodian mothers get support – at least financial support – from the children’s fathers, they could potentially help low-income women achieve economic self-sufficiency.

### 2.3.4.2 Temporary Aid for Needy Families (TANF) Cash Assistance



*This is [Section 7.3](#) of the full report.*

Under TANF, the federal government provides a block grant to the states, which use these funds to operate their own programs. In order to receive federal funds, states must also spend some of their own dollars on programs for needy families (they face severe fiscal penalties if they fail to do so). Arizona is one of only 11 states that use **only** federal funding for TANF Cash Assistance; the majority of state maintenance of effort (MOE) funds – the state “match” – is spent on child-welfare programs, including childcare subsidies and foster care services.<sup>40</sup> Other programs that rely on TANF funds include the JOBS program, designed to help parents on welfare find work, emergency services funding, and child support enforcement.

In March 2009, Arizona implemented a 20 percent Cash Assistance benefit payment reduction to all recipient families. This reduction continued throughout SFY 2013.<sup>41</sup> In SFY 2011, Arizona cut the

<sup>38</sup> Aizer, A., & McLanahan, S. (2006).

<sup>39</sup> Grall, T. S. (2011).

<sup>40</sup> State of Arizona Office of the Governor (2013).



lifetime limit for receipt of CA benefits from 60 months to 36 months and then to 24 months in August 2011. Twenty-four months is, according to the Center on Budget and Policy Priorities, one of the shortest time limits of all states.

Consequently, state funding for the Cash Assistance program decreased dramatically – 96 percent between 2007 and 2013. Arizona, like many other states, took money that it had previously spent on TANF Cash Assistance and reallocated that money to programs that it had funded with General Fund and other state dollars. According to the Center on Budget and Policy Priorities, “States also shifted both federal and state TANF funds previously used to fund cash assistance and related services for poor families to cover the costs of various other programs and services (such as child care, child welfare, homeless assistance, and teen pregnancy prevention programs), enabling states to scale back the state funding devoted to those programs.”<sup>42</sup>

Between 2007 and 2013, the average monthly number of TANF cases fell 55 percent. In other words, participation in TANF Cash Assistance decreased significantly during a period when – by the program's stated goal of providing a stopgap in periods of economic crisis – it should have been increasing. The decline in TANF Cash Assistance cases was not a national phenomenon. According to the Center on Budget and Policy Priorities, between December 2007 and December 2011 – when Arizona's TANF caseload declined by 54% – the national caseload *grew by 10 percent*.<sup>43</sup>

Beyond declines in participation, benefits have declined substantially as well. The average monthly payment per family fell 25 percent between 2007 and 2013 – from \$275.83 to \$207.27. In 2013, the average monthly payment was 30 percent lower than the average monthly payment of \$296.30 *in 1997*. Taking inflation into account, the decline is substantially more severe.

**As a result of Arizona's dramatic cuts to TANF Cash Assistance, participation in the program decreased significantly. In comparison, participation rose nationwide.**

As a means of helping families stay out of extreme poverty during short-term crises and as a portal to other social safety net programs, the effectiveness of TANF depends on its participation rate and on the level of benefits participants receive. TANF “has been performing inadequately on both of these dimensions for some time.”<sup>44</sup>

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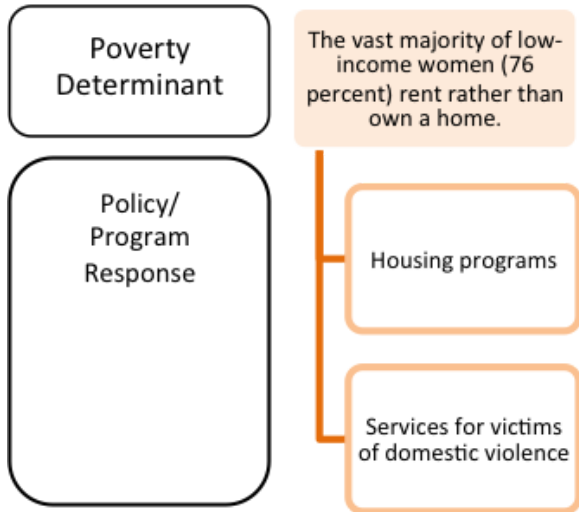
<sup>41</sup> Arizona Department of Economic Security (2013). State Fiscal Year 2013 Annual Welfare Reform Report.

<sup>42</sup> <http://www.cbpp.org/cms/?fa=view&id=3498>

<sup>43</sup> Center on Budget and Policy Priorities (2013). *Arizona TANF Caseload Fact Sheet*.

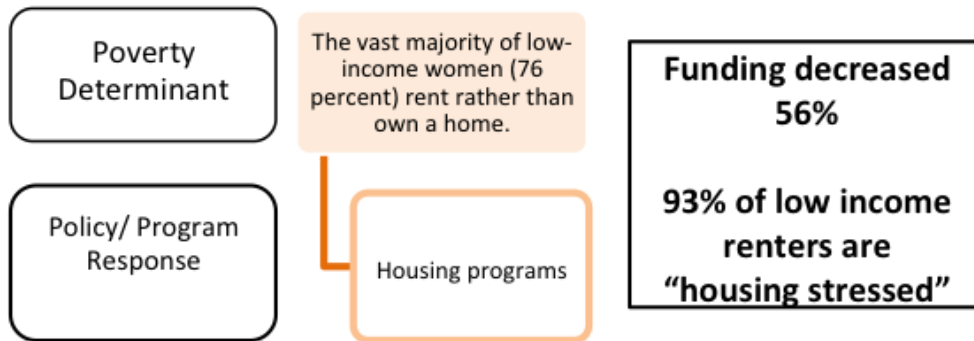
<sup>44</sup> Center on Budget and Policy Priorities (2012).

2.3.5 The vast majority of low-income women (76 percent) rent rather than own a home. Furthermore, women are far more likely to be renters than any other demographic.



This is [Section 8](#) of the full report.

2.3.5.1 Housing programs



This is [Section 8.2](#) of the full report.

Between 2007 and 2013, funding for housing programs decreased 56 percent. By itself, that decrease could be deceptive; between 2007 and 2012, funding actually rose 53 percent. Federal tax credits ended in 2013, cutting low income tax credits from \$210 million in 2012 to \$15 million in 2013.

Despite the fact that \$952 million went to funding Low Income Housing Tax Credits in Arizona between 2007 and 2013, housing affordability has worsened. Among the lowest income households (those with incomes of less than \$20,000) who owned a home in 2013, 68 percent spent 30 percent or more of their income on housing. Among renters at that income level, 93 percent spent 30 percent or more of their income on housing. Those who spend more than 30 percent of their income on housing are considered “housing stressed.” See [Figure 68](#) in [Section 8.2](#).

Housing stressed renters who are already in a precarious economic situation – with little to no “rainy day” savings – are particularly vulnerable to homelessness caused by a temporary economic hardship like a job loss. Lack of affordable housing and poverty are two leading causes of homelessness among households with children, and homelessness has been shown to have profoundly negative effects on families, especially children.<sup>45</sup>

### 2.3.6

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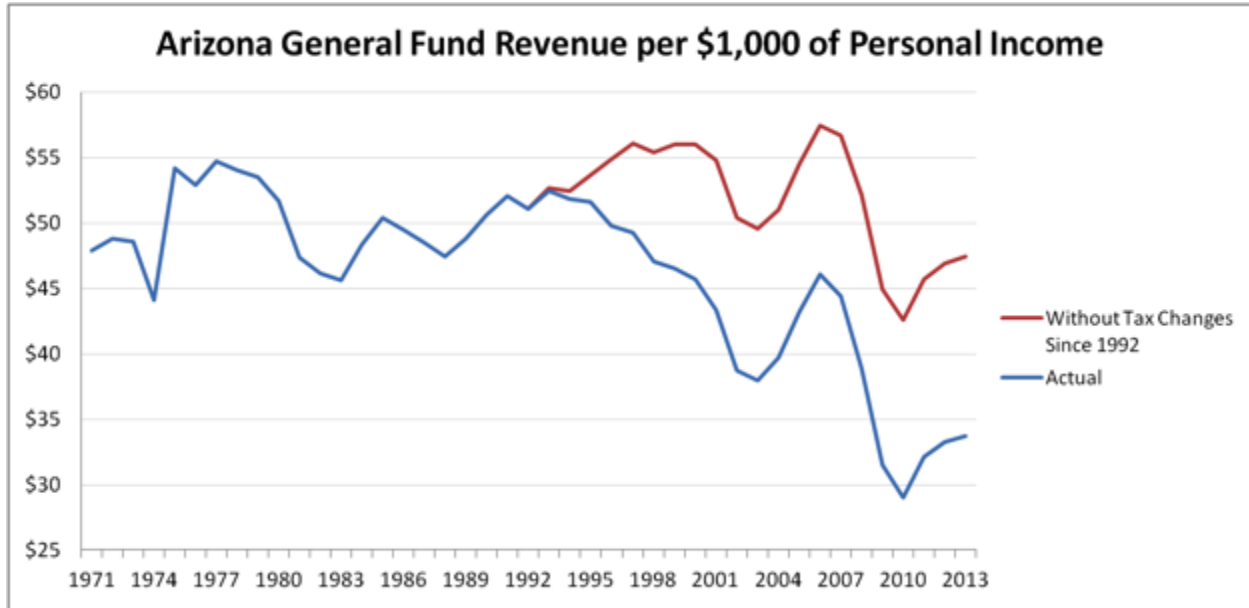
<sup>45</sup> The United States Conference of Mayors (2011).

<sup>46</sup> Grand Canyon Institute (2013). *The Effects of Tax Reductions In Arizona: Significantly Reduced Government Revenue and No Apparent Impact on Economic Growth*.

### 2.3.7 Arizona has the capacity to increase funding to these programs

Since 2007, Arizona state government general fund revenue as a share of personal income has fallen to its lowest level in four decades – the result of a wave of tax cuts from 1995 through 2001 and in 2007 and 2008.

**Figure 8: Arizona State Government General Fund Revenue per \$1,000 of Personal Income<sup>46</sup>**



Have those significant tax cuts boosted economic growth in Arizona? According to analysis by Grand Canyon Institute research fellow Tom Rex, the answer is no. And that’s not good for the economy. “If economic growth does not accelerate to offset tax reductions, then government revenue relative to the size of the economy has to fall. This is shown clearly in [Figure 8](#) with sharp drops in actual revenue since the mid-1990s, when tax reductions began to go into effect. Had no tax code changes been made since 1992, revenues would have been substantially higher and similar to the historical norm.”

**If general fund revenue were at the level it would be had there been no tax changes since 1992, the state would have taken in an additional \$3.15 billion in 2012 and \$3.28 billion in 2013.**

### 3 Full Report - Introduction

**Sections 3 through 9, pages 31-150, provide full coverage of all of our research, beginning with an explanation of our methodology and an in-depth look into the economic status of women in Arizona. Subsequent sections cover each determinant of poverty and policy/program response in detail. For an abbreviated version of this full report, see [Section 2](#).**

#### 3.1 Methodology

This research report will look at state support for low-income women in Arizona over the six-year period from 2007-2012. Specifically, we will look at state expenditures for programs designed to help low-income women achieve self-sufficiency, including direct support programs (TANF, SNAP, WIC, housing and healthcare); indirect support programs (childcare, job training, small business assistance); and education.

To define our population of programs – those designed to “support low-income women” – we use an income eligibility threshold of up to 200 percent of the federal poverty level (FPL), which in 2013 was \$37,538 for a single mother with two children under the age of 18 (see definitions and detail in [Section 3.2](#)). Many of the programs included in this report have lower income eligibility thresholds – typically 100, 133, 150, or 185 percent.

Our analysis will include programs that are fully or partially funded by the state, including those that are federally funded but administered by the state (such as SNAP, TANF, unemployment insurance, Medicaid). Our analysis will not include programs funded by the federal government with no implementation or administration by the state, and will not include programs that are privately funded or funded by local (municipality/county) level governments.

Most of the state's public health and welfare programs are administered by three state agencies: the Arizona Health Care Cost Containment System (AHCCCS, the state's Medicaid program), the Department of Economic Security (DES), and the Department of Health Services (DHS). All of these programs are administered by the state but receive some or even all of their funding from the federal government.

Appropriations are approved by the Arizona Legislature before the beginning of each fiscal year, but adjustments to appropriations can be made during the year. Adjustments are reflected in the following year's budget, referred to as “Actual Appropriations” for the previous year. As such, in most cases (where noted), we have used Actual Appropriations as proxies for Funds Expended. Data are reported for each State Fiscal Year (“SFY”), which runs from July 1 through June 30.

## 3.2 The Economic Status of Women in Arizona: A Snapshot

The purpose of this section of the report is to paint a picture of the economic status of low-income women living in Arizona, and to see how that status has changed over the last six years.

By “economic status” we mean the broad income classification of women in Arizona. Those income classifications are defined by the U.S. Census Bureau relative to the Federal Poverty Level, or FPL. This is the explanation from the Census Bureau about its poverty thresholds:

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation. The official poverty definition uses money income before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps).<sup>47</sup>

When not reporting data by individual, the U.S. Census Bureau, responsible for the American Community Survey that reports poverty levels, reports much of its data by “household” including “family” and “nonfamily” households. The definitions are important:<sup>48</sup>

- A *household* consists of all the people (related or unrelated) who occupy a housing unit. A person living alone in a housing unit is also counted as a household.
- The *householder* is the person (or one of the people) in whose name the housing unit is owned or rented. If there is no such person, the householder is any adult member of the household. If the housing unit is owned or rented jointly by a married couple, the householder may be either the husband or the wife. The number of householders is equal to the number of households.

There are two major categories of households:

- A *family household* is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together.
- A *nonfamily household* consists of a householder living alone (a one-person household) or where the householder shares the home exclusively with people to whom he/she is not related.

For the purposes of this study we are interested in family households where the householder is a woman with no husband present (i.e. single women supporting children or other relatives); and nonfamily households where the householder is a woman (i.e. single women living alone or with unrelated people).

Again, for the purposes of defining our population of programs – those designed to “support low-income women” – we use an income eligibility threshold of up to 200 percent of the federal poverty level. Many of the programs included in this report have lower income eligibility thresholds – typically 100, 133, 150, or 185 percent. The actual income amounts of the federal poverty level thresholds for 2007 and 2013 are detailed in [Table 2](#). Select examples of FPL income thresholds (income levels at or below which are classified as “in poverty”) in 2013 are:

- \$12,119 for a single person
- \$16,057 for a single adult with one child under the age of 18
- \$18,769 for a single adult with two children under the age of 18

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<sup>47</sup> United States Census Bureau (2013). *How the Census Bureau Measures Poverty*.

<sup>48</sup> United States Census Bureau (2013). *Current Population Survey (CPS) - Definitions*.

To note, the Federal Poverty Level is not sufficient to support a self-sufficient individual, much less a family. In 2012 the Women’s Foundation of Southern Arizona published a research study on the Self-Sufficiency Standard for Arizona, defining the income families of various sizes and compositions need to make ends meet without public or private assistance in each county of Arizona. The Self-Sufficiency Standard is a measure of income adequacy that is based on the costs of the basic needs for working families: housing, child care, food, health care, transportation, and miscellaneous items as well as the cost of taxes and the impact of tax credits.<sup>49</sup>

We cite the self-sufficiency standard for Maricopa County, as it is the state’s most populous county. In Maricopa County in 2012 the annual self-sufficiency income for one adult with a preschooler and school-aged child was \$51,115. That is almost three times the federal poverty level. The annual self-sufficiency income for a single adult was \$21,512 – almost double the FPL. In other words, there is a large gap between the federally defined “poverty” threshold and the amount of income necessary for economic self-sufficiency.

**Table 2: Poverty Thresholds by Size of Family and Number of Related Children Under 18 Years, 2013 (\$)**

Size of family unit	Number of related children under 18 years								
	None	One	Two	Three	Four	Five	Six	Seven	Eight+
<b>One person</b>									
< 65 years	\$12,119								
≥ 65 years	\$11,173								
<b>Two people</b>									
Householder < 65 years	\$15,600	\$16,057							
Householder ≥ 65 years	\$14,081	\$15,996							
<b>Three people</b>	\$18,222	\$18,751	\$18,769						
<b>Four people</b>	\$24,028	\$24,421	\$23,624	\$23,707					
<b>Five people</b>	\$28,977	\$29,398	\$28,498	\$27,801	\$27,376				
<b>Six people</b>	\$33,329	\$33,461	\$32,771	\$32,110	\$31,128	\$30,545			
<b>Seven people</b>	\$38,349	\$38,588	\$37,763	\$37,187	\$36,115	\$34,865	\$33,493		
<b>Eight people</b>	\$42,890	\$43,269	\$42,490	\$41,807	\$40,839	\$39,610	\$38,331	\$38,006	
<b>Nine+ people</b>	\$51,594	\$51,844	\$51,154	\$50,575	\$49,625	\$48,317	\$47,134	\$46,842	\$45,037

Source: U.S. Census Bureau

**There is a large gap between the federally defined “poverty” threshold and the amount of income necessary for economic self sufficiency.**

**How many Arizonans live in poverty? An increasingly large number.**

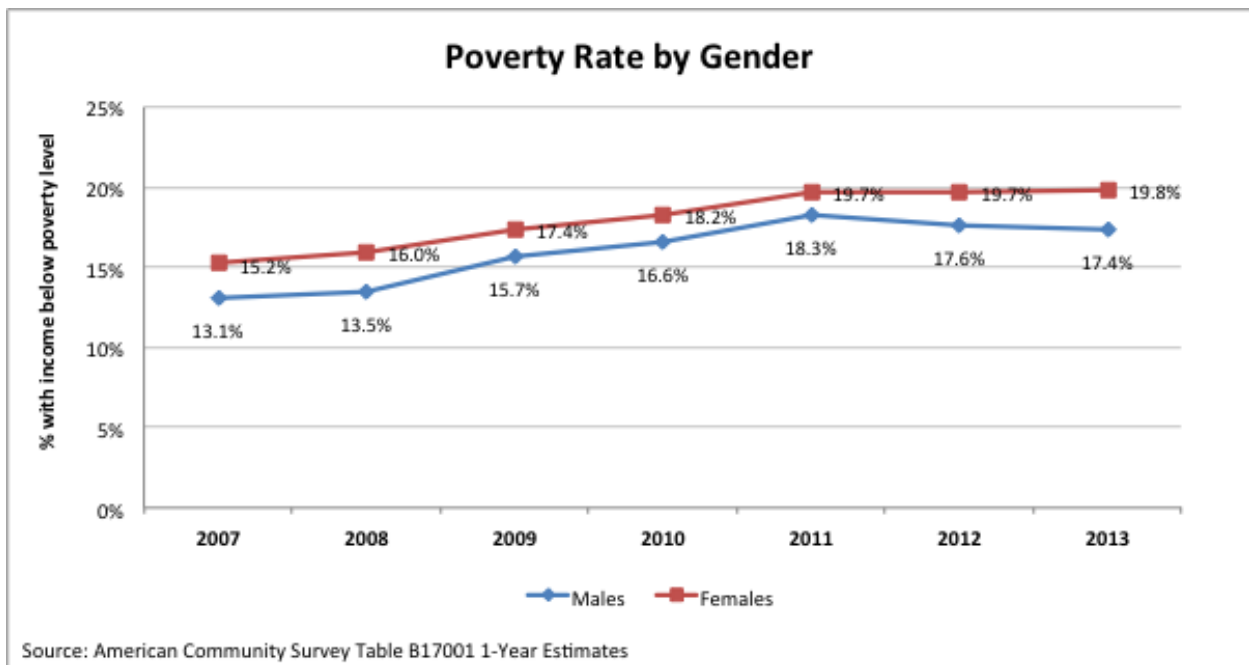
<sup>49</sup> Women’s Foundation of Southern Arizona (2012).

The percentage of Arizonans classified as living in poverty (those with income below the federal poverty level) increased dramatically during our study period. While the total population of Arizona (males and females of all ages across all household types) increased 4 percent between 2007 and 2013, the number of Arizonans with income below the federal poverty level (FPL) increased 37 percent. In other words, Arizonans who had been living above the poverty level fell into poverty. That is not particularly surprising given the worst economic downturn since the Great Depression that began in December 2007 and whose effects are still present today.

In our 2013 report (with data through 2012), we reported that the increase in the incidence of poverty was more pronounced for males than females. We said that was consistent with the notion of the Great Recession as a “mancession” and the fact that Arizona’s deepest job losses were in industries typically dominated by men, such as construction.<sup>50</sup> However, when we take 2013 into account, the increase in the incidence of poverty was actually the same between men and women. The number of men living below the FPL increased 37 percent between 2007 and 2013; the number of women living below the FPL increased 37 percent as well.

Nevertheless, as Figure 9 makes clear, in every year of our study period females had a higher *relative* incidence of poverty than males did. In 2007, 15.2 percent of females (of all ages, across all household types) in Arizona lived in poverty (compared to 13.1 percent of males of all ages across all household types); in 2013, the poverty rate was 19.8 percent for females compared to 17.4 percent for males.

**Figure 9: Poverty Rate by Gender**



<sup>50</sup> Yet according to the IWPR/Rockefeller Survey of Economic Security, Women and Men Living on the Edge: Economic Insecurity After the Great Recession: “The Great Recession, dubbed the ‘mancession’ because men’s job losses were more than twice as large as women’s, has increased women’s economic vulnerability more than it has men’s. For example, among workers, where as 61 percent of men report having enough savings to cover two months of earnings if they lost their jobs, only 43 percent of women would have that much savings....Women report more hunger, more difficulty paying bills or affording healthcare, and more inability to meet their children’s needs....women seem to have remained in the recession a year and a half after its end.”



## A larger relative percentage of women than men are low-income

Why is it that women have a higher relative incidence of poverty than men? There are a number of likely contributing factors, including:

- Women are more likely to be out of the workforce than men, and being out of the workforce is a contributing factor to poverty. In addition, women are less likely than men to work full-time, year-round, yet working full-time, year-round is an important determinant of economic self-sufficiency.
- Women make up a relatively smaller share of high-paying occupations than men do. Within the same occupational categories, women earn less than men do.
- Women are more likely than men to be singularly responsible for children, and the incidence of poverty is dramatically higher among people with children than without.
- The vast majority of low-income women (76 percent) rent rather than own a home. Women are far more likely to be renters than any other demographic.
- In addition, educational attainment is an important determinant of economic self-sufficiency.

### 3.2.1 Mapping Determinants of Poverty to Policy Responses/Programs

We took those five determinants of poverty listed above and analyzed the programs that might promote low-income women's self-sufficiency in that area.

1. **Poverty rates by workforce participation:** Are women more likely than men to be out of the workforce? Are women in the workforce less likely to work full-time, year-round? If so, what might potential policy or program responses be? We analyze childcare programs and healthcare (Arizona's Medicaid program, AHCCCS). *This is [Section 4](#) of the full report.*
2. **Poverty rates by educational attainment: How important is education as a means of improving women's economic self-sufficiency?** If it is very important, what might potential policy or program responses be? We analyze Early Childhood Education programs; K-12 Education programs; Nutrition Assistance; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); community colleges; and universities. *This is [Section 5](#) of the full report.*
3. **Poverty rates by earnings and occupation: Are women more likely than men to work low-paying jobs?** If so, what might potential policy or program responses be? We analyze K-12 STEM programs; Joint Technical Education District (JTED) and Career and Technical Education (CTE) programs; adult education programs (including GED); and job training programs. *This is [Section 6](#) of the full report.*
4. **Poverty rates by family type: Are women more likely than men to be singularly responsible for children?** If so, what might potential policy or program responses be? We analyze Arizona's child support enforcement services; Temporary Aid for Needy Families (TANF); unemployment insurance; and teen pregnancy reduction programs. *This is [Section 7](#) of the full report.*
5. **Poverty rates by housing tenure:** How likely are low-income women to be renters rather than homeowners? If they are much more likely to rent, what might potential policy or program responses be? We analyze housing programs and services for victims of domestic violence. *This is [Section 8](#) of the full report.*

Figure 10: Mapping Determinants of Poverty to Policy Responses/Programs

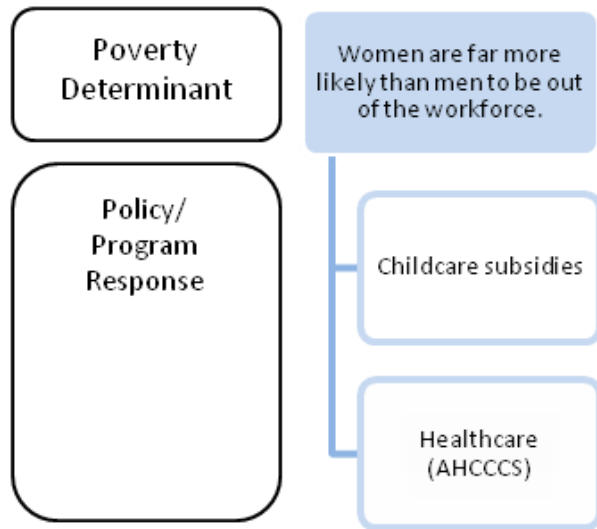




## 4 Full Report - Enabling Workforce Participation: Childcare and Healthcare

In this section we first explore the data on poverty and workforce participation. The data reveal that women are far more likely than men to be out of the workforce. Furthermore, being out of the workforce is a contributing factor to poverty; women not in the labor force are more likely to be in poverty than women in the labor force.

In that context, what are policies/programs that could help low-income women achieve economic self-sufficiency? In this section we explore policies and programs that encourage and enable women to get into the labor force and work full-time, year-round – programs such as Career and Technical Education (CTE), job training, and childcare.

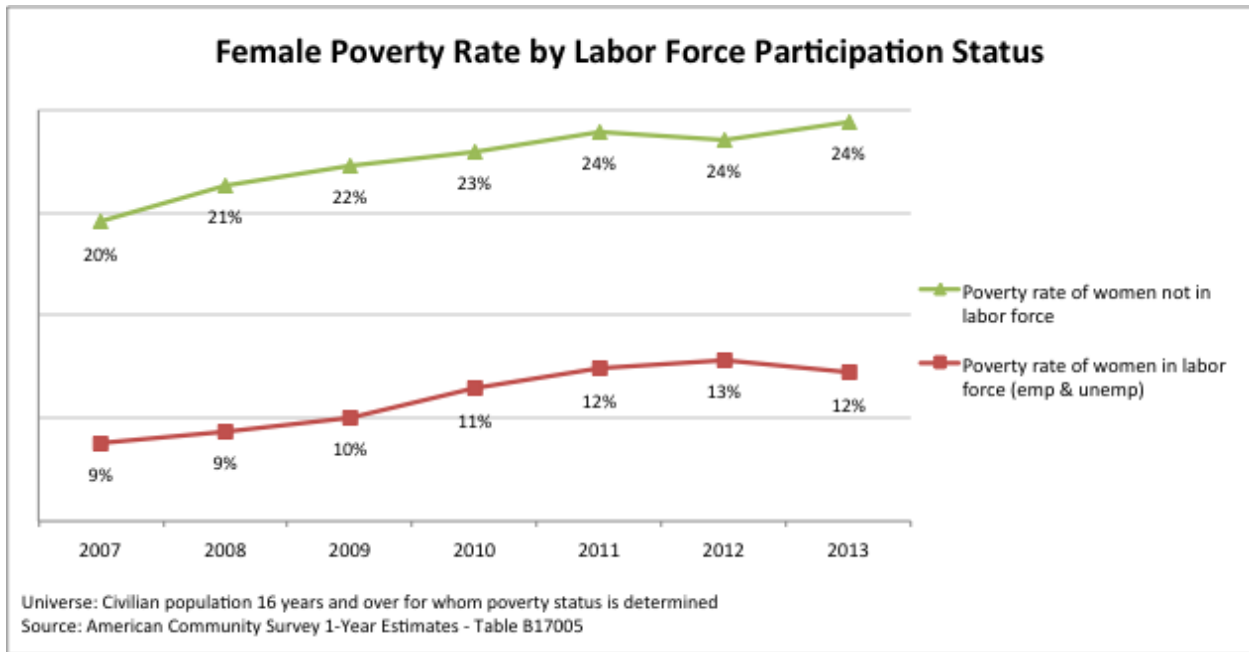


### 4.1 Poverty and Workforce Participation

**Women are more likely than men to be out of the workforce.** Because women are overwhelmingly more likely to be singularly responsible for child rearing than men are (see [Section 7.1](#)) it is not surprising that women are also more likely than men to be out of the labor force (meaning neither employed nor unemployed and seeking a job). In 2007, 61 percent of all individuals not in the labor force were women; that number remained fairly consistent through 2013, when 59 percent of those not in the labor force were females.

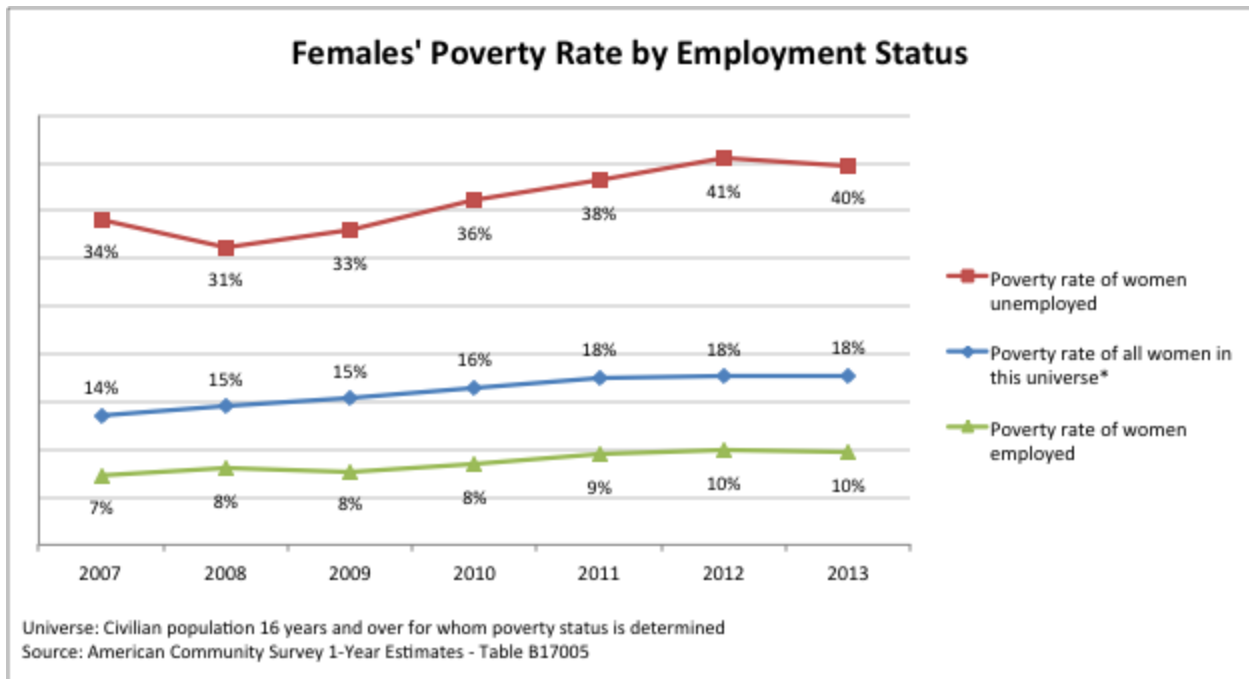
Being out of the workforce is a contributing factor to poverty; women not in the labor force are more likely to be in poverty than women in the labor force. The poverty rate of women in the labor force, including those who are employed and those who are unemployed, is consistently 11-12 percentage points lower than the poverty rate of women not in the labor force, as [Figure 11](#) makes clear.

**Figure 11: Female Poverty Rate by Labor Force Participation Status**



Women, at least across our six-year study period, were not more likely than men to be unemployed. In 2007, among all individuals unemployed, 44.3 percent were women. In 2013 44.6 percent of all individuals unemployed were women. However, women who are unemployed are more likely to be in poverty than women who are not unemployed, as [Figure 12](#) demonstrates.

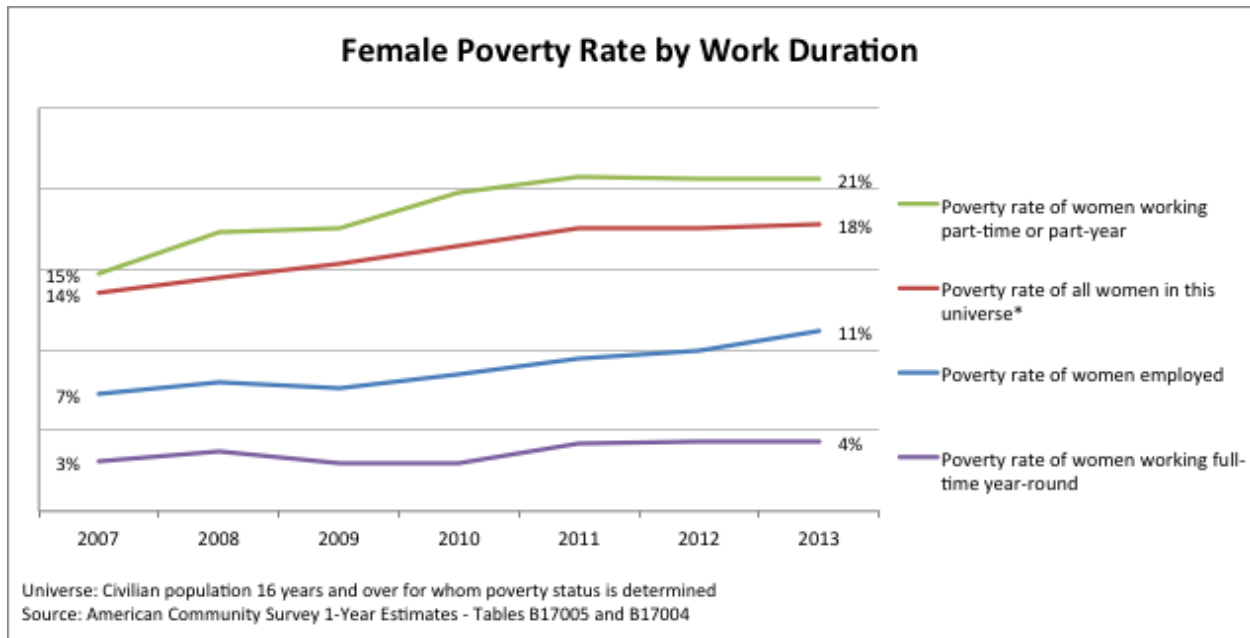
**Figure 12: Females' Poverty Rate by Employment Status**



In addition to demonstrating the fact that employed women are much less likely to be in poverty than unemployed women, [Figure 12](#) also demonstrates that the incidence of poverty among employed women is increasing; in 2007, 7 percent of employed women lived below the federal poverty level. By 2013, that number had risen to 10 percent.

**Women are less likely to work full-time, year-round.** Beyond labor force participation and employment, working full time is another critical element of economic self-sufficiency. **Poverty rates are higher among those who work only part-time or part-year.**<sup>51</sup> As [Figure 13](#) makes clear, poverty rates among women who work full-time, year-round are dramatically lower – five times lower – than poverty rates among women who work just part-time or part-year. In addition, comparing the poverty rate of women who work full-time, year round to the poverty rate of all employed women (full-time plus part-time), as [Figure 13](#) does, the issue becomes even clearer: it is not just employment that matters for a woman’s economic self-sufficiency, but full-time, year-round employment.

**Figure 13: Female Poverty Rate by Work Duration**

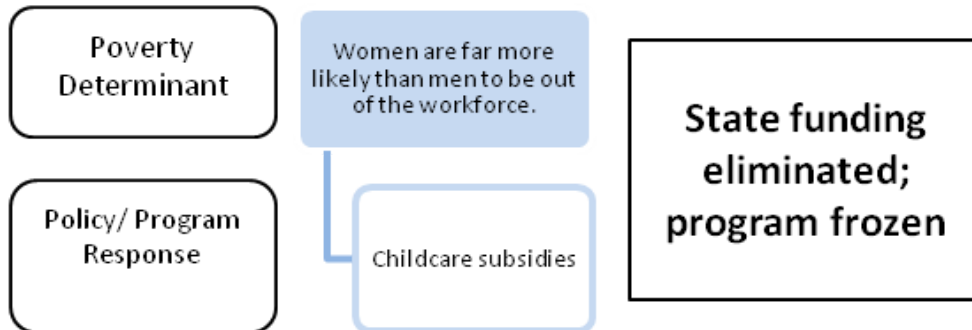


Yet despite the importance of full-time, year-round work as an element of economic self-sufficiency, women are less likely than men to work full time year-round. In 2007, women made up 39 percent of all individuals working full-time, year-round. That figure rose steadily over our six year period, though women are still much less likely than men to work full-time year-round; in 2013, 43 percent of all full-time, year-round workers were women.

**It is not only employment that matters for a woman’s economic self-sufficiency, but full-time, year-round employment.**

<sup>51</sup> Research from the Government Accountability Office shows that “Low-wage women and men earned a similar hourly wage, but women as a group earned less in a typical week – in part, because they were more likely to work part-time.” Indeed, “Employment is the surest means to avoid poverty, if one can secure full-time work and keep it all year.”

## 4.2 Childcare



**Given that women are far more likely than men to be out of the workforce and that being out of the workforce is a contributing factor to poverty, programs that are designed to encourage and enable women to get into the labor force and work full-time, year-round can help low-income women become economically self-sufficient.**

One of the primary causes of women's lower workforce participation rates is that women are overwhelmingly more likely than men to be singularly responsible for children (among single-parent families with incomes below the poverty level, 79 percent were headed by women) – see [Section 7.1](#). A lack of affordable childcare can be a significant impediment to women's participation in the workforce.

Indeed, according to economist Timothy Bartik, “The increase in mothers’ labor force participation rates is estimated to be about one-fifth of the percentage reduction in child care costs. (For example, a 100 percent reduction in child care costs – that is, making child care free – would be assumed to increase mothers’ employment rates by 20 points. If the base employment rate was 30 percent, free child care would increase the employment rate to 50 percent).”<sup>52</sup>

Because work matters, and because women are less able to fully join the workforce because of childcare responsibilities, programs that effectively remove that childcare barrier can enable women to get into the workforce and out of poverty. For those women who do work, but not full-time or year-round, childcare solutions for school-aged children who need care before and after school and during breaks are a critical element in enabling women to work full-time, year-round.

**Because work matters, and because women are less able to fully join the workforce because of childcare responsibilities, programs that effectively remove that childcare barrier can enable women to get into the workforce and out of poverty.**

<sup>52</sup> Bartik, T. J. (2011) page 95.

**Table 3: Subsidized Childcare**

<b>Program</b>	<b>Benefit</b>	<b>Eligibility</b>
<p>Arizona DES Child Care Assistance</p> <p>Programs include:</p> <ul style="list-style-type: none"> <li>• Low Income Working</li> <li>• Transitional Child Care</li> <li>• Jobs Child Care (under TANF)</li> <li>• Employed Child Care (under TANF)</li> <li>• Special Circumstances</li> </ul>	<p>Subsidized child care – Child care costs are reduced to a monthly co-payment which is dependent on income level and number of children in care<sup>53</sup></p> <p>Families may choose from a variety of child care providers including Department of Health Services (DHS) licensed child care centers, DHS-certified child care group homes, DES-certified small family child care homes, and in some instances, non-certified relatives</p>	<p>Broadly, income up to 165% of the FPL.<sup>54</sup> However, due to limited funding new applicants are placed on a waiting list</p>

**Source:** Arizona Department of Economic Security

### 4.2.1 Childcare Programs – Funding

Childcare subsidies in Arizona are funded by three sources: the state’s General Fund, the Temporary Aid for Needy Families (TANF) Block Grant (a federal grant), and the Child Care and Development Fund (CCDF) Block Grant (also a federal grant).<sup>55</sup> **Between 2007 and 2013, total funding (from all sources) for subsidized childcare declined 36 percent.**

**That decline is driven in part by the elimination of state General Fund (GF) funding in 2012.** The General Fund had been a significant source of funds for childcare subsidies; in 2007, GF appropriations for subsidized childcare totaled \$75.5 million. Funding from TANF, which the state can use for a number of programs, rose from \$8 million in 2008 to \$70 million but declined to \$2.7 million in 2011 and has remained there – a total decline of 66 percent between 2007 and 2013. General Fund and TANF declines have been partially offset by a 12 percent increase in funding from the Child Care and Development Fund.<sup>56</sup>

The FY 2011 Appropriations Report explains the increase and subsequent rollback of TANF funding for childcare subsidies: “Beginning in FY 2008, DES received additional funding from the federal TANF Contingency Fund, which was a reserve fund set aside for states with rising costs in TANF-related

<sup>53</sup> AZ Dept of Economic Security (2013). *Child Care Assistance Gross Monthly Income Eligibility Chart and Fee Schedule*.

<sup>54</sup> In 2012, the federal poverty level (FPL) was \$18,498 for a single mother with two children under the age of 18. The FPL for a single woman alone was \$11,945. For full detail see Table 1.

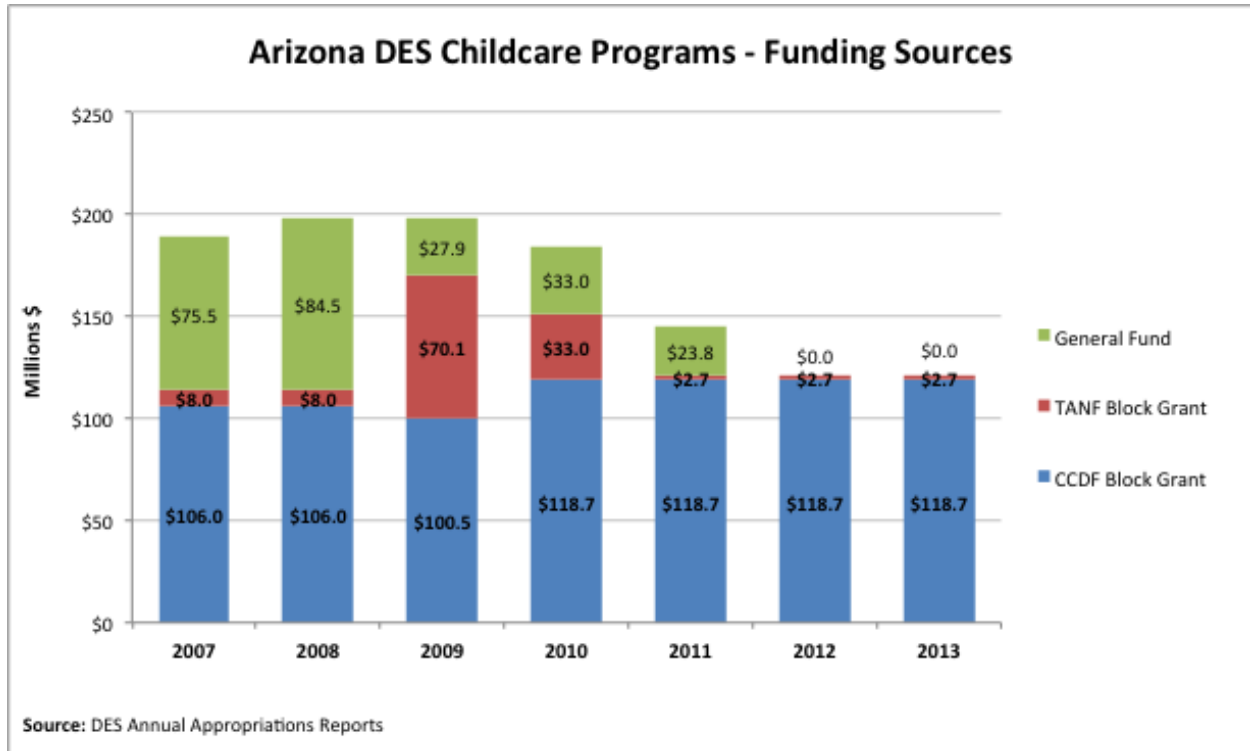
<sup>55</sup> For more details on Temporary Aid for Needy Families, where the funds go, and the programmatic impact that has had, see [Section 11.8](#)

<sup>56</sup> With federal block grants like TANF and CCDF, the state has some leeway to steer funds to particular programs. It could be quite enlightening to trace the decisions made, funding changes, and programmatic impacts of federal and other money during the Great Recession.



programs. In FY 2010, DES continued to be eligible to receive the TANF Contingency Fund money, but as the economy has worsened, additional states became eligible and the fund was depleted.<sup>57</sup>

**Figure 14: Arizona DES Subsidized Childcare - Funding Sources (Millions \$)**



#### 4.2.2 Childcare Programs – Impact

Low-income women often do not earn high enough wages to make paying for childcare financially feasible. The federal poverty income level for a woman with one child in 2012 was \$15,825, or \$1,319 per month. The median monthly cost of a licensed childcare center in 2012 was \$820 – nearly two-thirds of the woman’s entire monthly income.<sup>58</sup> In many cases, childcare costs are even higher. According to the 2012 *How Much Is Enough? Self-Sufficiency Standard* report from the Women’s Foundation of Southern Arizona, median monthly costs for childcare in Maricopa County ranges from \$457 to \$1419, depending on age and number of children.<sup>59</sup>

**The federal poverty income level for a woman with one child in 2012 was \$15,825, or \$1,319 per month. The median monthly cost of a licensed childcare center in 2012 was \$820 – nearly two-thirds of the woman’s entire monthly income.**

<sup>57</sup> Joint Legislative Budget Committee (2010)

<sup>58</sup> For more on this discussion see Innes, S. (2013, August 10).

<sup>59</sup> Women's Foundation of Southern Arizona (2012).

As the cuts in TANF, CCDF, and state General Fund funding for subsidized childcare programs (see Figure 14) flowed into expenditure cuts for those same programs, families who would receive subsidies for childcare were left unserved. The declines in the number of families served by these programs tracks with the declines in funding, with increases in the number of families served under the Child Protective Services and Jobs Child Care programs – the only two programs to have received more funding in 2013 than in 2007. Overall, 44 percent fewer families received subsidized childcare in 2013 than in 2007. Between 2012 and 2013, the number of families receiving subsidized childcare declined 7 percent.

**Table 4: Arizona DES Subsidized Childcare - Families Served**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
Low Income Working Families Served	13,693	14,506	14,618	8,775	6,140	4,873	3,959	-71.1%
Child Protective Services	3,450	3,629	3,787	3,256	3,767	4,308	4,734	37.2%
Transitional Child Care	2,677	2,248	2,107	1,634	2,027	1,913	1,615	-39.7%
Jobs Child Care	1,345	1,449	2,092	2,230	1,873	1,590	1,488	10.6%
Transitional Child Care Extensions	1,742	1,634	1,381	1,151	1,025	1,320	1,304	-25.1%
Employed Child Care	676	587	432	329	436	440	318	-53.0%
Special Circumstances	640	670	660	304	209	181	148	-76.9%
<b>Total</b>	<b>24,223</b>	<b>24,723</b>	<b>25,077</b>	<b>17,679</b>	<b>15,477</b>	<b>14,625</b>	<b>13,556</b>	<b>-44.0%</b>

**Source:** Annual JLBC Child Care Report

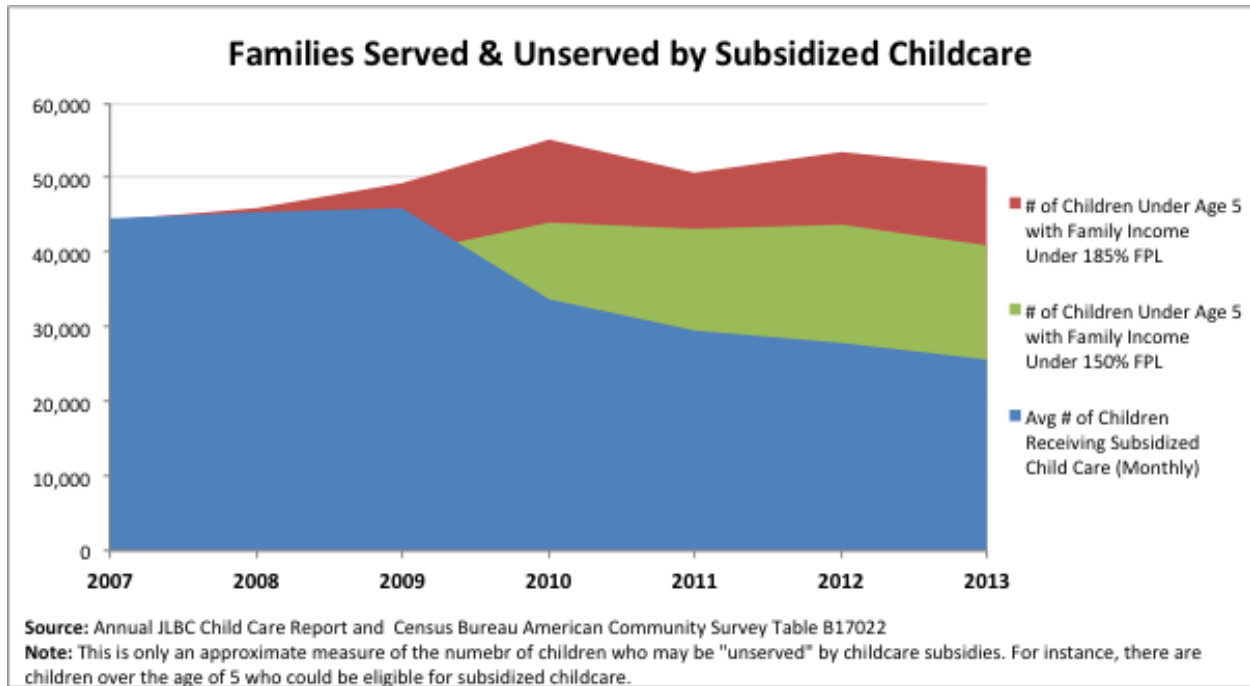
**Note:** Data represents funds administered by the Department of Economic Security (DES)

### Where have these declines left families?

By February 2009, there were more applicants for subsidized childcare than funds to pay, and the DES Child Care Administration imposed a waiting list that restricted childcare services to only those currently receiving childcare assistance and to those referred for services as a result of Child Protective Services intervention or to enable TANF-related families to engage in work preparation or job search activities or transition to employment from Cash Assistance. By the end of 2009, there were 4,600 families on the waiting list. That number spiked to 10,400 in 2010. At the end of fiscal year 2013, there were still 6,407 families waiting for subsidized childcare.

The relative size of the unserved population in Arizona is clear, as [Figure 15](#) reveals. In 2008, the number of children receiving subsidized childcare was outstripped by the number of Arizona children under the age of 5 living in families with incomes under 185 percent of the Federal Poverty Level. In 2010, the number of children served was outstripped by the number of children under age five in families with incomes under 150 percent of the FPL. (Income eligibility levels for childcare subsidies is 165 percent of the FPL.) By 2013, the number of children receiving subsidized childcare was just 50 percent of children under 185 percent FPL and 63 percent of children under 150 percent FPL.<sup>60</sup>

**Figure 15: Children Unserved by Childcare Subsidies**



Children not served by subsidized childcare programs may be served by, or eligible for, publicly funded Early Childhood Education (ECE) program, though those also serve far fewer children than are eligible, and have faced the same magnitude of cuts by the state as childcare has. See [Section 5.2](#) for more discussion on the relationship between childcare programs and ECE, including the additional benefits provided by ECE over childcare.

**Do DES subsidized childcare programs work to support low-income women?** The stated purpose of DES Child Care is to assist eligible families with child care costs, enabling parents to participate in employment and specific education and training activities related to employment or in certain other circumstances when parents are unable to provide care.<sup>61</sup> On the first measure, employment, the unemployment rate among low-income women rose from 22 percent in 2007 to 28 percent in 2013.<sup>62</sup> On the second measure, job training programs, in Program Year 2012 (4/12-3/13), 76 percent of adult job training program participants remained employed a year after exiting the program.<sup>63</sup> Of course, both of those factors are heavily influenced by high rates of unemployment and job loss throughout the economy.

DES measures its performance according to the metrics listed in [Table 5](#). By two of these measures – the average amount of the subsidy and the number of individuals participating in employment prep training – impact has been positive. By the other three metrics, performance has been negative, with declines in children authorized for care, children receiving subsidized care, and children receiving care in accredited programs.

<sup>60</sup> The number of children under age five living in families with incomes below 185 percent FPL and 150 percent FPL are proxies for the number of children who might need subsidized childcare. Of course, not all children in those groups will need subsidized childcare.

<sup>61</sup> Arizona Department of Economic Security (2013). *DES Child Care Description of Services*.

<sup>62</sup> The share of unemployed low-income women among all low-income women over age 16 in the civilian labor force. Data from the American Community Survey 1-Year Estimates - Table B17005.

<sup>63</sup> For more detail on the impact of job training programs, see [Section 11.7](#)

**Table 5: DES Childcare Subsidies Performance Measures**

	2007	2008	2009	2010	2011	2012	2013
Total Children Authorized for Subsidized Child Care	52,178	53,237	45,177	34,658	34,047	30,960	28,973
Monthly Average of Children Receiving Subsidized Child Care	44,609	45,367	45,957	33,583	29,559	27,951	25,696
Child Care Subsidies - Average Reimbursement	\$330.74	\$352.85	\$351.34	\$337.99	\$345.43	\$345.88	\$347.32
# Individuals Participated in Employment Preparation Training	332	478	264	456	463	410	390
Approximate Number of Children per Month Receiving Child Care in Accredited Programs	3,528	3,665	3,383	2,315	1,794	1,782	1,744

**Source:** DES State Fiscal Year Annual Welfare Reform Report

**Note:** This table reflects the number of children served in subsidized childcare programs; more than one child in a given family may receive these services.

### 4.2.3 Childcare Programs – Findings

Workforce participation matters, so programs that encourage and enable low-income women to enter and stay in the workforce can be tremendously impactful. Childcare subsidies from Arizona’s Department of Economic Security is one such program. Without subsidies, childcare is unaffordable for most low-income women.

Yet between 2007 and 2013, total funding (from all sources) for subsidized childcare declined 36 percent. General Fund (GF) funding for childcare subsidies was \$75 million in 2007. In 2013, it was \$0. In 2009, the state froze enrollment in subsidized childcare; services have been restricted to those already receiving assistance and to those referred for services as a result of Child Protective Services intervention or to enable TANF-related families to engage in work preparation or job search activities or transition to employment from Cash Assistance. All other applicants are placed on a waiting list.

Those funding cuts and enrollment freeze directly impacted Arizona’s children and their mothers: At the end of state fiscal year 2013 there were 6,407 families on the waiting list to receive subsidized childcare. That waiting list represents 32 percent of the total population of families served and unserved by the program, and *does not include* the families who have not applied but would be eligible if the program were not frozen.

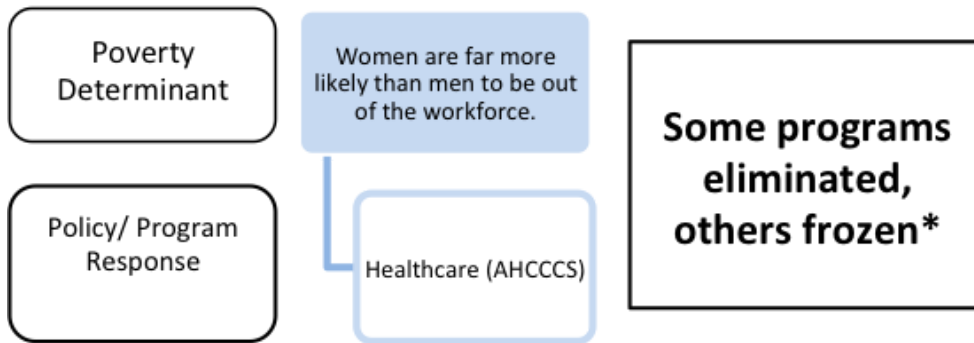
**In addition to enabling low-income women to work, and thereby raise themselves out of poverty, when childcare is not simply care but true early education, the benefits to the child, the family, and society in general are magnified significantly.**

As an alternative to childcare programs, Early Childhood Education programs still enable low-income women to participate in the workforce, but they also demonstrate very significant benefits for the children (and by extension, for society at large) – preparing the next generation for economic self-sufficiency. Early Childhood Education is covered in [Section 5.2](#).

**For additional details on childcare programs in Arizona, see [Section 11.1](#).**



### 4.3 Healthcare (AHCCCS)



\*The freeze on AHCCCS Care enrollment for childless adults remained in effect through the end of 2013. On January 1, 2014, Arizona restored Proposition 204 coverage to childless adults living below the FPL and expanded coverage to adults earning up to 133% of the FPL as well as children with family incomes up to 133 percent of the FPL.

**Given that women are far more likely than men to be out of the workforce and that being out of the workforce is a contributing factor to poverty, programs that are designed to encourage and enable women to get into the labor force and work full-time, year-round can help low-income women become economically self-sufficient.**

One such program is government-funded healthcare. Women who are healthy are more likely able to fully participate in workforce. In addition, healthcare reaps tremendous dividends in other ways – including longer life spans, better preventative care (which can reduce the need for more costly healthcare later), and a reduced dependency on emergency rooms and urgent care clinics (which tend to be more expensive). Insofar as it enables women to fully participate in the workforce, and for those other reasons, healthcare coverage for people who would otherwise be uninsured makes economic sense.

**Table 6: Healthcare Programs for Arizona Women and Their Children – Program Highlights**

<b>Program</b>	<b>Benefit</b>	<b>Eligibility<sup>64</sup></b>
<b>AHCCCS Care (also referred to as “Proposition 204 services”)</b>	Medical services for adults without children <sup>65</sup> – Frozen	Income up to 100% of FPL
<b>AHCCCS for Families with Children</b>	Medical services for families with child(ren) ages 6-18 (19 if a full-time student)	<ul style="list-style-type: none"> <li>• Income up to 100% of FPL</li> <li>• No monthly premium requirement</li> </ul>
<b>S.O.B.R.A.</b>		
	Medical services for pregnant women <sup>66</sup>	<ul style="list-style-type: none"> <li>• Income up to 150% of FPL</li> <li>• Proof of pregnancy</li> </ul>
	Medical services for children <1 yr	<ul style="list-style-type: none"> <li>• Income up to 140% of FPL</li> <li>• No monthly premium requirement</li> </ul>
	Medical services for children ages 1-5	<ul style="list-style-type: none"> <li>• Income up to 133% of FPL</li> <li>• No monthly premium requirement</li> </ul>
<b>KidsCare (Frozen) and KidsCare II</b>	Medical services for children under age 19 <sup>67</sup>	<ul style="list-style-type: none"> <li>• Income up to 200% of FPL</li> <li>• No health insurance coverage within last 3 months</li> <li>• Families are required to pay a monthly premium</li> </ul>
<b>Arizona Long Term Care System (ALTCS)</b>	Medical services, nursing facility, home- and community-based services, and hospice	<ul style="list-style-type: none"> <li>• Income up to 300% of the Supplement Security Income Rate (\$2,094 in 2012)</li> <li>• May be required to pay a share of the cost</li> <li>• Estate recovery program for the cost of services received after age 55</li> </ul>

**Source:** Children’s Action Alliance, Health Care Resources for Arizona’s Low Income and Uninsured Families, March 2013

<sup>64</sup> The difference between AHCCCS for Families, SOBRA programs for children, and KidsCare are income eligibility requirements and premium requirements. AHCCCS for families is available for families with incomes up to just 100% FPL. SOBRA has higher income eligibility limits for children alone, depending on age. KidsCare has the highest income eligibility limit (200% FPL) but may require some families to pay a monthly premium; there is no monthly premium associated with AHCCCS or SOBRA. These eligibility requirements changed beginning in 2014 with the implementation of the Affordable Care Act; see a full discussion of that in the text.

<sup>65</sup> Beginning July 8, 2011, new enrollment in the AHCCCS Care program for childless adults was frozen. Funding was restored as part of the Medicaid expansion beginning January 1, 2014.

<sup>66</sup> SOBRA stands for the Sixth Omnibus Budget Reconciliation Act, the federal law that created this Medicaid program.

<sup>67</sup> Due to limited funding KidsCare enrollment has been frozen since 2010. Beginning May 1, 2012 through January 31, 2014, a limited number of children may be eligible for KidsCare II, a temporary children’s coverage program. Eligibility, benefits, and premium requirements are the same as KidsCare.



### 4.3.1 Healthcare (AHCCCS) – Funding

In 2009, Arizona imposed the largest spending reductions in the state's history. Those cuts included the elimination of health insurance coverage for nearly 10,000 parents with income between 100 and 200 percent of the federal poverty level (FPL); a freeze on enrollment for childless (non-custodial) adults in the state's Medicaid program; and an enrollment freeze for the state's health insurance program for children with income levels too high to qualify them for AHCCCS (for children 6 and older, that is 100% FPL). In making such significant cuts to programs that are funded in part by the federal government, the state reduced its own expenditures on the programs, but also reduced the amount the state receives from the federal government.<sup>68</sup>

Provisions of the Affordable Care Act required the state to eliminate the enrollment freeze in order to receive full federal Medicaid funding. The Arizona Chamber Foundation explains the issue well: "The [Affordable Care Act] raises the federal minimum to 133% FPL for childless adults and parents. However, the U.S. Supreme Court found that the federal government could not require states to accept the new, higher eligibility levels. Increasing eligibility is now voluntary for states, but doing so results in substantially increased federal funds."<sup>69</sup>

#### **According to information posted on the AHCCCS website on April 25, 2013:**

Recently, AHCCCS sought guidance from the Centers for Medicare and Medicaid Services (CMS) asking whether the State of Arizona could continue receiving federal funding to maintain coverage for Childless Adults if Arizona extends an enrollment freeze past the scheduled expiration date of December 31, 2013. The answer received today through federal guidance was a clear "No." This clarification also means that if no action is taken, 63,000 Arizonans will lose their healthcare coverage on January 1, 2014, including an estimated 5,000 cancer patients and 2,000 Arizonans with serious mental illness. In response to today's federal guidance, Governor Brewer sent a letter to legislative leadership clarifying the options before the State and laying out the clear path forward.<sup>70</sup>

In that letter, Governor Brewer listed a number of options. Her recommendation: Option 4 – The Governor's Medicaid Restorative Plan – would generate general fund savings of \$100 million over three years. The Governor's plan would restore Prop 204 coverage to 240,000 childless adults living below the FPL and expand coverage to 57,000 adults earning up to 133% of FPL. "This would allow Arizona to access a higher federal matching rate in order to help the state fund Prop. 204 and reduce pressure upon other state services. Through a collaborative effort with the hospital industry, this coverage can be funded through a provider assessment."<sup>71</sup>

The freeze on AHCCCS Care enrollment for childless adults remained in effect through the end of 2013. On January 1, 2014, Arizona restored Proposition 204 coverage to childless adults living below the FPL and expanded coverage to adults earning up to 133% of the FPL as well as children with family incomes up to 133 percent of the FPL. **Thus over the period of 30 months Arizona will have implemented the largest cuts in the history of the program and had to manage the restoration of many of those reductions.**<sup>72</sup>

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<sup>68</sup> For more detail, see Grand Canyon Institute (2013) and Grand Canyon Institute (2012).

<sup>69</sup> Arizona Chamber Foundation (2011).

<sup>70</sup> Arizona Health Care Cost Containment System (2013). *Medicaid Coverage*.

<sup>71</sup> Brewer, J. K. (2013). *Letter to Legislature Leaders*.

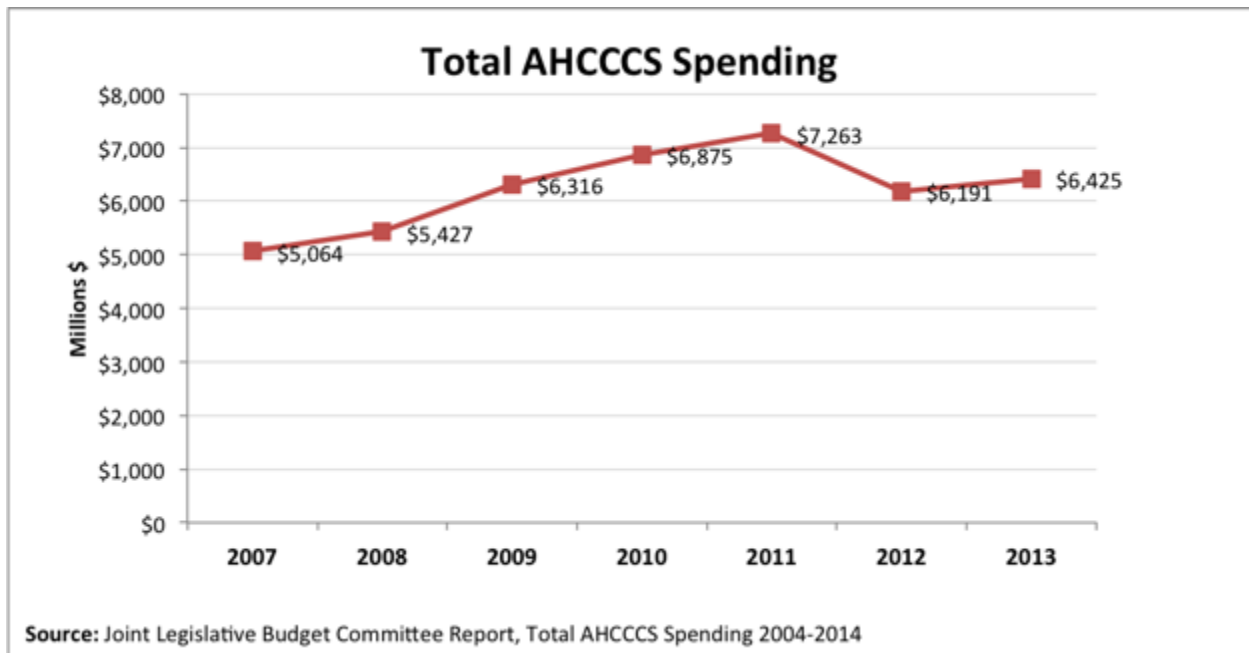
<sup>72</sup> Additional resources for the impact of the Affordable Care Act on AHCCCS include Burns & Associates, Inc. (2012), Stall, J., and Upston, A. (2013), Grand Canyon Institute (2013), and Grand Canyon Institute (2012).

**Table 7: Total AHCCCS Spending Across All Funds (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
Traditional Medicaid Services	\$2,391	\$2,622	\$2,921	\$2,986	\$3,405	\$3,089	\$3,223	34.8%
Proposition 204 Services	\$1,161	\$1,354	\$1,859	\$2,377	\$2,203	\$1,393	\$1,113	-4.1%
ALTCS Services	\$994	\$1,071	\$1,201	\$1,262	\$1,438	\$1,380	\$1,136	14.3%
All Other AHCCCS Spending	\$368	\$219	\$190	\$159	\$164	\$298	\$934	153.7%
KidsCare Services	\$149	\$160	\$146	\$90	\$53	\$31	\$19	-87.3%
<b>Grand Total AHCCCS Spending (\$)</b>	<b>\$5,064</b>	<b>\$5,427</b>	<b>\$6,316</b>	<b>\$6,875</b>	<b>\$7,263</b>	<b>\$6,191</b>	<b>\$6,425</b>	<b>26.9%</b>

Source: Joint Legislative Budget Committee Report, Total AHCCCS Spending 2004-2014

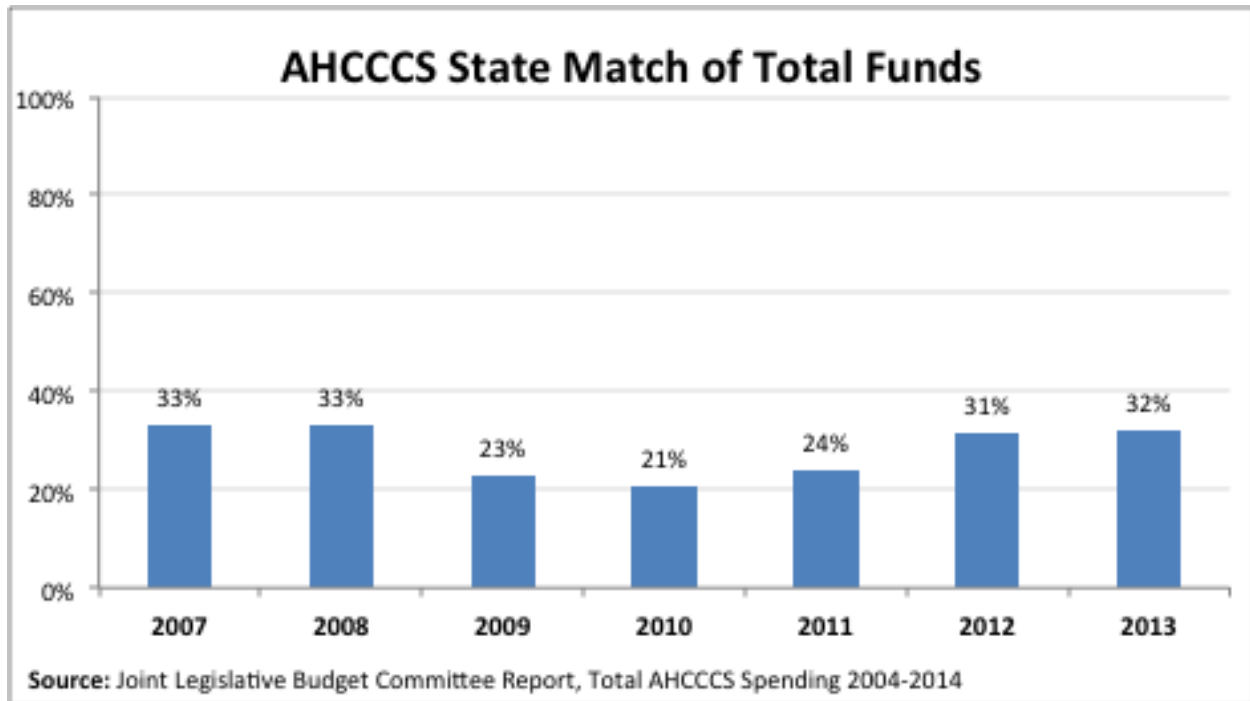
**Figure 16: Total AHCCCS Spending**



Source: Joint Legislative Budget Committee Report, Total AHCCCS Spending 2004-2014

Figure 17 makes clear that increases in federal funding tempered dramatic declines in state funding between 2009 and 2011. In 2013, state funding for AHCCCS accounted for 32 percent of total funding; the majority of funding came from the federal government. State funding prior to the recession was at about the same level – 33 percent of total funding in 2007 and 2008. In 2009, 2010, and 2011, however, the federal government accounted for a larger share of total funding; the state share was 23, 21, and 24 percent – respectively. In 2012, state funding increased to 31%.

Figure 17: AHCCCS State Match Share of Total Funds



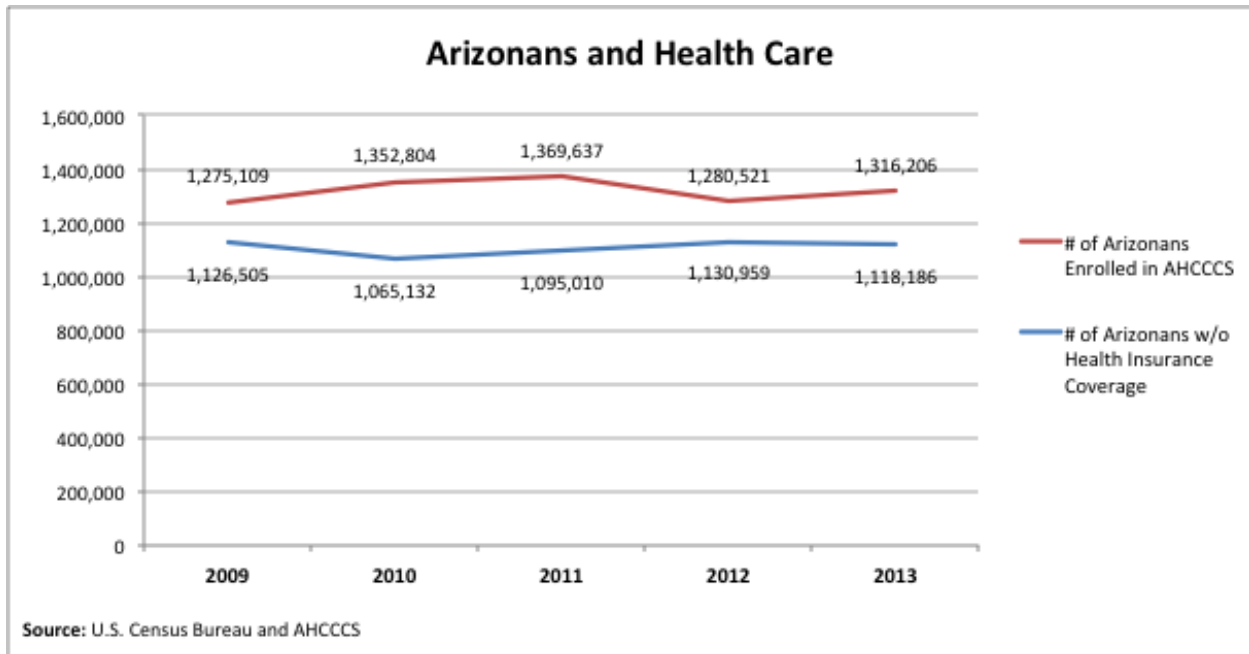
### 4.3.2 Healthcare (AHCCCS) – Impact

The stated mission of AHCCCS is “Reaching across Arizona to provide comprehensive, quality health care to those in need.”<sup>73</sup> There are two factors there: access to health care, which means health insurance; and quality of health care. On the first measure, [Figure 18](#) makes clear that access to health care increased between 2007 and 2013. The number of Arizonans enrolled in AHCCCS increased 25 percent between 2007 and 2013. Between 2012 and 2013, the number increased 2.8 percent.

Between 2007 and 2012, the number of Arizonans without health insurance coverage increased 5.4 percent. Between 2012 and 2013, the Census Bureau changed its methodology, so data for 2013 is inconsistent with 2012 and earlier. (But data according to the new methodology is not available prior to 2009.) Using the new Census methodology, the change in the number of Arizonans without health insurance coverage declined 0.7 percent between 2009 and 2013.

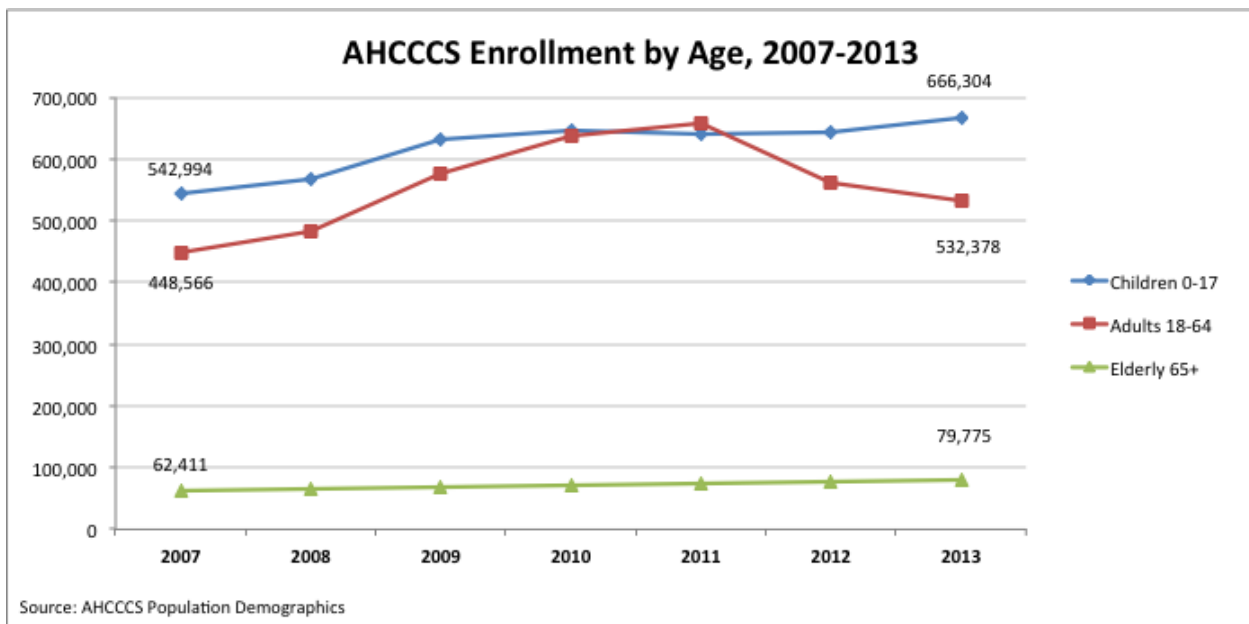
<sup>73</sup> Arizona Health Care Cost Containment System (2013). *About AHCCCS Administration*.

**Figure 18: Arizonans and Health Care**



While the number of Arizonans with AHCCCS coverage increased on whole between 2007 and 2013, the state cut funding for childless adults, as explained above, in FY 2013. That decline is reflected in the decline in both dollars spent (Figure 16) and population served (Figure 18). In addition, Figure 19 illustrates that the cuts to AHCCCS most dramatically affected adults (again, because the state froze enrollment in AHCCCS Cares, which is the program for childless adults).

**Figure 19: AHCCCS Enrollment by Age**



On the second measure tied to the AHCCCS mission statement – quality of health care – research published in September 2012 in the New England Journal of Medicine, among other research, demonstrates that expansion of Medicaid (recall that AHCCCS is Arizona's Medicaid program) is associated with improved health outcomes.<sup>74</sup> Specifically:

- “Large expansions of Medicaid eligibility in three states were associated with a **significant decrease in mortality** during a 5-year follow-up period, as compared with neighboring states without Medicaid expansions.”
- “These results build on previous findings that **Medicaid coverage reduces mortality among infants and children.**”
- “[A]nalyzes provide a plausible causal chain for reduced mortality that is consistent with previous research, with eligibility expansions associated with a 25% increase in Medicaid coverage, 15% **lower rates of uninsurance**, a **21% reduction in cost-related delays in care**, and a **3% increase in self-reported excellent or very good health.**”

### 4.3.3 Healthcare (AHCCCS) – Findings

Women who are healthy are more likely able to fully participate in workforce. Healthcare reaps tremendous dividends in other ways as well (longer life spans) and ultimately healthcare coverage for people who would otherwise be uninsured makes economic sense.

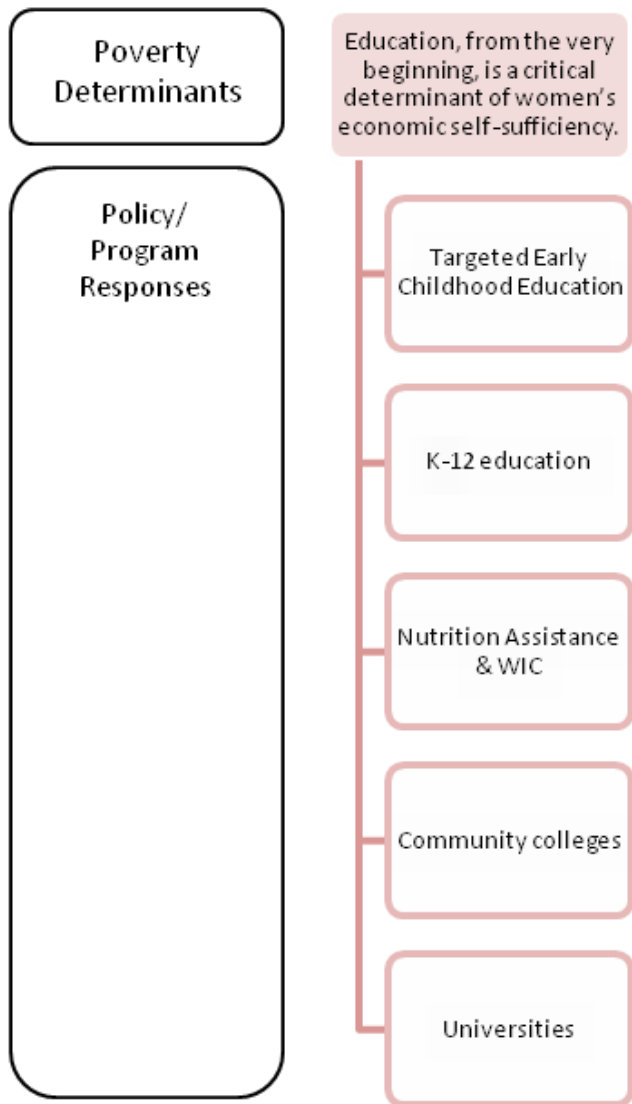
See [Section 11.2](#) for additional details on healthcare in Arizona (AHCCCS).

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<sup>74</sup> Sommers, Baicker, and Epstein (2012).



## 5 Full Report - Enabling Education Gains: Early Childhood and K-12 Education, Nutrition Assistance, WIC, Community Colleges, Universities



**In this section we first explore the data on poverty and educational attainment. The data reveal that education, from the very beginning, is a critical determinant of women's economic self-sufficiency.**

**In that context, what are policies/programs that could help low-income women achieve economic self-sufficiency? In this section we explore programs that provide education (Early Childhood Education, K-12 education, community colleges, and universities). We also explore Nutrition Assistance (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) as critical supports of a child's development.**

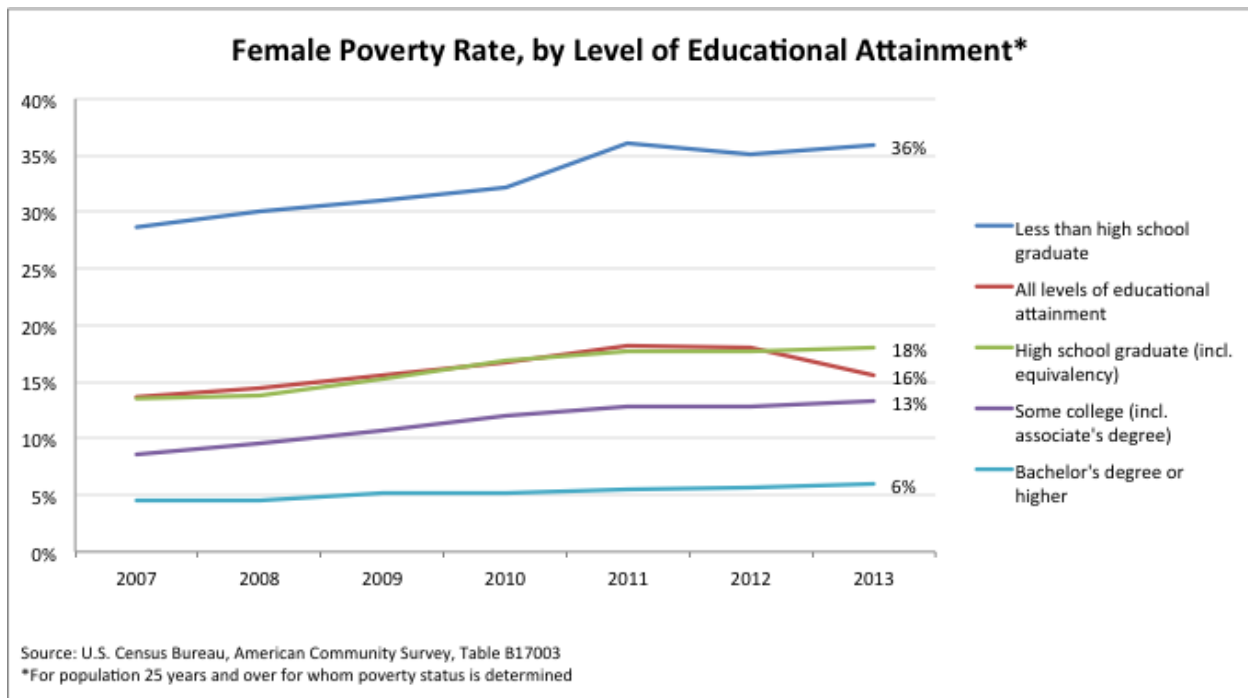
## 5.1 Poverty and Education

Men are not significantly more likely than women to be educated. Across all levels of education – less than high school graduate; high school graduate (incl. equivalency); some college (incl. associate's degree); and bachelor's degree or higher – and all levels of income, educational attainment is split fairly evenly between males and females, a split that has been consistent across our study period 2007-2013. In 2013, women made up:

- 50 percent of all less-than-high-school graduates
- 53 percent of all high school graduates (incl. equivalency)
- 53 percent of all with some college (incl. associate's degree)
- 50 percent of all college graduates (bachelor's degree or higher)

So education levels are not one of the reasons why women are more likely than men to be poor. But, like parenthood, occupation, and employment, educational attainment (or lack thereof) is an important determinant of poverty. The incidence of poverty among females is significantly higher among those who are less educated than those with higher levels of education, as [Figure 20](#) makes clear. In other words, as a means of improving women's economic self-sufficiency, education matters. A lot.

**Figure 20: Female Poverty Rate, by Level of Educational Attainment**

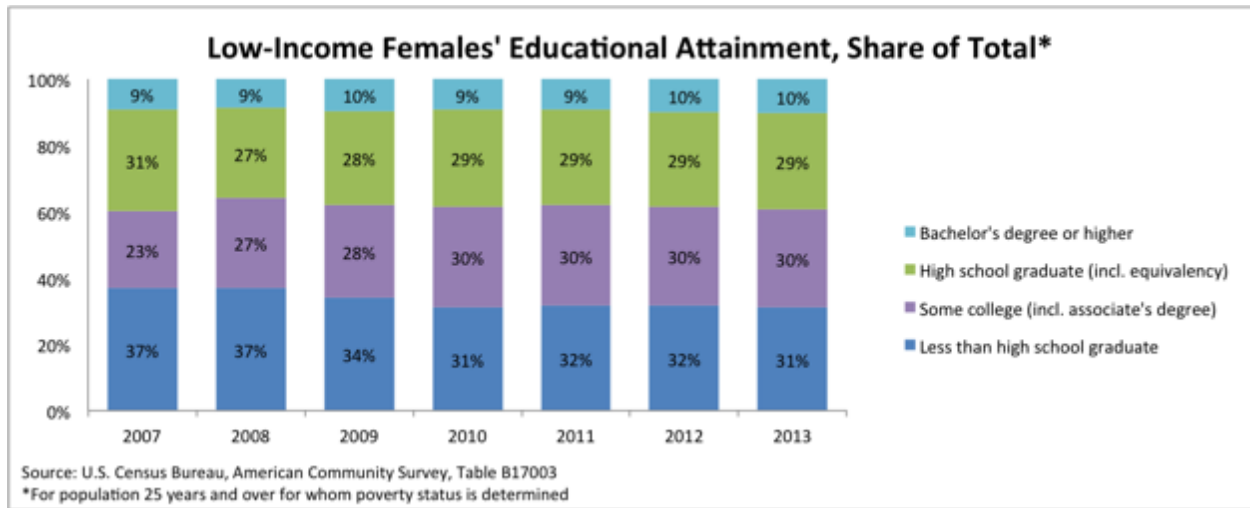


As [Figure 21](#) makes clear, there is tremendous opportunity for a larger number of females with income below the federal poverty level to increase their level of educational attainment – and improve their economic self-sufficiency.

**As a means of improving women's economic self-sufficiency, education matters. A lot.**

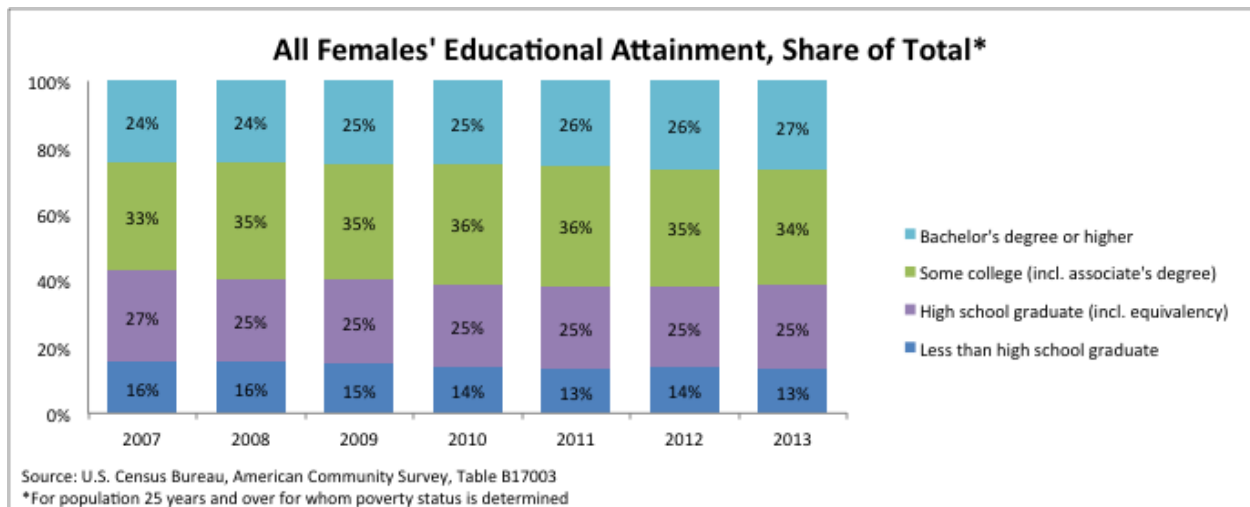


**Figure 21: Low-Income Females' Educational Attainment, Share of Total**

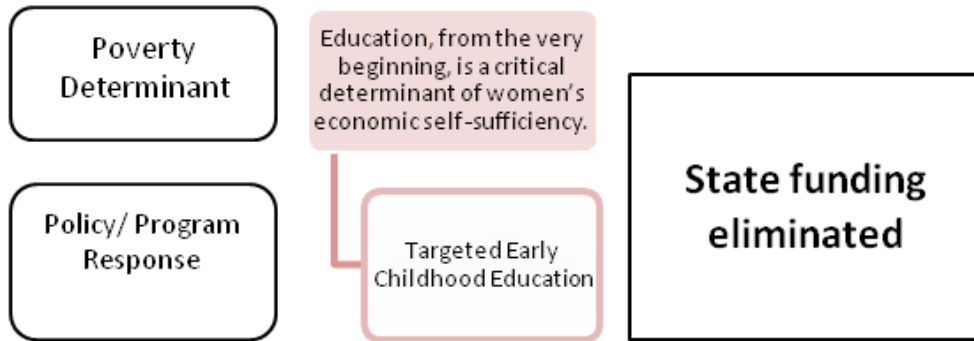


As is reflected in [Figure 20](#) and made clear in [Figure 22](#), low-income women have lower levels of educational attainment than all women on average. Again, there is significant opportunity for women to raise their economic self-sufficiency through higher levels of educational attainment. Programs that enable and support low-income women to do that are necessary.

**Figure 22: Females' Educational Attainment, Share of Total\* Across All Income Levels**



## 5.2 Early Childhood Education



Given that education is a powerful, if not the most powerful, means of attaining economic self-sufficiency, programs that are designed to provide for, and support, that education are critical. And it starts at birth.

**Table 8: Early Childhood Education – Program Highlights**

Program	Benefit	Eligibility
<b>First Things First</b>	First Things First offers funding opportunities throughout Arizona to address the specific development and health needs for children birth through age five, and their families.	Determined by program provider
<b>Head Start &amp; Early Head Start</b>	Head Start and Early Head Start are federally funded child and family development programs for low-income families and families whose children have disabilities or other special needs	Children who are 3 to 5 years old and whose families meet certain low-income requirements, are homeless, in foster care, or receive TANF or SSI are eligible for <b>Head Start</b> services  Pregnant women and children from birth to 3 years of age whose families meet certain low-income requirements, are homeless, in foster care, or receive TANF or SSI are eligible for <b>Early Head Start</b> services
<b>Early Childhood Special Education (ECSE)</b>	Early Childhood Special Education and related services is a state and federally mandated program for children ages 3-5 experiencing developmental delays <sup>75</sup>	No income requirement  Eligibility determined by criteria that have been established by federal and state rules and regulations

**Source:** Arizona Department of Education and First Things First

### Head Start & Early Head Start = Early Childhood Education?

<sup>75</sup> "Developmental delay" means performance by a child ages 3-10 on a norm-referenced test that measures at least one and one-half, but not more than three, standard deviations below the mean for children of the same chronological age in two or more of the following areas: (a) Cognitive development. (b) Physical development. (c) Communication development. (d) Social or emotional development. (e) Adaptive development.

It is important to note here at the outset that there is an ongoing debate about the effectiveness of Head Start. Research demonstrates effectiveness of Head Start compared to no preschool but some studies show that other preschool programs are more effective.<sup>76</sup> For the purposes of this report, we take Head Start and early childhood education to be synonymous, aggregating Head Start and Early Head Start with the other programs designed to provide early childhood education and related development services to low-income families in Arizona.

Further study on whether subsidies of private early childhood education programs – more similar to the childcare model and more akin to the First Things First model – would improve the return on government investment in early childhood education. First Things First has begun to do that through Quality First, ranking childcare programs according to the level of early childhood education and development they provide.<sup>77</sup>

Quality First is a five-star rating system, with five stars representing Highest Quality (“Far exceeds quality standards”); four stars as Quality Plus (“Exceeds quality standards”); three stars as Quality (“Meets quality standards”); two stars as Progressing Star (“Approaching quality standards”); and one star as Rising Star (“Committed to quality improvement”). Quality First Star Ratings are, according to First Things First, “based on what research shows are the key components of quality early care.” Criteria measured in the Star Rating process include:<sup>78</sup>

- Health and safety practices that promote children’s basic well-being
- Staff qualifications, including experience working with infants, toddlers and preschoolers as well as training or college coursework in early childhood development and education
- Teacher-child interactions that are positive, consistent and nurture healthy development and learning
- Learning environments, including age-appropriate books, toys and learning materials that promote emotional, social, language and cognitive development
- Lessons that follow state requirements or recommendations for infants, toddlers and preschoolers
- Group sizes that give young children the individual attention they need
- Child assessment and parent communication that keeps families regularly informed of their child’s development

**So the profound returns on investment in early childhood education, as detailed here, are clear. Further study may be necessary to assess the most cost- and outcome-effective model for that early childhood education, whether it be Early Head Start/Head Start, subsidies for private ECE, or something else.**

### 5.2.1 Early Childhood Education – Funding

**Head Start and Early Head Start** – Head Start and Early Head Start are funded and administered by the Office of Head Start (OHS) in the U.S. Department of Health and Human Services’ Administration for Children and Families. OHS awards grants to public and private agencies on a competitive basis to provide comprehensive early childhood development services to specific communities.<sup>79</sup>

**Early Childhood Block Grant (ECBG)**<sup>80</sup> – Arizona began funding preschool education programs in

<sup>76</sup> See Bartik, T.J. (2013) for a well-thought discussion of the research.

<sup>77</sup> <http://qualityfirstaz.com/>

<sup>78</sup> Quality First. Retrieved from <http://qualityfirstaz.com/parents-and-families/quality-first/index.html#ratings>

<sup>79</sup> [www.clasp.org](http://www.clasp.org)

<sup>80</sup> National Institute for Early Education Research (2011).

1991 and used the Arizona Early Childhood Block Grant (ECBG) as a source of funding from 1996 through 2010. The ECBG derived its funding exclusively from the state General Fund, and provided funding in support of supplemental services for full-day kindergarten and first through third grade, in addition to funding preschool education.<sup>81</sup> The children of families with an income at or below 185 percent of the federal poverty level were eligible for ECBG-funded programs. In fiscal year 2010, the ECBG allocation was frozen due to budget constraints and subsequently repealed. It is unclear whether Arizona will fund the program again in the near future. In the final year of the ECBG grant, approximately 5,000 children were served.

**First Things First**<sup>82</sup> – In 2006, Arizona voters established the Early Childhood Development and Health Board, known as First Things First (FTF) to provide early childhood health and education support to Arizona’s low-income families. The program is funded by an 80-cent per pack increase on tobacco products, which is dedicated to First Things First. During the depths of the economic crisis, the legislature swept FTF interest income to make up for budget deficits; the Arizona Supreme Court ruled the sweep unconstitutional.<sup>83</sup>

As [Table 9](#) and [Figure 23](#) illustrate, First Things First has more than compensated for the state’s cut of State Block Grant for Early Childhood Education funding.

**Table 9: Early Childhood Education Funding (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007- 13
<b>State Funding</b>								
State Block Grant for Early Childhood Education	\$19.4	\$11.5	\$18.3	\$6.5	\$0.0	\$0.0	\$0.0	-100%
<b>Federal Funding</b>								
ARRA Preschool Grant	\$0.0	\$0.0	\$5.7	\$5.7	\$2.4	\$0.7	\$3.8	-
Special Education and Rehab Services Preschool Grant	\$7.4	\$7.2	\$7.0	\$6.6	\$7.4	\$8.2	\$8.2	10%
Head Start	\$103.9	\$103.8	\$107.0	\$107.0	\$114.9	\$121.7	\$115.4	11%
<b>Other Funding</b>								
First Things First	\$0.0	\$0.0	\$38	\$71	\$154	\$116	\$132	-
<b>Total Early Childhood Education Funding</b>	<b>\$130.8</b>	<b>\$122.4</b>	<b>\$176.2</b>	<b>\$196.6</b>	<b>\$278.2</b>	<b>\$246.2</b>	<b>\$259.4</b>	<b>98%</b>

**Sources:** Arizona Department of Education Annual Reports, Head Start Program Fact Sheets, and First Things First Annual Reports

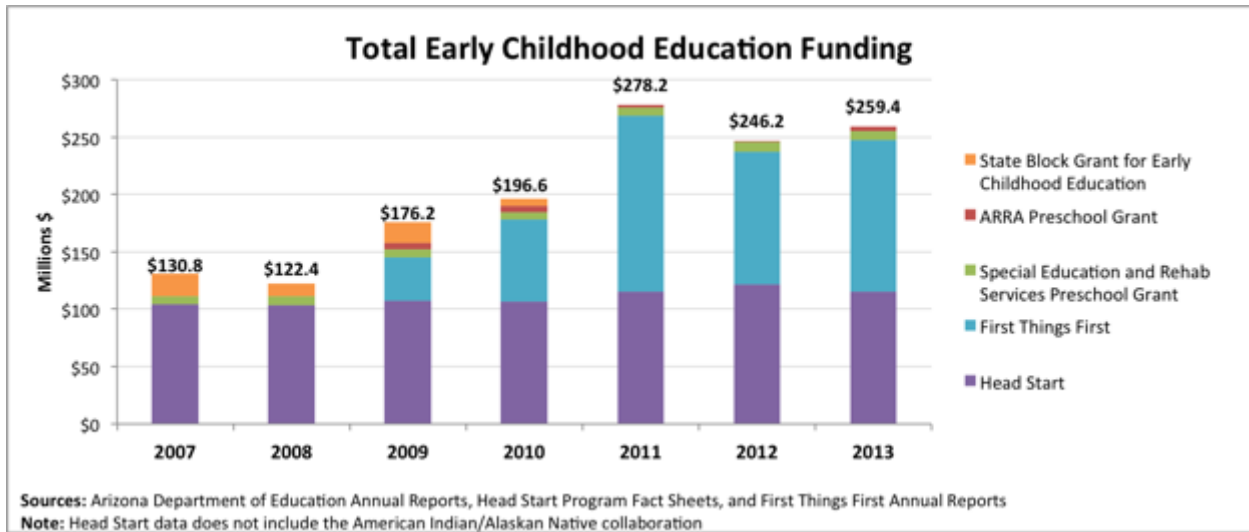
**Note:** Head Start data does not include the American Indian/Alaskan Native collaboration

<sup>81</sup> Arizona State Legislature (2007).

<sup>82</sup> National Institute for Early Education Research (2012).

<sup>83</sup> Arizona Education Network (2009).

**Figure 23: Total Early Childhood Education Funding**



### 5.2.2 Early Childhood Education – Impact

Together, Head Start and First Things First provided early childhood education services to 27,387 Arizona kids in 2013 (13,266 and 14,121, respectively) – 19 percent more than in 2012. Yet in 2013 there were 121,791 low-income children under the age of 5 in Arizona.<sup>84</sup> Nationally, across all income levels, according to the National Center for Education Statistics, only one in three 4-year-olds attending a center-based child care or education program is in a setting that would be consider to be rated as “high quality.” In other words, a large percentage of low-income Arizona kids likely remain unserved by high-quality early childhood education programs.

**A large percentage of low-income Arizona kids likely remain unserved by high-quality early childhood education programs.**

As we said in [Section 4.2](#) on Childcare Programs, Early Childhood Education and childcare programs serve one joint purpose: they both provide a safe, reliable place for children to be during the day, allowing the mother to work. As such, some of these kids “unserved” by ECE programs may be served, or be eligible for, subsidized childcare. But, as we said in [Section 4.2](#), the preponderance of evidence points to benefits of Early Childhood Education programs specifically designed as such, which offer short- and long-term cognitive development benefits that childcare programs as a rule do not.

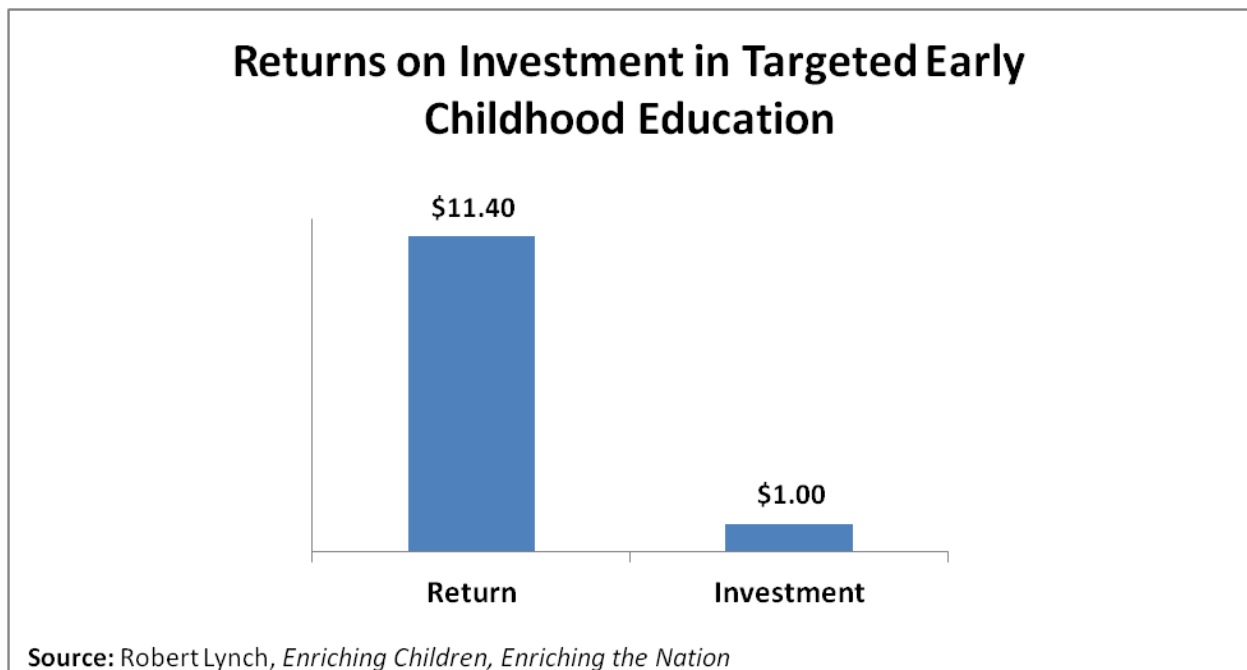
<sup>84</sup> U.S. Census Bureau, American Community Survey, Table B17001. Low-income as defined as those living below 100% of the Federal Poverty Level.

### Universal or targeted?

The research on the return on investment from Early Childhood Education programs divides the programs broadly into two categories: universal ECE programs, which are available to all children regardless of income; and targeted programs, which are available to children of families who meet income eligibility requirements (for example, 125 percent of the Federal Poverty Level, or families in the lowest quarter of income distribution). Because universal programs accommodate all children, regardless of need, they are far more expensive than targeted programs that serve the children least likely to receive Early Childhood Education elsewhere.

Research finds the returns on investment for targeted ECE programs of 11.4:1 (\$11.40 returned for every \$1 invested). ROI on universal ECE programs ranges between 2.78:1 (\$2.78 returned for every \$1 invested) and 7.90:1 (\$7.90 returned for every \$1 invested).<sup>85</sup> The economic benefits of universal PreK programs are more difficult to measure – hence the wide range – in large part because the longitudinal studies on Early Childhood Education have focused on targeted programs. Longitudinal studies are critical because the returns to investment in Early Childhood Education occur over the course of the child’s life. There are universal PreK programs in Oklahoma and Georgia that will make good settings for important longitudinal study, but that work has only just begun.

**Figure 24: Returns on Investment in Targeted Early Childhood Education**



In *Enriching Children, Enriching the Nation*, economist Robert Lynch examines the costs and benefits of high quality pre-kindergarten programs and their positive impact over time on federal and state budgets, crime costs, and the earnings of pre-K participating children and adults. Lynch’s results are shown in [Table 10](#).<sup>86</sup>

<sup>85</sup> Bartik, T. J. (2011) and Urban Child Institute (2012).

<sup>86</sup> Bartik estimates the returns on investment in universal PreK program; to calculate ROI, he takes 23 percent of the return on investment in targeted programs, starting from an ROI for targeted programs of \$12:1.

**Table 10: Economic Benefits of Targeted Pre-K in Arizona**

When the program would start paying for itself	8 years
Annual cost of fully phased-in program in 2008	\$247 million
Total benefits in 2050	\$10.8 billion
Costs in 2050	\$949 million
Ratio of total benefits to costs in 2050	11.4 to 1
Total increased compensation (wages & benefits) in 2050	\$4.9 billion
Savings to individuals from crime reduction in 2050	\$3.2 billion

**Source:** Robert Lynch, *Enriching Children, Enriching the Nation*

According to research by James Heckman, *Invest in Early Childhood Development as a Means to Deficit Reduction in Arizona*, “Investing in early childhood education to increase high school graduation rates would boost Arizona’s economy. For example, a 5% increase in male high school graduation rates is estimated to save Arizona \$131 million in annual incarceration costs and crime-related expenditures. If that same 5% not only graduated but went on to college at the same rate as typical male high school graduates, their average earnings would accrue an additional \$53 million annually. **If just one year’s high school dropouts could be converted to high school graduates, Arizona households would have an additional \$7.2 billion in accumulated wealth over the lifetime of the students from the graduating class.**”<sup>87</sup>

Compared to the return on investment in economic development incentives, economist Timothy Bartik says the ROI on early childhood education is on a similar order of magnitude. “The best estimates suggest that high-quality early childhood programs can provide a state’s residents with substantial economic development benefits. These economic development benefits are of similar magnitude to the benefits of high-quality business incentive programs. Early childhood programs have particularly strong benefits in the long run.”<sup>88</sup>

In addition to the profound benefits of quality early childhood education described here, ECE also carries the same benefits as childcare in terms of enabling a single mother to participate in the workforce. While ECE programs may be more expensive than childcare programs are, the returns of ECE programs are far higher. They should be positioned in the light of the dual benefit of increased gains for the children throughout their lifetimes and workforce participation for the mother. See [Section 4.2](#) for a discussion of childcare programs.

### 5.2.3 Early Childhood Education – Findings

Given that educational attainment matters (a lot), programs that provide high-quality education to girls & women can generate profound multigenerational impacts. Funding for early childhood education demonstrates a significant long-term return on investment, with ROI of \$11.40 for every \$1 spent. Returns are generated by the increased economic output of individuals who receive early childhood education, with total increases in compensation of \$4.9 billion. Returns are also generated by cost avoidance; for example, individuals who received early childhood education are half as likely to be arrested, leading to savings of \$3.2 billion.

Despite the very high positive returns that early childhood education demonstrates, Arizona completely eliminated state funding for early childhood education programs, repealing the Arizona Early Childhood

<sup>87</sup> Heckman, J. (2013).

<sup>88</sup>Bartik, T. J. (2011) page 110.



Block Grant (ECBG) allocation in 2010. Before the ECBG allocation was repealed, its programs served 5,000 children.

Declines in state funding for early childhood education were offset by increases in federal funding and substantial new funding from First Things First. The federal government now funds 100 percent of Arizona's Head Start and Early Head Start programs, and funding increased 11 percent between 2007 and 2013. However, much of the increase in federal funding was part of the ARRA stimulus package and is already being rolled back (funding declined 5 percent between 2012 and 2013).

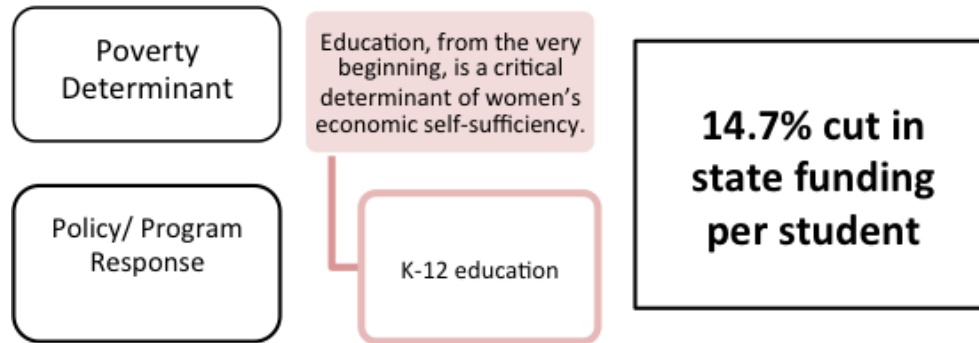
First Things First, funded by a voter-initiated 80-cent tax on tobacco products, has helped to fill in the gap left by the state's elimination of funding. FTF expended \$38 million in 2009 and \$132 million in 2013. Over the same period, the number of kids provided scholarships to access early childhood education programs through FTF doubled.

**For additional details on Early Childhood Education programs in Arizona, see [Section 11.3](#).**





### 5.3 K-12 Education Programs



**Given that education is a powerful, if not the most powerful, means of attaining economic self-sufficiency, programs that are designed to provide for, and support, that education are critical. It starts at birth and continues in Kindergarten.**

The economic value of education:

*Median wages are substantially higher in states with better-educated workers. Does the correlation between education and earnings necessarily mean that states can strengthen their economies in the long run by adopting policies that increase the number of well-educated workers? Recent academic work suggests that the answer is Yes. A study by Federal Reserve economists examined the factors contributing to greater state prosperity over a 65-year period and found that a state's high school and college attainment rates were important factors in explaining its per capita income growth relative to other states between 1939 and 2004 (Bauer, Schweitzer, and Shane 2006)...Increasing educational attainment can be achieved by a variety of policies and programs, including those that increase access to postsecondary education by restraining tuition growth or increasing financial aid, reduce high-school drop-out rates, move people without high school degrees through GED and associate degree programs, increase the quality of K-12 education to improve success of high school graduates in postsecondary education, and offer preschool programs that lead to long-term improvements in educational outcomes.<sup>89</sup>*

While achievement gaps begin in early childhood, a lack of access to high-quality education throughout adolescence is a lifelong disadvantage that for many children is hard to overcome. It starts in kindergarten. The impact of kindergarten in children's lives is similar to the impact of early childhood education: enrollment in kindergarten has proven beneficial in the short term – improving literacy and math skills.

**While achievement gaps begin in early childhood, a lack of access to high-quality education throughout adolescence is a lifelong disadvantage that for many children is hard to overcome. It starts in kindergarten.**

<sup>89</sup> Economic Policy Institute, A Well-Educated Workforce Is Key to State Prosperity <http://www.epi.org/publication/states-education-productivity-growth-foundations/>

For girls who drop out of school before earning their diploma or GED, the long-term economic disadvantage is significant. Women with no high school diploma or GED are more likely to be poor, more likely to be unemployed, more likely to need social welfare assistance. Women with no high school degree earn on average 31 percent less than women with high school diplomas or GEDs. A high school education may not be sufficient as a gateway into moderate-income – anymore, most jobs that pay enough to qualify a single woman as moderate-income require at least some college or technical education – but a high school education is certainly a necessary prerequisite.

### 5.3.1 K-12 Education Programs – Funding

Public first-grade through twelfth-grade education is provided free to every Arizonan, regardless of citizenship status.<sup>90</sup> State law requires that children ages 6-16 attend school. In addition to traditional public schools, since 1994, Arizonans also have the choice to attend publicly funded charter schools.<sup>91</sup> There are also many private and parochial school options, in addition to home schooling, available to Arizona’s kids. Many private and parochial schools offer scholarship programs for low-income students.

Between 2005 and 2009, Arizona funded full-day kindergarten (FDK) for every public school in the state. Previously, the State had only half-day kindergarten. In 2010, the State rescinded funding for all-day kindergarten. Today, some schools continue to offer it; some do not. School districts remain required to offer half-day kindergarten, which is funded by the State.

As the following tables and figures make clear, total levels of K-12 funding in Arizona declined between 2007 and 2013, even as the number of students increased. Total funding (including capital funding) from all sources (federal, state, and local, except Prop 301) declined 1.8 percent. On a per pupil basis, funding declined 4.9 percent. In addition, the state’s share of education spending declined. Where 46 percent of education dollars came from state funds in 2007, 42 percent came from the state in 2013.

Looking only at Maintenance & Operations (M&O) funding, which includes monies used for functions such as administration, instruction, and instruction support, funding from all sources (excluding Prop 301) actually increased 2.8 percent. On a per pupil basis, though, M&O funding from all sources fell 0.4 percent. The state contributes a larger share of M&O funding than total funding (in other words, a larger share of capital funding comes from non-state sources), but state share of total funding still fell – from 65 percent of all M&O funding in 2007 to 58 percent in 2013.

**On a per pupil basis, state funding  
declined 14.7 percent.**

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<sup>90</sup> Immigration Policy Center (2012).

<sup>91</sup> Arizona Charter Schools Association (2013).

**Table 11: K-12 Education Funding (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007- 13
<b>All Funding</b>								
State Only	\$4,200	\$4,556	\$4,304	\$4,230	\$3,704	\$3,697	\$3,700	-11.9%
State & Local Only	\$8,063	\$8,337	\$8,141	\$7,628	\$7,778	\$7,475	\$7,634	-5.3%
State, Local, & Federal	\$9,077	\$9,372	\$9,257	\$9,415	\$9,334	\$8,759	\$8,910	-1.8%
<b>Maintenance &amp; Operations Funding</b>								
State Only	\$3,787	\$4,075	\$4,216	\$4,125	\$3,637	\$3,521	\$3,526	-6.9%
State & Local Only	\$5,663	\$5,909	\$5,925	\$5,799	\$5,813	\$5,717	\$5,935	4.8%
State, Local, & Federal	\$5,866	\$6,106	\$6,140	\$6,530	\$5,959	\$5,795	\$6,030	2.8%

**Source:** Arizona Joint Legislative Budget Committee

**Note:** All Funding includes all state, local and federal monies used for formula programs, non-formula programs, AZ Dept. of Education administration, School Facilities Board (SFB) funding, and miscellaneous. It does not include Prop 301 funding. M & O Funding includes monies used for "Maintenance and Operations" (M&O) functions, such as administration, instruction, and instruction support. Excludes capital funding and funding reported under "Adjacent Ways," "Debt Service," and "Other" in the ADE Annual Report.

**Table 12: K-12 Education Funding Per Pupil (\$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
<b>All Funding</b>								
State Only	\$4,117	\$4,378	\$4,160	\$4,039	\$3,544	\$3,545	\$3,512	-14.7%
State & Local Only	\$7,903	\$8,011	\$7,868	\$7,284	\$7,443	\$7,168	\$7,245	-8.3%
State, Local, & Federal	\$8,896	\$9,006	\$8,947	\$8,990	\$8,932	\$8,399	\$8,456	-4.9%
<b>M&amp;O Funding</b>								
State Only	\$3,712	\$3,915	\$4,075	\$3,939	\$3,480	\$3,376	\$3,347	-9.8%
State & Local Only	\$5,550	\$5,679	\$5,726	\$5,537	\$5,563	\$5,482	\$5,633	1.5%
State, Local, & Federal	\$5,748	\$5,868	\$5,935	\$6,235	\$5,702	\$5,557	\$5,723	-0.4%

**Source:** Arizona Joint Legislative Budget Committee

**Note:** All Funding includes all state, local and federal monies used for formula programs, non-formula programs, AZ Dept. of Education administration, School Facilities Board (SFB) funding, and miscellaneous. It does not include Prop 301 funding. M & O Funding includes monies used for "Maintenance and Operations" (M&O) functions, such as administration, instruction, and instruction support. Excludes capital funding and funding reported under "Adjacent Ways," "Debt Service," and "Other" in the ADE Annual Report.

Figure 25: K-12 Education - All Funding by Source (Millions \$)

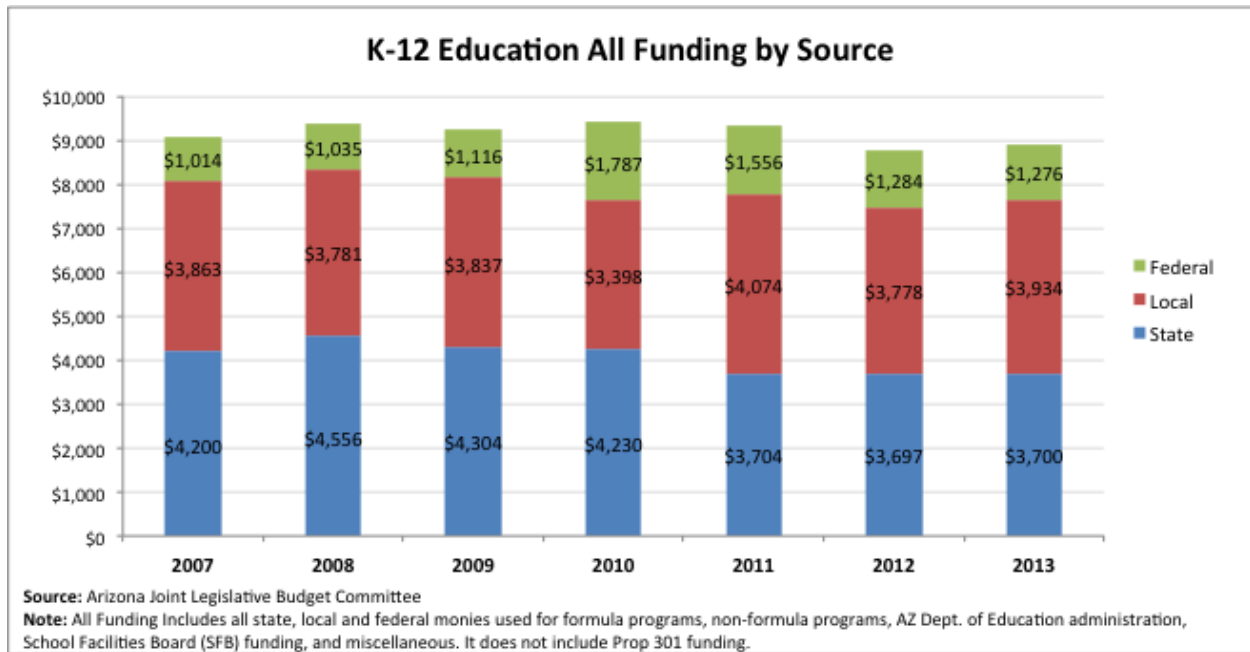
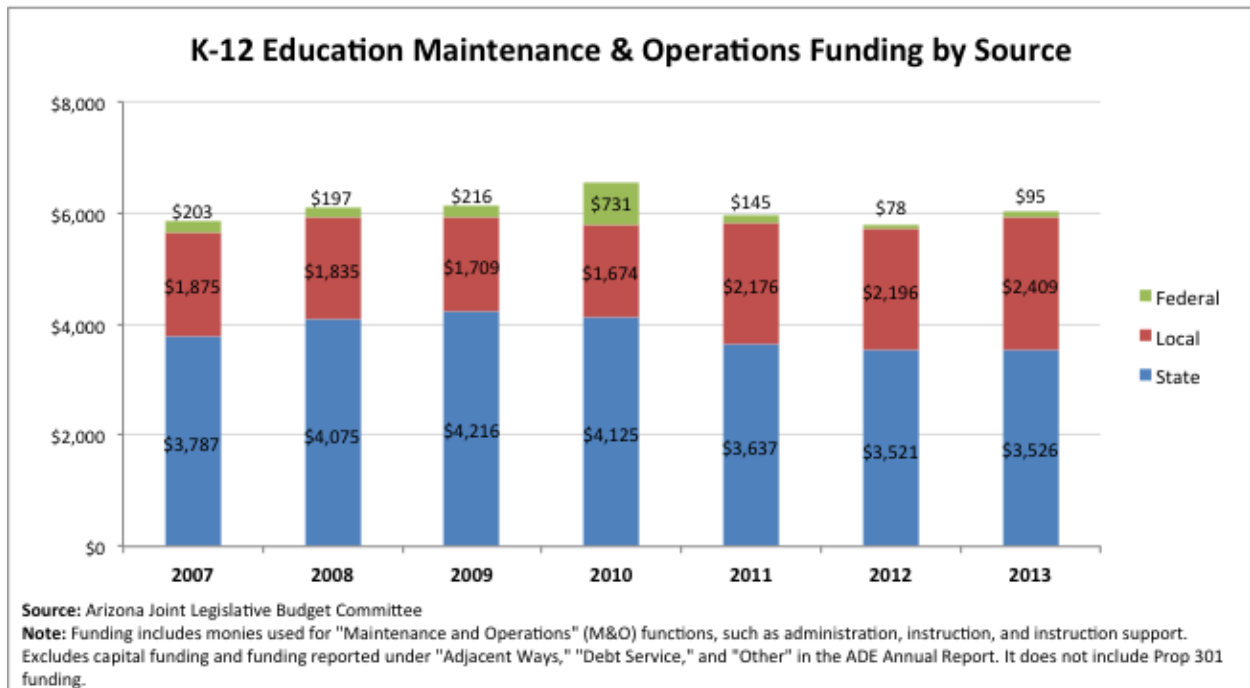
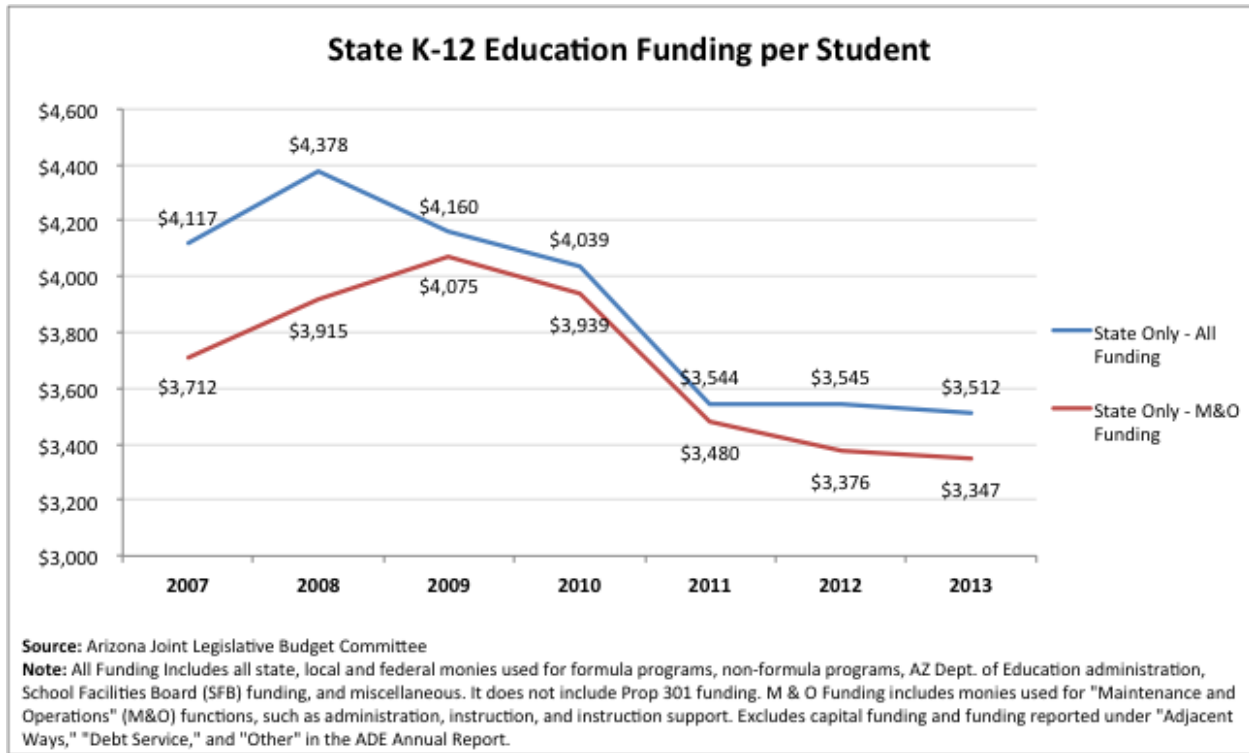


Figure 26: K-12 Education - M&O Funding by Source (Millions \$)



**Figure 27: State K-12 Education Funding per Student**



### 5.3.2 K-12 Education Programs – Impact

One relevant benefit of full-day kindergarten is that it allows mothers to work full days themselves without having to make childcare arrangements for the other half of the day not covered by kindergarten. In addition, full-day kindergarten has been shown to yield academic achievement gains: “Multiple studies based on data from the Early Childhood Longitudinal Study – Kindergarten Class of 1998-99 (ECLS-K), as well as research from school-district based studies, show that children who participated in full-day programs made statistically significant gains in early reading skills by the end of the Kindergarten year when compared to their peers who attended only a half-day program. Some of these studies also show a relationship between attendance in FDK and higher levels of early math skills.”<sup>92</sup> And when seen as a continuation of quality early childhood education programs (see [Section 5.2](#)), full-day kindergarten is a natural bridge into first grade.

The benefits of K-12 education as a means to promote the economic self-sufficiency of girls and women are clear. There are cognitive, social, and other benefits of course, but the most easily quantifiable benefit is economic: in 2013, the median annual earnings for Arizona women with a high school diploma was \$6,993 more than the median annual earnings for Arizona women who did not graduate from high school. Over a 50-year career, that difference amounts to more than \$349,650.<sup>93</sup>

The higher the percentage of high school students graduating, the better the return on investment in education. Between 2007 and 2013, the four-year graduation rate of females in Arizona fluctuated around 80 percent.

<sup>92</sup> Foundation for Child Development (2010).

<sup>93</sup> U.S. Census Bureau, 2013 American Community Survey

**Table 13: Arizona High School 4-Year Graduation Rate**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Female</b>	77.5%	79.2%	80.5%	79.5%	81.5%	80.1%	79.6%

**Source:** Arizona Department of Education Graduation Rates Reports

### 5.3.3 K-12 Education Programs – Findings

Despite the very clear benefits of quality K-12 education, Arizona decreased state funding for those programs by 4.7 percent overall and 14.7 percent on a per-student basis between 2007 and 2013. Some of the state’s funding decreases were made up for by federal and local dollars. Still, total funding decreased 1.8 percent overall and 5 percent per student.

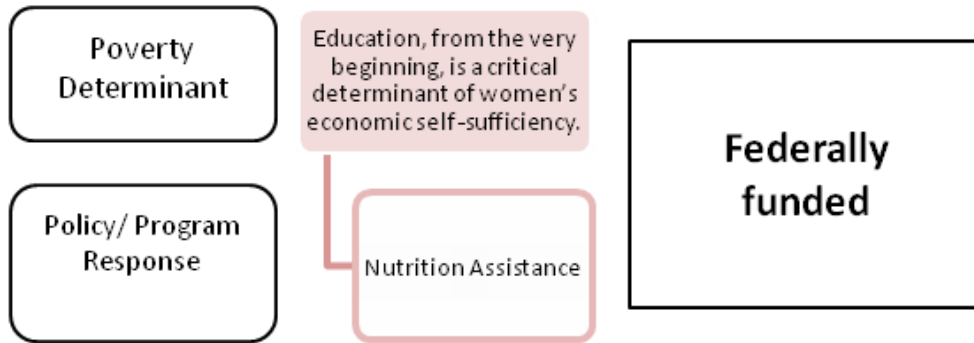
It wasn’t only during the worst years of the recession that state funding decreased. Between 2012 and 2013, state funding for K-12 education declined another 1 percent per student.

**For additional details on K-12 education programs in Arizona, see [Section 11.4](#).**





## 5.4 Nutrition Assistance



Given that education is a powerful, if not the most powerful, means of attaining economic self-sufficiency, programs that are designed to provide for, and support, that education are critical. One such program is Nutrition Assistance (at the federal level the program is called SNAP, formerly Food Stamps).

What does nutrition have to do with educational attainment? Kids who face food insecurity have more trouble concentrating at school and tend to perform worse as a result. Nutrition is critical for kids to get the most out of their education. The impacts of Nutrition Assistance (NA) are profound, and multigenerational. There are many reasons to support NA besides a moral imperative to feed hungry kids.

**Table 14: Arizona Nutrition Assistance**

Program	Benefit	Income Eligibility
Arizona Nutrition Assistance (Supplemental Nutrition Assistance Program - SNAP)	Effective October 1, 2014 the maximum monthly benefit for an individual is \$194; the maximum monthly benefit for a family of three is \$511 <sup>94</sup>  In 2013, the average monthly benefit was \$497 per household and \$189 per individual	Individuals and households with children and/or vulnerable adults  Households with gross income less than 130% of the federal poverty level <sup>95</sup> may be eligible  Able-bodied adult recipients must participate in the Supplemental Nutrition Assistance Employment & Training Program

**Source:** Arizona Department of Economic Security<sup>96</sup> and USDA Food & Nutrition Service. Available at [http://www.fns.usda.gov/snap/applicant\\_recipients/eligibility.htm](http://www.fns.usda.gov/snap/applicant_recipients/eligibility.htm)

**Note:** Eligibility and benefits change typically every year. Eligibility and benefit information reported here is for 2013, unless otherwise noted. Refer to Table 2 for 2013 FPL threshold detail.

<sup>94</sup> Arizona Department of Economic Security (2013). *Policy Broadcast 13-32*.

<sup>95</sup> In 2012, the federal poverty level (FPL) was \$18,498 for a single mother with two children under the age of 18. The FPL for a single woman alone was \$11,945. For full detail see Table 1.

<sup>96</sup> Arizona Department of Economic Security (2013). *Nutrition Assistance (Formerly the Food Stamp Program)*.

Benefits are calculated based on the assumption that Nutrition Assistance households will spend 30 percent of their income on food. To calculate the household's monthly NA allotment (benefit) the net monthly income of the household is multiplied by .3, and the result is subtracted from the maximum allotment for the household size to find the household's allotment.<sup>97</sup>

#### 5.4.1 Nutrition Assistance – Funding

Nationwide, SNAP lifted the incomes of almost 3.9 million people above the poverty line – 327,000 people 65 and older, including 213,000 women; almost 1.9 million adults 18-64, including 1.1 million women; and 1.7 million children.<sup>98</sup> According to research by the Center on Budget and Policy Priorities, SNAP has provided a strong safety net for many unemployed families and individuals during the recession.

Nationally, SNAP expanded dramatically during and after the recession that began in 2007. The American Reinvestment and Recovery Act (ARRA) provided a temporary, 13.6 percent boost in the maximum SNAP benefit beginning in federal fiscal year 2009, delivering about \$35 billion in additional SNAP funding between April 2009 and September 2012. In addition, ARRA made Nutrition Assistance determination costs (i.e. the money the state spends to determine eligibility for the program), which historically were shared 50/50 by Arizona and the federal government, the full responsibility of the federal government. When the ARRA 13.6 percent expansion and aid to Arizona ended October 31, 2013, the state had to backfill its share of the funding, which amounted to \$5 million; it is not actually benefits costs but administrative costs related to determination of eligibility. If the state did not backfill its share, it would face sanctions.<sup>99</sup> The state funded the backfill.

[Figure 28](#) illustrates the dramatic increase in Nutrition Assistance benefits paid 2007 through 2013. That increase, as [Figure 29](#) makes clear, is the result of significant increases in the number of households receiving NA benefits, as well as a rise in the average benefit amount received.

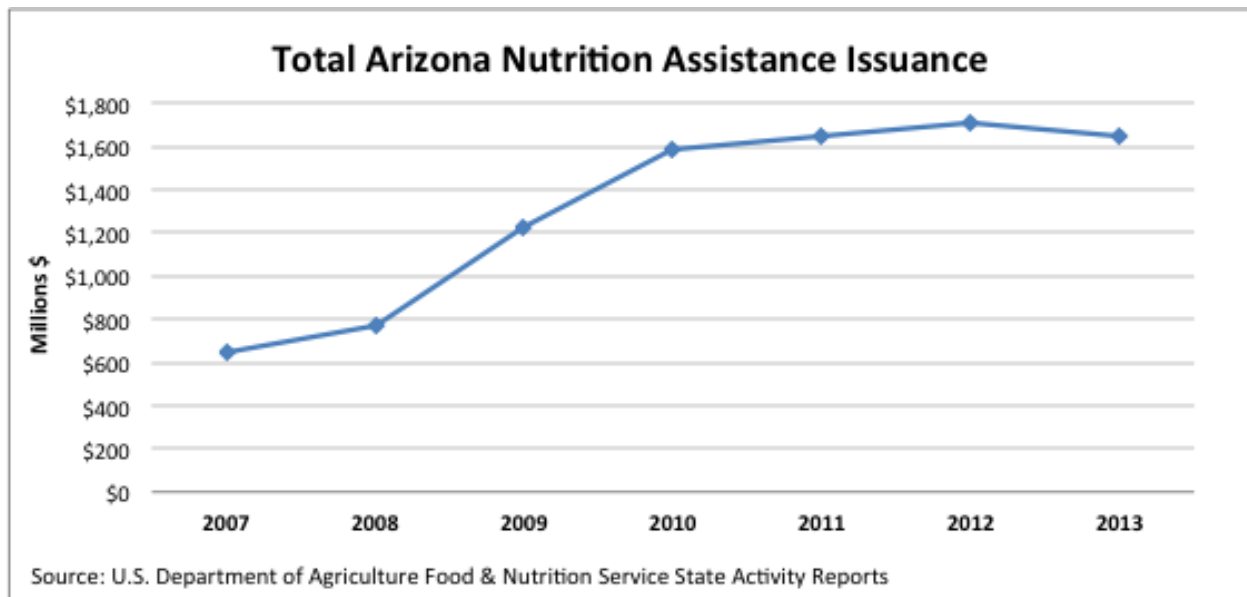
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<sup>97</sup> USDA (2013). *Supplemental Nutrition Assistance Program (SNAP): Fact Sheet of Resources, Income, and Benefits*.

<sup>98</sup> National Women's Law Center (2013) *Renewing Federal Emergency Unemployment Benefits: Vital for Women & Families- and the Economy*.

<sup>99</sup> State of Arizona (2011). *The Executive Budget, Fiscal Year 2012*, page 69. Also, State of Arizona (2012). *Fiscal Year 2012 Appropriations Report*, page 71.

Figure 28: Total Arizona Nutrition Assistance Issuance (Millions \$)



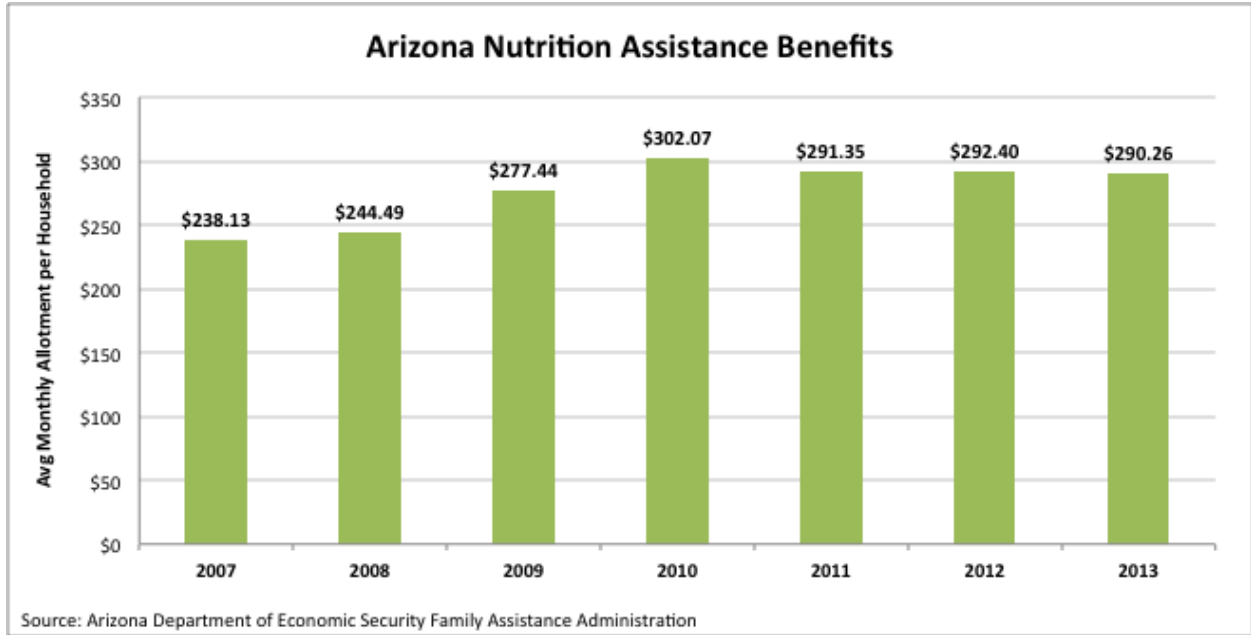
Just as funding for Nutrition Assistance has increased, so have participation and benefits – quite dramatically, in fact. Prior to 2007, the number of Arizona households receiving SNAP assistance was relatively stable, with only modest increases over the years. During the recession and its aftermath, SNAP participation by Arizona household has grown to record high numbers.<sup>100</sup>

The total amount of benefits paid almost tripled between 2007 and 2013. Recipients received higher levels of Nutrition Assistance benefits on average in 2013 than 2007 but the increase in funds paid out was due most significantly to increases in participation: well over twice as many Arizonans received NA benefits in 2013 as in 2007. Again, funding for these benefits come exclusively from the federal government.

Between 2007 and 2013, the average monthly number of households receiving benefits (NA caseload) increased 118 percent (11.8 percent per year on average). Average benefits paid increased as well, though increases in benefits were smaller than increases in caseloads. The average monthly allotment per household increased 17 percent total (2.2 percent per year on average). In 2013, more than 1.1 million Arizonans – 17 percent of the state's population – received Nutrition Assistance.

<sup>100</sup> Morrison Institute (2010).

**Figure 29: Arizona Nutrition Assistance Benefits**



**Figure 30: Arizona Nutrition Assistance Participation**

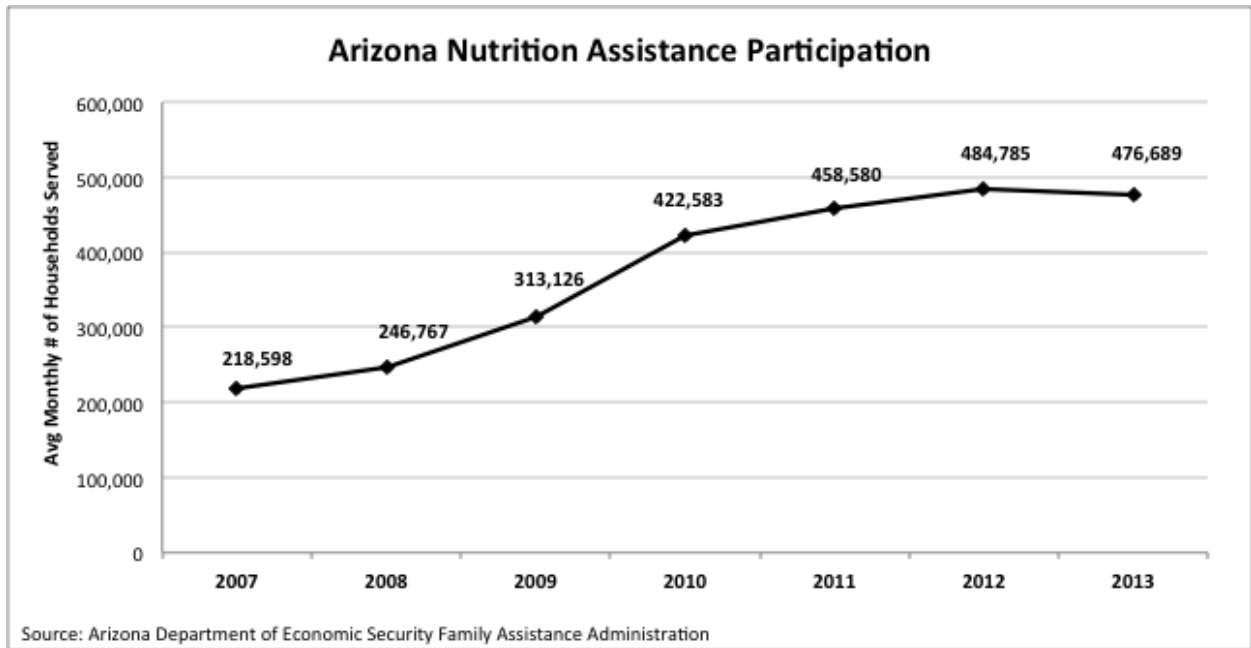


Figure 29 will look very different for fiscal year 2014. Beginning November 1, 2013 and running at least through September 2014, total cuts in Arizona Nutrition Assistance benefits will amount to \$109 million. That will impact all 1.1 million NA recipients (17 percent of the state’s population).<sup>101</sup> The new maximum monthly benefit for an individual is \$189 (down from \$200); the maximum monthly benefit for a family

<sup>101</sup> Center on Budget and Policy Priorities (2013). *SNAP Benefits Will Be Cut for All Participants in November 2013*.

of three is \$497 (down from \$526). For individuals living at or near the poverty level, those kinds of reductions can be significant.

Because Nutrition Assistance is not capped, in contrast to many other support programs, it provides a good broad measure of relative need for support services. The increase in the number of recipients of NA benefits reflects to a small extent changes in eligibility but to a much larger extent reflects the increase in need in the wake of the Great Recession. According to research by the National Bureau of Economic Research:

- Recent SNAP enrollment increases were driven by the substantial increase in the number of people living close to the poverty line. Nationwide, between 2007 and 2011, an additional 19.1 million people enrolled. Of those, an estimated 3.4 million (18 percent) became eligible as a result of more relaxed asset and time limits...changes in local unemployment explain at least two-thirds of the increase in SNAP enrollment during this period. A persistent one-percentage point increase in the local unemployment rate is associated with an increase in SNAP enrollment of 20 percent over three years.
- [But] unemployment is not the only source of economic distress that might lead an individual to become a SNAP beneficiary. Even those who remain employed may experience economic distress if their work hours are cut or widespread unemployment diminishes their informal economic support network...31 percent of the aggregate increase in SNAP receipt occurred in families where no member experienced an unemployment spell and at least one member was in the labor force.<sup>102</sup>

By this logic, support programs that have not increased proportionally over the period (such as TANF Cash Assistance and subsidized childcare programs – see Table 46 and Table 4) may reflect a significant unmet need.

## 5.4.2 Nutrition Assistance – Impact

In light of its primary goal – to provide adequate nutrition to low-income individuals and families – the effects of Nutrition Assistance can be profound:

- SNAP benefits not only reduce food insecurity and poverty this year; they also reduce poverty in the next generation. Recent research that tracked children into adulthood found that families' access to food stamps improved their infants' health and birth weight. Children who benefited from the program later posted better health, higher educational attainment, less heart disease and, for women, greater earnings and less reliance on welfare as adults.<sup>103</sup>

The benefits of adequate nutrition include (more detail in [Section 11.5](#)):

- **Education** – Inadequate nutrition that leads to cutting portions, skipping meals, and unhealthy food choices can lead to school absences and challenges in the classroom, including difficulty concentrating. Those challenges pose a significant threat over the long run with negative implications for the employability and productivity of Arizona's future workforce.<sup>104</sup>
- **Earnings** – Employees whose nutrition needs are met at home may be healthier and thus may take fewer sick days for themselves or their children.<sup>105</sup> The National Bureau of Economic Research study mentioned above found improvements among women (but surprisingly, not

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<sup>102</sup> National Bureau of Economic Research (2013).

<sup>103</sup> See Danzinger, S. (2013, September 17) and DePillis, L. (2013, September 17).

<sup>104</sup> Morrison Institute (2010).

<sup>105</sup> U.S. Department of Agriculture (2013). *The Benefits of Increasing the Supplemental Nutrition Assistance Program (SNAP) Participation in Your State*.

among men) in adult economic outcomes ranging from increased high school attainment, to higher earnings, to reduced reliance on the safety net during adulthood.<sup>106</sup>

- **Economic return** – Moody’s Analytics estimates that in a weak economy, every dollar increase in SNAP benefits generates about \$1.70 in economic activity.<sup>107</sup> Estimates by the U.S. Department of Agriculture show that every \$1 billion increase in SNAP benefits nationally, according to the USDA, creates or maintains 18,000 full-time equivalent jobs.<sup>108</sup>

**Nutrition Assistance has profound, multigenerational benefits that extend beyond the individual and the family to society writ large.**

These proven long-term benefits of Nutrition Assistance suggest that rather than creating dependency on the social safety net, they are giving low-income individuals and their children a chance to move out of poverty. “Providing benefits to children at important stages of their development allows them to grow in ways that may help enable them to escape poverty when they reach adulthood.”<sup>109</sup>

### **Food hardship persists**

[Figure 31](#) shows the increase in the percentage of Arizonans experience food hardship – from a low of 18.8 percent in 2008 to a high of 20.9 percent in 2012. In other words, in 2012 more than 1 in 5 Arizonans experienced food hardship. Comparing that to an average poverty rate of 18.7 percent, it becomes clear that food hardship extends beyond the threshold of “poverty” in Arizona. As [Figure 31](#) makes clear, the economic recovery has failed to bring food hardship levels back to pre-recession levels.<sup>110</sup>

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<sup>106</sup> National Bureau of Economic Research (2012).

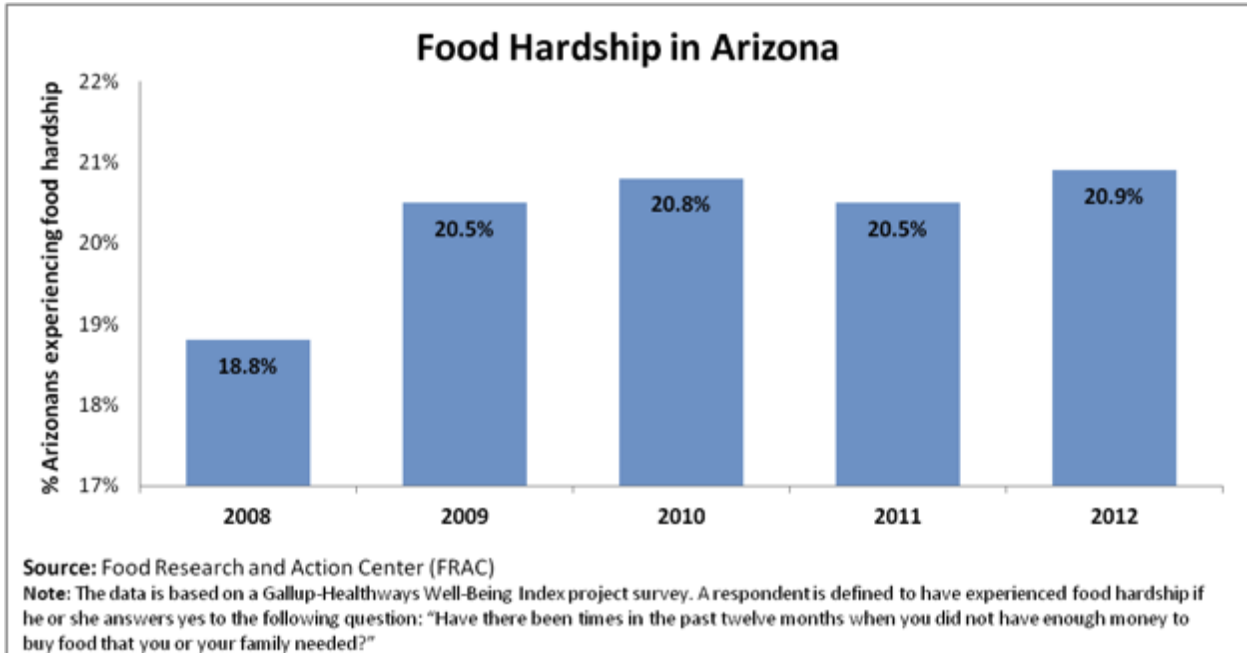
<sup>107</sup> Center on Budget and Policy Priorities (2013). *SNAP is Effective and Efficient*.

<sup>108</sup> USDA (2012). *Building a Healthy America: A Profile of the Supplemental Nutrition Assistance Program*.

<sup>109</sup> Hoynes, Hilary W. (2013).

<sup>110</sup> The Food Research and Action Center (FRAC) takes survey data from the Gallup-Healthways Well-Being Index project and uses it to create a measure of food hardship. A survey respondent is defined to have experienced food hardship if he or she answers yes to the following question: “Have there been times in the past twelve months when you did not have enough money to buy food that you or your family needed?” As of November 2014, FRAC had not yet published food hardship data for 2013.

**Figure 31: Food Hardship in Arizona - % of Arizonans Experiencing Food Hardship**



### 5.4.3 Nutrition Assistance – Findings

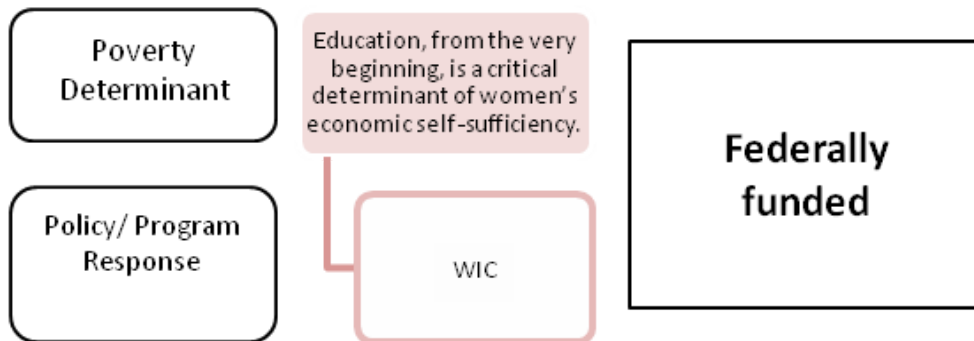
The proven long-term benefits of Nutrition Assistance – including improved educational performance, higher earnings, and returns for the economy, suggest that rather than creating dependency on the social safety net, Nutrition Assistance gives low-income individuals and their children a chance to move out of poverty. As we think about how best to support the economic self-sufficiency of low-income women, and focus on education, it is critical to also think about the ancillary factors – like nutrition – that impact a child’s educational prospects.

For additional details on Nutrition Assistance in Arizona, see [Section 11.5](#).





## 5.5 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)



Given that education is a powerful, if not the most powerful, means of attaining economic self-sufficiency, programs that are designed to provide for, and support, that education are critical. Providing many of the same benefits as Nutrition Assistance is another nutrition program, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

The Arizona WIC program provides nutrition education and breastfeeding support services, supplemental nutritious foods and referrals to health and social services. WIC serves pregnant, breastfeeding, and postpartum women; infants; and children under the age of five who are determined to be at nutritional risk.

**Table 15: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**

Program	Benefit	Income Eligibility
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	The average monthly benefit for the purchase of supplemental nutritious foods is \$42.88  The program also includes breastfeeding support and health education	Arizona's pregnant, breastfeeding, and postpartum women, infants and children under the age of five who are at nutritional risk and who are at or below 185 percent of the federal poverty level (FPL) <sup>111</sup>

**Source:** Arizona Department of Health Services

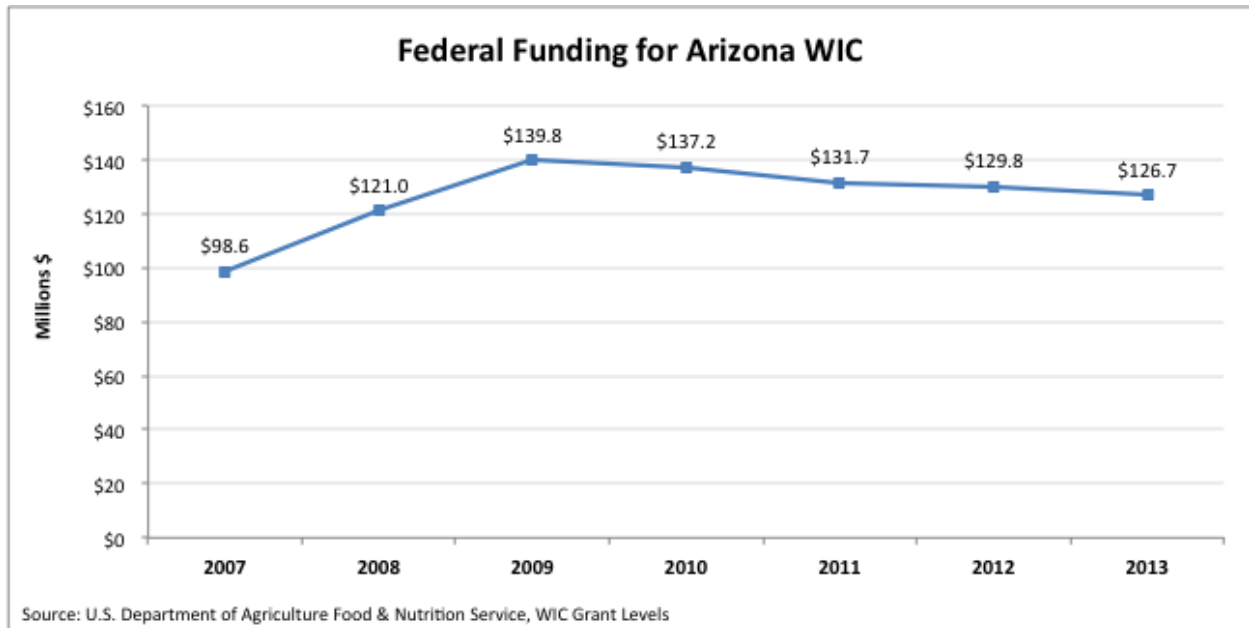
There are a number of types of benefits that WIC provides to its beneficiaries. They include improved health outcomes, cost avoidance, and long-term health and education impacts for children. Like the similar benefits provided by Nutrition Assistance (see [Section 5.4](#)), it is reasonable to conclude that WIC should lower long-term dependence on social safety programs by help women avoid health complications sometimes associated with pregnancy (such as diabetes) and by providing early health intervention for children.

### 5.5.1 WIC – Funding

<sup>111</sup> In 2013, the federal poverty level (FPL) was \$18,769 for a single mother with two children under the age of 18. The FPL for a single woman alone was \$12,119. For full detail see Table 1.

Total funding for WIC programs increased 28 percent between 2007 and 2013. These are exclusively federal funds, administered by the state.

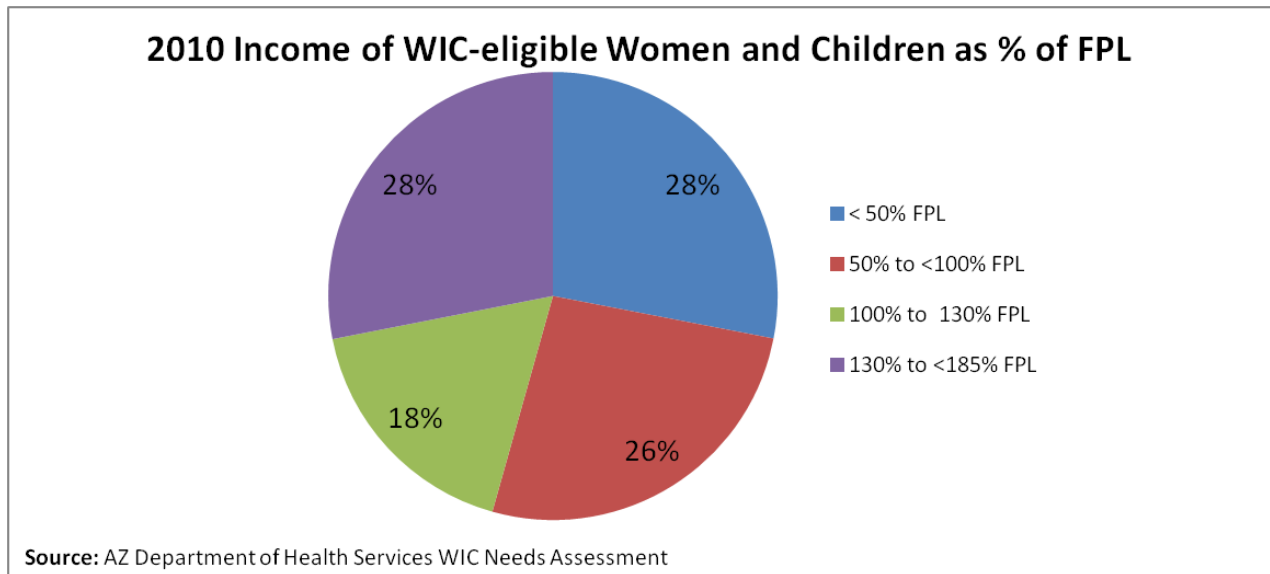
**Figure 32: Federal Funding for Arizona WIC**



Although the threshold for income eligibility for WIC is 185 percent of the federal poverty level, 54 percent of the eligible population actually lives in poverty (below 100 percent of the FPL), and 28 percent live in extreme poverty (household incomes below 50 percent of the FPL). 72 percent of the WIC eligible women and children lived in households with incomes under 130 percent of the FPL, making them also eligible for SNAP.<sup>112</sup>

<sup>112</sup> Arizona Department of Health Services (2013). *WIC Needs Assessment*.

**Figure 33: 2010 Income of WIC-eligible Women and Children as % of FPL**



**Table 16: Participation in Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**

	2007	2008	2009	2010	2011	2012*	2013	Total Δ 2007-13
<b>Eligible Population</b>	335,156	325,506	309,613	289,956	281,894	300,037	286,219	-15%
<b>Average Caseload</b>	170,378	180,606	185,720	179,443	175,224	171,222	161,748	-5%
<b>Participation Rate</b>	50.8%	55.5%	60.0%	61.9%	62.2%	57.0%	56.5%	

Source: Arizona Department of Health Services WIC Needs Assessment

Note: 2012 participation rate is author's calculation based on reported caseload and estimated eligible population

### 5.5.2 WIC – Impact

In a 1992 study, the U.S. General Accounting Office (GAO) statistically combined results from 17 studies conducted between 1971 and 1988 that compared rates of low birthweight among WIC participants and similar nonparticipants and found that prenatal WIC benefits reduced the rate of low birthweight births by 25 percent and reduced the rate of very low birthweight births by 44 percent. GAO concluded **that “each Federal dollar invested in WIC benefits returns an estimated \$3.50 over 18 years in discounted present value” to federal, state, local, and private payers.**<sup>113</sup>

Children who receive WIC benefits demonstrate improved intellectual development, which influences school achievement and behavior, according to the USDA. In addition, participation in the WIC Program

<sup>113</sup> Oliverira, V., & Frazão, E. (2009).

has been shown to improve vocabulary scores for children of mothers who participated in WIC prenatally and significantly improve memory for numbers for children enrolled in WIC after the first year of life.<sup>114</sup>

### 5.5.3 WIC – Findings

As with Nutrition Assistance, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program provides important supportive benefits for a child's education. So again, as we think about how best to support the economic self-sufficiency of low-income women, and focus on education, it is critical to also think about the ancillary factors – like nutrition – that impact a child's educational prospects.

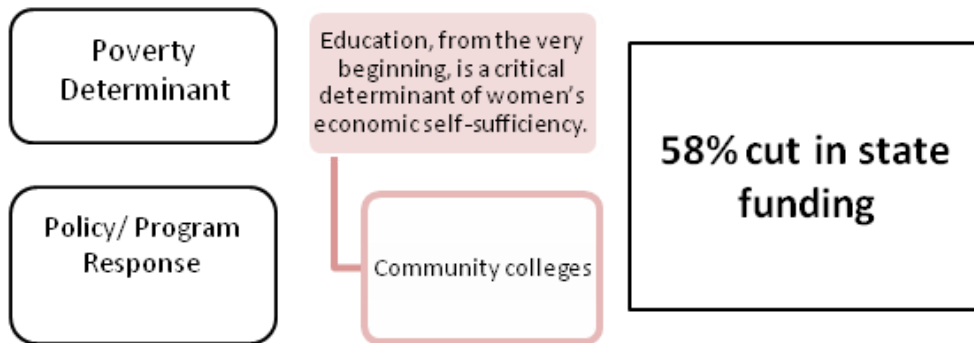
**For additional details on Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) in Arizona, see [Section 11.6](#).**

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<sup>114</sup> USDA (2013). *Women, Infants and Children (WIC): About WIC- How WIC Helps*.



## 5.6 Community Colleges



**Given that education is a powerful, if not the most powerful, means of attaining economic self-sufficiency, programs that are designed to provide for, and support, that education are critical. It starts at birth and continues through adulthood. At every level of educational attainment – high school graduation/GED, technical certification, Associate's degree, Bachelor's degree, and above – increases in educational attainment present an opportunity for increased economic self-sufficiency.**

The Arizona community college system comprises 10 college districts and 2 provisional districts. Arizona's community colleges provide programs and training in the arts, sciences and humanities, and vocational education leading to an Associate's degree, Certificate of Completion, or transfer to a Baccalaureate degree-granting college or university.<sup>115</sup>

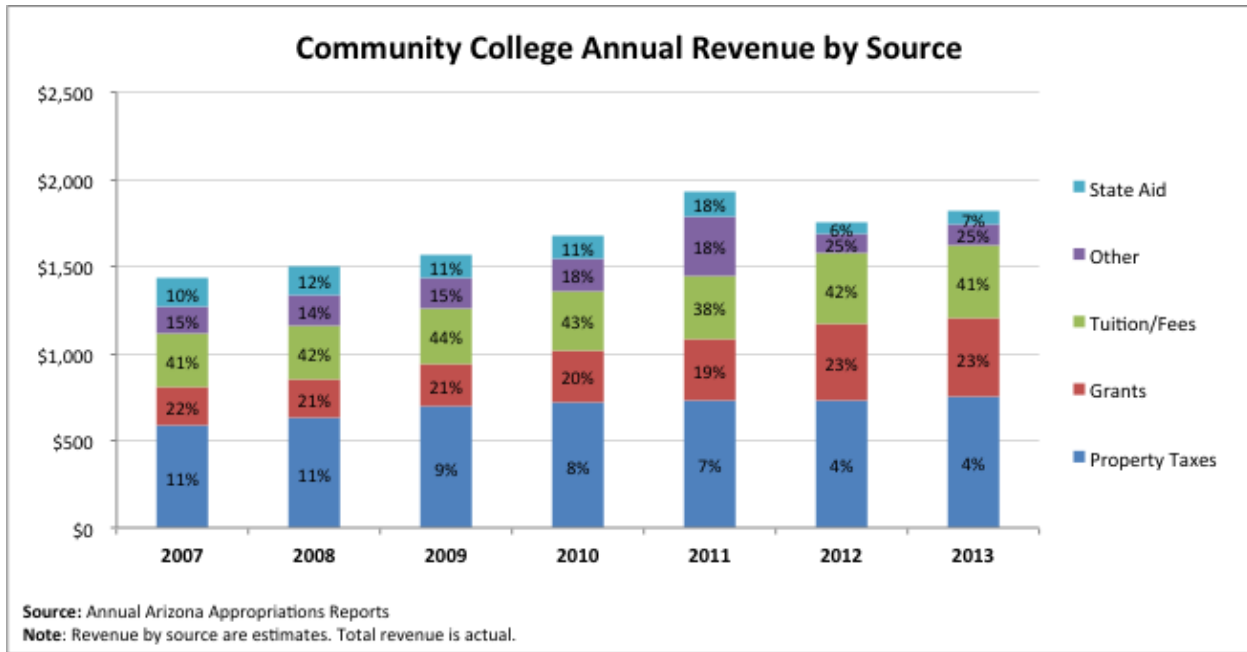
### 5.6.1 Community Colleges – Funding

Total funding for Arizona's community colleges increased 44 percent between 2007 and 2013, from \$1.26 billion in 2007 to \$1.81 billion in 2013. None of that increase is attributable to increases in state funding; funding to community colleges from the state actually fell 58 percent, from \$163 million to \$69 million. That decline was partially made up for by a 35 percent increase in revenue from tuition and fees.

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<sup>115</sup> FY2012 AZ Community Colleges Appropriations Report

**Figure 34: Community College Funding by Source**

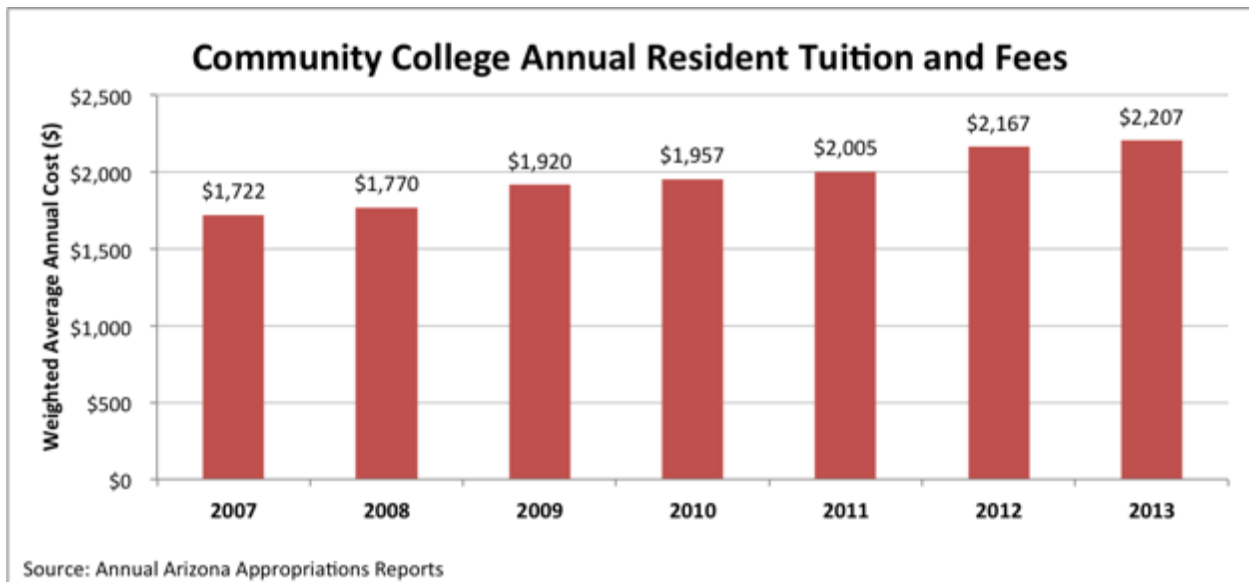


**State funding to community colleges declined 58 percent. That decline was partially made up for by a 35 percent increase in revenue from tuition and fees.**

The percentage of total community college funding that came from grants increased significantly between 2007 and 2013, from 15 percent in 2007 to 25 percent in 2013. Grants, according to the Community Colleges Fiscal Year Appropriations Report, include “traditionally come from the federal government, including: the U.S. Department of Education, Small Business Administration, National Science Foundation, and Health and Human Services.”

The community colleges received roughly the same percentage share of their funding from tuition and fees in 2013 (23 percent) as 2007 (22 percent). But the actual rate of tuition increased substantially. Averaged across all of the state’s community colleges, the average annual resident tuition and fees was \$2,207 in 2013. That is up 28 percent from 2007. Again, as [Figure 34](#) makes clear, as the state has decreased its funding of community colleges, the schools have had to make up the difference, and have done so in part through tuition increases.

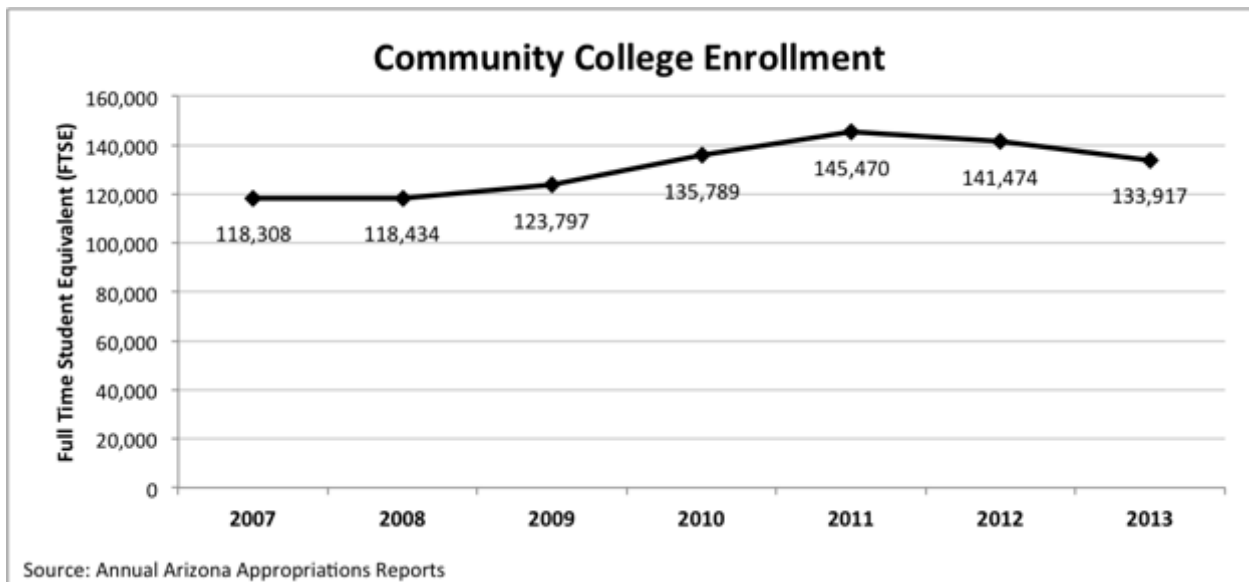
**Figure 35: Community College Annual Resident Tuition and Fees**



### 5.6.2 Community Colleges – Impact

Total enrollments across the state’s community colleges rose 13.2 percent between 2007 and 2013. Since 2011, however, enrollment has dropped every year. Enrollment in 2013 was 5.3 percent lower than in 2012.

**Figure 36: Enrollment Community Colleges in Arizona**



Across all occupations, women in Arizona with some college education or an associate’s degree earn \$5,692 more per year than those with just a high school diploma or GED. Not even accounting for inflation, across a fifty-year career, that additional \$5,692 in annual earnings adds up to \$284,600 in additional income earned.<sup>116</sup>



Earnings differentials are even higher within certain occupations. Certain jobs that require an associate’s degree can carry significantly higher earnings differentials, as [Table 17](#) makes clear. Electrical and Electronic Engineering Technicians, for example (one of the occupations in Arizona defined as required an associate’s degree) earn \$54,213 per year – \$31,961 more per year than the average worker with just a high school diploma or GED. **So when women make the choice to enroll in community college programs designed to feed into those higher-paying occupations, they’re maximizing their increased earnings potential and further strengthening their economic self-sufficiency.**

**Table 17: Median Annual Earnings in Select Occupations Requiring Associate’s Degree**

Occupation Title	Median Annual Wage for Occupation (Which Requires Associate’s Degree)	Annual Wage Differential over Worker with Just High School Diploma or GED
Electrical & Electronic Engineering Technicians	\$54,213	+\$31,961
Paralegals and Legal Assistants	\$44,728	+\$22,476
Respiratory Therapists	\$51,979	+\$29,727
Preschool Teachers, Except Special Education	\$22,901	+\$649

**Source:** Arizona Office of Employment and Population Statistics

**Note:** Wage differential comparing median annual wage for that occupation to the 2013 average among all women with only high school diploma or GED (that is \$22,252).

In addition to enabling women to work in higher-paying occupations, an Associate’s degree also provides a measure of insulation from economic cycles; the unemployment rate among individuals with Associate’s degrees is markedly lower than the unemployment among those with only a high school diploma or GED (7.1 percent versus 9.5 percent in 2013). More detailed discussion of the impact of education on unemployment rates, including a graph of unemployment rates, is on [page 96](#).

### 5.6.3 Community Colleges – Findings

Women with an associate’s degree can earn substantially more than those with just a high school diploma or GED. Furthermore, women with an associate’s degree are less likely to be unemployed than less-educated women. For these reasons, community colleges are what the American Association of Community Colleges call “brokers of opportunity for a stronger middle class and more prosperous nation.” The latest national estimate of the return on investment to state and local governments from investing in community colleges in 2007 was 16.1 percent.<sup>117</sup>

**The latest national estimate of the return on investment to state and local governments from investing in community colleges in 2007 was 16.1%.**

Community college enrollments increased 13.2 percent between 2007 and 2013. (Though enrollment in 2013 was down 5.3 percent compared to 2012.) Between 2007 and 2013, state funding for the community

<sup>116</sup> Earnings differentials are author’s calculations based on 2012 median earnings data by level of educational attainment, from the U.S. Census Bureau American Community Survey. Lifetime differentials assume a 50-year career.

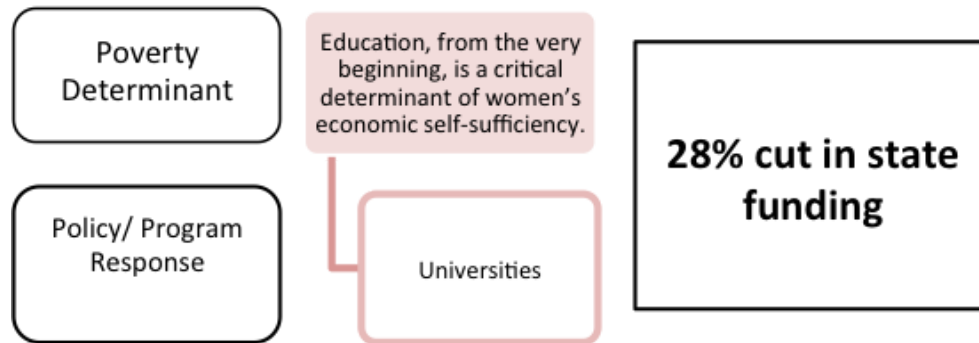
<sup>117</sup> American Association of Community Colleges (2013).

colleges fell 58 percent, from \$163 million to \$69 million. The hardest biggest cuts hit in 2012; in that year, state funding declined 51 percent compared to 2011. In 2013, state funding was up just 1.5 percent.

As the state has decreased its funding of community colleges, the schools have had to make up the difference, and have done so in part through tuition increases. Averaged across all of the state's community colleges, the average annual resident tuition and fees was 28 percent higher in 2013 than in 2007, and 1.8 percent higher in 2013 than in 2012.



## 5.7 Universities



**Given that education is a powerful, if not the most powerful, means of attaining economic self-sufficiency, programs that are designed to provide for, and support, that education are critical. It starts at birth and continues through adulthood. At every level of educational attainment – high school graduation/GED, technical certification, Associate's degree, Bachelor's degree, and above – increases in educational attainment present an opportunity for increased economic self-sufficiency.**

There are three public universities in Arizona: Arizona State University, with its main campus in Tempe; the University of Arizona, with its main campus in Tucson; and Northern Arizona University, with its main campus in Flagstaff. All three are governed by the Arizona Board of Regents.

### 5.7.1 Arizona Universities – Funding

Funding for Arizona's universities comes from a number of sources: the state General Fund; tuition and fees; federal funds; and other funds that include auxiliary operations, investment income, sales and services of educational departments, gifts, grants, and contracts. Across all of those sources, funding for Arizona's universities increased 40 percent between 2007 and 2013. On a per-student basis, Arizona's university funding increased 18 percent between 2007 and 2013.

Yet that increase masks the dramatic cuts in university funding from the state itself. Between 2007 and 2013, total university funding from the state General Fund declined 28 percent. **The Center for Budget and Policy Priorities ranked Arizona as top among the 50 states for its cuts to universities and for its tuition increases.**<sup>118</sup> General Fund cuts to Arizona's three public universities have now placed inflation-adjusted per student funding back to levels not seen since the 1960s.

As [Figure 37](#) reveals, state General Fund spending per student at both Arizona State University and University of Arizona in 2012 was lower in real terms (accounting for inflation) than in 1971. In fact, funding at ASU was 32 percent lower in 2012 than in 1971; at U of A funding was 27 percent lower.<sup>119</sup>

<sup>118</sup> Johnson, Leachman, Oliff, and Palacios (2013).

<sup>119</sup> This figure uses a conservative inflation adjustment, the Consumer Price Index. Due to greater inflation for higher education, if adjusted by the Higher Education Price Index (HEPI), the inflation-adjusted funding levels in years prior to 2012 would gradually grow larger than shown in the figure, such that by 1992 funding would be about 15 percent higher and 1971-1984 would be about 25 percent more. See Commonfund Institute, *Higher Education Price Index Report*, 2013. Available at <https://www.commonfund.org/CommonfundInstitute/HEPI/HEPI%20Documents/2013%20HEPI%20Report.pdf>.

Figure 37: 1971-2013 State General Fund Spending Per FTE Student (2012\$)

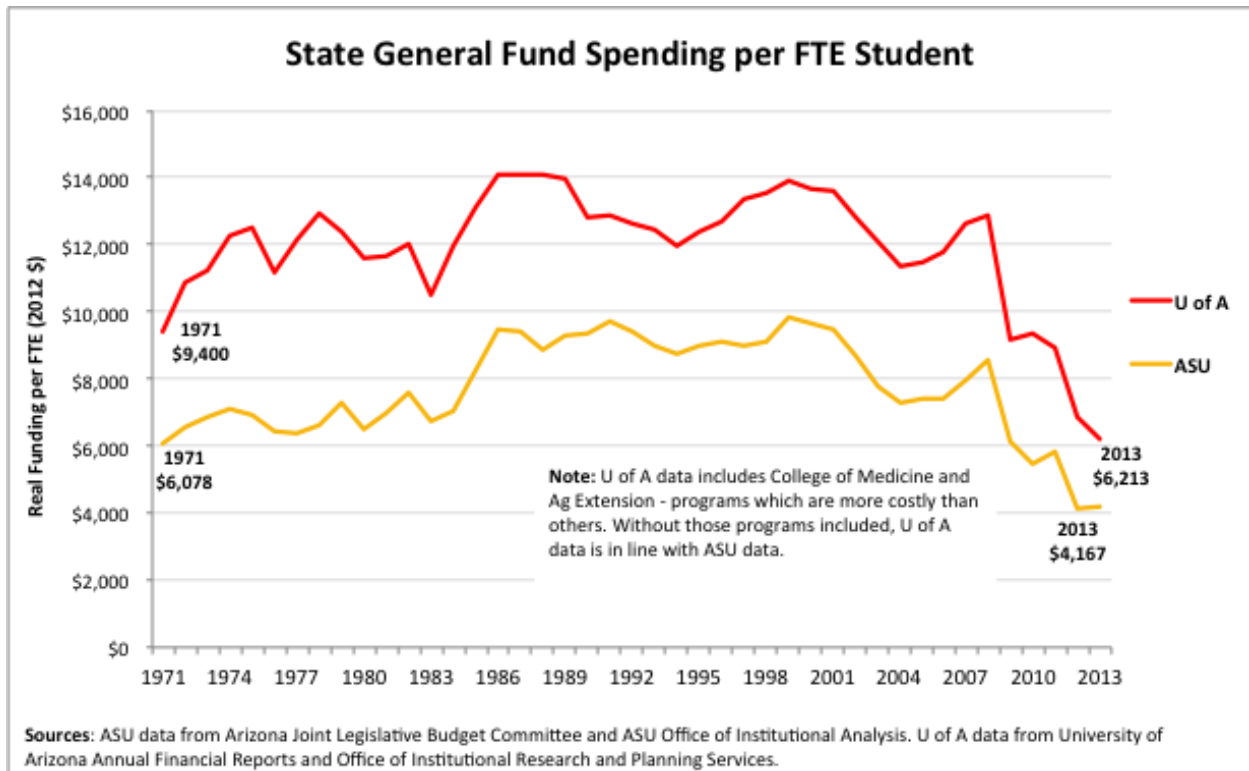


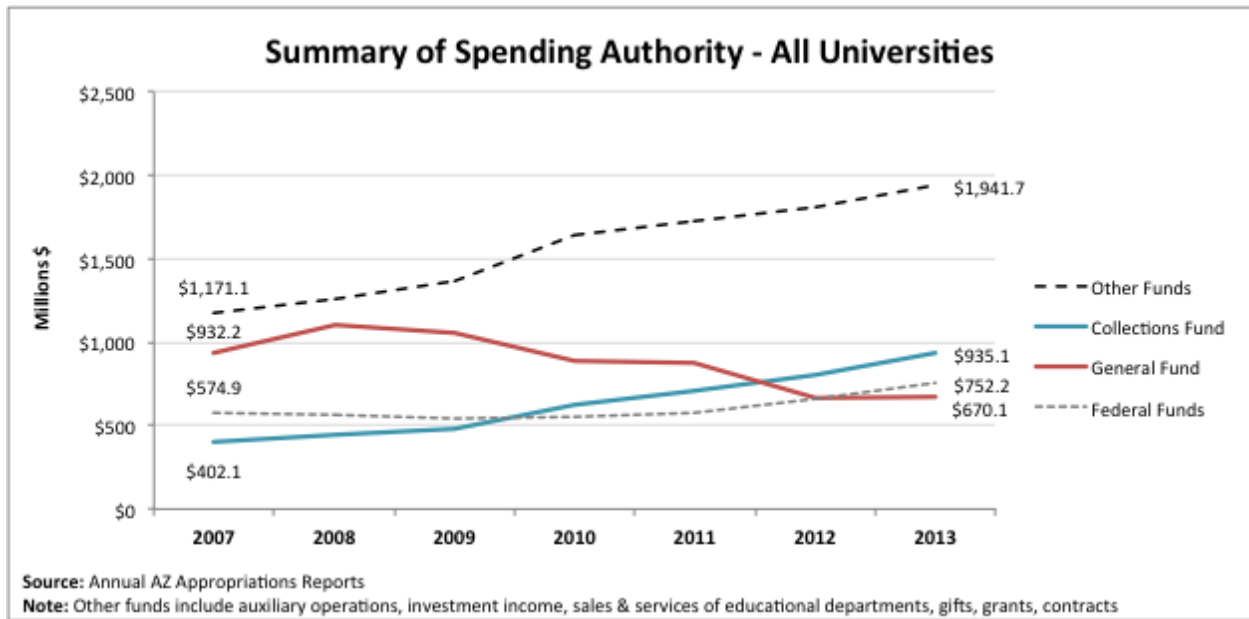
Figure 37 also provides a good comparison of the state’s response to previous recessions. The recessions in 1980 and 1981-82 were not as long or as deep as the most recent recession, but they were significant. And yet as Figure 37 makes clear, state investment in education dipped only a bit, twice, and then proceeded to rise to unprecedented levels. In contrast, the state has continued to cut funding for Arizona’s universities on a per-student basis, even after economic activity – and the state’s coffers – have been recovering.

As Figure 38 makes clear, funding by source changed quite dramatically. While funding from the state’s General Fund decreased 28 percent, funding from collections (i.e. tuition and fees) more than doubled (it rose 133 percent). **In 2012, for the first time, more of the universities’ funding came from tuition and fees and other collections than from the state General Fund; the trend continued in 2013.**

The second-most dramatic increase in funding has been from “other” sources – including auxiliary operations, investment income, sales and services of educational departments, gifts, grants, and contracts – which make up the biggest single source of university funding and increased by 66 percent.

It is important to articulate: by cutting general fund dollars appropriated to the universities by 28 percent, the state has shifted a greater share of the burden of higher education onto the universities themselves and, in turn, onto the students.

**Figure 38: State Universities – Total Funding (Millions \$)**



How have these changes in funding – in particular, the 28 percent decrease in funding from the state’s General Fund and 133 percent increase in tuition & fees and other collections (from all programs) – impacted low-income women? The Board of Regents offers a partial explanation:

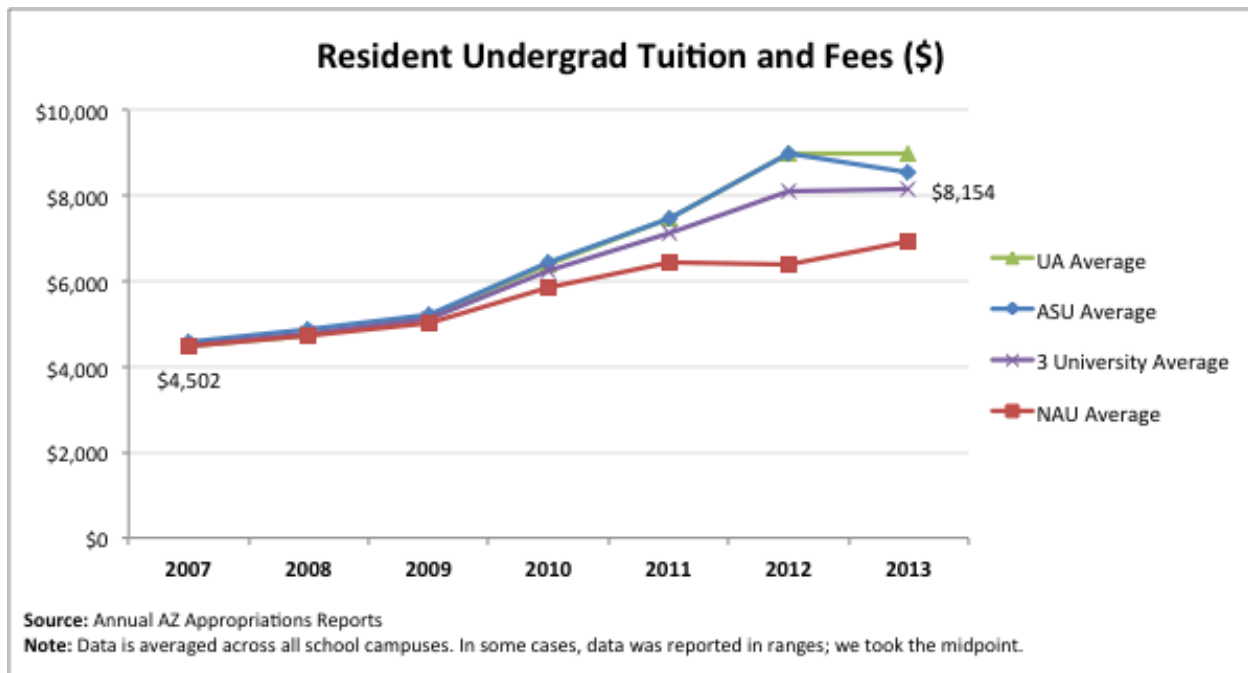
*In Arizona, as is the case in states across the country, state investment in the University System lessened as the economy spiraled downward and competition increased for fewer state general fund dollars. At the same time, university enrollment has grown significantly. Arizona’s universities serve more than 139,000 students, 25 percent more than a decade ago. Decreased state support has forced increases in tuition and fees. Despite these financial pressures, Arizona’s public universities offer a tuition that is competitive and remains lower than the average of peer institutions. The Regents are committed to maintaining affordability and access to a quality educational experience for all Arizona students.<sup>120</sup>*

**Tuition and fees for resident undergraduates increased 81 percent between 2007 and 2013.<sup>121</sup>** Averaged across all campuses, the increases were consistent for all three schools, though NAU’s increases were smaller than were ASU and UA’s. In 2007 the average of annual resident undergrad tuition and fees across the three universities was \$4,502. By 2013, it was \$8,154.

<sup>120</sup> Arizona Board of Regents (2013).

<sup>121</sup> Tuition and fees collected from all programs at all levels increased 99 percent. Tuition and fees for resident undergraduate programs only (not including non-resident undergraduate programs and programs at other levels) increased 78 percent.

**Figure 39: Resident Undergrad Tuition & Fees**

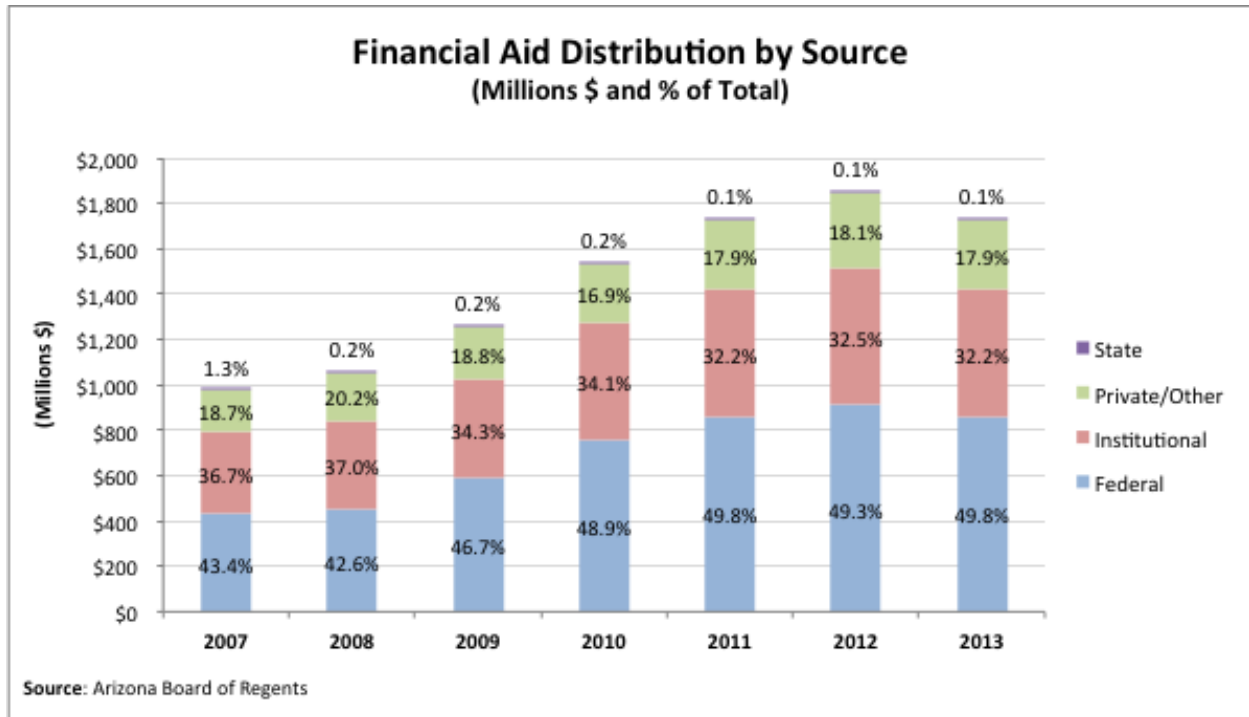


Total financial aid distributed across all forms of aid and all sources increased 75 percent between 2007 and 2013. However, between 2012 and 2013, the total amount of aid distributed declined 6.3 percent. The universities distribute financial aid in three broad forms: grants, loans, and employment (often called “work-study”). Between 2007 and 2013, grant aid rose the most – it nearly doubled – while loans rose 79 percent and employment 22 percent.

Funding for that aid comes from four sources: the state, the universities themselves, the federal government, and private and other sources. While financial aid distribution rose 75 percent on whole, there were significant changes in funding among the four sources. Financial aid funds from the state fell 86 percent – from \$12.6 million in 2007 to \$1.73 million in 2013. Financial aid funds from the federal government rose the most – 101 percent – and continue to make up the single largest share of financial aid funding among the four sources.

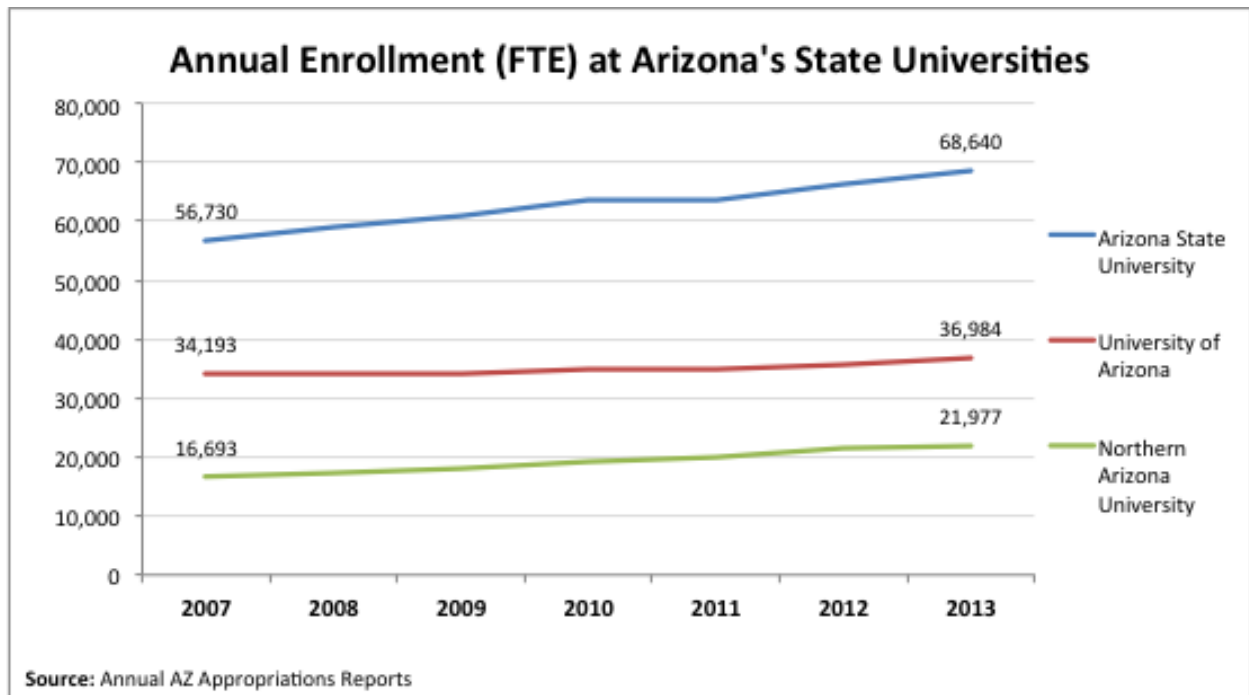
Theoretically the increases in financial aid – grants in particular – will maintain higher education accessibility for low-income women who might otherwise struggle with 81 percent higher tuition and fees. But the state cannot take credit; state funding for financial aid declined dramatically, as it has for the universities broadly. Furthermore, when financial aid is not in the form of grants, but rather loans, the burden of financing education remains on the student’s shoulders.

Figure 40: Financial Aid Distribution by Source



### 5.7.2 Women's Participation in University Education in Arizona

Figure 41: Annual Enrollment (FTE) at Arizona's State Universities





The share of women at Arizona's three state universities was consistent across our time period and across the universities; a slightly higher percentage of women than men.

### 5.7.3 Arizona Universities – Impact

From the perspective of women's economic self-sufficiency, higher education is impactful in three particularly significant ways:

- 1. Women with bachelor's degrees earn significantly more in their lifetimes than those without a college degree** – an average of \$18,129 more per year (\$906,450 total) than those with only a high school diploma, and \$12,437 more per year (\$621,850 total) than those with only some college or an associate's degree. Women with graduate or professional degrees earn even more than that – \$6,694 more per year (\$334,700 total) on average than those with only bachelor's degrees.<sup>122</sup>
- 2. A bachelor's degree or higher opens the door to higher-paying occupations**, as [Table 18](#) – which shows the median annual wages among occupations that require a bachelor's degree as well as differential between those earnings and average earnings of individuals with only some college or Associate's degree – makes clear.

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<sup>122</sup> Earnings differentials are author's calculations based on 2013 median earnings data by level of educational attainment, from the U.S. Census Bureau American Community Survey. Lifetime differentials assume a 50-year career.

**Table 18: Median Annual Earnings in Select Occupations Requiring Bachelor’s Degree**

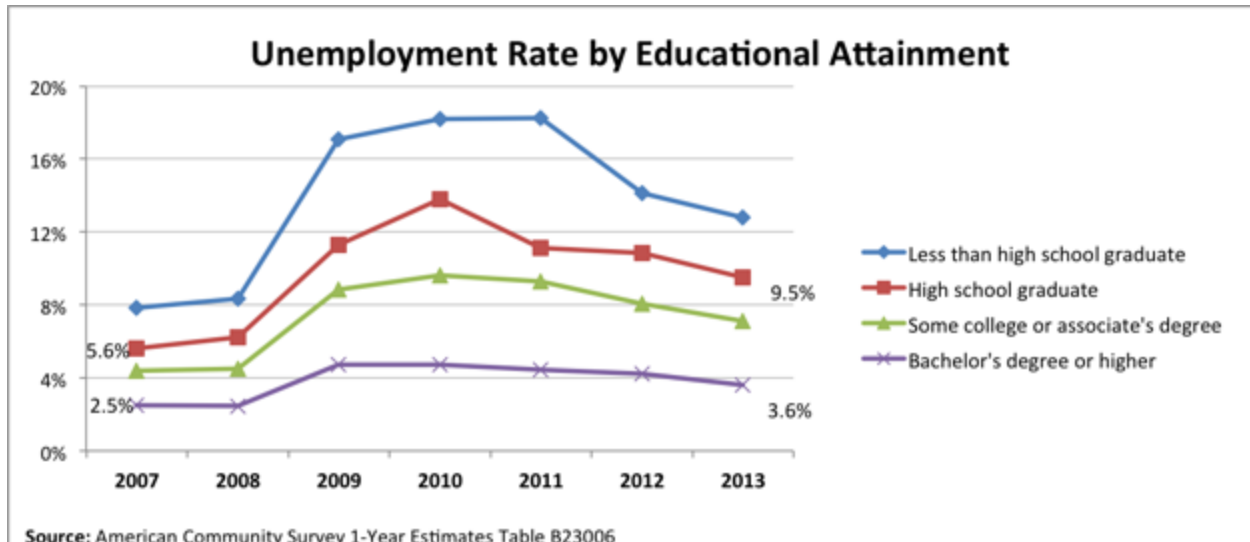
<b>Occupation Title</b>	<b>Median Annual Wage for Occupation (Which Requires Bachelor’s Degree)</b>	<b>Annual Wage Differential over Worker with Some College or Associate’s Degree</b>
Computer and Information Systems Managers	\$112,884	+\$84,940
Electrical Engineers	\$94,244	+\$66,300
Aerospace Engineers	\$84,445	+\$56,501
Human Resources Managers	\$87,556	+\$59,612
Financial Analysts	\$69,675	+\$41,731
Computer Programmers	\$70,296	+\$42,352
Medical and Clinical Laboratory Technologists	\$59,999	+\$32,055
Healthcare Practitioners & Technical Workers	\$44,387	+\$16,443
Paralegals and Legal Assistants	\$44,728	+\$16,784
Kindergarten Teachers	\$40,513	+\$12,569
Child, Family, and School Social Workers	\$37,379	+\$9,435

**Source:** Arizona Office of Employment and Population Statistics

**Note:** Wage differential comparing median annual wage for that occupation to the 2013 average among all women with only some college or associate’s degree (that is \$27,944).

- 3. Unemployment rates are far lower among individuals with a bachelor’s degree or higher than among those with less education**, as [Figure 42](#) makes clear. Unemployment rose for all levels of educational attainment during the Great Recession; but unemployment started higher and remains higher for those with less education than those with more. For individuals with a bachelor’s degree or higher, the unemployment rate was 3.6 percent in 2013; at its peak in 2009, it was 4.7 percent. In contrast, among individuals with just a high school diploma or GED, the unemployment rate was 9.5 percent in 2013; at its peak in 2010 it was 13.8 percent.

**Figure 42: Unemployment Rate by Educational Attainment**



So higher education matters, in other words, both in terms of enabling women to earn more and in terms of providing greater levels of employment security. Only, of course, if that higher education is actually accessible.

### 5.7.4 Arizona Universities – Findings

The state cut its share of funding for Arizona’s three public universities by 28 percent between 2007 and 2013. In doing so, the state has shifted a greater share of the burden of higher education onto the universities themselves and, in turn, onto the students. Tuition and fees for resident undergraduates increased 81 percent between 2007 and 2013. In 2007 the average of annual resident undergrad tuition and fees across the three universities was \$4,502. By 2013, it was \$8,154. In 2012, for the first time, more of the universities’ funding came from tuition & fees and other collections than from the state General Fund.

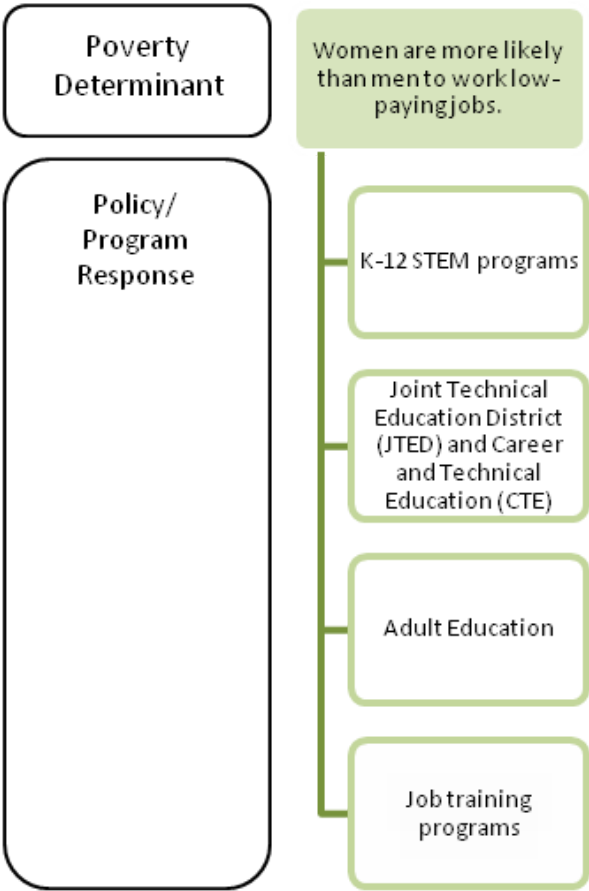
Financial aid rose between 2007 and 2013, too – 75 percent on whole. Hopefully, those increases will maintain higher education accessibility for low-income women who might otherwise struggle with 81 percent higher tuition and fees. But the state cannot take credit; state funding for financial aid declined 86 percent – from \$12.6 million in 2007 to \$1.73 million in 2013.

**Higher education matters both in terms of enabling women to earn more and in terms of providing greater levels of employment security. Only, of course, if that higher education is actually accessible.**

From the perspective of women’s economic self-sufficiency, higher education is impactful in three particularly significant ways:

1. Women with bachelor's degrees earn significantly more in their lifetimes than those without a college degree
2. A bachelor's degree or higher opens the door to higher-paying occupations,
3. Unemployment rates are far lower among individuals with a bachelor's degree or higher than among those with less education

## 6 Full Report - Enabling Higher Earnings: K-12 STEM Programs, Technical/Vocation Training, Adult Education, and Job Training Programs



In this section we first explore the data on poverty and occupation. The data reveal that women are more likely than men to work low-paying jobs. Furthermore, women make up a relatively smaller share of high-paying occupations than men do.

In that context, what are policies/programs that could help low-income women achieve economic self-sufficiency? In this section we explore programs that encourage and enable women and girls to go into higher-paying occupations (theoretically, programs such as K-12 STEM programs, career and technical education, adult education, and job training).

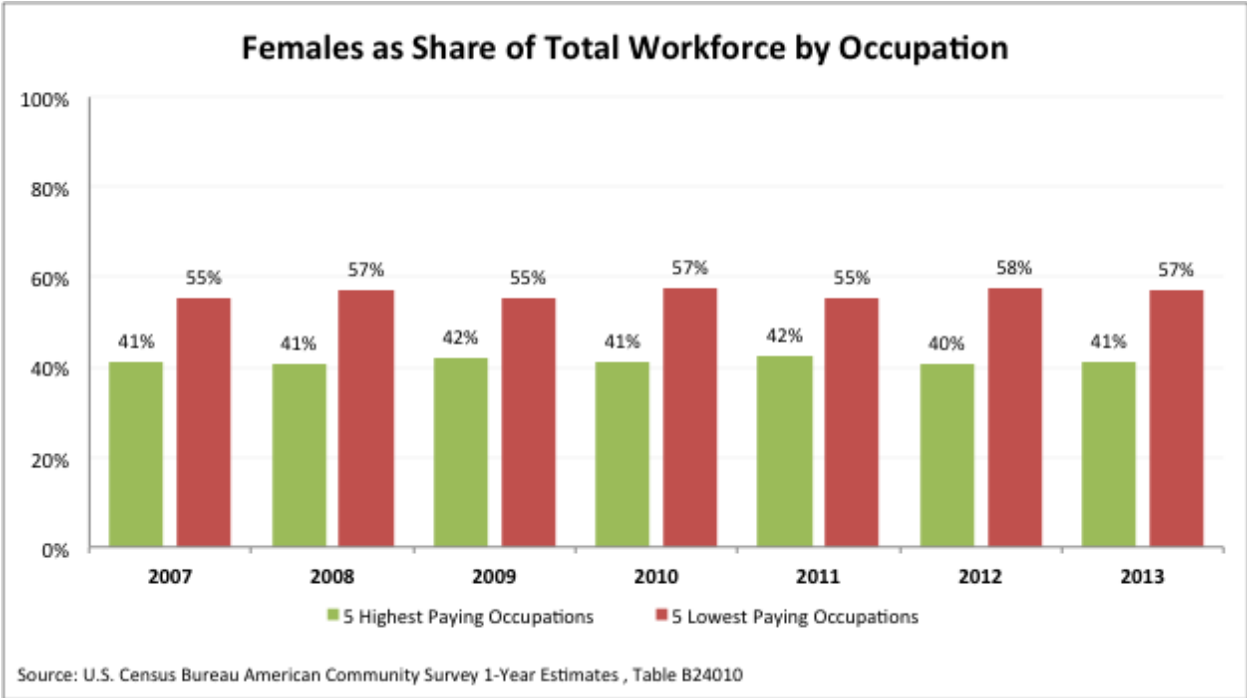
### 6.1 Poverty, Earnings, and Occupation

**Women are more likely than men to work low-paying jobs.** Why is it that women have a higher relative incidence of poverty than men? In addition to the fact that women are more likely than men to be singularly responsible for children, and the incidence of poverty is dramatically higher among people with children than without, women also earn less than men.

**Women make up a relatively smaller share of high-paying occupations than men do.** As [Figure 43](#) makes clear, women make up a relatively smaller percentage of high-paying occupations and a relatively larger percentage of low-paying occupations than men do. Consistently across our study period, about 40

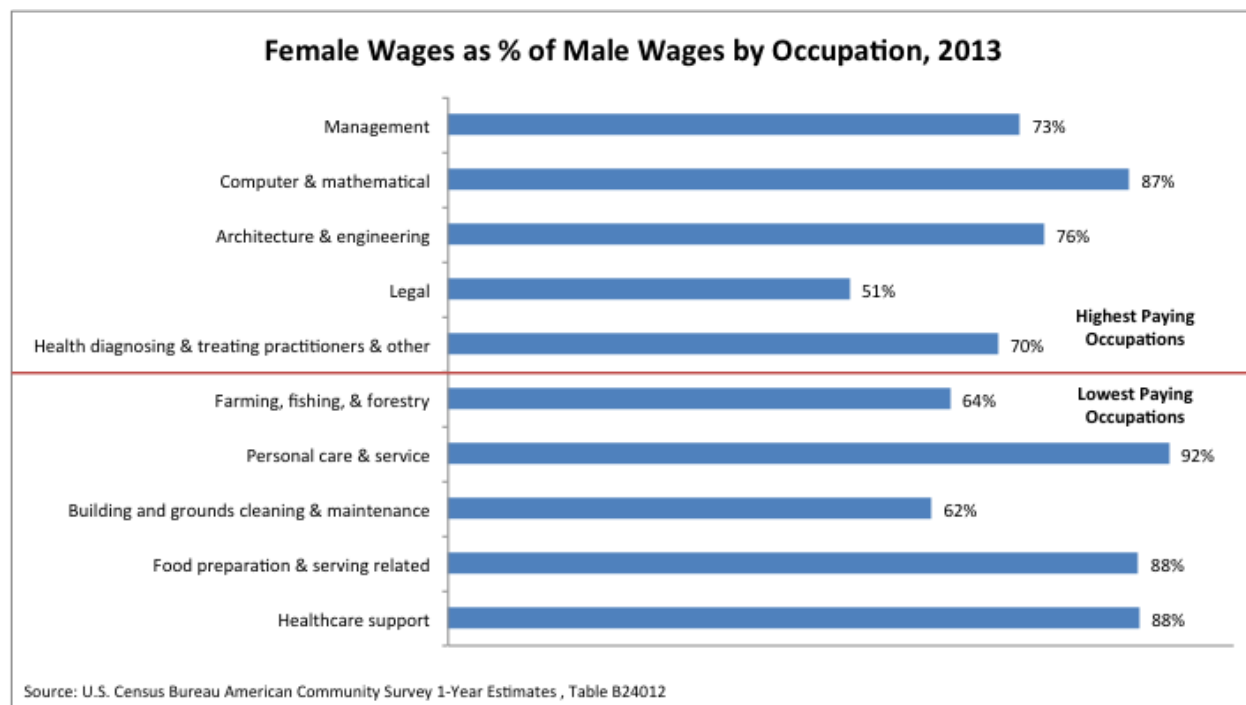
percent of all people employed in one of the five highest paying jobs were female. About 57 percent of all people employed in one of the five lowest paying jobs were female.

**Figure 43: Females as Share of Total Workforce by Occupation**



**Within the same occupational categories, women earn less than men do.** As [Figure 44](#) makes clear, women earn less than men in the same occupational categories. It is important to note, however, that occupational choice can explain much of this difference. Research demonstrates that women often choose lower-paying occupations, such as healthcare and professional support occupations rather than higher-paying jobs even within those same fields.

**Figure 44: Female Wages as % of Male Wages by Occupation, 2013**



According to research from the Urban Institute, women tend to work in lower-paying occupations, and occupations dominated by women are on average lower-paid than occupations dominated by men. “Women are tracked into ‘pink-collar’ jobs such as teaching, child care, nursing, cleaning, and waitressing, which typically pay less than jobs in industries that are male-dominated.”<sup>123</sup>

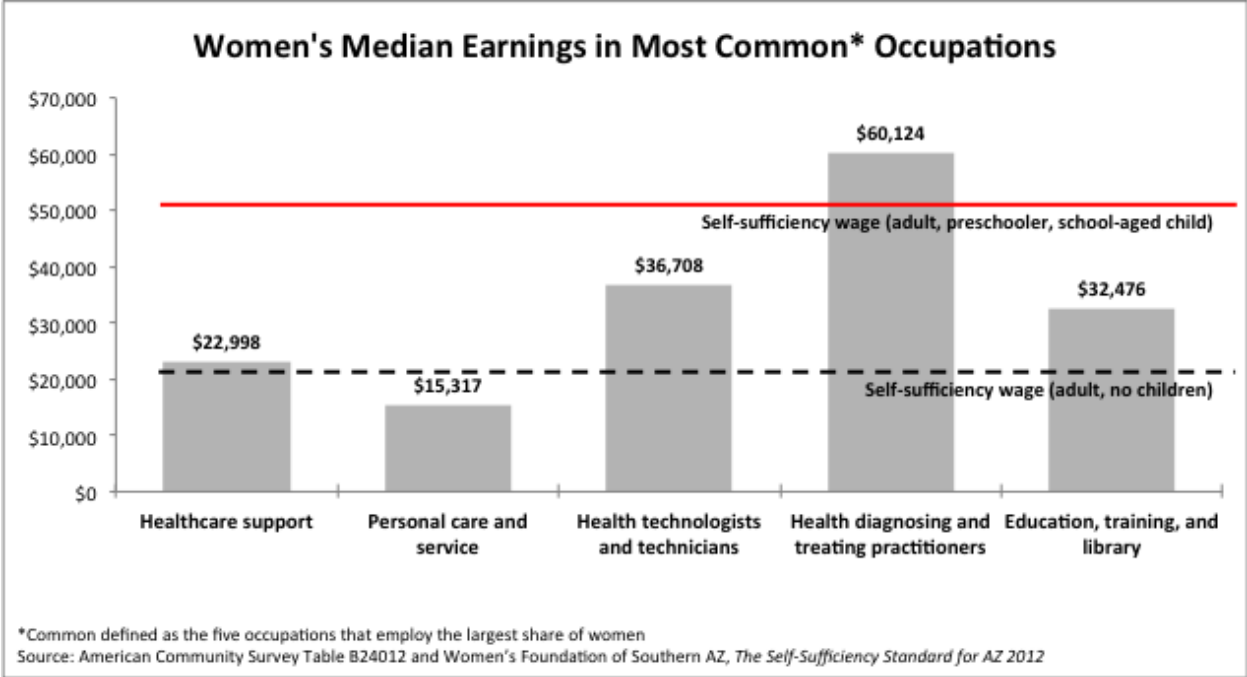
That phenomenon is borne out by the data. Take healthcare for example. Among the highest paid jobs in that category – physicians & surgeons, with a median wage of \$187,260 in 2013 – women counted for just 36 percent of all individuals employed. In the healthcare support category – including, for example, home health aides, with a median wage of \$22,988 in 2013 – women counted for 84 percent of all individuals employed.

The facts that women are more likely to be employed in lower-paying occupations and earn less than men are most problematic because many of the jobs that women are more likely to work at often do not even pay a self-sufficiency wage. The five most common occupations for women in Arizona in 2013 (defined as those occupations employing the largest share of women), and the median earnings for those occupations in 2013 are detailed in [Figure 45](#). Just one of the occupations pays enough to meet the self-sufficiency standard for a woman in Maricopa County with a preschooler and a school-aged child.<sup>124</sup>

<sup>123</sup> Urban Institute (2011). *Characteristics of Low Income Single Mothers Disconnected from Work and Public Assistance*.

<sup>124</sup> Self-sufficiency standard as defined in Women's Foundation of Southern Arizona (2012).

Figure 45: Women's Median Earnings in Most Common\* Occupations



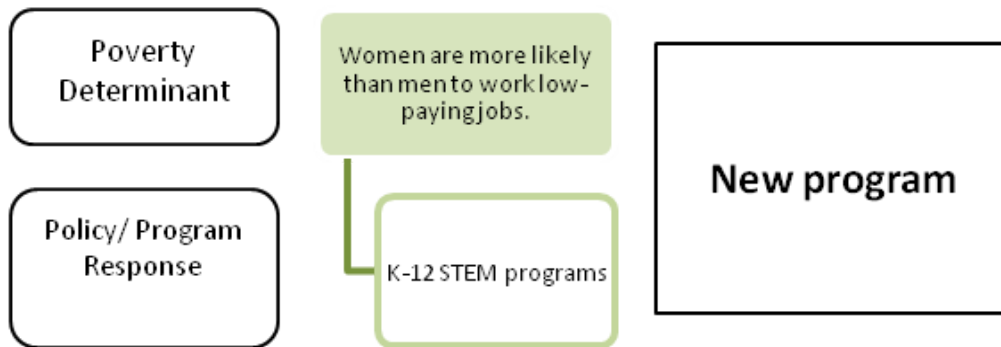
In addition to factors such as occupational choice and hours worked – sometimes not true “choices” (if women are forced to work reduced hours to take care of children, for example) – there are other factors that explain the gap between female and male earnings. For one, women earn less in part because they are more likely to take time out to raise children. But even accounting for those factors, women earn less than men – for no obvious reason other than their gender.<sup>125</sup>

<sup>125</sup> For additional insight on the gender wage gap, refer to the following: Urban Institute (2011). *Characteristics of Low Income Single Mothers Disconnected from Work and Public Assistance*; American Association of University Women Educational Foundation (2007); American Association of University Women Educational Foundation. (2013); and U.S. Government Accountability Office (2011).





## 6.2 K-12 STEM Programs



**Given that women are more likely than men to work low-paying jobs, and make up a relatively smaller share of high-paying occupations than men do, programs that are designed to encourage and enable women to work in higher-paying occupations can help low-income women become economically self-sufficient. Among the 25 highest-paying jobs in Arizona in 2012, 22 were related to science, technology, engineering, or math (STEM). So programs at the K-12 level that encourage girls to pursue STEM fields could help promote women's economic self-sufficiency.**

That STEM-related jobs are some of the highest paying is true across levels of educational attainment; it is true for STEM-related jobs requiring high levels of education (Master's degree or higher) and those requiring less education (such as an Associate's degree or technical certificate). So given that women's earnings in the most common occupations (see [Figure 45](#)) are not high enough even to meet the self-sufficiency standard, programs that would encourage and enable women to work in STEM fields could be important ways to improve the economic self-sufficiency of low-income women.<sup>126</sup>

### Race to the Top

Encouraging kids to enter STEM fields is one of the primary goals of the Race to the Top grant-funded programs. Race to the Top was authorized under the federal American Recovery and Reinvestment Act of 2009 (ARRA). Arizona received a \$25 million grant from the federal government. With that money, the state awards competitive grants to local educational agencies (LEAs) and/or private agencies. Led by the Arizona Department of Education (ADE), the RTTT grant champions the integration of STEM instructional strategies to support the implementation of Arizona's College- and Career-Ready Standards in English Language Arts and Math. According to ADE, "Many districts and charters across the state are implementing innovative STEM programs to ensure their students are meeting the needs of the workforce of tomorrow."<sup>127</sup>

### Science Foundation Arizona STEM Network

"SFAz launched the STEM Network, composed of business and education leaders, to help advance the goal of developing a statewide science, technology, engineering and math agenda. The effort is being backed by a \$100,000 federal stimulus grant plus \$500,000 from global mining company Freeport-McMoRan Copper & Gold Inc."<sup>128</sup> The STEM Network provides grants to private agencies and/or school

<sup>126</sup> Self-sufficiency standard as defined in Women's Foundation of Southern Arizona (2012).

<sup>127</sup> Arizona Department of Education (2012).

<sup>128</sup> Obele, L. (2011, April 8).

districts for STEM programs.

ADE has shared with LEAs a free product developed by SFAz and the Arizona STEM Network, the STEM Immersion Matrix. This Matrix serves as a “strategic road map for Arizona schools and districts to chart a course for STEM integration. This blueprint helps educators determine their current level of STEM implementation, define their vision, mission and goals, and plan how their schools can go to the next level. The STEM immersion matrix offers a framework for establishing project-based STEM instruction, leadership development and community support.”<sup>129</sup>

**STEM Pilot: AZ Science Center/AZ Department of Education Partnership**

“The pilot funded development, teacher training, logistics of assuring that all regions of the state are served, including Indian reservations, monitoring for continued compliance to the pilot design and evaluation. Our partnership created what we consider a state-of-the art STEM process.”<sup>130</sup>

**Table 19: STEM Programs – Arizona Race to the Top Budget**

	<b>Year 1 (2011-2012)</b>	<b>Year 2 (2012-2013)</b>	<b>Year 3 (2013-2014)</b>	<b>Year 4 (2014-2015)</b>	<b>Total</b>
Funding sub-granted to LEAs (50% of total) <sup>131</sup>	\$3.1	\$3.1	\$3.1	\$3.1	\$12.5
<b>Total Budget</b>	\$6.2	\$6.3	\$5.6	\$6.9	\$25.1

**Source:** U.S. Department of Education<sup>132</sup>

**Table 20: Participation in Race to the Top STEM Programs**

	<b># Participating as of 6/30/2012</b>	<b># Participating as of 6/30/2013</b>	<b>Participation Rate (% of Statewide Total)</b>
<b>LEAs</b>	235	221	33%
<b>Schools</b>	1,467	n/a	60%
<b>K-12 Students</b>	939,449	940,442	90%
<b>Low-Income Students</b>	463,625	468,532	91%

**Source:** Race to the Top Arizona State Report<sup>133</sup>

**6.2.1 K-12 STEM Programs – Findings**

Because the Race to the Top STEM programs have only just begun, it is too early to say definitively what kind of an impact they will have on the occupational choices students make. If these programs are successful at both encouraging girls to go into STEM fields and enabling their success, the programs could be tremendously beneficial, at a relatively low cost.

<sup>129</sup> Science Foundation Arizona (2013).

<sup>130</sup> Arizona Department of Education (2013).

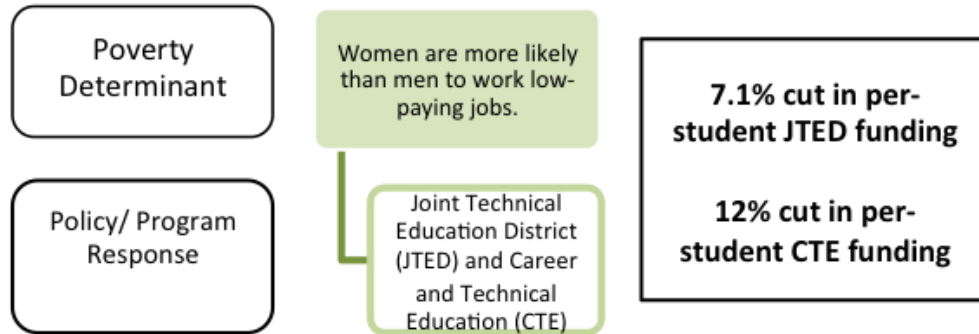
<sup>131</sup> These are the funds directly affecting students.

<sup>132</sup> State of Arizona (2013). *Arizona’s State-reported Race to the Top Annual Performance Report*.

<sup>133</sup> State of Arizona (2013). *Arizona’s State-reported Race to the Top Annual Performance Report: Local Educational Agency (LEA) Participation*.



### 6.3 Joint Technical Education District (JTED) and Career and Technical Education (CTE) Programs



Given that women are more likely than men to work low-paying jobs, and make up a relatively smaller share of high-paying occupations than men do, programs that are designed to encourage and enable women to work in higher-paying occupations can help low-income women become economically self-sufficient. Enabling individuals’ economic self-sufficiency is certainly one of the goals of the Joint Technical Education District (JTED) and Career and Technical Education (CTE) programs in Arizona.

Created in 1990, JTEDs act as "cooperatives" for public school districts to “cost-effectively deliver specialized vocational and career and technical education course offerings for students to attain sufficient skills to enter into occupations that normally do not require a baccalaureate or advanced degrees”.<sup>134</sup>

#### Joint Technical Education District (JTED) Programs<sup>135</sup>

The Career and Technical Education (CTE) Division, at the Arizona Department of Education (ADE), reviews and monitors career and technical education programs that utilize state and federal monies. Beginning in FY 2007, each JTED must submit each course to be offered for school year 2008 and beyond for approval by CTE.

JTEDs also collaborate with community college districts to allow for dual or concurrent enrollment courses for community college credit. In this case, the school district, the JTED and the community college all receive funding. High school students enrolled in a JTED may attend a JTED program part-time and attend academic courses in core subject areas at another school during the school day.

#### Career and Technical Education (CTE) Programs

CTE programs prepare students to enter the workforce with the academic and vocational skills needed to compete successfully in the job market. CTE courses typically include competency-based learning.

#### 6.3.1 JTED & CTE Programs – Funding

<sup>134</sup> Arizona Senate Research Staff (2011).

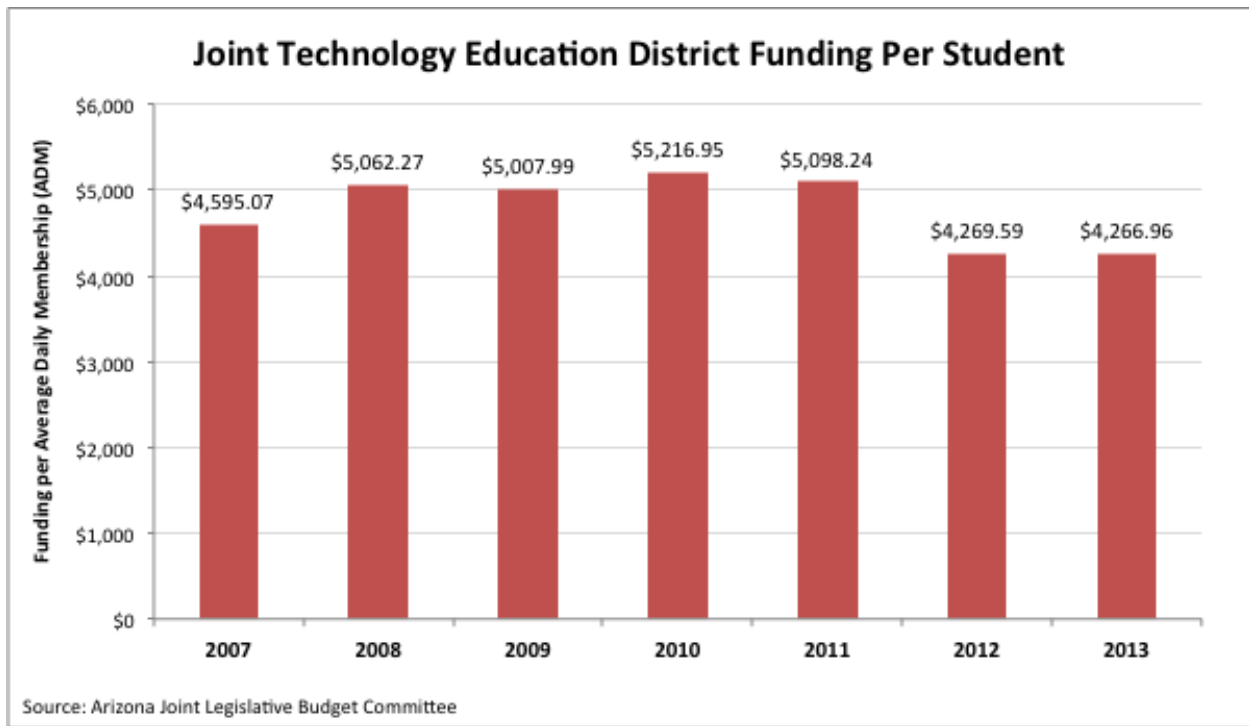
<sup>135</sup> Arizona Senate Research Staff (2011).

### JTED Funding

The JTEDs receive funding through local, state, county and federal monies. The JTED’s state funding formula is similar to the formula used by traditional school districts. Funding is based on student enrollment and the costs are shared between the state and local funds. A JTED may levy a rate of five cents per \$100 of secondary net assessed property valuation to generate the local contribution. Any amount needed to fund the required formula above the amount generated through the local tax is funded through state funds. Tuition may be collected for adult students and pupils who are residents of school districts that are not participating members of the JTED.

Overall, funding for JTED programs in Arizona rose 24 percent between 2007 and 2013. Program enrollment, as measured by Average Daily Membership (ADM), rose 33 percent.<sup>136</sup> So on a per-student basis, funding for JTED actually declined 7.1 percent.

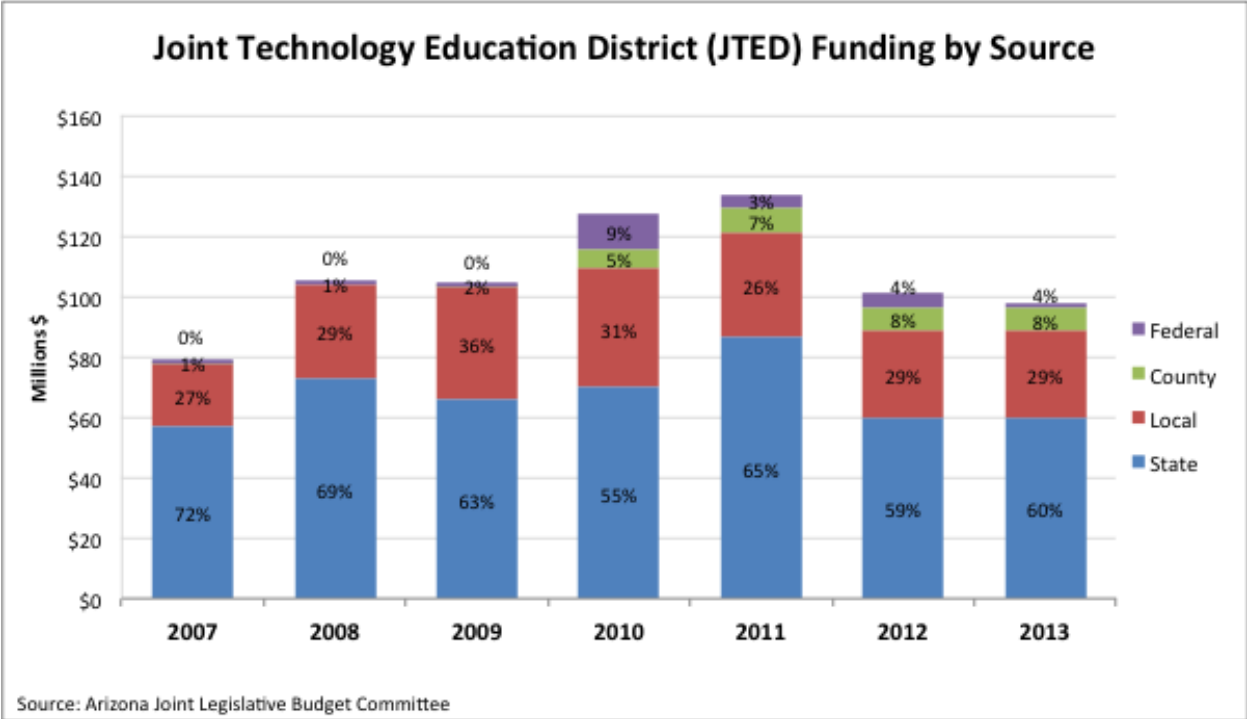
**Figure 46: Joint Technology Education District (JTED) Funding Per Student**



Between 2007 and 2013, the share of contributions by funding source changed significantly. In 2007, the state contributed \$57 million to the total of \$79 million in funding – a share of 72 percent. In 2013, the state contributed more money – \$60 million – but its contribution as a share of the total was 60 percent. The counties picked up a significant amount of the slack; while their contribution is still relatively low (\$7.5 million of the \$97.5 million total in 2013), their share has risen from almost nothing to 7.5 percent.

<sup>136</sup> Average Daily Membership, or ADM, is a count of resident and state-placed students who receive an elementary or secondary education at public expense.

Figure 47: Joint Technology Education District (JTED) Funding by Source



**CTE Funding**

Career and Technical Education is supported by a combination of funds as well; in this case, federal, state, and local funds. Federal funding is authorized under the Carl Perkins Vocational and Technical Education Act and distributed by the Arizona Department of Education. 72 percent of the funds goes to high school districts and 13 percent goes to the community college districts.

Between 2007 and 2013, state funding through the State Block Grant for Vocational Education increased 1 percent, not accounting for inflation. Federal funding through the Federal Perkins Vocational Education Basic Grant increased only 1 percent as well. Measured on a per-student basis, total funding declined 12 percent.

Figure 48: CTE Program Enrollment and Total Funding (Millions \$)

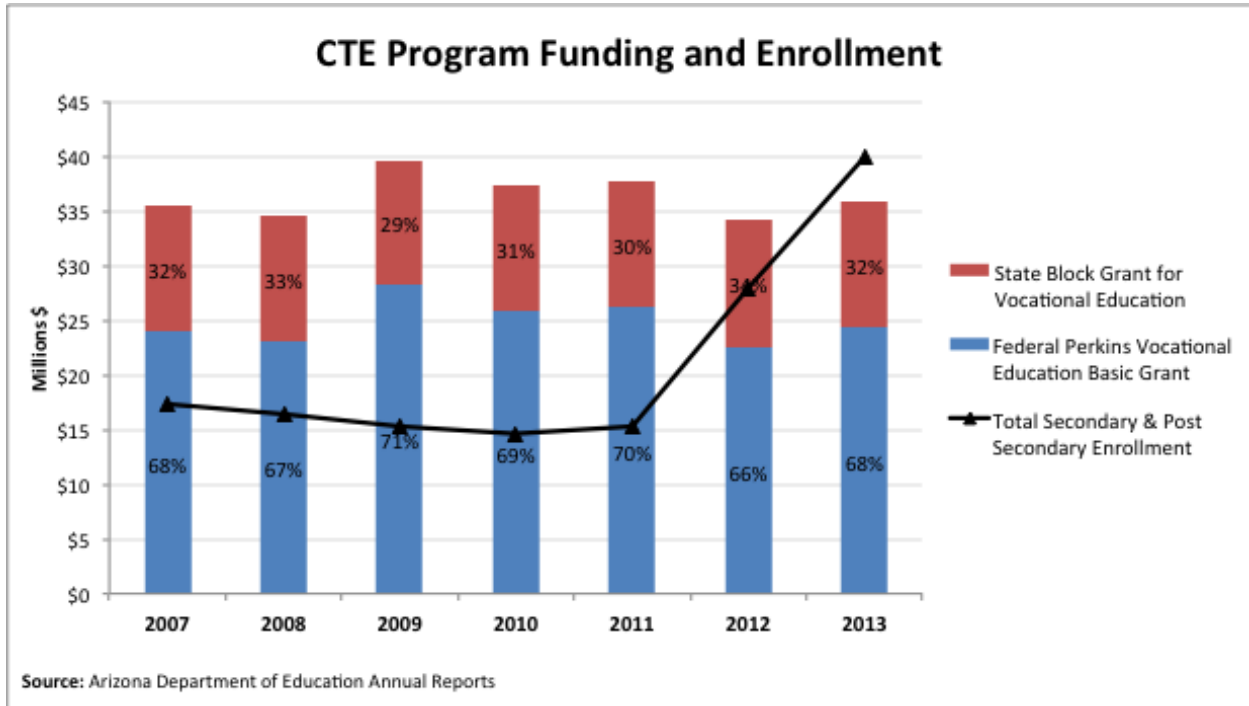
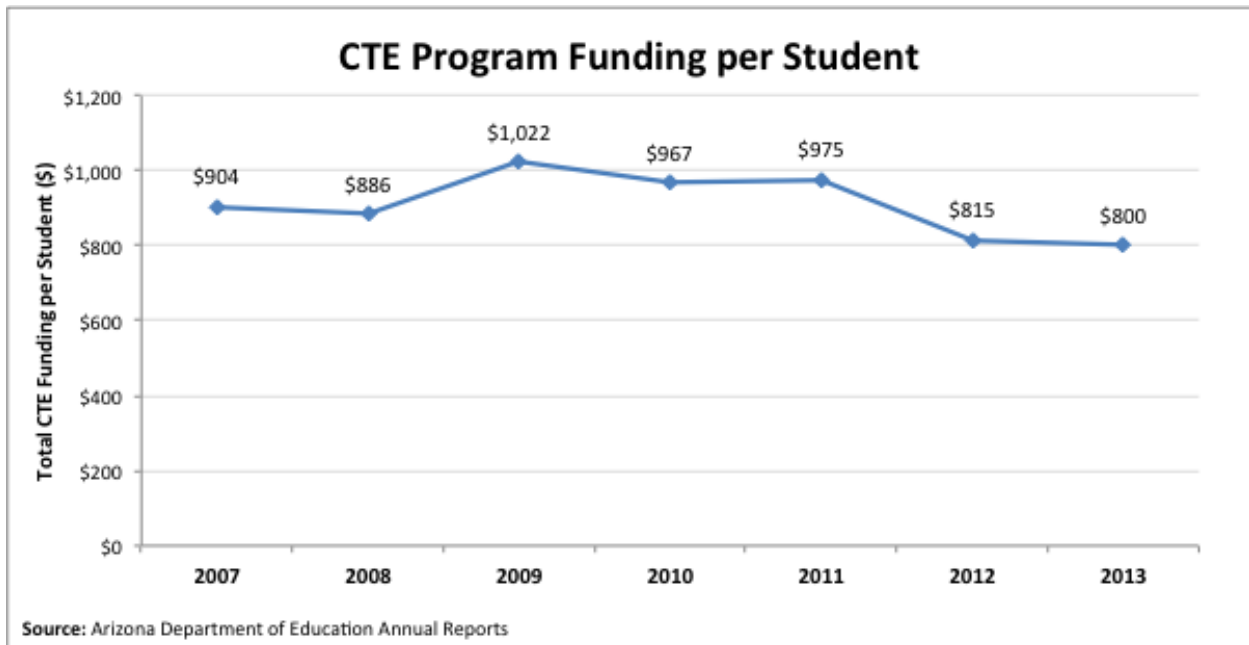


Figure 49: CTE Program Funding per Student



### 6.3.2 JTED & CTE Programs – Impact



**According to the Bureau of Labor Statistics, of the 20 fastest growing occupations, 10 require an associate's degree or less.** Furthermore, of the 20 occupations with the largest number of new jobs projected for 2018, 13 require on-the-job training or an associate's degree. A person with a CTE-related associate's degree or credential will earn an average of between \$5,000 and \$15,000 more a year than a person with a humanities or social services associate's degree – and those with credentials in high-demand fields such as health care can average almost \$20,000 more a year.<sup>137</sup>

### 6.3.3 JTED & CTE Programs – Findings

If JTED and CTE programs are effective at encouraging women into higher-paying jobs and enabling their success in those jobs then the programs will be delivering tremendous benefit at a relatively low cost. Consider that the individual benefit alone of an associate's degree is multiplied by that individual's tax contributions and general spending in the economy. Moreover, much has been said about the need for the United States to nurture high-tech jobs; many of those jobs are technical/vocational in nature and are well served by CTE-type programs.

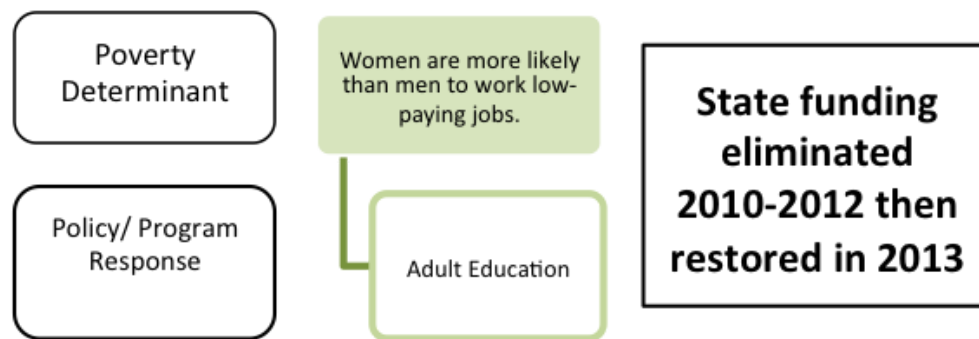
JTED and CTE programs appear to yield higher returns than job training programs, though a side-by-side analysis that controls for variables like differences in who participates has not been done. Our analysis of the funding for, participation in, and impact of job training programs is detailed in [Section 6.5](#).

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<sup>137</sup> Arizona Department of Education (2013). *Superintendent Huppenthal Recognizes February as Career and Technical Education Month*.



## 6.4 Adult Education (GED) Programs



**Given that women are more likely than men to work low-paying jobs, and make up a relatively smaller share of high-paying occupations than men do, programs that are designed to encourage and enable women to work in higher-paying occupations can help low-income women become economically self-sufficient. In nearly every case, a high school diploma or GED is a critical prerequisite.**

Arizona provides Adult Education programs through the Department of Education, in three areas:

1. **Adult Basic Education (ABE)** – For people 16 and older who need to improve their basic reading, writing, and mathematical skills. Class options include both face-to-face and Distance Learning Classes.
2. **GED Preparation and Adult Secondary Education (ASE)** – For people 16 and older who want to prepare for the GED Test, and/or prepare to enter college or the workforce. Class options include both face-to-face and Distance Learning Classes.
3. **English Language Acquisition for Adults (ELAA) and Civics Classes** – For people 16 and older who want to improve their English language speaking, listening, reading and writing skills.

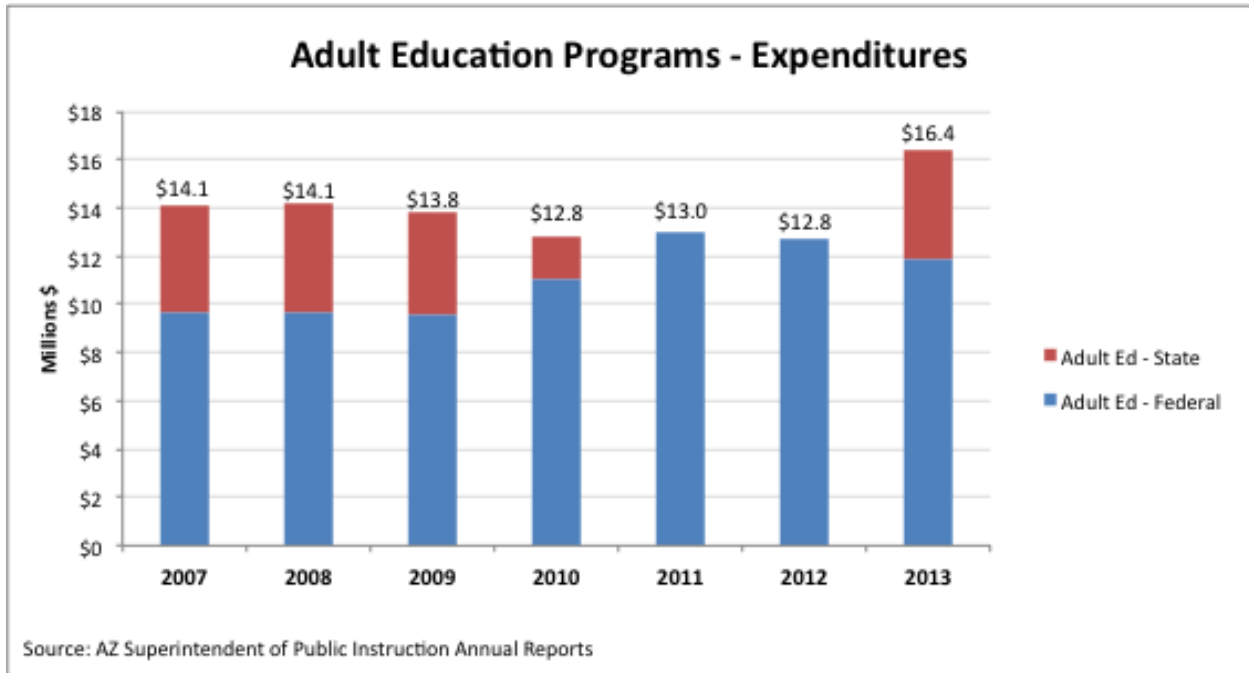
One of the primary goals of the Adult Education programs is for participants to get their GED (officially, it's the General Educational Development test, but is also known as General Equivalency Diploma; in Arizona, it is called the Arizona High School Equivalency Diploma). The GED tests include five subject areas: reading, language & writing, science, social studies, and math. Once a person passes all five sections, he or she is regarded as having achieved the equivalent of a high school diploma.

### 6.4.1 Adult Education (GED) Programs – Funding

In 2010, the state cut funding for adult education programs, and in doing so risked elimination of the federal matching funds, which at the time amounted to \$11 million. Some of the community colleges stepped in and allocated federal stimulus funds to serve as a temporary funding “match” to what the state had cut, allowing Arizona to keep its federal match. The state restored funding to the programs in 2013.<sup>138</sup>

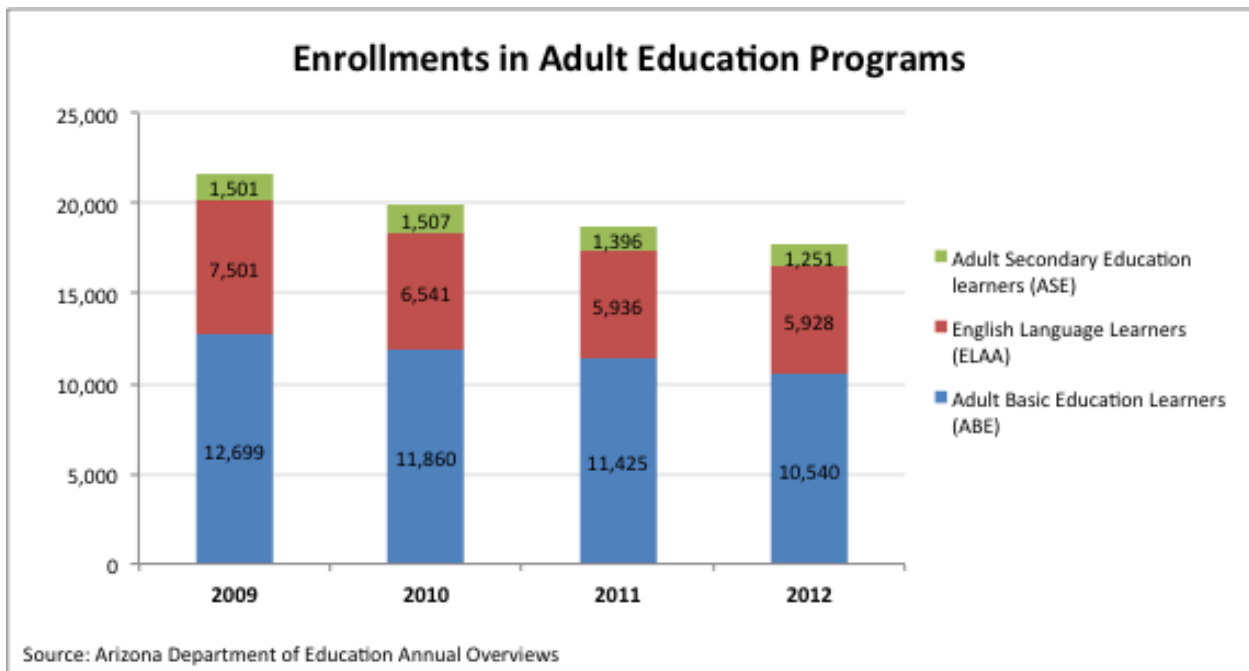
<sup>138</sup> Support Adult Basic Ed Arizona (2013).

Figure 50: Adult Education Programs – Expenditures (Millions \$)



### 6.4.2 Adult Education (GED) Programs – Impact

Figure 51: Adult Education Enrollments in Arizona



The following table provides current and historical state totals for the number of people who are waitlisted for classes in each ASE service area. Waitlisted students are those who attempted to enroll, but could not because of the limited capacity of the system to meet the demand for classes. Waitlists can last as long as two years.

**Table 21: Adult Education Waitlists**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
<b>Waitlist ABE/ASE</b>	3,151	4,025	4,775	4,077	4,112	3,894	3,679	16.8%
<b>Waitlist ELAA</b>	2,434	2,877	3,020	2,271	2,328	2,374	2,000	-17.8%
<b>Waitlist Total</b>	5,585	6,902	7,795	6,348	6,440	6,268	5,679	1.7%

Source: Arizona Department of Education Annual Reports to the Legislature

In 2013, the median annual earnings for Arizona women with a high school diploma or GED was \$6,993 more than the median annual earnings for Arizona women who did not. Over a 50-year career, that difference amounts to more than \$349,650.<sup>139</sup> As the U.S. Department of Labor points out, those extra earnings benefit not only the GED recipient and her family, but the economy as well in the form of both additional tax revenue on the earnings and in the form of additional spending. Those benefits accrue immediately.

**Waitlisted students are those who attempted to enroll, but could not because of the limited capacity of the system to meet the demand for classes. Waitlists can last as long as two years.**

In 2010, the Alliance for Excellent Education (AEE) released a report that analyzed the effect of educational achievement on the local economies of the 45 largest metropolitan areas in the U.S.<sup>140</sup> The researchers calculated how each metropolitan economy would benefit from investment in adult education. AEE found that if only half of the dropouts from the Class of 2008 in these 45 metropolitan areas received diplomas or GEDs, their *additional returns to the economy* (above what their contributions would have been with no diploma) would average every year:

- \$4.1 billion in additional earnings
- \$2.8 billion in spending and \$1.1 billion in investments
- \$10.5 billion in home purchases
- \$340 million on vehicle purchases
- \$536 million in state and local tax revenues in each of the 45 metro areas

### 6.4.3 Adult Education (GED) Programs – Findings

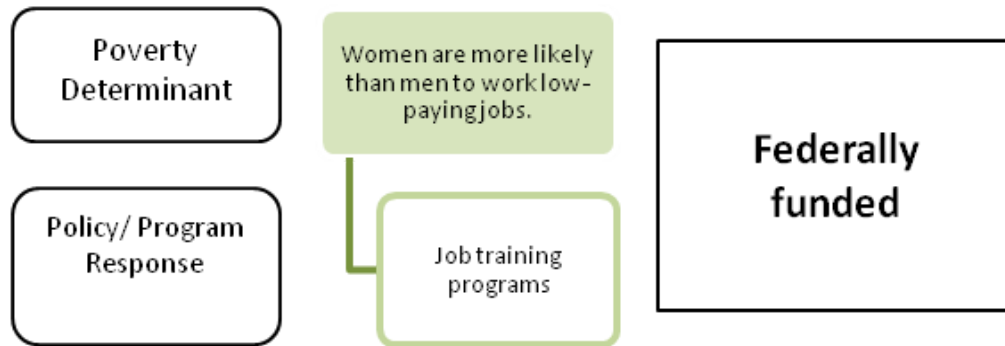
The returns generated by adult education programs that give individuals the basic education and credentials of a high school graduate are quite significant, both for the individual in terms of increased lifetime earnings (almost half a million dollars) and for society, in the form of the individuals’ increased spending and tax contributions.

<sup>139</sup> U.S. Census Bureau, 2012 American Community Survey  
<sup>140</sup> McGraw-Hill Research Foundation (2011).

Yet despite those benefits, there is a far greater demand for adult education programs in Arizona than there is currently service availability. In 2012, there were a third as many people on the waiting list for adult education services as were being served. In terms of funding, in 2010 the state eliminated funding for adult education programs (the federal government also provides funding); state funding was restored in 2013. It's not likely, however, that a restoration of funding will suffice to meet all of the need that exists; in every year of our study period, there was a waitlist for Adult Education services.



## 6.5 Job Training Programs



Given that women are more likely than men to work low-paying jobs, and make up a relatively smaller share of high-paying occupations than men do, programs that are designed to encourage and enable women to work in higher-paying occupations can help low-income women become economically self-sufficient. Theoretically, that is what job training programs should aim for (not only for women, of course, but in general to help participants build the skills required to achieve economic self-sufficiency through employment).

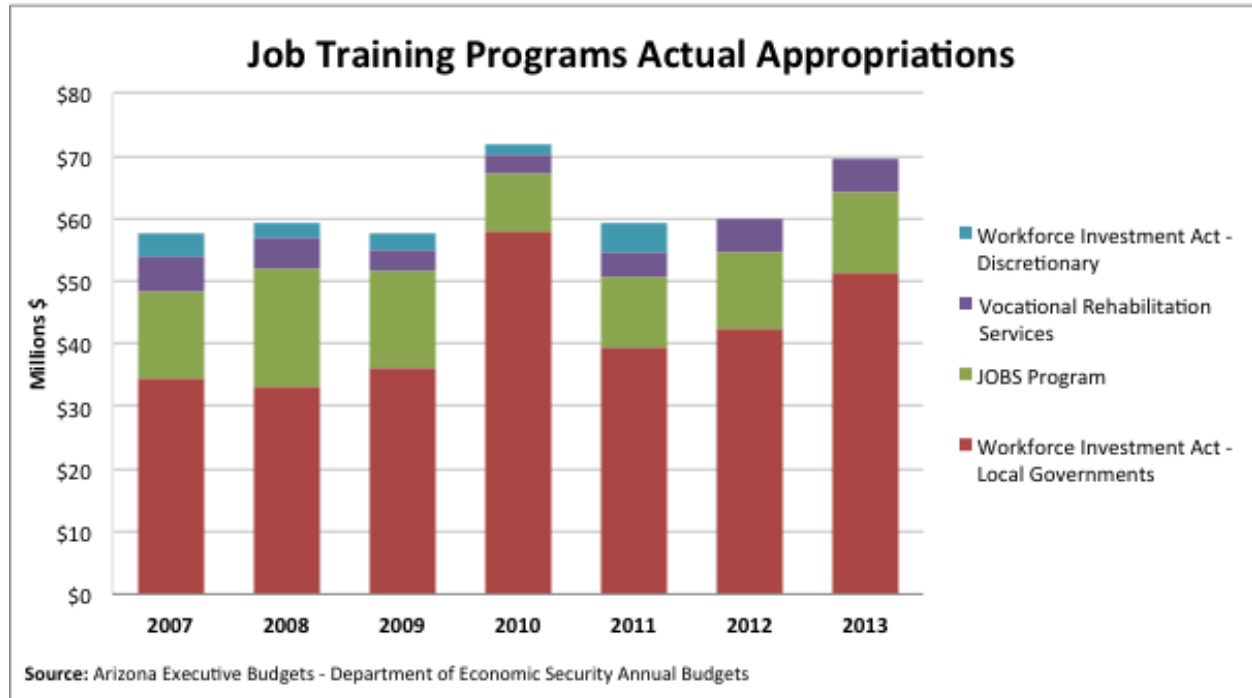
There are a number of types of job training program in Arizona. Programs such as the Supplemental Nutrition Assistance Employment and Training Program (SNA E&T) and Temporary Aid for Needy Families JOBS Program are required of recipients of Nutrition Assistance (SNAP) and TANF, respectively. In addition, the federal Workforce Investment Act (WIA) provides for job training programs to which all adult Arizonans are eligible. Other WIA programs provide for low-income youth and dislocated workers (see [Section 11.7](#) for additional detail on the programs). Vocational Rehabilitation serves individuals with disabilities.

### 6.5.1 Job Training Programs – Funding

Of the federal Workforce Investment Act (WIA) funds received by the state, the Arizona Department of Economic Security is obligated to pass at least 85 percent to Local Workforce Investment Areas to “assist qualified individuals in achieving employment.” The remaining up to 15 percent of federal WIA dollars can be used to fund discretionary projects, as directed by the Governor's Council on Workforce Policy. No more than 5% of the funds may be used for statewide administrative activities.

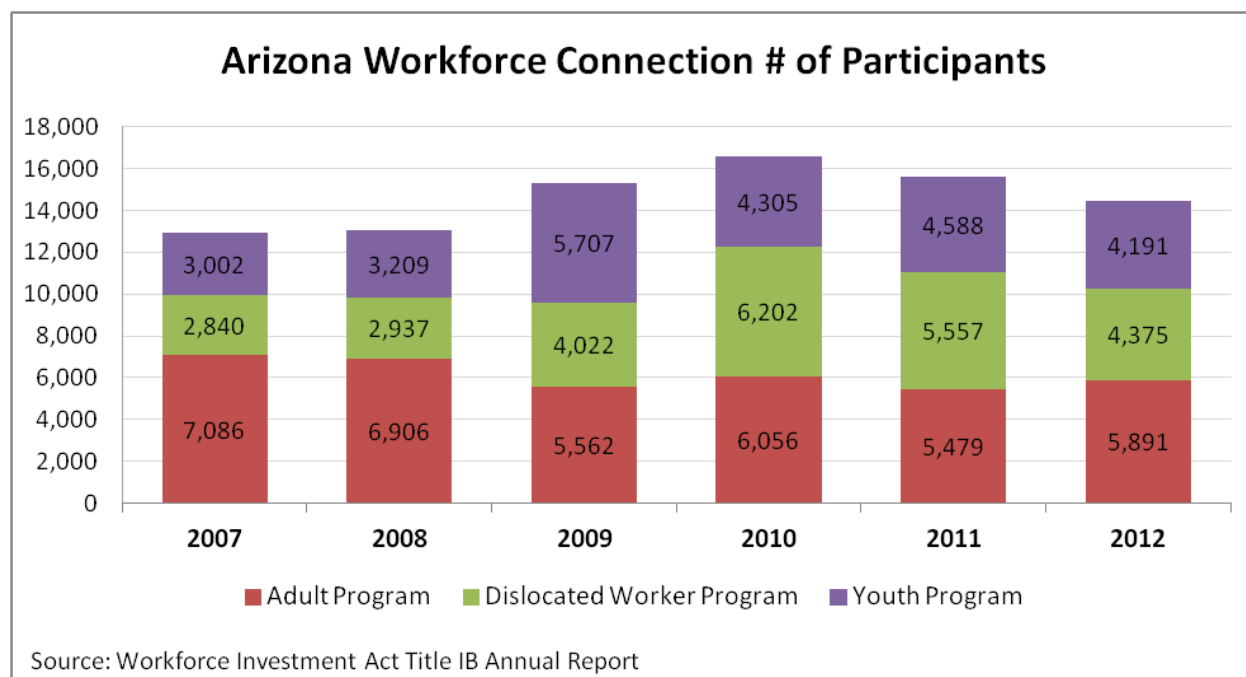


Figure 52: Job Training Programs Actual Appropriations (Millions \$)



Not surprisingly, the number of individuals seeking assistance in finding employment and those participating in mandatory programs like JOBS (which is tied to receipt of TANF Cash Assistance), increased as unemployment rates rose in the last recession. Participation in Arizona Workforce Connection programs, specifically, peaked in 2009 and has since declined. The total change in participation between 2007 and 2012 was 2.4 percent.

**Figure 53: Arizona Workforce Connection # of Participants**



### 6.5.2 Job Training Programs – Impact

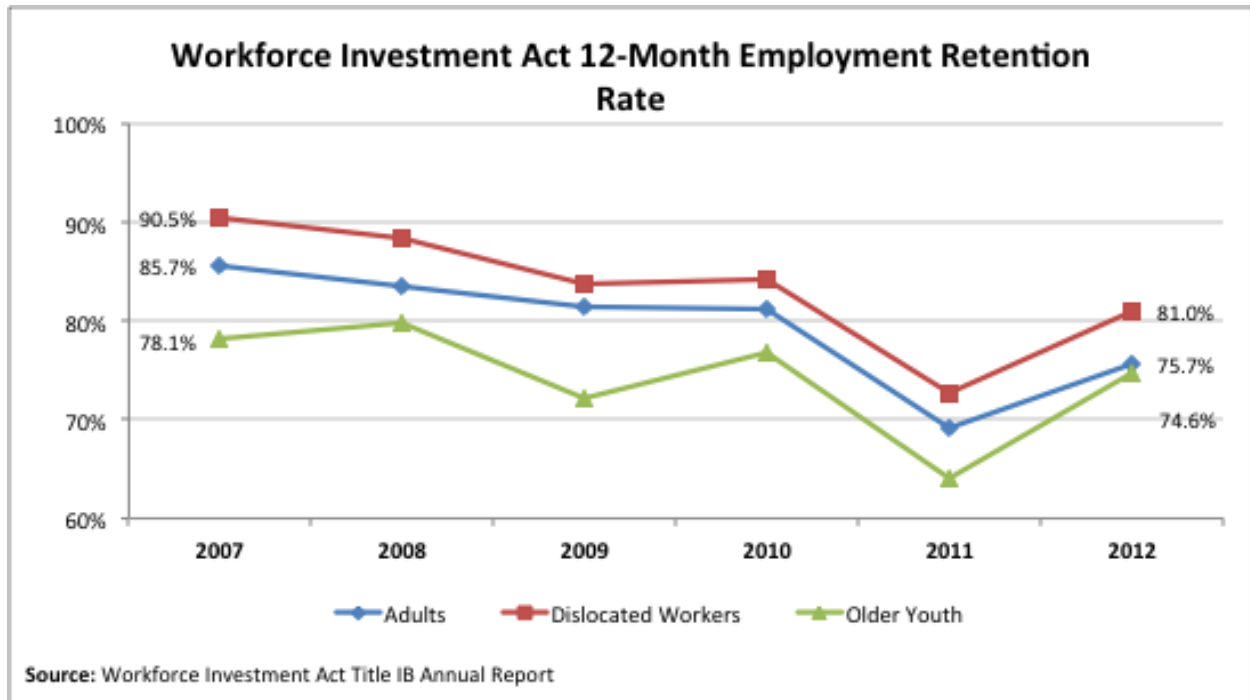
The best way to determine the effectiveness of job training programs in Arizona is, as with any program, a careful measure of the return on investment, which takes into account both costs spent on the program and returns (short- and long-term benefits to the individual and society). As is typical with state agencies, that is not how Arizona DES measures the effectiveness of job training programs; nor is it how states are required to report performance to the federal government (a requirement because the Workforce Investment Act is federal).<sup>141</sup> The tables and figures below reflect performance of Arizona’s job training programs as measured by the state.

[Figure 54](#) and [Figure 55](#) show the performance of Workforce Investment Act participants according to three measures:

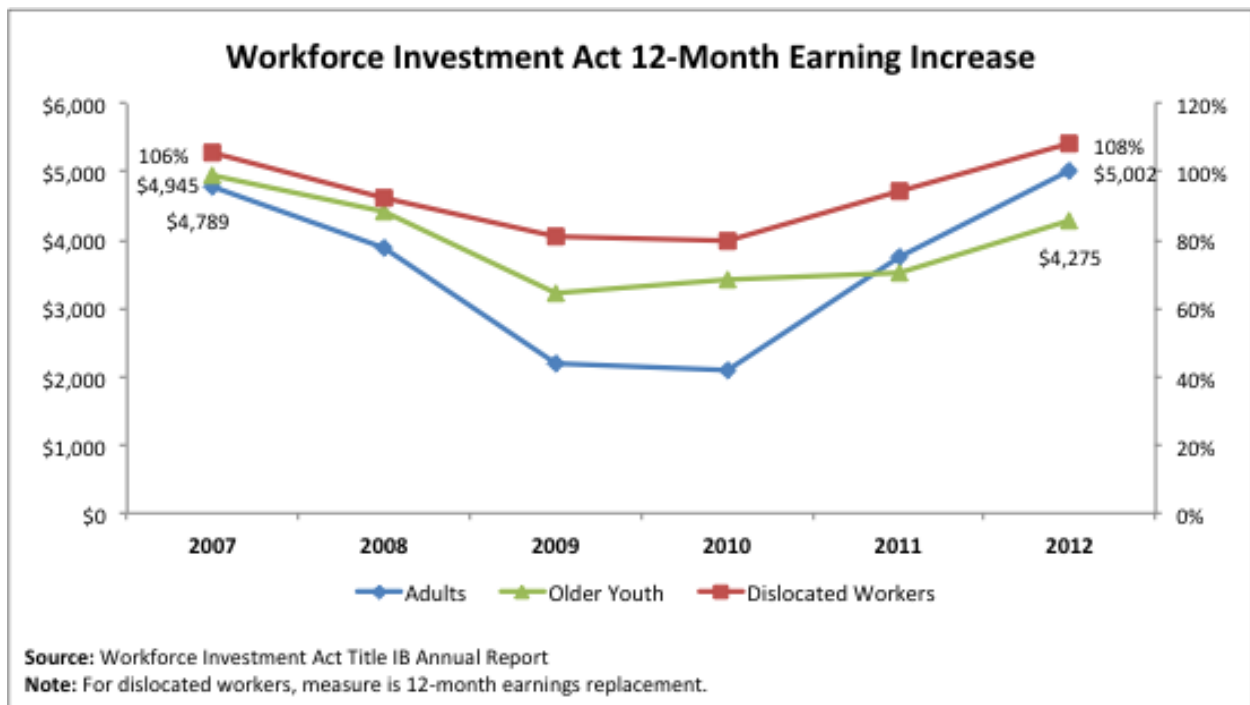
1. 12 Month Employment Retention Rate – the percentage of “exitors” (those who have gone through the program) who remain employed for a year after exiting
2. 12 Month Earnings Increase (Adults & Older Youth) – change in annual earnings after exiting the program
3. 12 Months Earnings Replacement (Dislocated Workers) – after exiting the program, earnings as a percentage of “pre-dislocation” earnings

<sup>141</sup> While most states do not conduct rigorous ROI calculations to determine the effectiveness of job training programs, some do. Minnesota, for one, has been a leader in the development of ROI metrics. For detail, see the Minnesota Governor’s Workforce Development Council website at <http://www.gwdc.org/initiatives/roi/>.

**Figure 54: Workforce Investment Act 12-Month Employment Retention Rate**



**Figure 55: Workforce Investment Act 12-Month Earning Increase**



According to the Government Accountability Office, there has not been sufficient research done on the effectiveness generally of job training across programs.<sup>142</sup> One study of Workforce Investment Act job training programs in twelve states (not including Arizona) found a positive return on investment in intensive training as measured by earnings four years into the future.<sup>143</sup> That ROI did, however, vary greatly across the twelve states in the study. Generally, the 12-month earnings indicator is a relatively weak indicator of program success, because it does not reveal whether the gain persists.

In addition to jobs programs provided through the Workforce Investment Act, programs are also provided (in many cases required), as described above, as part of Temporary Aid for Needy Families. As the effectiveness of the TANF JOBS programs are a primary indicator of the effectiveness of TANF Cash Assistance on whole (since its goal is to get people off of assistance), the JOBS program is discussed in more detail in [Section 7.3.2](#).

### 6.5.3 Job Training Programs – Findings

If job-training programs were successful at encouraging and enabling low-income women (as well as other individuals) to work in higher-paying occupations, then they could be a powerful means of promoting women's economic self-sufficiency. It is not clear from the data or the research that job training programs have been successful in that regard.

**For additional details on job training programs in Arizona, see [Section 11.7](#).**

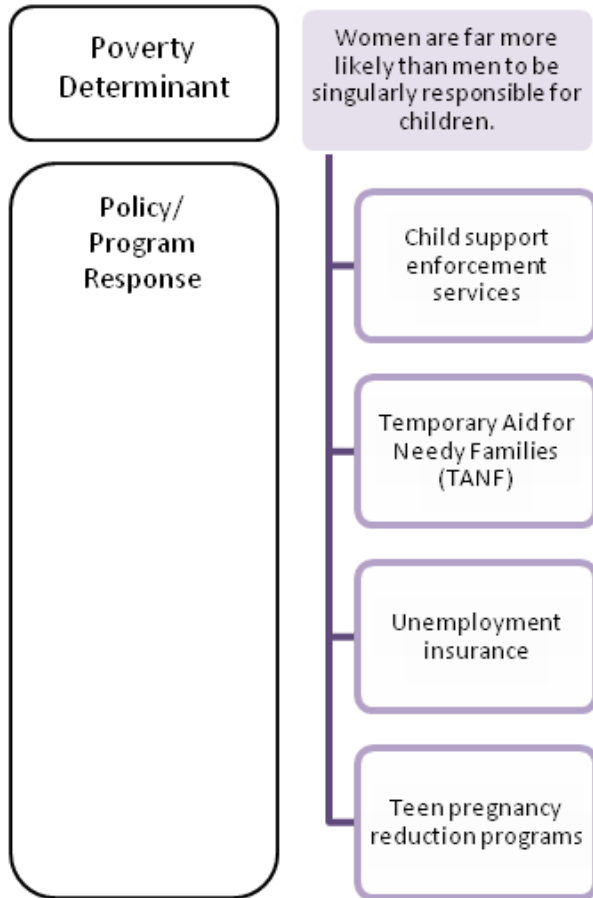
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<sup>142</sup> GAO Multiple Training Programs. Available at <http://www.gao.gov/new.items/d1192.pdf>

<sup>143</sup> Workforce Investment Act Non-Experimental Net Impact Evaluation. Available at <http://www.nawdp.org/Content/NavigationMenu/ResearchReports/2009-10-WIANon-ExperimentalNetImpact.pdf>



## 7 Full Report - Enabling Child Care: Child Support Enforcement, TANF Cash Assistance, Unemployment Insurance, & Teen Pregnancy Reduction Programs



In this section we first explore the data on poverty and family type. The data reveal that women are far more likely than men to be singularly responsible for children. Furthermore, single-mother families are more likely to live in poverty than any other type of family.

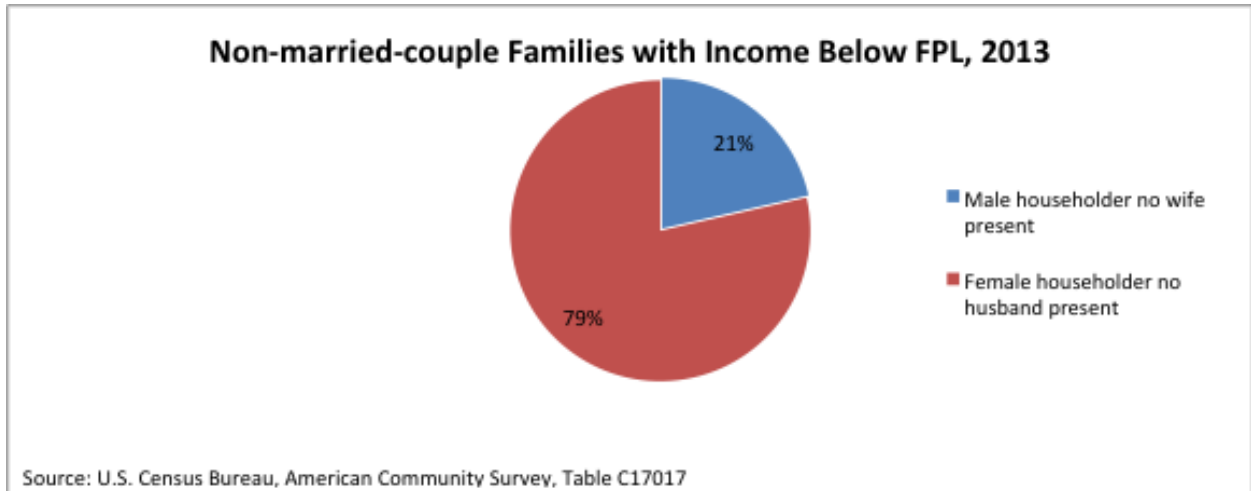
In that context, what are policies/programs that could help low-income women achieve economic self-sufficiency? In this section we explore a program that effectively encourages at least financial support from both parents – child support enforcement. We also briefly discuss Temporary Aid for Needy Families (TANF) and unemployment insurance as a means to bridge temporary economic hardship.

### 7.1 Poverty and Family Type

**Women are more likely than men to be singularly responsible for children.** There are three types of family households: married couple families; male householder, no wife present; and female householder, no husband present. The vast majority of non-married-couple families are made up of female householders with no husband present. In other words, among single-parent families, women are much more likely to be the single parent than men are. That is true for families living below and above the FPL. These shares were relatively consistent between 2007 and 2013. In 2013, 70 percent of all single-parent

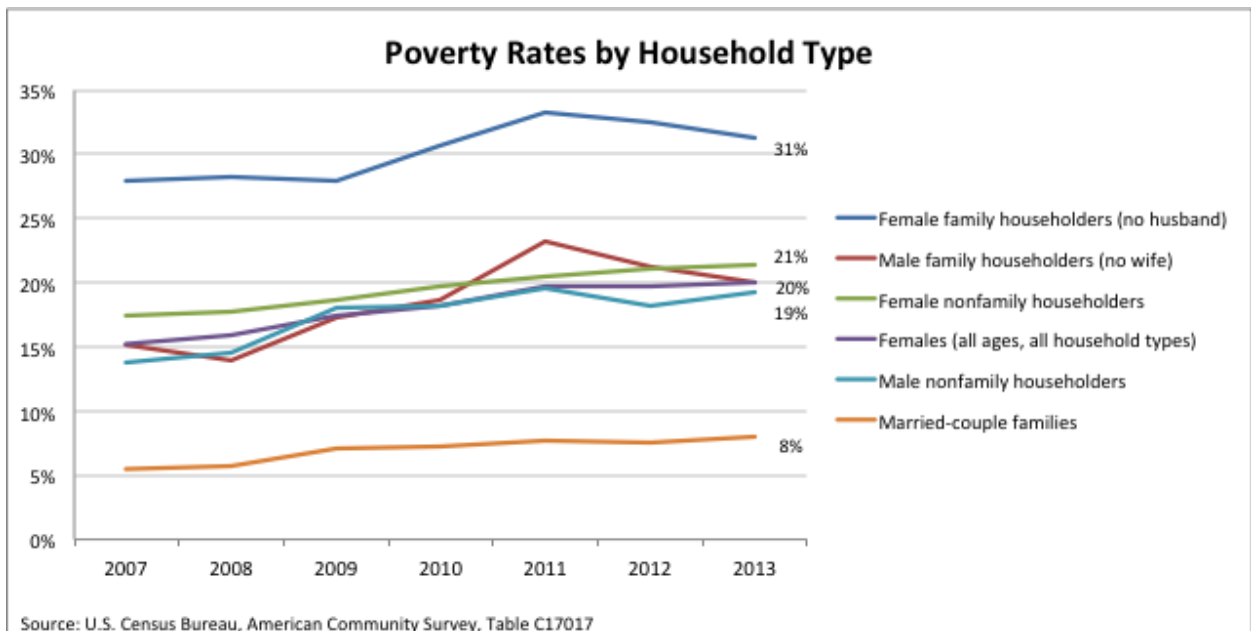
families were headed by women. **Among single-parent families with incomes below the poverty level, 79 percent were headed by women.**

**Figure 56: Non-married-couple Families with Income Below FPL**



Among all household types, single-parent families with children are more likely to live below poverty level than households without children. The poverty rate among single women supporting children or other relatives (technically, female family householders with no husband present) was 31.4 percent in 2013. The poverty rate among single women not supporting relatives (female nonfamily householders) was 21.4 percent. In other words, women with the responsibility of caring for children or other relatives had a much higher incidence of poverty than women who were not responsible for the care of others.

**Figure 57: Poverty Rates by Household Type**



The data that Arizona women supporting children or other relatives alone have such a significantly higher incidence of poverty follows national trends, reflected by research from the Center for American

Supporting Arizona Women's Economic Self-Sufficiency - Full Report - Enabling Child Care: Child Support Enforcement, TANF Cash Assistance, Unemployment Insurance, & Teen Pregnancy Reduction Programs

Progress. Nationwide, when parents are not living together, women are more likely to take on the economic costs of raising children. Eight in ten custodial parents are women, and custodial mothers are twice as likely to be poor as custodial fathers. "Pregnancy affects women's work and educational opportunities more than men's. The economic costs associated with pregnancy are more significant for women than for men. Unplanned and mistimed pregnancies in particular can result in the termination of education and keep women from obtaining and sustaining solid employment."<sup>144</sup>

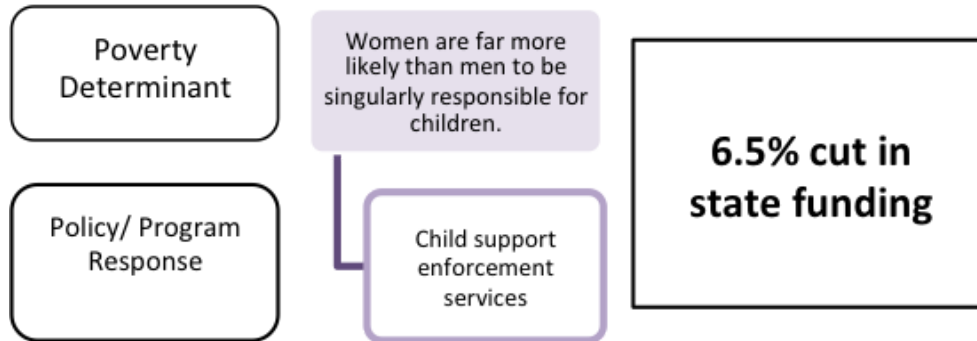
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<sup>144</sup> Cawthorne, A. (2008).





## 7.2 Child Support Enforcement Services



**Table 22: Child Support Enforcement Services**

Program	Benefit	Income Eligibility
Child Support Enforcement Services	Established as Title IV-D of the Social Security Act, the Child Support Services program is a federal/state/local program that collects child support from parents who are legally obligated to pay. The average monthly payment in Arizona is \$227.13.	No income limit

**Source:** Arizona Department of Economic Security<sup>145</sup>

### 7.2.1 Child Support Enforcement Services – Funding

Child support enforcement activities conducted by states under Title IV-D of the Social Security Act are financed by several streams of revenue. Through **Federal Financial Participation** the federal government reimburses states for ±66 percent of allowable child support outlays.<sup>146</sup> States finance the remaining **State Share** ±34 percent of CSE expenditures. There are four types of funding streams that contribute to a greater or lesser degree, depending on the state, to the financing of the State share:

1. State and local government appropriations
2. Federal incentive payments – paid based on the cost-effectiveness of the program (e.g. the ratio of collections to administrative expenditures). These Federal incentive payments must be used for IV-D purposes exclusively
3. State Share of Retained TANF collections – when families apply for the Temporary Assistance for Needy Families (TANF) program, the custodial parent assigns to the State the right to child support obligations collected while the family is receiving welfare benefits. States retain a share of these TANF-related child support collections, returning a share of collections to the federal government

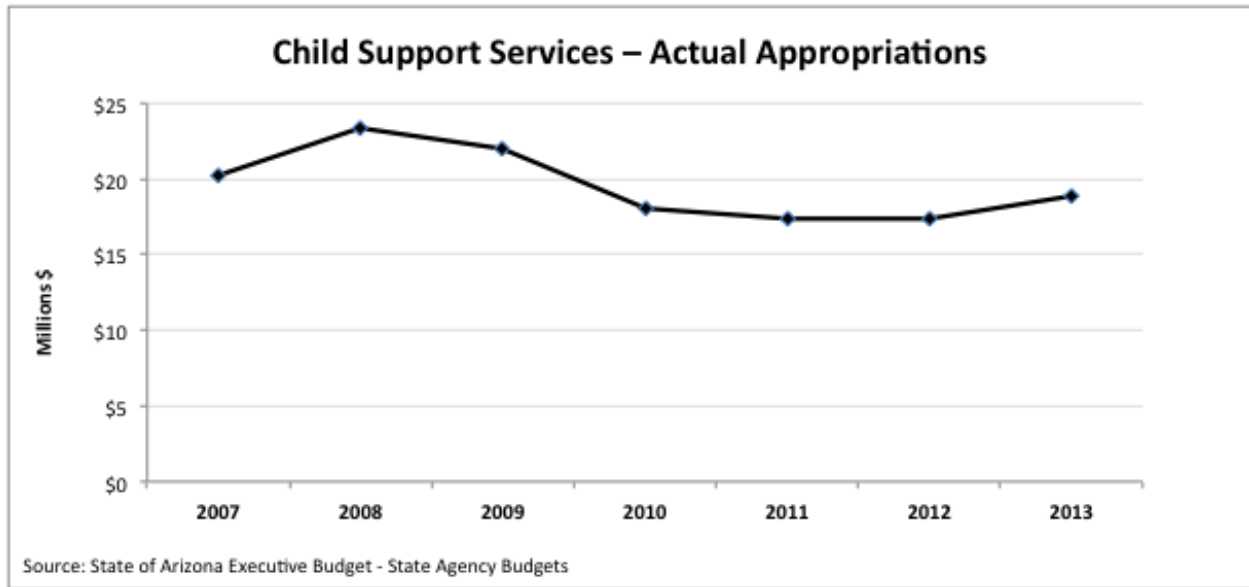
<sup>145</sup> Arizona Department of Economic Security (2013). *Welcome to Child Support Services*.

<sup>146</sup> Higher matching rates exist for activities such as management information systems development and blood testing in paternity cases.

4. User charges and fees (e.g. application fees, fees for Federal and State tax refund offset, fees for paternity testing services)<sup>147</sup>

Overall between 2007 and 2013, state appropriations for Child Support Enforcement services fell 6.5 percent, a total decline of \$1.3 million, as [Figure 58](#) makes clear.

**Figure 58: Child Support Services – Actual Appropriations (Millions \$)**



In its FY 2013 budget request, DES explained how the reduction in the TANF time limit (from 36 months to 24 months) was affecting its State Share of Retained TANF collections:

With the reductions to the timeframe that a family may remain on TANF Cash Assistance, the amount of the earnings that can be retained by the State has been reduced by an estimated \$4.5 million, which in turn will cost the State an additional \$9.0 million in federal match...Without replacement funding, the Division will have to cut its workforce by 55% to remain within budget. If performance suffers as a result of these cuts, an additional \$6.4 million in federal incentive grants may be lost due to failure to achieve sufficient performance levels. **The eligibility changes for TANF Cash Assistance have undercut the SSRE to the point that, if the Division does not receive additional funding, it will have to change the way it serves clients.**<sup>148</sup>

The backfill funding was granted; in FY 2013, the state appropriated \$18.9 million to Child Support Enforcement Services.

## 7.2.2 Child Support Enforcement Services – Impact

<sup>147</sup> The Lewin Group, Inc. (2011).

<sup>148</sup> State of Arizona (2012). *The Executive Budget, Fiscal Year 2013*.

Total child support enforcement collections increased 7.0 percent, from \$630 million in 2007 to \$674 million in 2013. The fact that total collections didn't decline even as funding declined is reflective of the complex nature of enforcement services itself and of the impact it has on low-income women.

Most custodial parents don't receive full support. In 2009, just 42 percent of custodial mothers received all child support payments they were due. 29.5 percent did not receive payments at all.<sup>149</sup>

Research reveals that a number of factors that might otherwise seem unrelated positively impact the amount of child support a woman receives relative to what she is due. For example, the gap between the amount a woman receives and what she is due narrows when the child does better in school. Specifically, research published in the *American Economic Review* shows that when kids' test scores improve, so do child support payments. The reason: "Because a noncustodial parent is unlikely to have complete information about investments in his child, he may use information about the child's achievement as a signal of how well the CP cares for the child."<sup>150</sup> For that reason, the effectiveness of Early Childhood Education and K-12 education programs can have positive spillover effects on child support collections.

The gap between the child support a woman is due and what she receives also narrows when the woman is working. Specifically, when the custodial parent works, the gap between expected and actual child support falls by roughly \$600 a year. So programs designed to enable low-income women's workforce participation – such as childcare and healthcare (AHCCCS) – can also have positive spillover effects on child support collections.<sup>151</sup>

According to research by the U.S. Census Bureau, for parents living below poverty, child support was an essential source of income – representing 62.6 percent of the average income for custodial parents below poverty who received full support.

In addition to the income a woman might receive as child support, there are other financial benefits as well. According to the 2012 Self-Sufficiency Standard Report, "Child support reduces the wage needed by more than the amount of child support alone because it also reduces taxes. Child support payments from absent, non-custodial parents can be a valuable addition to family budgets, even when the non-custodial parent's income is relatively low."<sup>152</sup>

Researchers with Brown University, Princeton University, and the National Bureau of Economic Research explain the rationale behind child support enforcement in the U.S.:

Between 1970 and 1989, the proportion of children living in poverty grew by nearly one third, with most of the increase attributable to the increase in single-mother families. In response to these changes, and in an effort to compel absent fathers to provide financially for their children, federal and state government officials began pursuing policies designed to strengthen child support enforcement. Not only have child support payments increased during the past 20 years, but **income from child support appears to have beneficial effects on children over and above income from other sources**. To account for the latter, researchers hypothesize five potential mechanisms:

1. Child support income is more likely to be spent on children, as compared with other income
2. Child support alters family dynamics (between mothers and fathers) in a positive way
3. Child support reduces mothers' reliance on welfare and increases employment and marriage

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<sup>149</sup> Grall, T. S. (2011).

<sup>150</sup> Aughinbaugh, Alison (2001).

<sup>151</sup> Madalozzo, Regina (2007).

<sup>152</sup> Women's Foundation of Southern Arizona (2012), page 19.

4. Mothers invest more in their children as a signal to absent fathers of their commitment to the child in order to obtain more child support in the future
5. Child support is positively correlated with father involvement and commitment to the child<sup>153</sup>

Additional benefits of child support, according to Arizona Department of Economic Security: “Research has shown that non-custodial parents who are involved financially in their child’s life by paying their child support are also more likely to be involved in other aspects of their child’s life, such as school or extra-curricular activities. When a parent does not pay child support, it places their child at risk of not having their basic needs met. This may put the custodial parent at risk of needing government-funded programs, such as cash assistance or food stamps, in order to meet those needs.”<sup>154</sup>

### 7.2.3 Child Support Enforcement Services – Findings

**Women are more likely than men to be singularly responsible for children, and child support enforcement services positively enable that support. Child support payments have been demonstrated to reduce mothers’ reliance on government programs – yet between 2007 and 2013 funding for child support enforcement services declined 6.5 percent.**

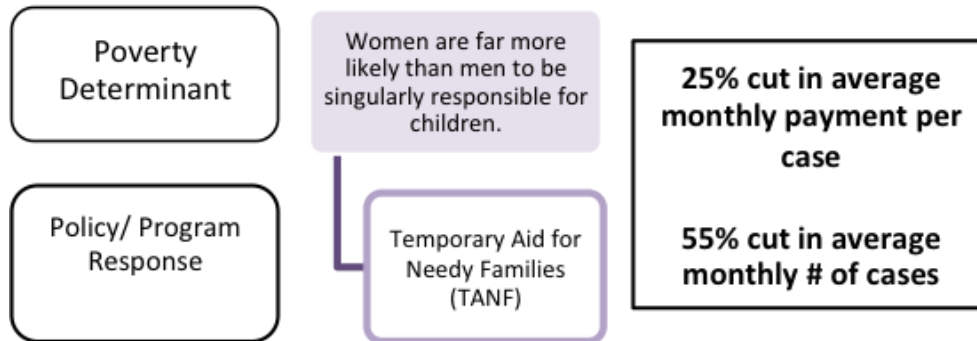
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<sup>153</sup> Aizer, A., & McLanahan, S. (2006).

<sup>154</sup> Arizona Department of Economic Security (2013). *Division of Child Support Services Program Overview*.



### 7.3 Temporary Aid for Needy Families (TANF) Cash Assistance



Given that women are far more likely than men to be singularly responsible for children; and that single-mother families are more likely to live in poverty than any other type of family, programs that are designed to provide a temporary bridge for periods of unemployment or other economic hardship can help low-income women maintain their economic self sufficiency.

That is one of the primary goals of Temporary Aid for Needy Families (TANF) Cash Assistance, which is designed to keep families out of extreme poverty during short-term periods of economic crisis – including economic crisis at the family level (e.g., loss of a job, illness, loss of a wage earner) and crisis at the macroeconomic level – and to ensure that those families return back to the workforce and economic self-sufficiency.

Under TANF, the federal government provides a block grant to the states, which use these funds to operate their own programs. In order to receive federal funds, states must also spend some of their own dollars on programs for needy families (they face severe fiscal penalties if they fail to do so). This state-spending requirement, known as the “maintenance of effort” (MOE) requirement, replaced the state match that AFDC had required.<sup>155</sup>

States can use federal TANF and state MOE dollars to meet any of the four goals set out in the 1996 law:

1. Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage
3. Prevent and reduce the incidence of out of wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies
4. Encourage the formation and maintenance of two parent families<sup>156</sup>

If the state fails to meet its MOE obligation, the federal government will reduce the state's block grant one dollar for every dollar the state should have but did not expend on MOE.<sup>157</sup>

<sup>155</sup>Center on Budget and Policy Priorities (2012).

<sup>156</sup> ibid

<sup>157</sup> Office of Family Assistance, Q & A: Penalty Process. Available here: <http://www.acf.hhs.gov/programs/ofa/resource/q-a-penalty-process>

In this Section we discuss just TANF Cash Assistance (CA). Other state administered programs that receive funding from the TANF block grant include childcare (discussed in [Section 4.2](#)); child support ([Section 7.2](#)); and job training ([Section 6.5](#)).

**Table 23: Temporary Assistance for Needy Families (TANF) Cash Assistance**

Program	Benefit	Eligibility
TANF Cash Assistance (CA)	<p>Temporary cash benefits and supportive services to the neediest of Arizona's children and their families</p> <p>In 2012, the maximum benefit for a family of 3 with no earned income was \$278 per month</p>	<p>130% of the current federal poverty level (FPL)<sup>158</sup> for families in which the head of the household is a non-relative</p> <p>100% of the current FPL for all other families<sup>159</sup></p> <p>Recipients are limited to no more than 24 months of cash benefits paid in the Arizona CA program, for themselves or on behalf of a child, except in cases of hardship<sup>160</sup></p> <p>Recipients must participate in the JOBS Program (for more detail on that program, see <a href="#">Section 6.5</a>)</p>

**Note:** Eligibility and benefits change typically every year. Eligibility and benefit information reported here is for 2012, unless otherwise noted. Refer to Table 2 for detailed 2013 FPL thresholds.

**Source:** Arizona Department of Economic Security

### 7.3.1 TANF Cash Assistance – Funding

TANF assistance levels have not risen to keep pace with inflation; assistance in real terms has and continues to decline significantly. Since the 1996 welfare reform, which changed Aid to Families with Dependent Children (AFDC) to Temporary Aid for Needy Families (TANF), the basic federal TANF block grant to all states has been set at a fixed \$16.5 billion each year; as a result, its real value has fallen by 30 percent, eroded by inflation.<sup>161</sup> For states’ contribution – again, referred to as maintenance of effort (MOE) – states are required to spend on TANF-related programs 80 percent of the amount spent on

<sup>158</sup> In 2013, the federal poverty level (FPL) was \$18,769 for a single mother with two children under the age of 18. The FPL for a single woman alone was \$12,119.

<sup>159</sup> There has been some confusion about the income eligibility criteria for TANF CA. The eligibility criteria listed in Table 21 are correct. The sometimes cited figure of 36 percent of the 1992 federal poverty level is not an income threshold for eligibility; rather, it is a figure used to determine the CA benefit payment amount. See Arizona Department of Economic Security (2013) *Cash Assistance (CA) Income Eligibility Guidelines*; and State of Arizona (2011) *Arizona Administrative Code* pp. 32-33; and State of Arizona (2011) *State Plan for Temporary Assistance for Needy Families* page 11.

<sup>160</sup> Types of hardship include Nonparent specified relative(s), Disability, Caretaker, Victim of Violence, Homeless, Training, Child Care, Transportation, and Other.

<sup>161</sup> Center on Budget and Policy Priorities (2012).



AFDC-related programs in 1994. Again, given that this spending requirement has not been adjusted for inflation, states actually spent, in real terms, about *50 percent* in MOE in 2011 as they did in 1994.<sup>162</sup>

Arizona is one of only 11 states that use **only** federal funding for TANF Cash Assistance; the state uses the majority of its TANF funds for child-welfare programs, including childcare subsidies and foster care services.<sup>163</sup> Other programs that rely on TANF funds including the JOBS program, designed to help parents on welfare find work, emergency services funding, and child support enforcement.

During the Great Recession, Arizona received supplemental federal funding that reduced the level of General Fund support the Department of Economic Security otherwise would have required. These funds provided short-term assistance to provide an alternative to even more severe program reductions.<sup>164</sup> Funding came largely from two sources: the \$2 billion Contingency Fund that Congress created in 1996 to help states weather a recession; and the 2009 American Reinvestment and Recovery Act (ARRA, also referred to as the “stimulus” bill).

Arizona first received contingency funds in 2008, only the second state to do so (though many more states have received contingency funds since then). The contingency funds were triggered by the state's disproportionate increase in Nutrition Assistance enrollment (TANF does not pay for Nutrition Assistance, but uses enrollment in that program as a proxy for the amount of need in a given state).<sup>165</sup> In addition to the contingency fund, ARRA augmented a number of federal grants, including funds that support services for individuals with developmental disabilities, child welfare, early intervention services, and work related to administering the supplemental nutrition assistance program.

Most supplemental funding expired in SFY 2013, leaving a shortfall in the DES budget. Even when supplemental dollars were flowing from the federal government to the state, it was not enough to insulate Cash Assistance recipients in Arizona from deep benefit cuts. The Department of Economic Security (DES) began to experience major budgetary reductions in fiscal year 2009, where it began with a General Fund appropriation of \$808.3 million. In February 2009, the Legislature passed a \$90.4 million lump sum reduction to the agency's General Fund budget, a decrease of 11.2 percent. Subsequently, the Legislature passed further General Fund lump sum and targeted reductions totaling \$100.4 million in fiscal years 2010 and 2011. In all, these reductions resulted in a 23.5 percent decrease from the Department's original fiscal year 2009 General Fund appropriation.

Cuts to programs followed: In March 2009 Arizona implemented a 20 percent Cash Assistance benefit payment reduction to all recipient families. This reduction continued throughout SFY 2013.<sup>166</sup> In SFY 2011, Arizona cut the lifetime limit for receipt of CA benefits from 60 months to 36 months and then to 24 months in August 2011. 24 months is, according to the Center on Budget and Policy Priorities, one of the shortest time limits of all states. The time limit may be extended in cases of hardship; in SFY 2013 more than half of families received such an extension. Out of 5,215 families that received notice of benefits termination in SFY 2013, a total of 2,909 families (56 percent) qualified for a family hardship extension.<sup>167</sup>

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<sup>162</sup> *ibid*

<sup>163</sup> State of Arizona Office of the Governor (2013).

<sup>164</sup> State of Arizona (2012). The Executive Budget, Fiscal Year 2013.

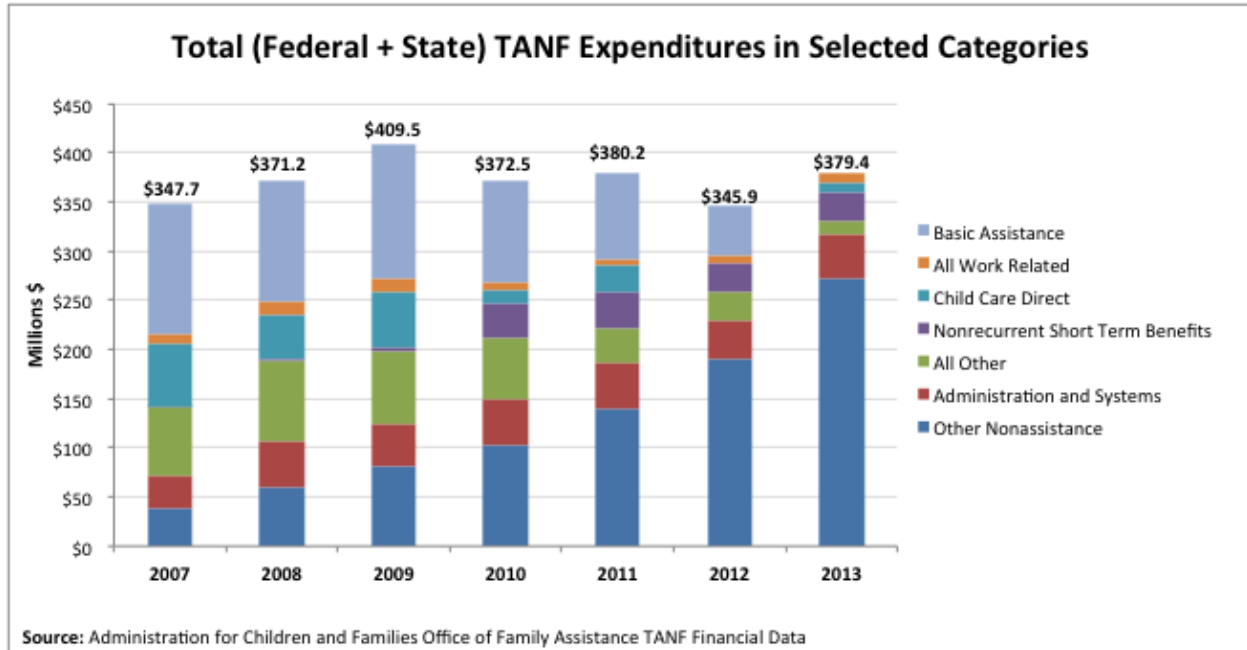
<sup>165</sup> [http://www.azsenate.gov/Committee\\_Program\\_Presentations/TANF\\_caucus%20report\\_revised.pdf](http://www.azsenate.gov/Committee_Program_Presentations/TANF_caucus%20report_revised.pdf)

<sup>166</sup> Arizona Department of Economic Security (2013). State Fiscal Year 2013 Annual Welfare Reform Report.

<sup>167</sup> *ibid*

Arizona, like many other states, took money that it had previously spent on TANF Cash Assistance and reallocated that money to programs that it had funded with General Fund and other state dollars. According to the Center on Budget and Policy Priorities, “States also shifted both federal and state TANF funds previously used to fund cash assistance and related services for poor families to cover the costs of various other programs and services (such as child care, child welfare, homeless assistance, and teen pregnancy prevention programs), enabling states to scale back the state funding devoted to those programs.”<sup>168</sup>

**Figure 59: Total (Federal + State) TANF Expenditures in Selected Categories**



For detailed definitions of the TANF spending categories, see Appendix [Section 11.8](#).

### 7.3.2 TANF Cash Assistance – Impact

Between 2007 and 2013, the average monthly number of TANF cases fell 55 percent. In other words, participation in TANF Cash Assistance decreased significantly during a period when – by the program’s stated goal of providing a stopgap in periods of economic crisis – it should have been increasing. The decline in TANF CA cases was not a national phenomenon. According to the Center on Budget and Policy Priorities, between December 2007 and December 2011 – when Arizona’s TANF caseload declined by 54% – the national caseload *grew by 10 percent*.<sup>169</sup>

Beyond declines in participation, benefits have declined substantially as well. The average monthly payment per family fell 25 percent between 2007 and 2013. In 2013, the average monthly payment was 28 percent lower than the average monthly payment *in 1997*. Taking inflation into account, the decline is substantially more severe.

<sup>168</sup> <http://www.cbpp.org/cms/?fa=view&id=3498>

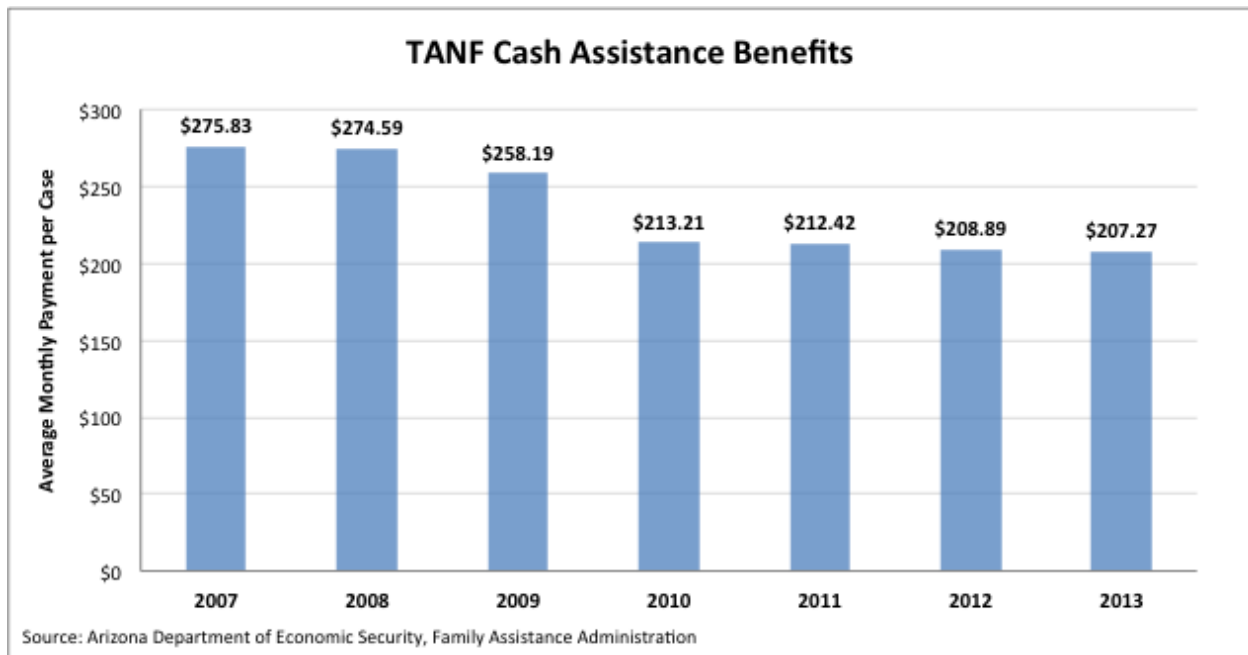
<sup>169</sup> Center on Budget and Policy Priorities (2013). *Arizona TANF Caseload Fact Sheet*.

**As a result of Arizona’s dramatic cuts to TANF Cash Assistance, participation in the program decreased significantly. In comparison, participation rose nationwide.**

The maximum benefit for a family of three *with no earned income and obligation to pay allowable shelter costs* such as rent, mortgage, and taxes is \$278 per month – 18 percent of the monthly income amount defined as federal poverty level (and this is a family with no earned income who is responsible for housing costs). In 2013, the actual average benefit paid was \$207.27 – 25 percent less than in 2007 and 30 percent less than *in 1997*. Taking inflation into account, the decline is substantially more severe.

Comparing Cash Assistance benefits to an income level that allows for economic self-sufficiency, the maximum benefit is just 6.5 percent of the annual income required for economic self-sufficiency (which is \$51,115 for a family with one adult and two children in Maricopa County, Arizona in 2012).<sup>170</sup> Even including the average Nutrition Assistance benefit of \$292 (many CA recipients also receive NA), benefits are just 13.4 percent of the income required for self-sufficiency.<sup>171</sup>

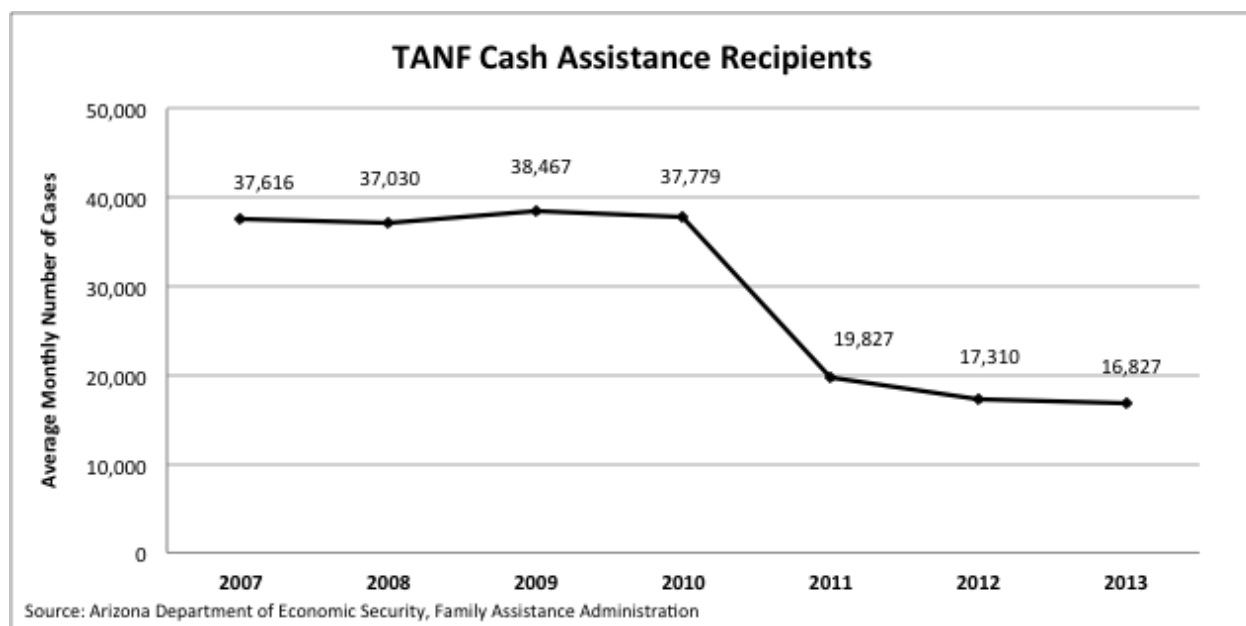
**Figure 60: TANF Cash Assistance Benefits**



**Figure 61: TANF Cash Assistance Recipients**

<sup>170</sup> Women's Foundation of Southern Arizona (2012).

<sup>171</sup> For detail on Nutrition Assistance benefits, see Section 5.4



The reduction in TANF cases might theoretically suggest an improvement in the economic self-sufficiency of Arizonans. But we know that Arizonans’ economic self-sufficiency declined significantly over that period: the number of Arizona women living below the federal poverty line increased 37 percent between 2007 and 2013.<sup>172</sup>

So why did participation decline so dramatically between 2007 and 2013? The answer, at least part of it, is the reduction in the lifetime time limit on receipt of benefits. Effective July 2010, the maximum state time limit to receive monthly Cash Assistance benefits was reduced to 36 months. Effective August 2011, the limit was further reduced to 24 months.

Furthermore, according to research by the Center of Budget and Policy Priorities, in 1994-95 for every 100 Arizona families in poverty, 55 received Aid to Families with Dependent Children (AFDC). In 2010-11, for every 100 Arizona families in poverty, only 13 participated in TANF.<sup>173</sup> The Urban Institute suggests that dramatic declines in TANF Cash Assistance participation rates suggest that many eligible families are choosing not to research Cash Assistance, do not know they are eligible, or find it difficult to enroll.<sup>174</sup> Whatever the cause, eligible individuals who do not participate are referred to as being “disconnected” from assistance.

While Arizona uses federal and state maintenance of effort TANF money to fund a range of programs, including childcare programs for working parents and programs designed to support relatives caring for children who are not their own, the primary goal of Cash Assistance is to provide a stop-gap to keep individual and families out of extreme poverty during periods of economic crisis and to help them return to economic self-sufficiency. As such, we use participation rates and reported effectiveness of the Jobs Program as a proxy for the impact of TANF Cash Assistance. By that measure, as [Table 24](#) makes clear, the effectiveness of Arizona’s TANF Cash Assistance Program is low, and declining.

<sup>172</sup> American Community Survey Table B17001 1-Year Estimates

<sup>173</sup> Center on Budget and Policy Priorities (2013). *Arizona TANF Caseload Fact Sheet*.

<sup>174</sup> Urban Institute (2012). *Fifteen Years After Welfare Reform Took Hold, How Well Does the Program Work?*

**Table 24: TANF Jobs Program Effectiveness**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
<b>Number of Participants</b>	42,405	46,558	53,800	46,010	31,380	29,643	24,741	-41.7
<b>Total Employed</b>	16,780	18,101	13,097	8,416	7,052	6,662	7,098	-57.7

**Source:** Arizona Department of Economic Security, Family Assistance Administration

Nationally, states are required to measure the effectiveness of TANF Cash Assistance through the use of a measure known as the work participation rate (with “work participation” defined as being “engaged in work”). Technically, states are required to have a work participation rates (WPR) of at least 50 percent for all families and 90 percent for two-parent families. But in practice, states can effectively “buy down” the required minimum work participation rate by spending in excess of what is required under the TANF MOE. In 2011, the most recent year for which data is available, Arizona’s all-family WPR was 33.5 percent and the state’s two-parent family WPR was 73.0 percent.<sup>175</sup> Respectively, that is 16.5 and 17 percentage points below the statutory requirements.<sup>176</sup>

### 7.3.3 TANF Cash Assistance – Findings

As a means of helping families stay out of extreme poverty during short-term crises and as a portal to other social safety net programs, the effectiveness of TANF depends on its participation rate and on the level of benefits participants receive. As Figure 60 and [Figure 61](#) and research by the Center on Budget and Policy Priorities (CBPP) make clear, TANF “has been performing inadequately on both of these dimensions for some time.”

Across a six-year period that includes the deepest and longest recession in Arizona in half a century, TANF Cash Assistance has not kept families out of extreme poverty. Even as CA caseloads have fallen, the incidence of extreme poverty for Arizona women has risen. According to research by the Center on Budget and Policy Priorities, nationwide the poverty rate among families fell in the late 1990s, when the economy was booming and unemployment was extremely low, but started rising in 2000 and now exceeds its 1996 level.<sup>177</sup> Among all Arizonans, 6.6 percent lived in extreme poverty (with incomes 50 percent or less of the federal poverty level) in 2007. By 2013, the incidence of extreme poverty was almost 9 percent – an increase of 40 percent in seven years.

**For additional details on TANF Cash Assistance in Arizona, see [Section 11.8](#).**

<sup>175</sup> Congressional Research Service (2013).

<sup>176</sup> For this reason, some have called for a replacement of work participation rates as the TANF CA effectiveness measure. Some states are already implementing alternative measures. See Urban Institute (2011) *Improving State TANF Performance Measures*.

<sup>177</sup> Center on Budget and Policy Priorities (2012).



## 7.4 Unemployment Insurance



Given that women are far more likely than men to be singularly responsible for children; and that single-mother families are more likely to live in poverty than any other type of family, programs that are designed to provide a temporary bridge for periods of unemployment or other economic hardship can help low-income women maintain their economic self-sufficiency.

Unemployment Insurance is designed to help keep individuals and families out of poverty during temporary periods of unemployment.

**Table 25: Arizona Unemployment Programs**

Program	Benefit	Eligibility
Unemployment Insurance	<p>The weekly unemployment benefit is a percentage of average weekly wages earned during a given “base period” up to a certain maximum</p> <p>Between 2007 and 2013, the average weekly benefit paid was \$213.92<sup>178</sup></p>	<ul style="list-style-type: none"> <li>• Be determined to be unemployed through no fault of your own</li> <li>• Have worked for an employer who paid unemployment tax</li> <li>• Meet specific requirements for wages earned or time worked during an established period of time referred to as a base period, including having wages in at least two quarters of the base period</li> </ul>

**Source:** Arizona Department of Economic Security<sup>179</sup>

### 7.4.1 Unemployment Insurance – Funding

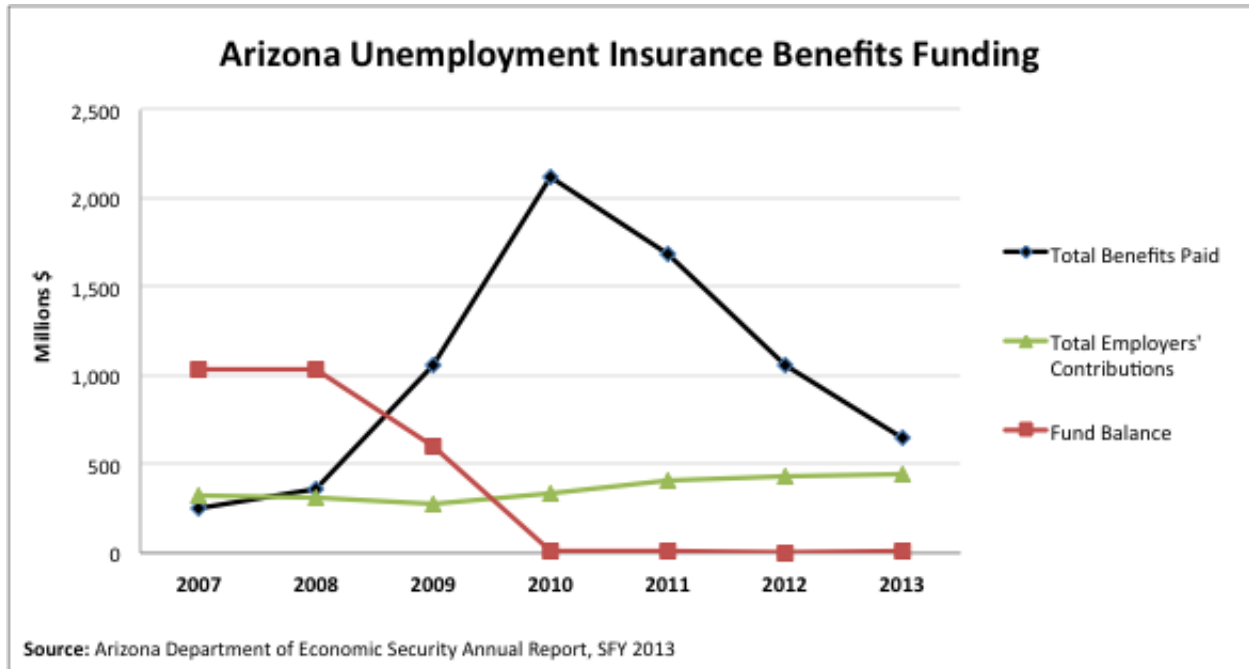
<sup>178</sup> Unemployment benefits are designed to replace 50 percent of the recipient’s earnings, but is capped at a certain maximum benefit level. So for recipients whose annual income prior to unemployment was over \$25,000, unemployment insurance tends to reach the maximum cap and ends up replacing much less than half of the recipient’s prior income. Furthermore, the people most likely to use the program tend to be older; distribution of recipients is toward middle to older adults, relative to actual experience of unemployment.

<sup>179</sup> Arizona Department of Economic Security (2013). *Receiving Unemployment Insurance (UI) Benefits*.



The state funds unemployment insurance with money paid into a fund by employers.<sup>180</sup> In times of high unemployment, however – when employer contributions are likely to fall and need likely to spike – the state and federal government often must step in to provide additional support for unemployment insurance funds. That situation tracks with what we know occurred in the labor market since the Great Recession began in late 2007.

**Figure 62: Arizona Unemployment Insurance Benefits Funding (Millions \$)**



Given the relative length and depth of the most recent recession, and its very protracted recovery, most typical unemployment insurance programs would not suffice to meet the needs of those who have been out of work for significantly longer than had been typical. “Long term unemployment” as defined by the Bureau of Labor Statistics covers those who have been unable to find work for a period longer than 27 weeks. During this most recent downturn, the average unemployment duration has been almost 37 weeks.

A number of state and federal programs were implemented to support this demographic. Once a person becomes long-term unemployed, they can start drawing from the federal Emergency Unemployment Compensation fund. Extended Benefits (EB) is designed for individuals who have exhausted regular state benefits and Emergency Unemployment Compensation.

Though typically funded 50 percent each by the federal and state governments, EB has been funded 100 percent by the federal government since 2009. Between March 2009 and July 2013, the federal government disbursed \$352 million in additional unemployment compensation to Arizona.<sup>181</sup> The temporary 100 percent federal funding of EB ended on December 28, 2013.<sup>182</sup>

<sup>180</sup> Arizona’s employer Unemployment Insurance tax rate as a percent of total payroll is one of the lowest in the country, about half the national average.

<sup>181</sup> United States Department of Labor. (2013). *Federal Additional Compensation (FAC) Data for State Programs*.

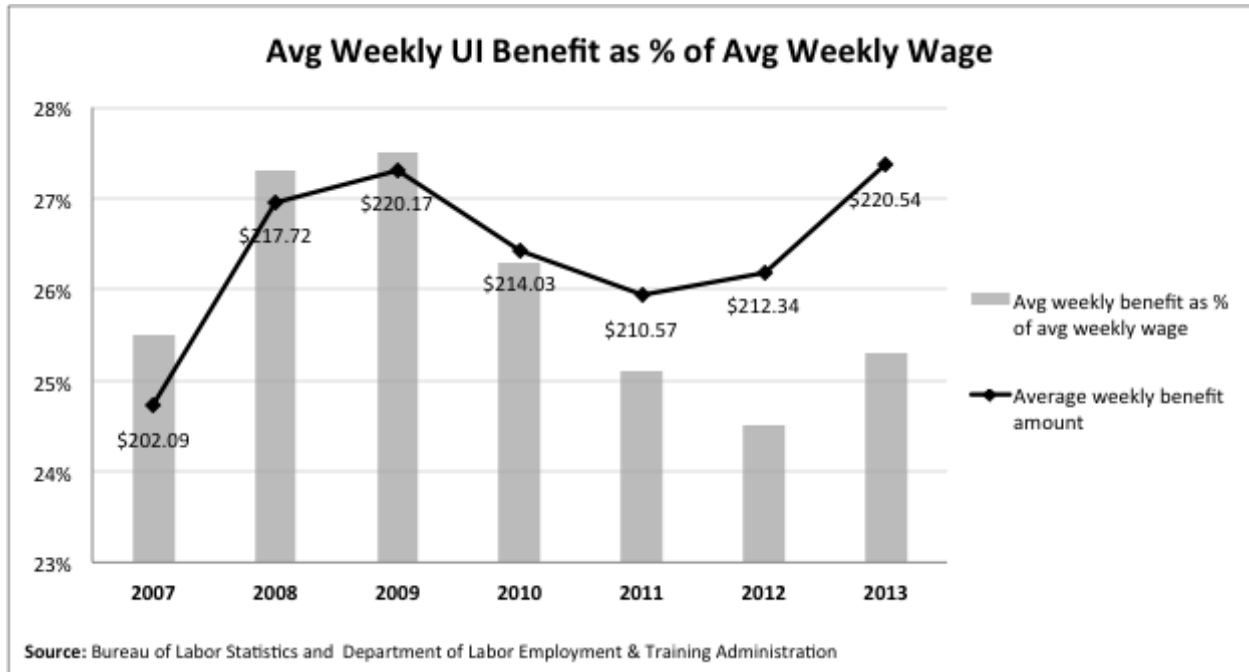
<sup>182</sup> United States Department of Labor (2013). *100% Federal Funding of Extended Benefits (EB) Extended to December 31, 2013*.



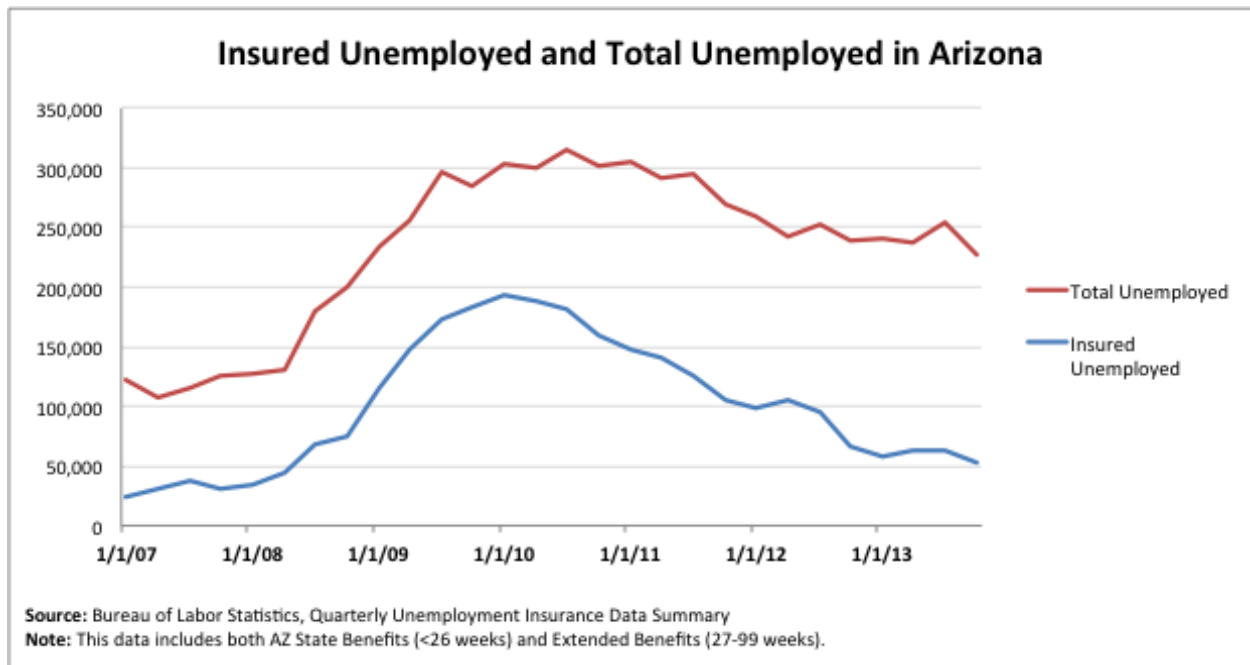
With the combination of state and federal unemployment insurance benefits available, Arizona has one of the longest potential terms of unemployment insurance in the country, as [Figure 76 \(page 191\)](#) makes clear. Arizona, along with the other states coded in orange, offer a maximum potential 63 weeks of unemployment benefits for new claimants, as of December 2013. (Extended unemployment benefits expired on December 28, 2013.)

## 7.4.2 Unemployment Insurance – Impact

**Figure 63: Average Weekly UI Benefit as % of Average Weekly Wage**



**Figure 64: Insured Unemployed as % of Total Unemployed in Arizona**



### 7.4.3 Unemployment Insurance – Findings

According to the National Women’s Center, Unemployment Insurance is one of the top 5 programs supporting low-income women. Nationwide, Unemployment Insurance kept 2.3 million people, including 833,000 women and 621,000 children, from falling into poverty in 2011. This is due in large part to federally funded benefits to help long-term jobless workers.<sup>183</sup>

The Urban Institute suggests Unemployment Insurance reform as one of twelve key steps for cutting poverty in half: “Only about 35 percent of the unemployed [20 percent in Arizona], and a smaller share of unemployed low-wage workers, receive unemployment insurance benefits.” The Urban Institute recommends that states reform the “monetary eligibility” rules that currently might screen out low-wage workers and broaden eligibility for part-time workers.<sup>184</sup>

Those statistics reflect only those receiving Arizona State Benefits, which extend to a maximum term of 26 weeks. People who are unemployed longer than 26 weeks may be eligible for Extended Benefits, as described above, which are reported separately. Aggregating recipients of Arizona State Benefits and Extended Benefits (as is reflected in [Figure 64](#)), the share of all unemployed people in Arizona who received benefits ranged from a high of 64 percent at the end of 2009 and beginning of 2010 to a low of 23 percent in the fourth quarter of 2013.

<sup>183</sup> National Women’s Law Center (2013) *Renewing Federal Emergency Unemployment Benefits: Vital for Women & Families- and the Economy*.

<sup>184</sup> Urban Institute (2011). *Characteristics of Low Income Single Mothers Disconnected from Work and Public Assistance*.

The relatively low rate of participation in Unemployment Insurance is likely partly a function of Arizona's demographics (higher Hispanic and immigrant population) rather than a function of barriers to participation. For example, research has shown that Hispanics and immigrants are less likely to apply for or even know about Medicaid benefits; the same may well be true for Unemployment Insurance.<sup>185</sup> In that case, what is necessary to increase participation rates may be outreach rather than policy or program change.

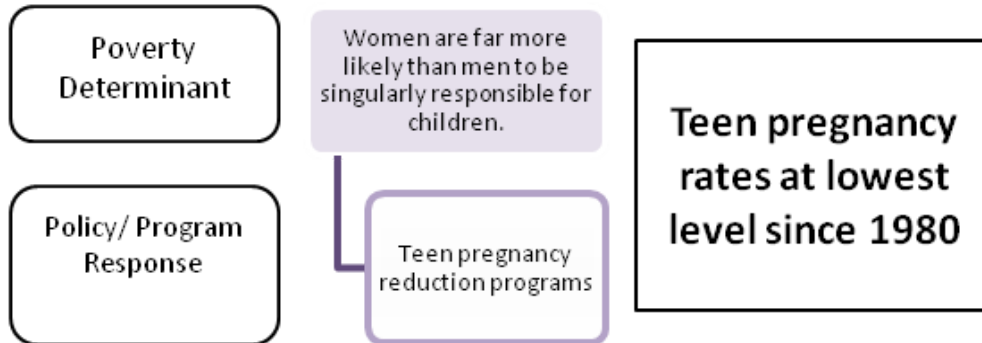
See [Section 11.9](#) for additional details on Unemployment Insurance in Arizona.

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<sup>185</sup> Kenney, G.M, Lynch V., Haley J., and Huntress M. (2012).



## 7.5 Teen Pregnancy Reduction Programs



In addition to programs like child support enforcement services ([Section 7.2](#)), TANF Cash Assistance ([Section 7.3](#)), and Unemployment Insurance ([Section 7.4](#)) that provide support to low-income single mothers, programs that help reduce the incidence of single motherhood in the first place can also be powerful ways to help promote women's economic self sufficiency.

Arizona provides abstinence education in alignment with federal abstinence education guidelines through community-based organizations and other approved contractors. Funding for the Teen Pregnancy Prevention Education programs comes from monies allocated to the Arizona Department of Health Services from funds remaining in the state lottery fund each fiscal year after appropriations and deposits authorized by law are made (FY 2013 Healthy AZ received \$3.5 million from the Arizona Lottery for Pregnancy Prevention programs).<sup>186</sup> In 2010, Title V Abstinence funding was reauthorized and Arizona applied and received those funds. Both funds are used to contract with local communities to develop culturally diverse programs and strategies designed to reduce the incidence of teenage sexual activity and sexually transmitted disease.<sup>187</sup>

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<sup>186</sup> Arizona Lottery (2013).

<sup>187</sup> Arizona Department of Health Services (2013). Teen Pregnancy Prevention Program.

### 7.5.1 Teen Pregnancy Reduction Programs – Impact

**Table 26: # of Pregnancies & Pregnancy Rates Among Female Arizonans Ages 15-19**

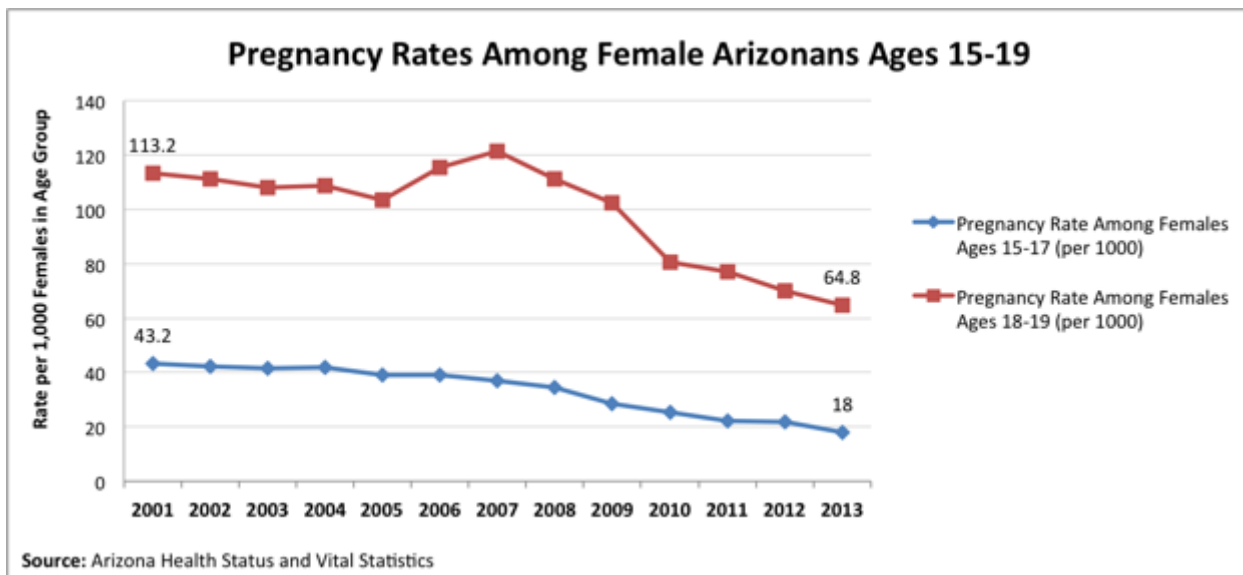
	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
<b>Females Ages 15-17</b>								
# of Pregnancies	4,975	4,740	3,945	3,363	2,939	2,860	2,385	-52.1%
Pregnancy Rate*	37	35	29	26	22	22	18	-51.4%
<b>Females Ages 18-19</b>								
# of Pregnancies	9,738	9,077	8,436	7,467	7,180	6,734	6,238	-35.9%
Pregnancy Rate*	121	111	103	81	77	70	65	-46.3%

**Source:** Arizona Health Status and Vital Statistics<sup>188</sup>

**\*Note:** Pregnancy rate is number of pregnancies per 1,000 females in that age group.

The number of teenage pregnancies and the teen pregnancy rate in 2013 were the lowest recorded since at least 1980, according to the Arizona Health Status and Vital Statistics.

**Figure 65: Arizona Teen Birth Rate (per 1,000 females ages 15-19)**



<sup>188</sup> Arizona Health Status and Vital Statistics 2012: “There is a difference between pregnancy rates and the absolute number of pregnancies. The teen pregnancy rate measures the proportion of teenagers becoming pregnant in a given year; in other words, the relative ‘risk for pregnancy’ in a population ‘at risk’. The number of pregnancies is also determined by the size of the population ‘at risk’: or in this case, by the number of teenage females in the population.

The benefits of programs that effectively reduce teen pregnancy rates are significant, largely in terms of cost avoidance and opportunities lost. As the National Conference of State Legislators explains: "The detrimental effects of teen births on both teen parents and their children are well-documented. Teen mothers and their children have less education, are more likely to be in poor health, and are more likely to rely on public assistance. In addition, teen pregnancy cost taxpayers nearly \$9.1 billion in 2004. Clearly, the importance of preventing teen pregnancy should be emphasized to all teens in an accessible way."<sup>189</sup>

**Teen mothers and their children have less education, are more likely to be in poor health, and are more likely to rely on public assistance.**

The finding that teen pregnancy rates have declined so dramatically is an important one as it counters the common misperception that teenage pregnancy rates are out of control. In fact, it is the opposite: teen pregnancy rates have fallen dramatically in Arizona, more so even than in other states. The decline is a national trend, but national declines have not been as significant as in Arizona. It is not clear, however, exactly what has caused these dramatic declines; that is an area that warrants further research.

## 7.5.2 Teen Pregnancy Reduction Programs – Findings

The number of teenage pregnancies and the teen pregnancy rate of 2013 were the lowest recorded since at least 1980, according to the Arizona Health Status and Vital Statistics. Between 2007 and 2013, the pregnancy rate among females age 18-19 fell 46 percent and the pregnancy rate among females age 15-17 fell 51 percent. The benefits of reducing the incidence of teen pregnancy are clear: Teen mothers and their children have less education, are more likely to be in poor health, and are more likely to rely on public assistance.

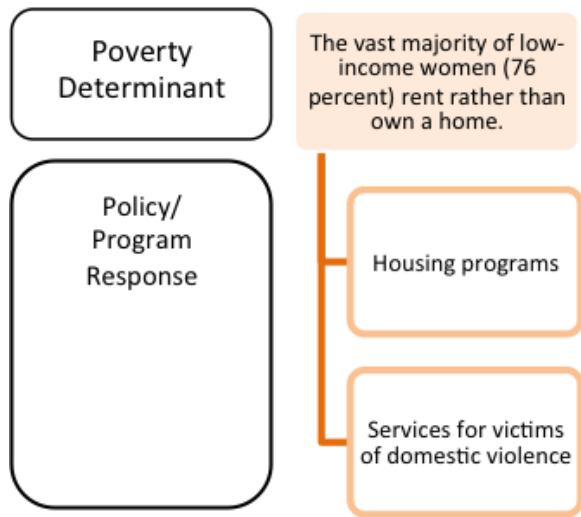
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<sup>189</sup> National Conference of State Legislators (2009).





## 8 Full Report - Enabling Home Stability: Housing Programs & Services for Victims of Domestic Violence



**In this section we first explore the data on poverty and housing, which reveal that the vast majority of low-income women (76 percent) rent rather than own a home. Furthermore, women are far more likely to be renters than any other demographic.**

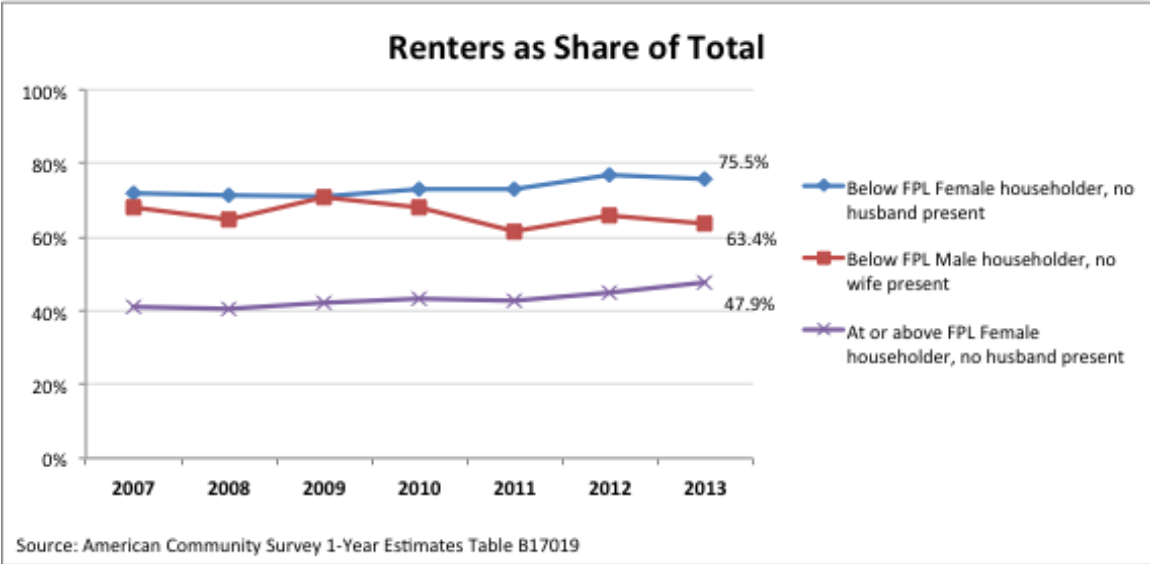
**In that context, what are policies/programs that could help low-income women achieve economic self-sufficiency? In this section we explore programs designed to support access to affordable housing and programs that provide temporary and transitional housing for victims of domestic violence.**

### 8.1 Poverty and Housing

Renters who are already in a precarious economic situation – with little to no “rainy day” savings – are particularly vulnerable to homelessness caused by a temporary economic hardship like a job loss. In the U.S. Conference of Mayors 2011 Status Report on Hunger and Homelessness, cities responding to the survey cited unemployment, lack of affordable housing, and poverty as the three leading causes of homelessness among households with children.<sup>190</sup> Homelessness has been shown to have profoundly negative effects on families, especially children.

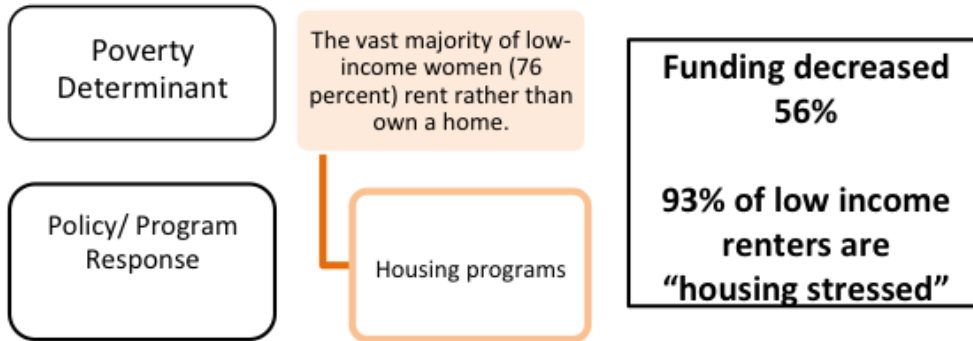
<sup>190</sup> The United States Conference of Mayors (2011).

Figure 66: Renters as Share of Total





## 8.2 Housing Programs



Given that the vast majority of low-income women (76 percent) rent rather than own a home, programs designed to promote stable, affordable housing are a critical element in supporting low-income women's economic self-sufficiency.

**Table 27: Housing Programs that Directly Serve Arizona’s Low-Income Populations**

Benefit	Eligibility
<b>Section 8 Project-Based Rental Assistance</b>	
The Arizona Public Housing Authority has oversight and monitoring responsibilities for 114 subsidized properties, representing over 7,900 units, which receive rental subsidies through the Section 8 Program of the U.S. Department of Housing and Urban Development.	Households that are at or below 50 percent of the area median income. The subsidy or assistance stays with the property – those families residing at a Project-Based Assisted property may receive assistance as long as they are eligible and reside at the property. The assistance does not go with the family when they move.
<b>Shelter Plus Care</b>	
Rental assistance	Homeless persons with disabilities (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters. <sup>191</sup>
<b>Supportive Housing Program</b>	
Housing and services that assist people in the transition from homelessness, as well as services (e.g. child-care, employment assistance, health services, and case management) that enable homeless persons to live as independently as possible	Households must be very low-income (30 percent or 50 percent of the median income for the area) with at least one adult member with a disability (such as a physical or developmental disability or chronic mental illness)
<b>Homeless Prevention/ Rapid Re-Housing program (HPRP)<sup>192</sup></b>	
The Homelessness Prevention and Rapid Re-Housing Program will provide financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized.	The household’s total income must be at or below 50 percent of Area Median Income  The household must be either homeless (to receive rapid re-housing assistance) or at risk of losing its housing (to receive homelessness prevention assistance)

**Source:** Arizona Department of Housing

According to the Arizona Department of Housing 2012 action plan<sup>193</sup> the State’s housing priorities are:

- Expand the supply of affordable rental housing for very low-income and extremely low-income households. When possible, emphasize projects that assist families, seniors, persons with disabilities and those experiencing homelessness.
- Preserve and improve the long-term life of existing affordable rental housing stock.
- Preserve and improve the long-term life of existing affordable owner occupied housing stock.

<sup>191</sup> U.S. Department of Housing and Urban Development (2013). *Shelter Plus Care Program (S+C)*.

<sup>192</sup> U.S. Department of Housing and Urban Development (2011).

<sup>193</sup> Arizona Department of Housing (2012). *2012 Annual Action Plan*.

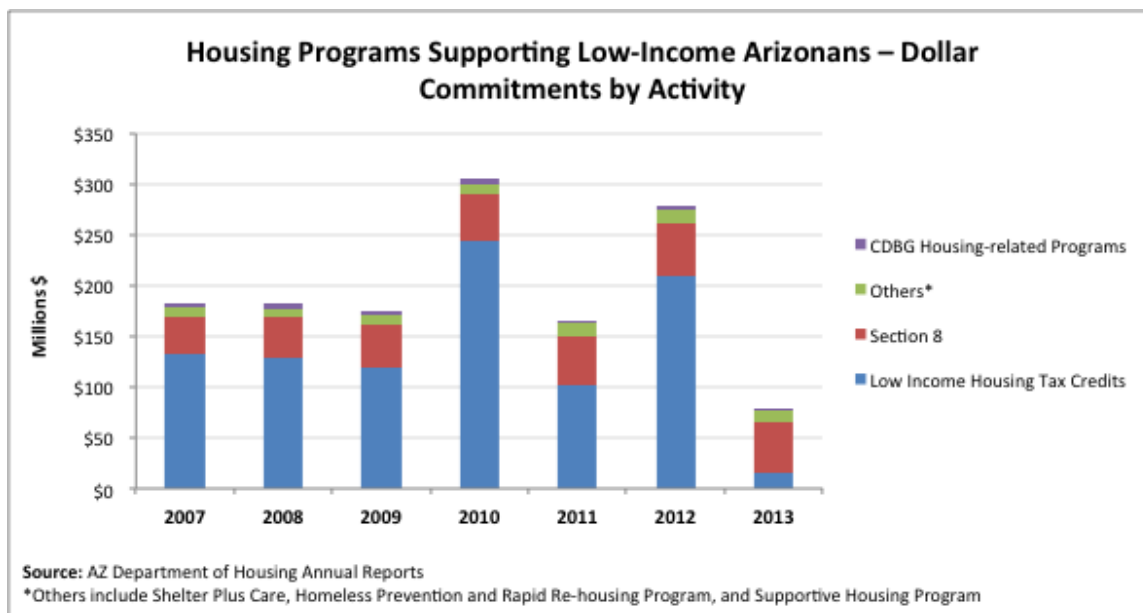
- Ensure that all households in the state have adequate access to fair housing resources.

### 8.2.1 Housing Programs – Funding

Among those housing programs highlighted in this report (those designed to directly or indirectly serve low-income Arizonans), all are funded by the Federal government (they are administered by the state). In every year low-income housing tax credits (which are actually a benefit to developers who set aside rental units for low-income renters) and Section 8 make up the lion’s share of total housing program funding. The Section 8 funding data below includes both the Housing Choice Voucher Program and project-based assistance; in every year, project-based assistance makes up 98-99 percent of total funding.<sup>194</sup>

To note, not everyone living in housing funded by the Low Income Housing Tax Credits is actually low-income. Developers are required to set aside certain percentages – not 100% – of their developments for low-income people. Furthermore, the definition of “low income” varies dramatically across programs; Section 8 provides housing for “ultra low-income” people, where in other cases services are available to those with incomes just below the area median income.<sup>195</sup>

**Figure 67: Housing Programs Supporting Low-Income Arizonans – Dollar Commitments by Activity**



### 8.2.2 Housing Programs – Impact

Between 2007 and 2013, funding for housing programs decreased 56 percent. By itself, that decrease could be deceptive; between 2007 and 2012, funding actually rose 53 percent. Federal tax credits ended in 2013, cutting low income tax credits from \$210 million in 2012 to \$15 million in 2013.

<sup>194</sup> See Table 495 for program details.

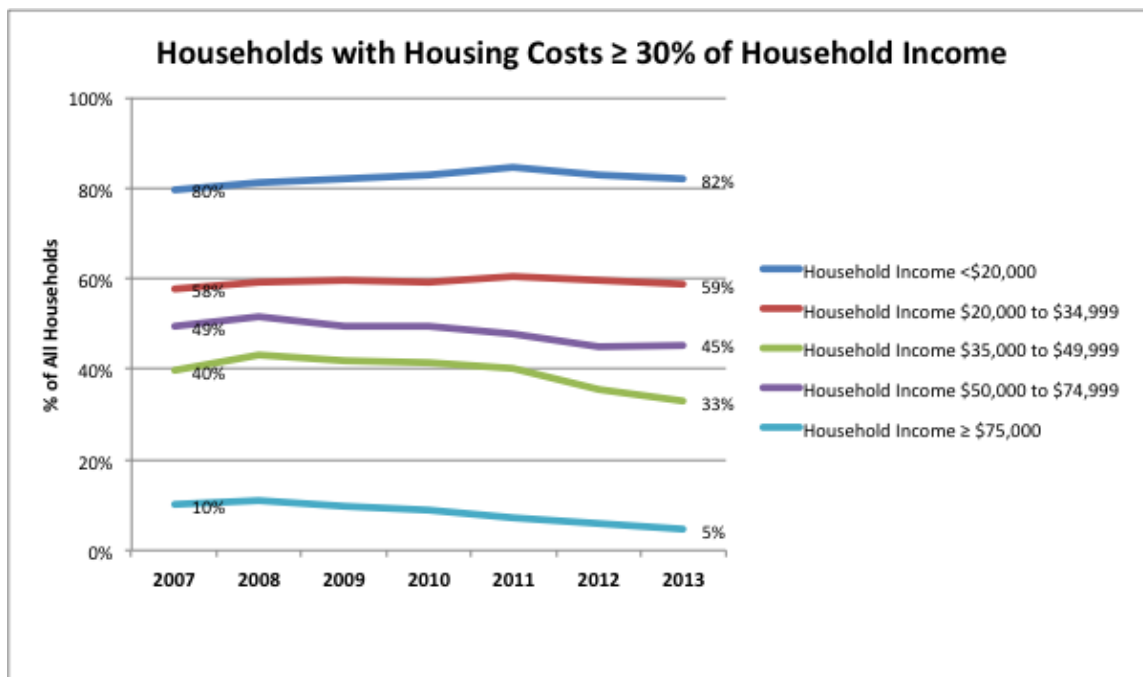
<sup>195</sup> For more detail, see <http://www.huduser.org/portal/datasets/lihtc.html>

If these programs are impactful, we should expect to see a corresponding increase in the affordability of housing. Yet we have not.

If an individual or family’s housing costs exceed 30 percent of income, that individual or family is considered “housing stressed.” So a good measure of the impact of Arizona’s housing programs is the percentage of families spending more than 30 percent of their income on housing. At lower levels of income, the percentage of housing stressed households increased slightly between 2007 and 2013. At higher levels of income, the percentage of “housing stressed” households declined. Those trends hold for both owners and renters.

Among the lowest income households (those with incomes of less than \$20,000), a greater percentage of renters were housing stressed than owners were. In 2013, among homeowners, 68 percent of all households at that income level had housing costs that were 30 percent or more of the household’s income. Among renters, the percentage of households considered housing stressed was 93 percent. To put those numbers in context, in 2013 the percentage of households “housing stressed” was 27 percent across all income levels for homeowners. For renters, across all income levels in 2012, 50 percent were housing stressed.

**Figure 68: Impact of Arizona Housing Programs - % of Arizonans “Housing Stressed”**



### 8.2.3 Housing Programs – Findings

Between 2007 and 2013, funding for housing programs decreased 56 percent, though funding increased 53 percent between 2007 and 2012. If these programs are impactful, we should expect to see a corresponding increase in the affordability of housing. Yet we have not. Among the lowest income households (those with incomes of less than \$20,000) who owned a home in 2013, 68 percent spent 30 percent or more of their income on housing. Among renters at that income level, 93 percent spent 30 percent or more of their income on housing. Those who spend more than 30 percent of their income on housing are considered “housing stressed.”

**Among low-income renters in 2013,  
93 percent paid more than 30% of  
their income to housing.**

Housing stressed renters who are already in a precarious economic situation – with little to no “rainy day” savings – are particularly vulnerable to homelessness caused by a temporary economic hardship like a job loss. Lack of affordable housing and poverty are two leading causes of homelessness among households with children, and homelessness has been shown to have profoundly negative effects on families, especially children.<sup>196</sup>

**For additional details on housing programs in Arizona, see [Section 11.10](#).**

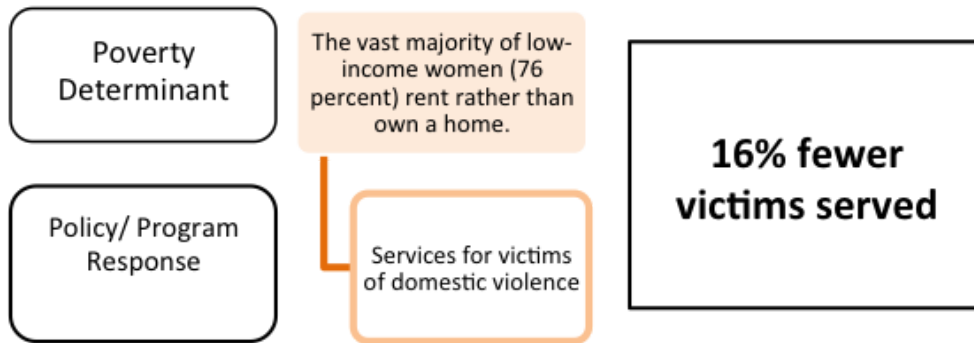
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<sup>196</sup> The United States Conference of Mayors (2011).





### 8.3 Services for Victims of Domestic Violence



**Given the profoundly negative impact of homelessness on women and their children, programs designed to prevent homelessness can be important in supporting the economic self-sufficiency of low-income women. While poverty and unemployment are leading causes of homelessness among families with children, domestic violence is also a leading cause of homelessness for women.**

**So programs that provide temporary and transitional housing for victims of domestic violence, who might otherwise stay in abusive situations or become homeless, can be important mechanisms of supporting low-income women's economic self-sufficiency.**

Domestic violence can push women into a “cycle of poverty” leading to job loss, poor health, and homelessness.<sup>197</sup> In particular:

- The Centers for Disease Control (CDC) estimates that victims of intimate partner violence collectively lose almost 8 million days of paid work each year<sup>198</sup>
- The cities surveyed by the U.S. Conference of Mayors identified domestic violence as a leading cause of homelessness<sup>199</sup>

Clearly, there is both an economic (as well as a moral) benefit to providing services that help victims of domestic violence.

<sup>197</sup> Cawthorne, A. (2008).

<sup>198</sup> National Center for Injury Prevention and Control (2003).

<sup>199</sup> The United States Conference of Mayors (2011).

**Table 28: Services for Victims of Domestic Violence**

<b>Program</b>	<b>Benefit</b>	<b>Eligibility</b>
DES Domestic Violence Shelter Fund <sup>200</sup>	Nights of shelter were provided to adults and children. The shelters provide case management, individual and group counseling and legal advocacy. In addition, the fund provides for hotline calls.	Persons and children at risk of or experiencing domestic violence
DES Domestic Violence Program <sup>201</sup>	Funding is provided to these groups to assist in the delivery of services to victims and their children. Services provided through these organizations include a crisis hotline, emergency and transitional shelters, counseling, case management and other supportive services including transportation, childcare, legal advocacy and referrals to community programs.	Persons and children at risk of or experiencing domestic violence

**Source:** Department of Economic Security

In many cases, support for victims of domestic violence (most often women and children) take the form of emergency shelter and transitional housing. Those programs are discussed in detail in [Section 11.11](#).

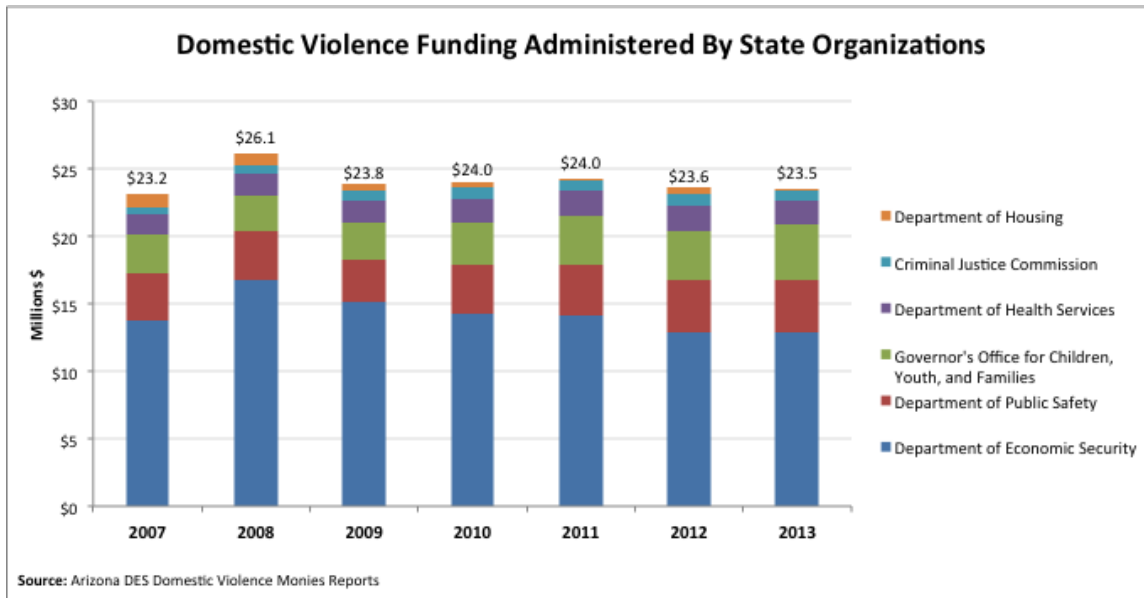
### 8.3.1 Services for Victims of Domestic Violence – Funding

As [Figure 69](#) reveals, funding for services for victims of domestic violence in Arizona was relatively stable between 2007 and 2013. Total funding increased 1.3 percent. In real terms – taking inflation into account – funding declined. The agency that spent the most on such services – the Department of Economic Security – spent 5.8 percent less in 2013 than 2007. (That decline was made up for by the Department of Public Safety; Governor's Office for Children, Youth, and Families; Department of Health Services; and Criminal Justice Commission, which together increased funding by 24 percent.)

<sup>200</sup> Arizona Department of Economic Security (2012). *Domestic Violence Shelter Fund Report for SFY 2011*.

<sup>201</sup> Arizona Department of Economic Security (2013). *Domestic Violence Programs*.

**Figure 69: Domestic Violence Funding Administered By State Organizations**



### 8.3.2 Services for Victims of Domestic Violence – Impact

As [Table 29](#) makes clear, the level of participation in programs for victims of domestic violence between 2008 and 2013 depends on which metric is considered. On one hand, the total number of adults and children served by the various programs declined over 16 percent. On the other hand, more nights of shelter, hours of case management, counseling, and advocacy were provided (see [Table 30](#)).

**Table 29: Population Served by Programs for Victims of Domestic Violence**

	2008	2009	2010	2011	2012	2013	Total Δ 2008-13
Total adults and children served	10,623	11,209	9,789	9,769	9,534	8,916	-16.1%
Children as % of total	47%	47%	47%	48.0%	47.0%	48%	

The Department of Economic Security lists nights of shelter and hours of counseling services provided as key performance measures of their programs for victims of domestic violence. In 2013 compared to 2008, Arizona provided 5.7 percent more nights of shelter; 13 percent more hours of case management, counseling, and advocacy; and fielded 1.2 percent more hotline calls for victims of domestic violence.

**Table 30: Impact of Programs for Victims of Domestic Violence**

	2008	2009	2010	2011	2012	2013	Total Δ 2008-13
Nights of shelter provided	313,250	373,601	339,843	332,967	327,399	330,999	5.7%
Hours of case management, counseling, & advocacy provided	156,042	175,393	148,433	157,615	195,369	176,256	13.0%
Hotline calls	22,548	22,358	21,719	28,273	26,649	22,824	1.2%

Source: Arizona DES Domestic Violence Shelter Fund Reports

It is unclear whether the incidence of domestic violence rose between 2008 and 2013, the state’s provision of services increased, or both. The most frequently reported unmet need in an annual survey of all shelters providing domestic violence services was housing (including transitional and affordable stable housing), which is detailed in [Section 8.2](#). Childcare and transportation were also reported as significant needs; childcare is detailed in [Section 2.3.1](#).

### 8.3.3 Services for Victims of Domestic Violence – Findings

Domestic violence can push women into a “cycle of poverty” leading to job loss, poor health, and homelessness.<sup>202</sup> Programs that provide services to help women escape domestic violence, and those that help victims with temporary and transitional housing can be important means of promoting low-income women’s economic self-sufficiency.

**For additional details on services for victims of domestic violence in Arizona, see [Section 11.11](#).**

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<sup>202</sup> Cawthorne, A. (2008).

## 9 Full Report - Key Findings

**Key Findings are reported in the Abbreviated Version of the report, in [Section 2.3](#) which begins on [page 8](#).**



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## 11 Appendices – Additional Program Detail

### 11.1 Childcare Programs – Additional Detail

The stated purpose of DES Child Care is “to assist eligible families with child care costs, enabling parents to participate in employment and specific education and training activities related to employment or in certain other circumstances when parents are unable to provide care.” As such, the intended beneficiaries of the program include working parents, children, and society broadly.

DES Child Care Services may be provided for the following eligible activities or needs:

- Participation in DES Jobs Program
- Employment
- Eligible education and training activities related to employment
- High school, GED or remedial education classes for teen parents
- Unable or unavailable to provide care for children due to a physical, mental, or emotional condition, participation in a drug treatment or rehabilitation program, or a court order community service program
- Residency in a homeless or domestic violence shelter
- Other needs as determined by Child Protective Services or foster care case plan

**Table 31: Average Monthly Subsidy versus Monthly Median Child Care Cost**

	2006	2008	2010	2012	Total Δ 2006-12
Average Actual DES Monthly Subsidy	\$273	\$353	\$338	\$346	26.7%
Median Cost of Licensed Centers (< 1 year old)	\$680	\$736	\$775	\$820	20.6%
Median Cost of Certified Group Homes (3 to 5 years old)	\$440	\$500	\$500	\$500	13.6%

**Source:** Annual Welfare Reform Report Fiscal Years and DES Child Care Market Rate Survey

As a result of the very dramatic declines in funding for childcare subsidies described above, expenditures on subsidized childcare programs – and the number of families served by those programs – has declined dramatically as well, as [Table 32](#) and [Figure 70](#) make clear. As funding declined 36 percent, total expenditures on the same programs declined 40 percent. In other words, the state found no alternative funding source to insulate childcare subsidy programs from cuts. Those cuts were particularly deep for families served through the low-income working program, which faced a \$65 million (68 percent) decline between 2007 and 2013.

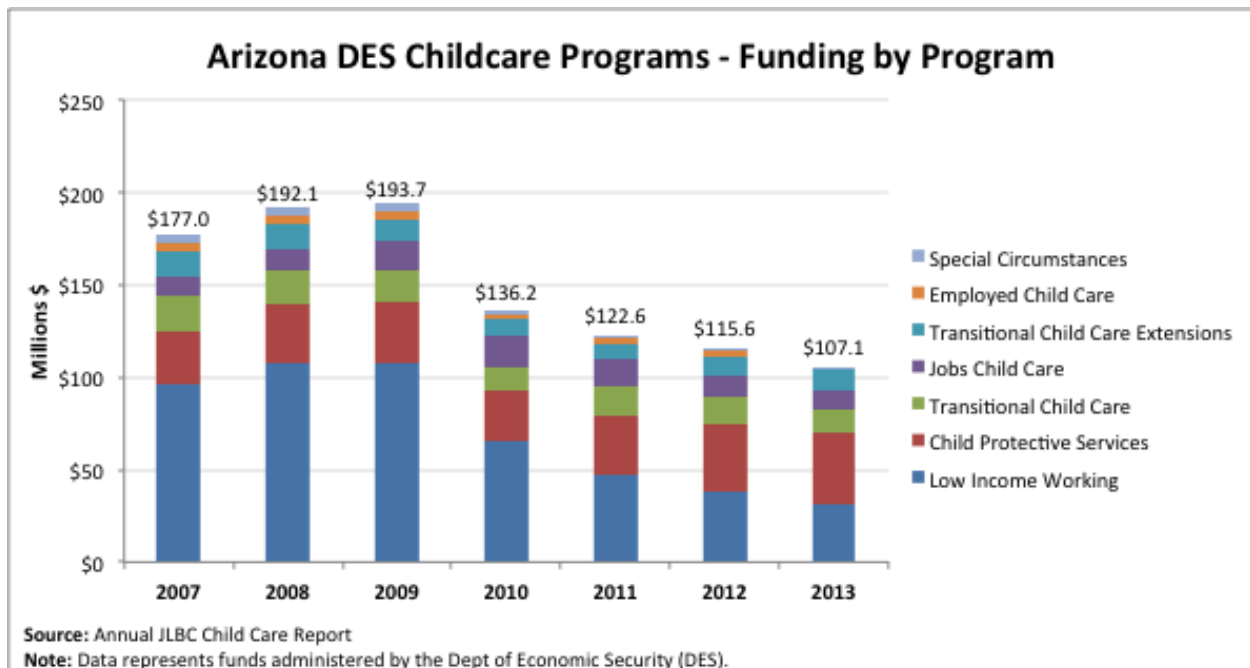
**Table 32: Arizona DES Subsidized Childcare - Funding by Program (Expenditures, Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-12
Low Income Working	\$95.9	\$108.0	\$107.9	\$65.3	\$46.8	\$37.5	\$30.7	-68.0%
Child Protective Services	\$28.3	\$31.1	\$33.0	\$27.4	\$32.6	\$36.9	\$39.5	39.6%
Transitional Child Care	\$20.3	\$18.7	\$17.2	\$12.7	\$15.6	\$14.8	\$12.4	-38.9%
Jobs Child Care	\$9.3	\$10.8	\$15.9	\$16.9	\$14.3	\$11.4	\$10.5	13.0%
Transitional Child Care Extensions	\$14.0	\$14.0	\$11.5	\$9.1	\$8.5	\$10.5	\$10.4	-25.5%
Employed Child Care	\$5.3	\$4.8	\$3.5	\$2.6	\$3.2	\$3.2	\$2.3	-56.4%
Special Circumstances	\$4.0	\$4.7	\$4.6	\$2.2	\$1.5	\$1.3	\$1.1	-72.7%
<b>Total</b>	<b>\$177.0</b>	<b>\$192.1</b>	<b>\$193.7</b>	<b>\$136.2</b>	<b>\$122.6</b>	<b>\$115.6</b>	<b>\$106.9</b>	<b>-39.6%</b>

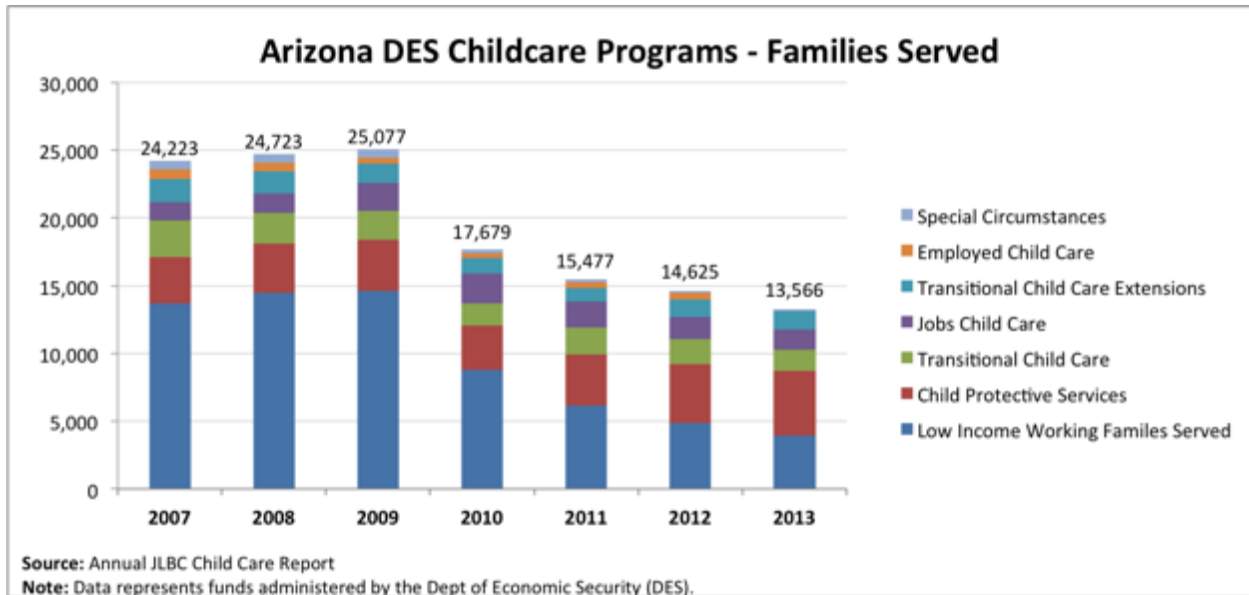
Source: Annual JLBC Child Care Report

Note: Data represents funds administered by the Dept. of Economic Security (DES)

**Figure 70: Arizona DES Subsidized Childcare - Funding by Program (Expenditures, Millions \$)**



**Figure 71: Arizona DES Subsidized Childcare - Families Served**





## 11.2 Healthcare (AHCCCS) – Additional Detail

**Table 33: Healthcare Programs for Arizona Women and Their Children – Program Details**

<b>Program</b>	<b>Benefit</b>	<b>Income Eligibility</b>
<b>AHCCCS Care</b>	AHCCCS Medical Services for adults without children  Services include, e.g., doctor's office visits, hospitalization, prescriptions, lab work and behavioral health services	<ul style="list-style-type: none"> <li>• Income up to 100% of FPL<sup>203</sup></li> <li>• Ineligible for any other categorical Medicaid Coverage</li> </ul>
<b>AHCCCS for Families with Children</b>	AHCCCS Medical Services for families with children <sup>204</sup>	<ul style="list-style-type: none"> <li>• Income up to 100% of FPL</li> <li>• Family includes a child(ren) under age 18 (or 19 if a full-time student)</li> </ul>
<b>S.O.B.R.A.</b>		
	AHCCCS Medical Services for pregnant women <sup>205</sup>	<ul style="list-style-type: none"> <li>• Income up to 150% of FPL</li> <li>• Proof of pregnancy</li> </ul>
	AHCCCS Medical Services for children <1 yr	<ul style="list-style-type: none"> <li>• Income up to 140% of FPL</li> <li>• No monthly premium requirement</li> </ul>
	AHCCCS Medical Services for children ages 1-5	<ul style="list-style-type: none"> <li>• Income up to 133% of FPL</li> <li>• No monthly premium requirement</li> </ul>
	AHCCCS Medical Services for children ages 6-18	<ul style="list-style-type: none"> <li>• Income up to 100% of FPL</li> <li>• No monthly premium requirement</li> </ul>

<sup>203</sup> In 2012, the federal poverty level (FPL) was \$18,498 for a single mother with two children under the age of 18. The FPL for a single woman alone was \$11,945.

<sup>204</sup> The difference between AHCCCS for Families, SOBRA programs for children, and KidsCare are income eligibility requirements and premium requirements. AHCCCS for families is available for families with incomes up to just 100% FPL. SOBRA has higher income eligibility limits for children alone, depending on age. KidsCare has the highest income eligibility limit (200% FPL) but may require some families to pay a monthly premium; there is no monthly premium associated with AHCCCS or SOBRA.

<sup>205</sup> SOBRA stands for the Sixth Omnibus Budget Reconciliation Act, the federal law that created this Medicaid program.

<sup>206</sup> Due to limited funding KidsCare enrollment has been frozen since 2010. Beginning May 1, 2012 through January 31, 2014, a limited number of children may be eligible for KidsCare II, a temporary children’s coverage program. Eligibility, benefits, and premium requirements are the same as KidsCare.

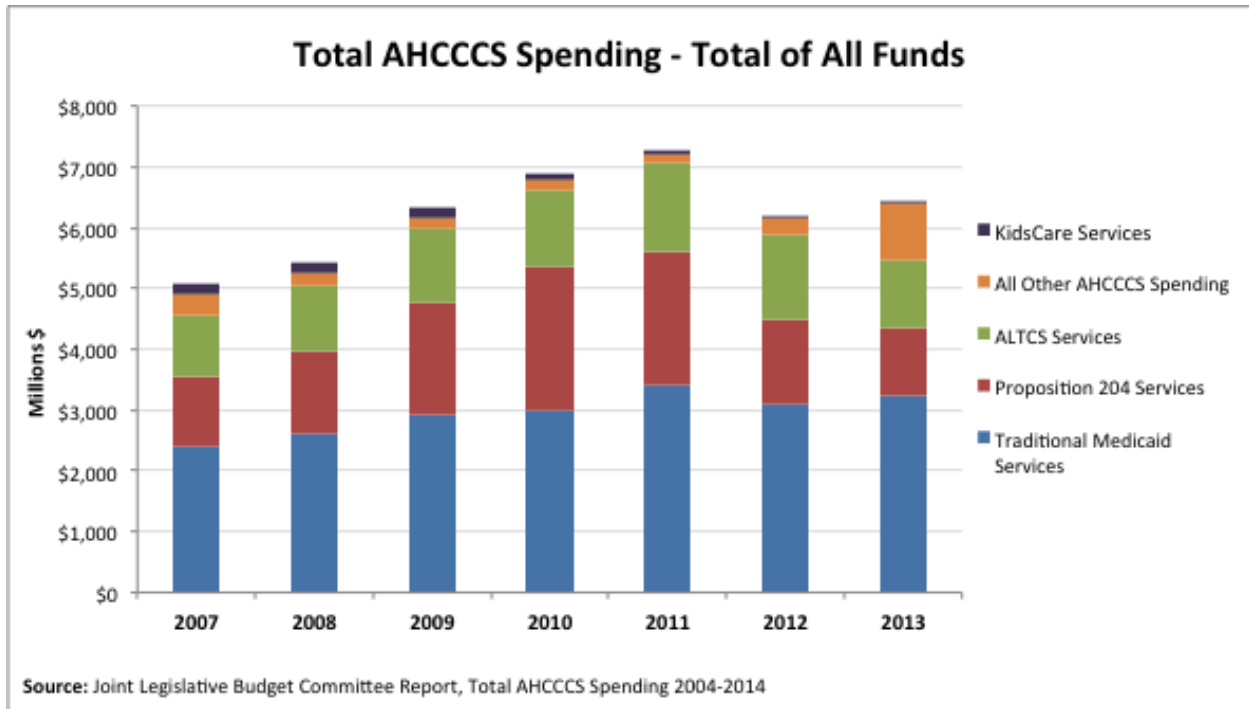
<b>KidsCare (Frozen) and KidsCare II</b>	AHCCCS Medical Services for children under age 19 <sup>206</sup>	<ul style="list-style-type: none"> <li>• Income up to 200% of FPL</li> <li>• Not eligible for Medicaid</li> <li>• No health insurance coverage within last 3 months</li> <li>• Not available to children of state employees</li> <li>• Families are required to pay a monthly premium</li> </ul>
<b>Arizona Long Term Care System (ALTCS)</b>	AHCCCS Medical Services, Nursing Facility, Home and Community Based Services, and Hospice	<ul style="list-style-type: none"> <li>• Income up to 300% of the Supplement Security Income Rate (\$2,094 in 2012)</li> <li>• Requires nursing home level of care or equivalent</li> <li>• May be required to pay a share of the cost</li> <li>• Estate recovery program for the cost of services received after age 55</li> </ul>
<b>Breast and Cervical Cancer Treatment Program (BCCTP)</b>	AHCCCS Medical Services	<ul style="list-style-type: none"> <li>• Income up to 250% of FPL</li> <li>• Under age 65</li> <li>• Uninsured</li> <li>• Screened and diagnosed with breast cancer, cervical cancer, or a pre-cancerous cervical lesion by the Well Women Health Check Program</li> <li>• Ineligible for any other Medicaid coverage</li> </ul>
<b>Freedom to Work</b>	AHCCCS Medical Services	<ul style="list-style-type: none"> <li>• Income up to 250% of FPL countable income (only earned income is counted)</li> <li>• Must be working and either have a disability or blindness</li> <li>• Must be age 16 through 64</li> </ul>
<b>SSI CASH/SSI Medical Assistance Only (MAO)</b>	AHCCCS Medical Services	<ul style="list-style-type: none"> <li>• Income up to 100% of FPL</li> <li>• Age 65 or older, blind, or with a disability</li> </ul>
<b>Young Adult Transitional Insurance (YATI)</b>	AHCCCS Medical Services	<ul style="list-style-type: none"> <li>• No income limit</li> <li>• Under age 21</li> <li>• Child was in DES Foster Care when became 18</li> </ul>
<b>Family Planning Services</b>	Certain medical, surgical, pharmacological, and laboratory benefits and information on specific family planning methods available	<ul style="list-style-type: none"> <li>• Eligible AHCCCS/ALTCS members</li> <li>• Pregnant women covered by SOBRA</li> </ul>

<b>Federal Emergency Services (FES)</b>	Emergency health care services only on a Fee for Service basis	<ul style="list-style-type: none"> <li>• Income up to 100% of the FPL</li> <li>• Qualified immigrants and non-citizens who are not eligible for full AHCCCS medical services</li> <li>• Pregnant women; children under the age of 19; individuals with blindness or another disability; elderly; parent of a child under the age of 19</li> </ul>
<b>Medicare Cost Savings Program</b>		
	Payment of Medicare Part A and B premiums, coinsurance, and deductibles for qualified Medicare beneficiaries	<ul style="list-style-type: none"> <li>• Income up to 100% of Federal Poverty Level (FPL)</li> <li>• Entitled to Medicare Part A</li> </ul>
	Payment of Medicare Part B premium for specified low-income Medicare beneficiaries	<ul style="list-style-type: none"> <li>• Income 100% - 120% of FPL</li> <li>• Entitled to Medicare Part A</li> <li>• Not receiving Medicaid benefits</li> </ul>
	Payment of Medicare Part B premium for qualified individuals	<ul style="list-style-type: none"> <li>• Income 120% - 135% of FPL</li> <li>• Entitled to Medicare Part A</li> <li>• Not receiving Medicaid Benefits</li> </ul>
<b>Dental Care</b>	Dental services	Enrollment in AHCCCS or KidsCare

**Source:** Children's Action Alliance, Health Care Resources for Arizona's Low Income and Uninsured Families, March 2013



**Figure 72: Total AHCCCS Spending Across All Funds**



**Table 34: State Match Share of Total Funds, All AHCCCS Spending in Selected Categories**

	2007	2008	2009	2010	2011	2012	2013
Traditional Medicaid Services	31%	31%	25%	21%	24%	31%	31%
Proposition 204 Services	31%	31%	25%	23%	23%	32%	29%
KidsCare Services	22%	22%	22%	20%	21%	21%	22%
ALTCS Services	36%	36%	12%	11%	23%	30%	36%
Grand Total AHCCCS Spending State Match Share of Total Funds (%)	33%	33%	23%	21%	24%	31%	30%

Source: Joint Legislative Budget Committee Report, Total AHCCCS Spending 2004-2014

**Table 35: AHCCCS Enrollment 2007-2013**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
Total Population	1,053,943	1,114,548	1,275,109	1,352,804	1,369,637	1,280,521	1,278,412	21.3%
Children 0-17	542,994	568,353	631,102	644,804	639,035	643,495	666,304	22.7%
Adults 18-64	448,566	481,343	576,769	637,319	656,746	561,234	532,378	18.7%
Elderly 65+	62,411	64,938	67,263	70,706	73,950	75,849	79,775	27.8%

Source: AHCCCS Population Demographics

**Table 36: Arizonans’ Access to Health Care**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total Δ 2007-13</b>
# of Arizonans Enrolled in AHCCCS	1,053,943	1,114,548	1,275,109	1,352,804	1,369,637	1,280,521	1,316,206	24.9%
# of Arizonans w/o Health Insurance Coverage	1,136,594	1,250,628	1,234,067	1,232,457	1,137,024	1,198,324	na	5.4%

**Source:** U.S. Census Bureau and AHCCCS

### 11.3 Early Childhood Education– Additional Detail

**Table 37: Early Childhood Education - Program Details**

<b>Program</b>	<b>Benefit</b>	<b>Eligibility</b>
<b>First Things First</b>	<p>First Things First offers funding opportunities throughout Arizona to address the specific development and health needs for children birth through age five, and their families.</p> <p>FTF goals set out by statute are:</p> <ol style="list-style-type: none"> <li>1. Quality early care and education</li> <li>2. Access to those quality programs, as well as health providers</li> <li>3. Early health and screenings</li> <li>4. Parent and family information and support</li> <li>5. Professional development of early care and education providers</li> <li>6. Coordination, documentation and evaluation of early childhood programs and services</li> <li>7. Informing the public about the importance of early childhood to establish and reflect a culture of quality that is accountable to young children and their families</li> </ol>	Determined by program provider
<b>Head Start &amp; Early Head Start</b>	<p>Head Start and Early Head Start are federally funded child and family development programs for low-income families and families whose children have disabilities or other special needs</p> <p>Assistance is provided through five service components:</p> <ol style="list-style-type: none"> <li>1. Education</li> <li>2. Health (including physical</li> </ol>	<p>Children who are 3 to 5 years old and whose families meet certain low-income requirements, are homeless, in foster care, or receive TANF or SSI are eligible for <b>Head Start</b> services</p> <p>Pregnant women and children from birth to 3 years of age whose families meet certain low-income requirements, are homeless, in</p>

<sup>207</sup> Children’s Action Alliance (2013).

	<p>exams and immunizations)</p> <ol style="list-style-type: none"> <li>3. Nutrition (including hot meals)</li> <li>4. Social services</li> <li>5. Parental involvement<sup>207</sup></li> </ol>	<p>foster care, or receive TANF or SSI are eligible for <b>Early Head Start</b> services</p> <p>Eligibility is determined by Head Start program staff; some grantees enroll a percentage of children from families with incomes above the FPL as well</p>
<p><b>Early Childhood Special Education (ECSE)</b></p>	<p>Early Childhood Special Education and related services is a state and federally mandated program for children ages 3-5 experiencing developmental delays<sup>208</sup></p> <p>School districts and other public agencies are responsible for locating, identifying and evaluating eligible children and offering a free &amp; appropriate public education (FAPE)</p> <p>ECSE services are provided through state general revenue funds and federal funds under the Individuals with Disabilities Education Act</p>	<p>No income requirement</p> <p>Eligibility for children is determined by criteria that have been established by federal and state rules and regulations</p>

**Source:** Arizona Department of Education and First Things First

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<sup>208</sup> "Developmental delay" means performance by a child ages 3-10 on a norm-referenced test that measures at least one and one-half, but not more than three, standard deviations below the mean for children of the same chronological age in two or more of the following areas: (a) Cognitive development. (b) Physical development. (c) Communication development. (d) Social or emotional development. (e) Adaptive development.

## **Head Start and Early Head Start**

The **Head Start** program provides grants to public and private agencies to provide child development services to low-income children and families. The program helps pre-school age children build their reading and arithmetic skills to prepare them for school. Created in 1965 and 1966 as part of President Lyndon Johnson's War on Poverty, and reauthorized by Congress in 2007 through the Improving Head Start for School Readiness Act, Head Start is the federal government's only pre-K program.<sup>209</sup>

Created in 1994, **Early Head Start** has programs geared for children 0-3 years of age.<sup>210</sup> It is funded as a set-aside of Head Start. The program's mission is to promote healthy prenatal outcomes for pregnant women, enhance the development of very young children (age 3 and under), and promote healthy family functioning.

Head Start and Early Head Start are funded and administered by the Office of Head Start (OHS) in the U.S. Department of Health and Human Services' Administration for Children and Families. OHS awards grants to public and private agencies on a competitive basis to provide comprehensive early childhood development services to specific communities. Head Start grantees provide the services as described in the Head Start Performance Standards and in accordance with the Head Start Act of 2007. The Office of Head Start is responsible for oversight of these grantees, to ensure the performance standards are met and the best quality of care is provided to the enrolled children. In addition, some cities, states and federal programs offer funding to expand Head Start and Early Head Start to additional children within their jurisdiction.<sup>211</sup>

## **Early Childhood Block Grant (ECBG)<sup>212</sup>**

Arizona began funding preschool education programs in 1991 and used the Arizona Early Childhood Block Grant (ECBG) as a source of funding from 1996 through 2010. The ECBG derived its funding exclusively from the state General Fund, and provided funding in support of supplemental services for full-day kindergarten and first through third grade, in addition to funding preschool education.<sup>213</sup>

The children of families with an income at or below 185 percent of the federal poverty level were eligible for ECBG-funded programs. The ECBG prekindergarten funds were dispersed to school districts, with the requirement that some of the funding was passed through to either faith-based or private child care centers depending on the parent's choice of setting for their children. Preschool programs that received ECBG funding were required to be accredited by an organization approved by the state, such as the National Association of the Education of Young Children (NAEYC).

In fiscal year 2010, the ECBG allocation was frozen due to budget constraints and subsequently repealed. Programs received two quarterly payments rather than the allocated four payments per year, significantly reducing the funding. Arizona's budget for fiscal year 2011 provided no funding for the ECBG program, terminating the program for the 2010-2011 school year. The program also did not receive state funding for the 2011-2012 school year. It is unclear whether Arizona will fund the program again in the near future. In the final year of the ECBG grant, approximately 5,000 children were served.

## **First Things First<sup>214</sup>**

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<sup>209</sup> Federal Education Budget Project (2013).

<sup>210</sup> Children's Action Alliance (2013).

<sup>211</sup> [www.clasp.org](http://www.clasp.org)

<sup>212</sup> National Institute for Early Education Research.

<sup>213</sup> Arizona State Legislature (2007).

In 2006, Arizona voters established the Early Childhood Development and Health Board, known as First Things First (FTF) to provide early childhood health and education support to Arizona's low-income families. The program is funded by an 80-cent per pack increase on tobacco products, which is dedicated to First Things First (during the depths of the economic crisis, the legislature swept FTF interest income to make up for budget deficits; the Arizona Supreme Court ruled the sweep unconstitutional).<sup>215</sup>

**First Things First initiatives include (not an exhaustive list):**

- **Quality First** provides support, funding and education to qualified centers and homes to improve the quality of their care and education for children birth through 5 years old. Through their website, Quality First offers parents information about the importance of quality early care and education and what to look for in child care and preschool settings that promote learning.
- **Quality First Scholarships** help low income families who may be working, looking for work or improving their work skills through training or education or wish their children to benefit from a quality learning environment, to be able to afford a better educational beginning for their young children.
- **Pre-kindergarten Scholarships** support the provision of high quality early care and education in center or classroom-based settings during the two years prior to kindergarten entry in participating regions. The Prekindergarten Scholarships are dispersed directly to early education programs and are available for children whose families are at or below 200 percent of the federal poverty level. Both public schools and community-based early childhood providers may participate. Beginning in 2013-2014 program year, each program funded through FTF Prekindergarten Scholarships must achieve a 3 star or higher rating on the FTF Quality First Rating Scale (Arizona's QRIS).
- **T.E.A.C.H. (Teacher Education and Compensation Helps) Early Childhood® ARIZONA** is a comprehensive scholarship program that gives staff in child care centers and homes access to college coursework leading to a degree or certificate in early childhood education. T.E.A.C.H. ARIZONA promotes quality early childhood care and education by establishing a well-qualified and stable workforce for Arizona's young children.
- **Home Visitation** programs offer free, voluntary, in-home support that is tailored to meet the specific needs of the family. All services stress the importance of health and safety, parent/child interactions and promotion of early literacy by offering parents fun reading and other language activities to do with their children at various stages of development.

FTF funds are administered through Regional Partnership Councils including 21 geographically defined Councils and 10 tribal Councils that span the entire state. Public schools, Head Start settings, private childcare, faith-based centers, and tribal governments are eligible to receive grant funds.

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<sup>214</sup> National Institute for Early Education Research (2012).

<sup>215</sup> Arizona Education Network (2009).



## 11.4 K-12 Education Programs – Additional Detail

The Arizona Department of Education is administered by the Superintendent of Public Instruction, an elected position pursuant to the Arizona State Constitution. The Superintendent, in conjunction with the State Board of Education, leads the State in developing and implementing educational guidelines and standards. Through various programs within the Department, the Superintendent oversees direct services to 238 locally governed school districts, including 13 vocational districts and 9 accommodation districts. The Superintendent, in conjunction with the State Board for Charter Schools, oversees 387 charters. The Department executes the educational guidelines through evaluation, training, school improvement assistance, dissemination of information, and administration and allocation of funds. The Department also serves as the primary source for information on the status and needs of the public school system.<sup>216</sup>

### **This explanation of public school funding in Arizona is from the Arizona Education Network:<sup>217</sup>**

Prior to 1981, schools were funded mainly by the collection of property taxes from the residents and businesses located in the school district. Districts with high property wealth could generate lots of money to fund schools with relatively low tax rates, while districts with lower property wealth struggled to generate funds for their schools.

During the 1970s, a wave of litigation in the United States was decided in favor of plaintiffs who sued on the theory that funding schools based mainly on property wealth was unconstitutional. (The Arizona state constitution calls for the legislature to ‘enact such laws as shall provide for the establishment and maintenance of a general and uniform public school system.’ Equalization laws strive to standardize the amount of funding a school district receives to educate each student regardless of differences in property wealth between districts.) Though no lawsuit was brought in Arizona at that time, the legislature heeded the constitution’s “general and uniform” language pertaining to education and enacted the equalized funding mechanisms described in this article.

Today, Public schools are still funded by property taxes. The first funding source for public schools is local property tax collections. The next funding source is the state property tax, better known as the county equalization tax. Finally schools are funded by the state’s general fund. If a school district does not receive enough money from local property taxes to fund its schools, the state’s general fund, which has been supplemented by the state equalization property tax, makes up the difference in the funding needed.

The state allows school districts to ask voters to approve maintenance/operations and capital budget overrides to increase funding for schools during the seven-year life of the overrides. Currently districts can ask for two types of maintenance/operations overrides: a ten-percent K-12 override and a five-percent K-3 override. School districts can also ask voters to fund a ten-percent capital budget override. Finally, a school district can sell voter-approved bonds to increase capital expenditures beyond the unrestricted capital funds provided by the state’s equalization formula. School districts decide to ask for an override and/or capital bond issue, determine the tax rates required to fund the proposals and place the requests on their local ballot for voters to approve or reject. If approved, the additional tax rates are assessed and shown separately on the property tax bill as secondary property tax rates.

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<sup>216</sup> State of Arizona (2012). *The Executive Budget, Fiscal Year 2013*.

<sup>217</sup> Arizona Education Network (2010).



## **Title I**

Certain public schools also receive funding from the federal government under a program known as Title I, which is part of the Elementary and Secondary Education Act of 1965, known today as No Child Left Behind. Title I is “the foundation of the federal commitment to closing the achievement gap between low-income and other students.”<sup>218</sup>

### **This explanation of Title I funding is from the National Association for the Education of Young Children:<sup>219</sup>**

The original purpose of Title I was additional resources to states and localities for remedial education for children in poverty. The 1994 reauthorization of Title I shifted the program's emphasis from remedial education to helping all disadvantaged children reach rigorous state academic standards expected of all children. Title I funds can be used for instructional activities, counseling, parental involvement, and program improvement. In return, school districts and states must meet accountability requirements for raising student performance.

Title I funds flow to states and school districts on a formula basis. The formula takes into account the number of low-income children and the statewide average per pupil expenditures. Resources within the state are targeted to the districts and schools with the greatest need. Title I funds generally are used to improve academic achievement in reading and math, but the resources can be used to help students improve their achievement in all of the core academic subjects. A school that receives Title I dollars and that has a student enrollment in which more than half of the students are low-income is eligible to operate a "school-wide program." A school-wide program requires a plan to improve academic achievement of all students in the school using Title I dollars on all of the students.

In addition to Title I funds, Arizona also receives federal funds through the U.S. Department of Education's School Improvement Grants (SIG) program.<sup>220</sup> In May 2013 the Department announced that Arizona would receive \$10.4 million to continue efforts to turn around its persistently lowest-achieving schools. Arizona is among the 25 states that have received continuation awards for the third year of implementing a SIG model.<sup>221</sup>

### **Full-day kindergarten**

Between 2005 and 2009, the Arizona legislature expanded its funding of full-day kindergarten (FDK), providing funding to all school districts. In a striking and broad reversal in 2010, the legislature eliminated all state funding for FDK, reverting back to only funding half-day kindergarten, even for the state's poorest schools.<sup>222</sup> Some school districts chose to maintain fully funded all-day kindergarten programs. The districts are funding those programs in a variety of ways, including through staff and teacher layoffs and furloughs; outsourcing custodial services; program cuts; district contingency funds; budget overrides; possible 1 cent sales tax; supply cuts; and Federal Title I funds (where available).

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<sup>218</sup> National Association for the Education of Young Children (2013).

<sup>219</sup> National Association for the Education of Young Children (2013).

<sup>220</sup> State of Arizona (2013). *Arizona's State-reported Race to the Top Annual Performance Report*.

<sup>221</sup> U.S. Department of Education (2013). *U.S. Department of Education Announces Arizona Will Receive \$10.4 Million to Continue Efforts to Turn Around Its Lowest Performing Schools*.

<sup>222</sup> Foundation for Child Development (2010).



## 11.5 Nutrition Assistance – Additional Detail

Arizona Nutrition Assistance is designed to provide healthy food to low-income families with children and vulnerable adults. The program is administered by Arizona Department of Economic Security and funded (with recent exception) by the state and the federal government. Program benefits and eligibility are determined by the federal U.S. Department of Agriculture. At the federal level, the program is known as Supplemental Nutrition Assistance (SNAP), formerly the Food Stamp Program.

Nutrition Assistance is available to individuals and families with children and/or vulnerable adults (including elderly age 60 or older and disabled). Broadly, households with gross income less than 130 percent of the federal poverty level may be eligible (that’s \$24,047 for a family of three in 2012).

In addition, able-bodied adults age 16-60 receiving NA are required to participate in the Supplemental Nutrition Assistance Employment & Training Program (SNA E&T). The Program is designed to “prevent long-term reliance on the Nutrition Assistance subsidy” and as such “emphasizes self-sufficiency through employment.”<sup>223</sup>

Like TANF Cash Assistance, Nutrition Assistance is not designed to specifically or primarily help women. But because single women and women heads of household are far more likely to live in poverty than men are, Nutrition Assistance funding and benefits changes disproportionately affect women.<sup>224</sup> Nationally, in FY 2010, women were 62 percent of nonelderly adult SNAP recipients and 66 percent of elderly adult recipients. Additionally, 56 percent of all SNAP households with children were headed by a single adult, 93 percent of whom were women.<sup>225</sup>

Often, households receiving Cash Assistance also receive SNAP (nationally, 80 percent of TANF recipients also receive SNAP). Combined, TANF and SNAP benefits “do a better job of pulling families out of deep poverty than TANF alone.”<sup>226</sup> But still, the combined average monthly benefit of TANF CA and Nutrition Assistance in Arizona in 2012 was \$501 – just a third of the FPL income and a tenth of the self-sufficiency standard.<sup>227</sup>

But the primary goals of Cash Assistance and Nutrition Assistance are different. The primary goal of NA is not to keep individuals and families out of poverty per se but to enable them to have adequate nutrition despite very low income. When Nutrition Assistance frees up other income in the household that can then be spent on other necessities, NA can have the ancillary effect of keeping family incomes above the federal poverty line. (Nationally, when SNAP benefits are counted in this way, they lift almost four million people above the poverty line.<sup>228</sup>)

Since federal fiscal year 2007 to FY 2013 (the most recent year available), total issuance of Nutrition Assistance allotments (i.e. total benefits paid) in Arizona increased 155 percent. Total administrative costs increased 25 percent. Administrative costs are borne by both the federal government and the state. The federal Food and Nutrition Services (FNS) pays approximately 50 percent of State agency administration costs to operate the program.

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<sup>223</sup> Arizona Department of Economic Security. (2013). *Supplemental Nutrition Assistance Employment and Training*.

<sup>224</sup> For details of poverty rates, see [Section 0](#)

<sup>225</sup> National Women’s Law Center (2013). *Cutting Programs for Low-Income People Especially Hurts Women and Their Families*.

<sup>226</sup> Center on Budget and Policy Priorities (2011).

<sup>227</sup> See Women’s Foundation of Southern Arizona (2012).

<sup>228</sup> See Danzinger, S. (2013, September 17) and DePillis, L. (2013, September 17).

**Table 38: Total State & Federal Expenditures on Arizona Nutrition Assistance (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
Total Benefits Paid ("Issuance") - Federal	647	772	1,224	1,588	1,649	1,706	1,648	154.9%
Total Administrative Costs - Federal & State	89	99	95	98	84	98	112	25.5%

**Source:** U.S. Department of Agriculture Food & Nutrition Service State Activity Reports

As with TANF Cash Assistance, data is reported by individuals and households served, not by gender. But again, because single women and women heads of household are far more likely to live in poverty than men are, Nutrition Assistance funding and benefits changes disproportionately affect women.<sup>229</sup>

**Table 39: Arizona Nutrition Assistance Participation & Benefits**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
Avg Monthly # of Households Served	218,598	246,767	313,126	422,583	458,580	484,785	476,689	118.1%
Avg Monthly Allotment per Household	\$238.13	\$244.49	\$277.44	\$302.07	\$291.35	\$292.40	\$290.26	21.9%

**Source:** Arizona Department of Economic Security Family Assistance Administration

Increases in participation rates, which are reflected across the country, demonstrate that “SNAP continues to be an important nutritional safety net, especially as unemployment and underemployment rates remain high.”<sup>230</sup> Yet significant increases in funding, participation, and benefits belie some important facts:

- Nationwide, one in four people eligible for SNAP are not served. The most common reason eligible people do not participate is because they do not realize they may be eligible.<sup>231</sup>
- Food insecurity remains a persistent challenge across the U.S. A recent Food Research and Action Center analysis using the Healthways Well-Being survey collected by Gallup showed that nearly one in four people did not have enough money to feed themselves or their family in 2012. And new data from the U.S. Department of Agriculture show persistently high rates of food insecurity across the U.S., with one in six Americans struggling with hunger in 2012.<sup>232</sup>
- Even if every eligible Arizonan received Nutrition Assistance benefits, and even if the program were funded at its highest recent level (monthly allotment of \$129 per individual), Arizonans still

<sup>229</sup> See [Section 0](#)

<sup>230</sup> Food Research and Action Center (2013).

<sup>231</sup> U.S. Department of Agriculture (2013). *The Benefits of Increasing the Supplemental Nutrition Assistance Program (SNAP) Participation in Your State*.

<sup>232</sup> Food Research and Action Center (2013).

may not have enough for consistently healthy meals. At that highest benefits level, the average benefit per meal is \$1.39. Yet Feeding America, a national hunger relief charity, estimates the average cost of a meal for an individual achieving food security is \$2.05 – meaning that even at their highest, NA benefits cover just 68 percent of what's necessary to achieve food security.

- As a result, demand for emergency food in Arizona remains high. Data from the Association of Arizona Food Banks reveal the emergency food assistance network, including food banks, meets just 61.2% of the food need after programs such as NA have been tapped.

### **The costs of long-term food insecurity are high**

A lack of consistent access to healthy food creates disadvantages over the short term, and over the long term. Children who grow up in food insecure households are more likely to have obesity-related and other medical problems, and to do poorer in school. Among adults, food insecurity is associated with negative health outcomes as well as work absences and overall increased reliance on safety net programs. Specifically:

- **Healthcare** – The health effects of adequate nutrition for children are obvious even over the short term. In a study by Children's HealthWatch, researchers compared samples of young children before and two years after the ARRA SNAP benefit increase. Following the increase, "children in families receiving SNAP were significantly more likely to be classified as 'well' than young children whose families were eligible but did not receive SNAP."<sup>233</sup>

The benefits of adequate nutrition in childhood also extend over the long term. In a study by the National Bureau of Economic Research, access to SNAP benefits in early childhood was associated, in adulthood, with improved health (particularly, the obesity- and diabetes-related cluster called "metabolic syndrome"), and economic self-sufficiency.<sup>234</sup>

In addition, individuals who face food insecurity – they do not always have enough money to buy adequate amounts of healthy food – tend to try to stretch their dollars by consuming high-calorie, low-nutrient foods. As a result, obesity among those facing food insecurity is a growing problem, and one that poses long-term ramifications in terms of increased healthcare costs and reduced economic self-sufficiency among this group.<sup>235</sup>

### **Economic benefits of SNAP**

From an economic perspective, the SNAP program has demonstrated one of the highest returns per dollar invested off all benefits programs. Many economists see SNAP benefits as an effective form of economic stimulus. The Congressional Budget Office (CBO) rated an increase in SNAP benefits as one of the two most cost-effective of all spending and tax options it examined for boosting growth and jobs in a weak economy.

Moody's Analytics estimates that in a weak economy, every dollar increase in SNAP benefits generates about \$1.70 in economic activity.<sup>236</sup> Estimates by the U.S. Department of Agriculture show a \$1.80 boost in economic activity for every \$1 in new SNAP benefits. Every \$1 billion increase in SNAP benefits nationally, according to the USDA, creates or maintains 18,000 full-time equivalent jobs.<sup>237</sup> In addition,

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<sup>233</sup> Children's Health Watch (2011).

<sup>234</sup> National Bureau of Economic Research (2012).

<sup>235</sup> Morrison Institute (2010).

<sup>236</sup> Center on Budget and Policy Priorities (2013). *SNAP is Effective and Efficient*.

<sup>237</sup> USDA (2012). *Building a Healthy America: A Profile of the Supplemental Nutrition Assistance Program*.

according to the USDA, if the number of SNAP participants nationwide rose five percentage points, 2.2 million more low-income people would have an additional \$859 million in benefits per year to use to purchase healthy food and \$1.5 billion total in new economic activity would be generated.<sup>238</sup>

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<sup>238</sup> USDA (2013). *The Benefits of Increasing the Supplemental Nutrition Assistance Program (SNAP) Participation in Your State*.



## 11.6 WIC – Additional Detail

WIC is a federal grant program administered at the federal level by the Food and Nutrition Service (part of the U.S. Department of Agriculture). Funds are authorized each year by Congress and then provided to WIC state agencies (in Arizona, it is the Department of Health Services) to pay for WIC foods, nutrition education, breastfeeding promotion and support, and administrative costs.<sup>239</sup>

**Table 40: Funding for Arizona Special Supplemental Nutrition Program for Women, Infants, and Children (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
<b>Total Funds</b>	\$98.6	\$121.0	\$139.8	\$137.2	\$131.7	\$129.8	\$126.7	28.5%

**Source:** U.S. Department of Agriculture Food & Nutrition Service, WIC Grant Levels

Federal funding for WIC in Arizona has followed a similar path as both participation rates (the percentage of eligible women, infants, and children who receive assistance) and caseloads.

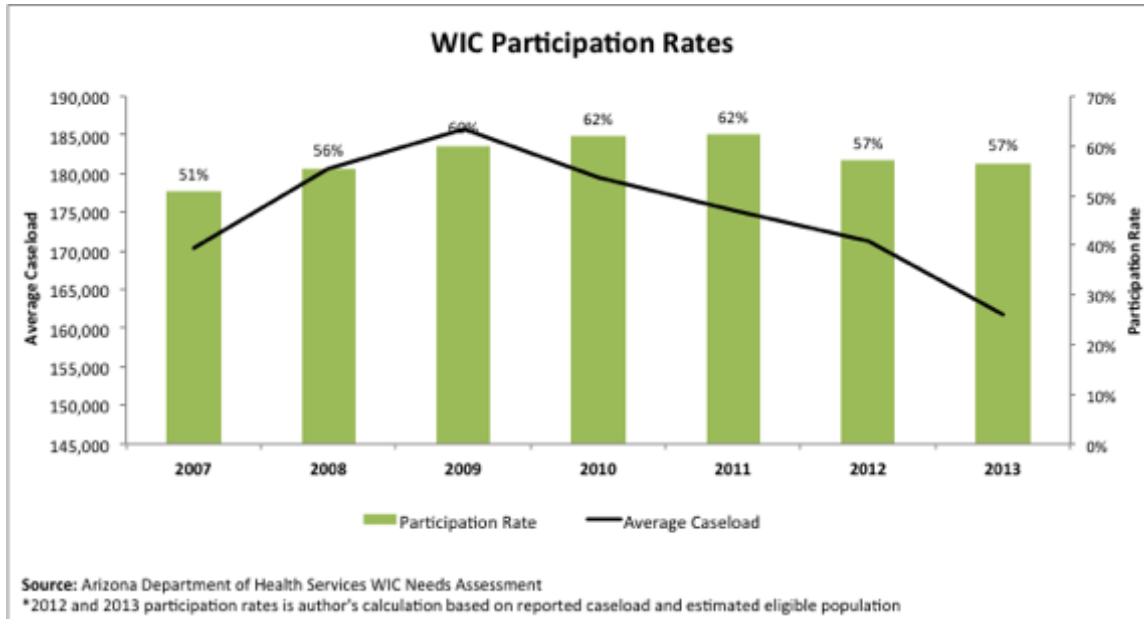
The Arizona Department of Health Services defines the WIC “eligible population” in relation to the number of births within the Arizona Health Care Cost Containment System (AHCCCS, Arizona’s Medicaid program). Between 2007 and 2013, that population of women, infants, and children declined 15 percent. The average number of people served (“caseload”), decreased 5 percent. Participation rate – a measure of the percentage of eligible population actually participating in WIC – increased to a high of 62 percent in 2011, but then fell in 2012 and 2013.<sup>240</sup>

<sup>239</sup> USDA (2012). *WIC - The Special Supplemental Nutrition Program for Women, Infants and Children*.

<sup>240</sup> 2012 participation rate is author’s calculation based on reported caseload and estimated eligible population. As such, it should be considered an estimate.

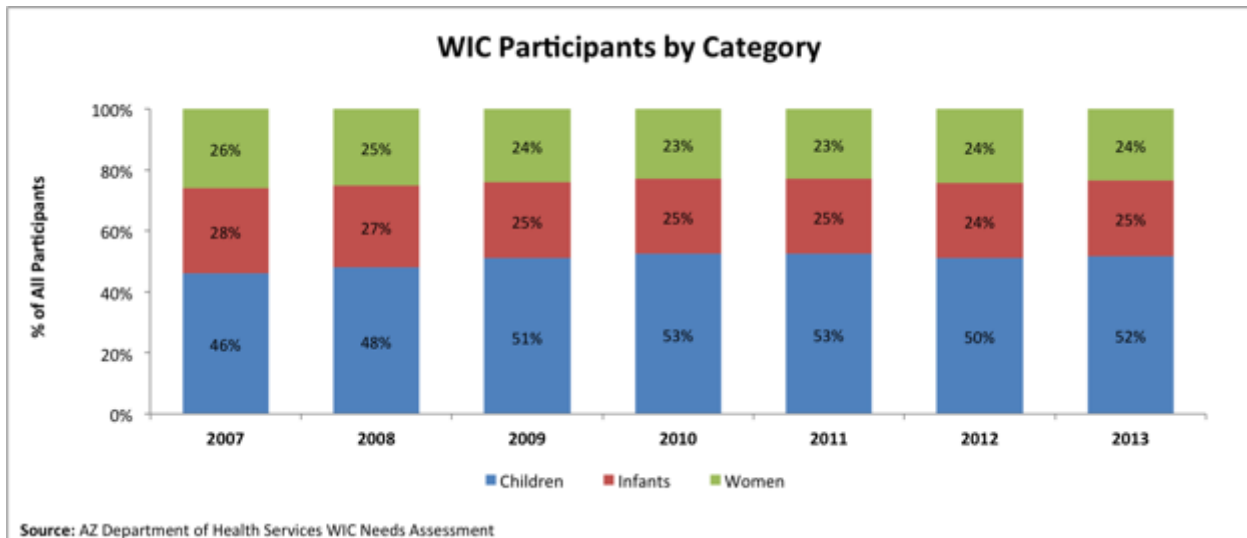


**Figure 73: Participation in Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**



As [Figure 74](#) makes clear, the greatest percentage of participants in WIC are infants and children. That share remained relatively consistent between 2007 and 2013.

**Figure 74: WIC Participants by Category**



**Improved safety, health and well being**

Arguably the most significant effects of WIC programs are improvements in the health outcomes of pregnant women and infants. According to the U.S. Department of Agriculture, which funds Arizona's program, WIC:

- Reduces fetal deaths and infant mortality; reduces low birthweight rates and increases the duration of pregnancy
- Improves the growth of nutritionally at-risk infants and children
- More effective than other cash income or SNAP benefits at improving preschoolers' intake of key nutrients
- Children enrolled in WIC are more likely to have a regular source of medical care and have more up-to-date immunizations<sup>241</sup>

In addition, according to research by Marianne P. Bitler (Associate Economist at the RAND Corporation) and Janet Currie (economics professor at UCLA), mothers who participate in WIC are:

- 6-7 percent more likely to have begun prenatal care in the first trimester
- 2 percent less likely to bear infants who are below the 25th percentile of weight given gestational age or to bear infants of low birth weight
- 1.4-1.5 times as likely to initiate prenatal care in the first trimester
- 0.7 times as likely to have a low birth weight infant or premature infant
- 0.9 times as likely to be in the lowest quartile or decile of birth weight conditional on gestation
- 0.9 times as likely to have the infant admitted to the ICU

Bitler and Currie demonstrate those impacts are larger for more disadvantaged groups such as women who received public assistance last year, single, high school dropouts; and teen mothers.<sup>242</sup> There is also a reduction of about one night in the number of nights that the infant spends in the hospital after birth; and WIC is associated with increases in maternal weight gain, gestation, and birth weight. The only negative effect of WIC is to decrease the probability of initiating breastfeeding.<sup>243</sup>

### **Cost savings and cost avoidance**

According to a 1990 study based on 1987-88 data from five states found that each dollar spent on prenatal WIC services yielded a \$1.77 to \$3.13 savings in Medicaid costs for newborns and mothers over the first 60 days after birth.<sup>244</sup> Research from the National WIC Association also finds significant economic returns from WIC investment. Because WIC reduces the risk of preterm birth and low birthweight babies, \$4.21 in Medicaid costs are avoided for every \$1 spent on a pregnant woman through WIC. Preterm births cost the U.S. over \$26 billion a year, with average first-year medical costs nearly 10 times higher for a premature/ low birthweight baby than one born without complications.<sup>245</sup>

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<sup>241</sup> USDA (2013). *Women, Infants and Children (WIC): About WIC- How WIC Helps*.

<sup>242</sup> Bitler and Currie (2005) page 5.

<sup>243</sup> Bitler and Currie (2005) page 18.

<sup>244</sup> Mathematics Policy Research, Inc. (1991).

<sup>245</sup> National WIC Association (2011).

## 11.7 Job Training Programs – Additional Detail

**Table 41: Job Training Programs – Program Details**

Program & Benefit	Eligibility
<b>Supplemental Nutrition Assistance Employment and Training Program (SNA E&amp;T)</b>	
<p>The Program is intended to prevent long-term reliance on the Nutrition Assistance subsidy. SNA E&amp;T provides the opportunity for individuals receiving Nutrition Assistance to find adequate employment by engaging in work-related activities. The SNA E&amp;T program emphasizes self-sufficiency through employment.</p>	<p>The Supplemental Nutrition Assistance Employment and Training Program (SNA E&amp;T) is the mandatory employment and training program for adults in households receiving Nutrition Assistance</p> <p>Exempt members include disabled persons, minor children, persons age 60 and over and some persons with a child under age six</p>
<b>JOBS Program<sup>246</sup></b>	
<p>Intended to prevent long-term reliance on Temporary Assistance for Needy Families (TANF) Cash Assistance and offers Arizona’s families the opportunity to become self-sufficient and economically independent through employment</p> <p>The program engages the individual in a variety of work-related activities to improve their employability skills and may offer supportive and some specialized services to remove barriers to employment. These activities and supportive services are provided to encourage and promote self-sufficiency through employment at the earliest opportunity.</p>	<p>The Jobs Program is the mandatory work program providing case management and employment services specifically for work eligible individuals in households receiving TANF cash assistance</p>

<sup>246</sup>Arizona Department of Economic Security (2013). *Frequently Asked Questions (FAQ) Jobs Program*.

**Workforce Investment Act**

<p>Core services include:</p> <ul style="list-style-type: none"> <li>• Outreach, intake and orientation to the information and other services available through the One-Stop delivery system</li> <li>• Initial assessment of skill levels, aptitudes, abilities, and supportive service needs (child care and transportation and referral to other services as appropriate)</li> <li>• Job search and placement assistance and where appropriate career counseling provision of employment statistical information relating to the local, regional and national labor market areas</li> <li>• Provision of performance information and cost information on eligible providers of training services, youth activities, adult education, post-secondary vocational education, vocational education activities available to school dropouts, and vocational rehabilitation</li> <li>• Information regarding filing claims for unemployment compensation</li> </ul> <p>Intensive services include:</p> <ul style="list-style-type: none"> <li>• Comprehensive assessments of skill levels and need</li> <li>• In-depth evaluation to identify employment barriers and appropriate employment goals</li> <li>• Group and individual counseling and career planning</li> <li>• Case management</li> <li>• Short-term prevocational services that might include development of learning and communication skills and professional conduct to prepare individuals for unsubsidized employment</li> <li>• Supportive services</li> <li>• Development of an individual employment plan to identify employment goals, appropriate achievement objectives and services that will help the individual employment goals</li> </ul> <p>Training services are provided through Individual Training Accounts that allow adults and dislocated workers to purchase training services. A training program may consist of one or more courses or classes, or structured regimen, that leads to a certificate or degree or the skills or competencies needed for a specific job or jobs or occupation(s).</p>	<p>All Arizona adults are eligible for core services</p> <p>Intensive services are provided to adults and dislocated workers who are not able to obtain employment or who remain underemployed after utilizing core services. An individual must have received at least one core service such as an initial assessment that determines that individual's need for these services. Individuals may be employed but need these services in order to obtain or retain employment that allows for self-sufficiency.</p> <p>Training services are available to employed and unemployed adults and dislocated workers who have met the eligibility requirement for intensive services, have received at least one intensive service and have been determined to be unable to obtain or retain employment through intensive services; are in need of training services and have the skills and qualifications to successfully complete the selected training program; are unable to obtain grant assistance from other sources such as PELL grants or Trade Adjustment Act or require WIA assistance in addition to other sources of grant assistance; or meet the priority of services established by the local workforce area.</p>
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<sup>247</sup> Arizona Department of Economic Security (2013). *Workforce Investment Act (WIA) Youth Program*.

<b>Workforce Investment Act (QIA) Title IB Youth Program<sup>247</sup></b>	
<p>The main thrust of the Youth Program is to increase the focus on longer-term academic and occupational learning opportunities and provide long-term comprehensive service strategies.</p> <p>The Youth Program is designed to prepare Arizona’s youth to either enter post-secondary education, training or employment upon completion of their secondary education.</p> <p>Services include:</p> <ul style="list-style-type: none"> <li>• Tutoring, study skills training and instruction</li> <li>• Alternative secondary school services</li> <li>• Summer employment opportunities directly linked to academic and occupational learning</li> <li>• Paid and unpaid work experiences including internships and job shadowing</li> <li>• Occupational skill training</li> <li>• Leadership development opportunities</li> <li>• Supportive services</li> <li>• Adult mentoring for a duration of at least twelve months, that may occur during and after program participation</li> <li>• Comprehensive guidance and counseling, including drug and alcohol counseling</li> </ul>	<p>In-school youth ages 14-21 and out-of-school youth ages 16-21</p> <p>Low income</p> <p>Must meet at least one of the following barriers to employment:</p> <ul style="list-style-type: none"> <li>• School dropout</li> <li>• Basic skills deficient</li> <li>• Pregnant or parenting</li> <li>• Homeless, runaway, or foster child</li> <li>• Offenders</li> <li>• An individual who requires additional assistance to complete an educational program, or to secure and hold employment</li> </ul>
<b>Workforce Investment Act (WIA) Dislocated Worker Program<sup>248</sup></b>	
<p>Core, intensive, and training services</p>	<p>Individuals who have been terminated or laid off, or have received notice of termination or layoff; who meet attachment to the workforce criteria, but are not eligible for unemployment insurance and are not likely to return to a previous industry or occupation; have received a general notice of the facility closure within 180 days; or is a displaced homemaker</p>

<sup>248</sup> Arizona Department of Economic Security (2013). Workforce Investment Act (WIA) Dislocated Worker Program.

<b>Vocational Rehabilitation (VR)<sup>249</sup></b>	
Vocational Rehabilitation prepares individuals with disabilities to become or remain economically independent through work	An applicant's eligibility for VR services is based on the following 4 requirements: <ol style="list-style-type: none"> <li>1. Have a documented disability</li> <li>2. Have substantial impediments to employment due their documented disabilities</li> <li>3. Have the potential and desire to become employed</li> <li>4. Need VR services in order to become employed</li> </ol>

**Source:** Arizona Department of Economic Security<sup>250</sup>

The largest of the state job training programs is the Workforce Investment Act – an umbrella under which a number of programs actually fall. Title I of the Workforce Investment Act of 1998, establishes a One-Stop Delivery System for workforce investment activities. The One-Stop delivery system is a system where entities responsible for administering separate workforce investment, educational and other human resource programs and funding streams (referred to as One-Stop partners) collaborate to create a seamless system of service delivery designed to enhance access to the programs' services and improve long-term employment outcomes for individuals receiving assistance. WIA requires partnerships in the One-Stop delivery system. Those partners include:<sup>251</sup>

- Title I of WIA (adults, youth, and dislocated workers)
- Job Corps
- Native American Sec 166 Programs
- Wagner-Peyser (Job Service)
- Unemployment Insurance
- Trade Adjustment Assistance
- Senior Community Service Employment
- Veterans Employment & Training
- Vocational Rehabilitation
- Adult Education
- Postsecondary Vocational Education
- Community Services Block Grant Employment & Training Activities
- Housing and Urban Development Employment & Training Activities
- Migrant & Seasonal Farm Worker Programs

Other entities such as Temporary Aid for Needy Families (TANF) and Nutrition Assistance (SNAP) are not required partners but may serve as partners in the One-Stop delivery system.

In addition to WIA-related programs, the state funds Vocational Rehab services, as described in [Table 41](#). DES also administers the JOBS program, which is tied to funding for Temporary Assistance for Needy Families (TANF); TANF recipients are required unless excepted to participate in a JOBS program.

<sup>249</sup> Arizona Department of Economic Security (2013). *VR Frequently Asked Questions*.

<sup>250</sup> Governor's Council on Workforce Policy (2009).

<sup>251</sup> Arizona Department of Economic Security (2013). *What is Workforce Investment Act (WIA)*.

**Table 42: Job Training Programs Actual Appropriations (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
Workforce Investment Act - Local Governments	\$34.4	\$33.1	\$36.1	\$58.0	\$39.5	\$42.5	\$51.3	49.1%
JOBS Program	\$14.1	\$18.8	\$15.5	\$9.2	\$11.2	\$12.2	\$13.0	-7.8%
Vocational Rehabilitation Services	\$5.4	\$4.9	\$3.5	\$3.1	\$3.9	\$5.1	\$5.1	-5.6%
Workforce Investment Act - Discretionary	\$3.8	\$2.6	\$2.6	\$1.5	\$4.5	\$0.0	\$0.0	- 100.0%
Job Training Programs Total	\$57.7	\$59.4	\$57.7	\$71.8	\$59.1	\$59.8	\$69.4	20.3%

**Source:** Arizona Executive Budgets - Department of Economic Security Annual Budgets

The nonprofit, nonpartisan education and social policy research organization MRDC analyzed the costs and benefits of six different types of programs designed to promote the economic self-sufficiency of welfare recipients:

1. Mandatory work experience programs
2. Mandatory job-search-first programs
3. Mandatory education-first programs
4. Mandatory mixed-initial-activity programs
5. Earnings supplement programs
6. Time-limit-mix programs

**The researchers' conclusions include:**

**Both job-search-first programs and mandatory unpaid work experience programs tended to be beneficial for the government budgets but resulted either in small benefits or in losses for participants.** Mandatory unpaid work experience programs that required people to work in community jobs in return for their welfare benefits, often following a period of job search, were less successful in reducing government costs. Some mandatory unpaid work experience programs increased the incomes of participants, although the net gains were small, and they also provided goods and services for the general public.<sup>252</sup>

**Earnings supplement programs appear to be highly successful in increasing participant income, but mandatory education-first programs are not.** Earnings supplement programs benefit participants by boosting their returns from working, but they tend to increase government costs. Participant gains, however, often exceed government losses. Education-first programs, which emphasize GED completion and Adult Basic Education, sometimes have negative effects on both participant income and the government budget. (None of the studied education-first programs, however, made intensive investments in training or college.)<sup>253</sup>

<sup>252</sup> MDRC (2009).

<sup>253</sup> MDRC (2009).



**Mixed-initial-activity programs were often successful in increasing participant incomes and reducing government budgets;** programs that enrolled all welfare recipients, as opposed to only long-term welfare recipients, were beneficial from both the participant and the government budget perspective. Results for the time-limit-mix programs are inconclusive. Time-limit-mix programs were beneficial for participants but tended to result in losses, sometimes substantial ones, for the government.<sup>254</sup>

**Table 43** shows the performance of Workforce Investment Act participants according to three measures:

1. Month Employment Retention Rate – the percentage of “exiters” (those who have gone through the program) who remain employed for a year after exiting
2. Month Earnings Increase (Adults & Older Youth) – change in annual earnings after existing the program
3. Months Earnings Replacement (Dislocated Workers) – after exiting the program, earnings as a percentage of “pre-dislocation” earnings

**Table 43: Workforce Investment Act Performance Indicators**

	2007	2008	2009	2010	2011	2012	Total Δ 2007-12
<b>Adults</b>							
12 Month Employment Retention Rate	85.5%	85.7%	83.6%	81.4%	81.2%	69.1%	-16.4%
12 Month Earning Increase	n/a	\$4,789	\$3,897	\$2,176	\$2,094	\$3,761	-21.5%
<b>Dislocated Workers</b>							
12 Month Employment Retention Rate	90.4%	90.5%	88.4%	83.8%	84.2%	72.7%	-17.7%
12 Months Earning Replacement	n/a	105.7%	92.2%	80.8%	79.8%	94.0%	-11.7%
<b>Older Youth</b>							
12 Month Employment Retention Rate	86.5%	78.1%	79.7%	72.2%	76.9%	64.0%	-22.5%
12 Month Earning Increase	\$4,805	\$4,944	\$4,418	\$3,223	\$3,413	\$3,536	-26.4%

**Source:** Workforce Investment Act Title IB Annual Report

<sup>254</sup> MDRC (2009).

## 11.8 Temporary Assistance for Needy Families (TANF) Cash Assistance – Additional Detail

**Table 44: Total (Federal + State) TANF Expenditures in Selected Categories (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
<b>Other Nonassistance</b>	\$37.8	\$60.8	\$80.8	\$102.1	\$140.6	\$190.6	\$273.2	623%
<b>Administration and Systems</b>	\$33.6	\$45.6	\$43.6	\$47.8	\$45.5	\$39.2	\$44.4	32%
<b>All Other</b>	\$70.0	\$82.3	\$74.2	\$61.7	\$36.0	\$29.8	\$34.1	-51%
<b>Nonrecurrent Short Term Benefits</b>	\$0.6	\$2.2	\$3.1	\$34.7	\$36.5	\$28.6	\$30.6	5332%
<b>Child Care Direct</b>	\$64.0	\$44.3	\$57.2	\$13.5	\$26.5	(\$1.1)	\$10.1	-84%
<b>All Work Related</b>	\$10.2	\$14.2	\$12.6	\$7.8	\$7.7	\$9.6	\$8.8	-13%
<b>Basic Assistance</b>	\$131.5	\$121.8	\$138.0	\$104.9	\$87.4	\$49.3	(\$21.8)	-117%
<b>Total</b>	<b>\$347.7</b>	<b>\$371.2</b>	<b>\$409.5</b>	<b>\$372.5</b>	<b>\$380.2</b>	<b>\$345.9</b>	<b>\$379.4</b>	<b>9%</b>

**Note:** According to ACF, states may report adjustments for prior years that may appear as “negative expenditures” in the current year. If such negative adjustments exceed current spending in a category, that category will show negative expenditures for the year. In most cases, this reflects changes in which funding stream expenditures are charged against, rather than real reductions in funds available for an activity. However, in some cases funds may have been recovered from a program or transferred back from SSBG or CCDBG to TANF. For the purposes of the charts, negative expenditures are treated as equal to zero, which may affect the percentages of spending attributed to other categories.

**Source:** Administration for Children and Families Office of Family Assistance TANF Financial Data

**Table 45: Definitions of TANF Funding Categories**

<b>Other Non-Assistance</b>	Expenditures on non-assistance that do not fall into any of the other reporting categories, such as Child Welfare Payments and Services; Emergency Assistance; Domestic Violence Services; Mental Health and Addiction Services; Education and Youth Programs; Health/Disability Services; Teen Pregnancy/Prevention Programs; Early Childhood Care and Education; Employment Services and Work Supports; Marriage and Parenting Initiatives; Child Support; Adult/Postsecondary Education.
<b>Basic Assistance (incl. Cash Assistance)</b>	Expenditures include benefits provided in the form of cash, payments, vouchers, or other forms designed to meet on-going, basic needs.
<b>Administration and Systems</b>	Expenditures for administrative costs and systems costs related to monitoring and tracking under the program.
<b>Non-Recurrent Short-Term Benefits</b>	These expenditures are part of federal TANF emergency funding. Broadly, they are expenditures on one-time, short-term benefits to families in the form of cash, vouchers, subsidies, or similar form of payment that is (1) designed to deal with a specific crisis situation or episode of need; (2) is not intended to meet recurrent or ongoing needs; and (3) will not extend beyond four months. Examples of non-recurrent short-term benefits include: Utilities and Energy Assistance; Housing Assistance (mortgage and/or rent arrears); Emergency Housing Assistance; Domestic Violence Services; Diversion and Welfare

<sup>255</sup> Office of Family Assistance (2013).

	Avoidance; Job Support and Readiness; Transportation Assistance; Child Care; Family Support Services; Emergency Assistance (broadly-defined, one-time payments). <sup>255</sup>
<b>All Work Related</b>	Expenditures include the following three subcategories: Work Subsidies, Education and Training, Other Work Activities/Expenses.
<b>Child Care</b>	Expenditures include child care expenditures for families that are not employed but need child care to participate in other work activities such as job search, community service, education, or training, or for respite purposes. Does not include expenditures on pre-kindergarten activities or other programs designed to provide early childhood development or educational services (e.g., following the Head Start model).

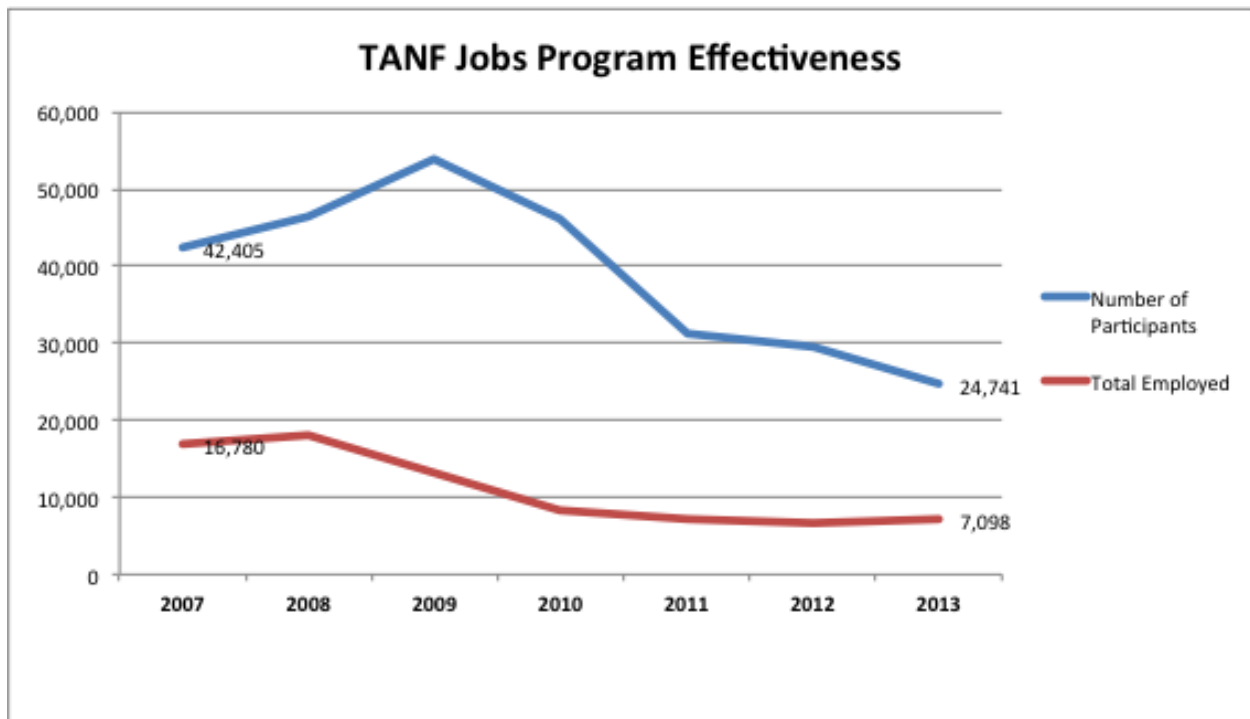
**Source:** U.S. Department of Health and Human Services, *Engagement in Additional Work Activities and Expenditures for Other Benefits and Services: A TANF Report to Congress*, March 2011.

**Table 46: TANF Cash Assistance Participation & Benefits**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
Average Monthly Number of Cases	37,616	37,030	38,467	37,779	19,827	17,310	16,827	-55%
Average Monthly Payment per Case	\$275.83	\$274.59	\$258.19	\$213.21	\$212.42	\$208.89	\$207.27	-25%

**Source:** Arizona Department of Economic Security, Family Assistance Administration

**Figure 75: TANF Jobs Program Effectiveness**





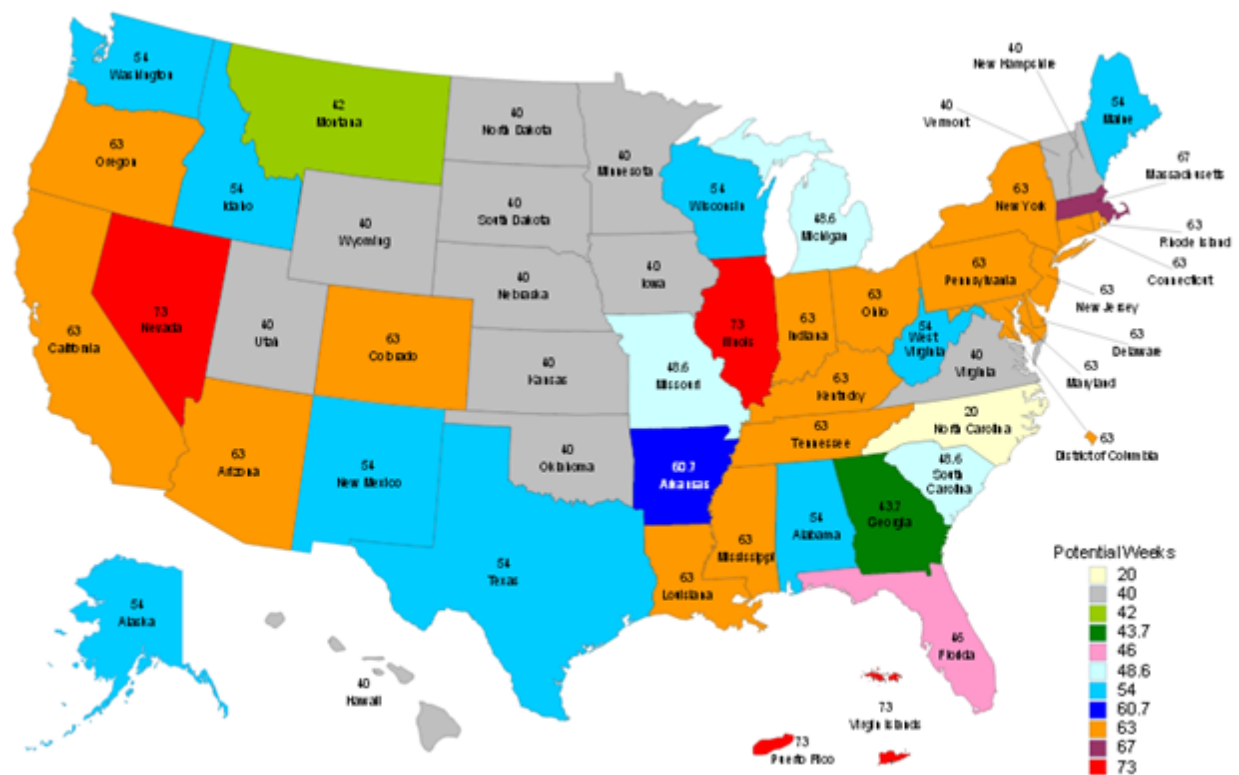
## 11.9 Unemployment Insurance – Additional Detail

**Table 47: Arizona Unemployment Insurance Benefits Funding (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007- 13
Total Employers' Contributions	330.2	309.2	276.7	339.7	412.5	434.3	446.5	35.2%
Total Benefits Paid	247	355	1,061	2,124	1,684	1,054	654	165.0%
Fund Balance	1,029.3	1,032.1	602.6	16.7	16.9	4.1	14.9	-98.6%

**Source:** Arizona Department of Economic Security Annual Report, SFY 2013

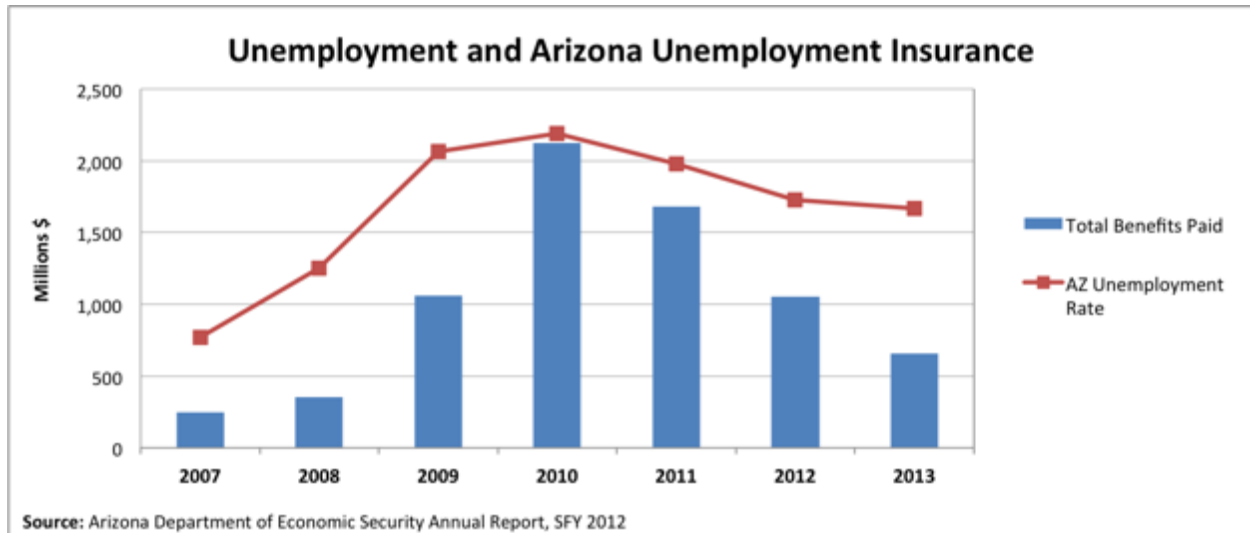
**Figure 76: Maximum Potential Weeks of Unemployment Benefits for New Claimants**



**Source:** U.S. Department of Labor Employment & Training Administration

The benefits paid out by Arizona’s Unemployment Insurance Fund track with the rising then declining rate of unemployment, as [Figure 77](#) makes clear.

**Figure 77: Unemployment and Arizona Unemployment Insurance**



**Table 48: Arizona Unemployment Insurance Benefits**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
Average weekly benefit amount	\$202.09	\$217.72	\$220.17	\$214.03	\$210.57	\$212.34	\$220.54	9.1%
Avg weekly benefit as % of avg weekly wage	25.5%	27.3%	27.5%	26.3%	25.1%	24.5%	25.3%	
# of insured unemployed	30,600	48,200	100,174	80,500	65,300	52,400	40,800	33.3%
Total # of unemployed	115,400	159,200	284,400	316,299	287,600	251,659	240,200	108.1%
Insured unemployed as % of total unemployed	26.5%	30.3%	35.2%	25.5%	22.7%	20.8%	17.0%	

**Source:** Bureau of Labor Statistics and Department of Labor Employment & Training Administration

**Note:** This data reflects only Arizona State Benefits, which extend to a maximum of 26 weeks. Extended Benefits, for those who have been unemployed longer than 26 weeks, are counted separately and not included in this table. They are reflected in [Figure 64](#).



## 11.10 Housing Programs – Additional Detail

**Table 49: Housing Programs that Directly Serve Arizona’s Low-Income Populations - Program Detail**

Benefit	Eligibility
<b>Section 8 Project-Based Rental Assistance</b>	
<p>The Arizona Public Housing Authority has oversight and monitoring responsibilities for 114 subsidized properties, representing over 7,900 units, throughout the state of Arizona. The properties, which receive rental subsidies through the Section 8 Program of the U.S. Department of Housing and Urban Development, offer affordable housing to households that are at or below 50 percent of the area median income. The subsidy or assistance stays with the property – those families residing at a Project-Based Assisted property may receive assistance as long as they are eligible and reside at the property. The assistance does not go with the family when they move.</p>	<p>Families meeting Project-Based Rental Assistance requirements, including at or below 50 percent of area median income</p>
<b>Section 8 Housing Choice Voucher Program – Yavapai County</b>	
<p>The voucher program helps very low-income households limit housing and utilities expenses to 30 percent of their household’s income. The state of Arizona has an allotment of 89 vouchers for the general population of Yavapai County. The program has a very small baseline of vouchers and is generally 100 percent subscribed.<sup>256</sup></p>	<p>Must be resident of Yavapai County; otherwise, eligibility requirements the same as Project-based Section 8 programs</p>
<b>Shelter Plus Care</b>	
<p>Rental assistance</p>	<p>Homeless persons with disabilities (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters.<sup>257</sup></p>

<sup>256</sup> Arizona Department of Housing (2007) *Section 8 Housing Programs* and Arizona Department of Housing (2012) *Performance Audit and Sunset Review*.

<sup>257</sup> U.S. Department of Housing and Urban Development (2013). *Shelter Plus Care Program (S+C)*.



<b>Supportive Housing Program</b>	
<p>Housing and services that assist people in the transition from homelessness, as well as services (e.g. child-care, employment assistance, health services, and case management) that enable homeless persons to live as independently as possible</p> <p>Assistance in the Supportive Housing Program is provided to help homeless persons meet three overall goals:</p> <ul style="list-style-type: none"> <li>• Achieve residential stability</li> <li>• Increase their skill levels and/or incomes</li> <li>• Obtain greater self-determination (i.e., more influence over decisions that affect their lives)<sup>258</sup></li> </ul>	<p>For projects funded by capital advances and supported by project rental assistance contracts (PRACs), households must be very low-income (within 50 percent of the median income for the area) with at least one adult member with a disability (such as a physical or developmental disability or chronic mental illness)</p> <p>For projects funded with Project Rental Assistance, residents must be extremely low-income (within 30 percent of the median income for the area) with at least one adult member with a disability. States may establish additional eligibility requirements for this program.</p>
<b>Homeless Prevention/ Rapid Re-Housing program (HPRP)<sup>259</sup></b>	
<p>The Homelessness Prevention and Rapid Re-Housing Program will provide financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized.</p> <p>Uses federal stimulus monies to assist low-income families to retain or secure housing by providing services such as rental and housing relocation assistance and utility payment assistance</p>	<p>The household's total income must be at or below 50 percent of Area Median Income</p> <p>The household must be either homeless (to receive rapid re-housing assistance) or at risk of losing its housing (to receive homelessness prevention assistance)</p> <p>The household must meet the following circumstances:</p> <ul style="list-style-type: none"> <li>No appropriate subsequent housing options have been identified</li> <li>The household lacks the financial resources or support networks to obtain immediate housing or remain in its existing housing</li> </ul>

**Source:** Arizona Department of Housing

In addition to the housing programs described in [Table 49](#), which directly support low-income families and individuals in Arizona, the State Department of Housing also administers and/or funds a range of programs designed to *indirectly* serve low-income Arizonans. **Examples of those indirect housing-related support programs include:**

- The **Community Development Block Grant (CDBG)**, which funds non-housing related activities, including infrastructure development, public works projects, emergency equipment needs, social service funding and a number of other community development-related activities. These funds were provided to rural county and city governments.<sup>260</sup>
- **Low-Income Housing Tax Credit Program tax credits**, of which there are two types. The 9 percent federal tax credits are awarded to housing developers who agree to hold a portion of their

<sup>258</sup> U.S. Department of Housing and Urban Development (2013). *Supportive Housing Program*.

<sup>259</sup> U.S. Department of Housing and Urban Development (2011).

<sup>260</sup> Arizona Department of Housing (2012). *Fiscal Year 2012 Annual Report*.

rental units for low-income households and charge affordable rents to qualified tenants in those units.<sup>261</sup> The AZ Department of Housing holds an annual competition to distribute the State's annual allocation of credits. In addition, 4 percent tax credits are available on a non-competitive basis to qualified projects that have received a housing private activity bond allocation from the state.<sup>262</sup>

In addition to the housing programs designed to directly or indirectly serve low-income Arizonans are a range of other programs, including programs funded by American Reinvestment and Recovery Act dollars (“stimulus money”), that have been designed to support those communities and individuals hardest hit by the real estate market crash (such as those struggling to make their mortgage payments, or those living in neighborhoods with a high rate of foreclosure). As they are not specifically designed to support the economy self-sufficiency of low-income women, those programs are not detailed here.

**Table 50: Housing Programs Supporting Low-Income Arizonans – Dollar Commitments by Activity (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007-13
Low Income Housing Tax Credits*	\$133.2	\$129.1	\$118.6	\$243.0	\$102.6	\$210.3	\$15.5	-88.4%
Section 8*	\$36.3	\$39.4	\$43.2	\$46.2	\$47.9	\$50.7	\$50.7	39.7%
Community Development Block Grant (CDBG) Housing-related Programs	\$3.8	\$4.3	\$3.5	\$6.4	\$1.6	\$2.8	\$2.9	-23.9%
Shelter Plus Care	\$6.2	\$6.6	\$7.1	\$7.6	\$8.3	\$8.3	\$7.4	19.4%
Homeless Prevention and Rapid Re-housing Program (Stimulus)	\$0.0	\$0.0	\$0.0	\$0.2	\$2.7	\$3.3	\$0.5	-
Supportive Housing Program	\$2.2	\$2.1	\$2.3	\$2.5	\$2.4	\$2.9	\$2.5	13.6%
<b>Total</b>	<b>\$181.7</b>	<b>\$181.5</b>	<b>\$174.7</b>	<b>\$305.9</b>	<b>\$165.5</b>	<b>\$278.3</b>	<b>\$79.5</b>	<b>-56.2%</b>

**Source:** AZ Department of Housing Annual Reports

**\*Notes:** Community Development Block Grant numbers reported are funding for housing-related programs only. CDBG funds other programs (such as infrastructure projects) as well. Low Income Housing Tax Credits includes both 9 percent and 4 percent tax credits. Section 8 includes both the Housing Choice Voucher Program and Project-Based funding. In 2011, the Department did not report any 4-percent tax credit allocations.

One of the primary priorities of the Arizona Department of Housing (ADOH) is expanding the supply of affordable rental housing for very low-income and extremely low-income households. On that measure, the number of households assisted by housing programs for low-income Arizonans declined 8 percent across all programs between 2009 and 2013 (data for 2007 and 2008 is not complete). The decline in households assisted was driven by cuts to the Community Development Block Grant housing related programs (not including other CDBG work like infrastructure projects) and the Low Income Housing Tax

<sup>261</sup> Through this federal program, developers agree to hold a portion of their rental units for low-income households earning at or below 60 percent of the area’s median income. These households pay an “affordable rent” based on the area’s median income and the number of persons and bedrooms in the unit. For example, 50 percent of the median income for Maricopa County for one person is \$23,050, and the maximum rent he/she would pay is \$576 for a studio unit.

<sup>262</sup> Arizona Department of Housing (2012). *Performance Audit and Sunset Review*.

Credits in 2013. Section 8 – the program that helps the greatest number of households by a large margin – declines were modest, less than one percent between 2009 and 2013.

**Table 51: Housing Programs - Households Assisted**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2009- 13
Section 8	96*	118*	8,099	8,105	8,259	8,302	8,083	-0.2%
Low Income Housing Tax Credits	1,088	1,437	1,083	2,008	836	1,578	162	-85%
Shelter Plus Care	1,271	1,280	1,244	829	832	1,088	1,251	1%
Community Development Block Grant Housing-related Programs	522	585	220	1,428	83	285	164	-25%
Supportive Housing Program	451	445	413	426	269	282	475	15%
<b>Total</b>	<b>3,428*</b>	<b>3,865*</b>	<b>11,059</b>	<b>12,796</b>	<b>10,279</b>	<b>11,535</b>	<b>10,135</b>	<b>-8%</b>

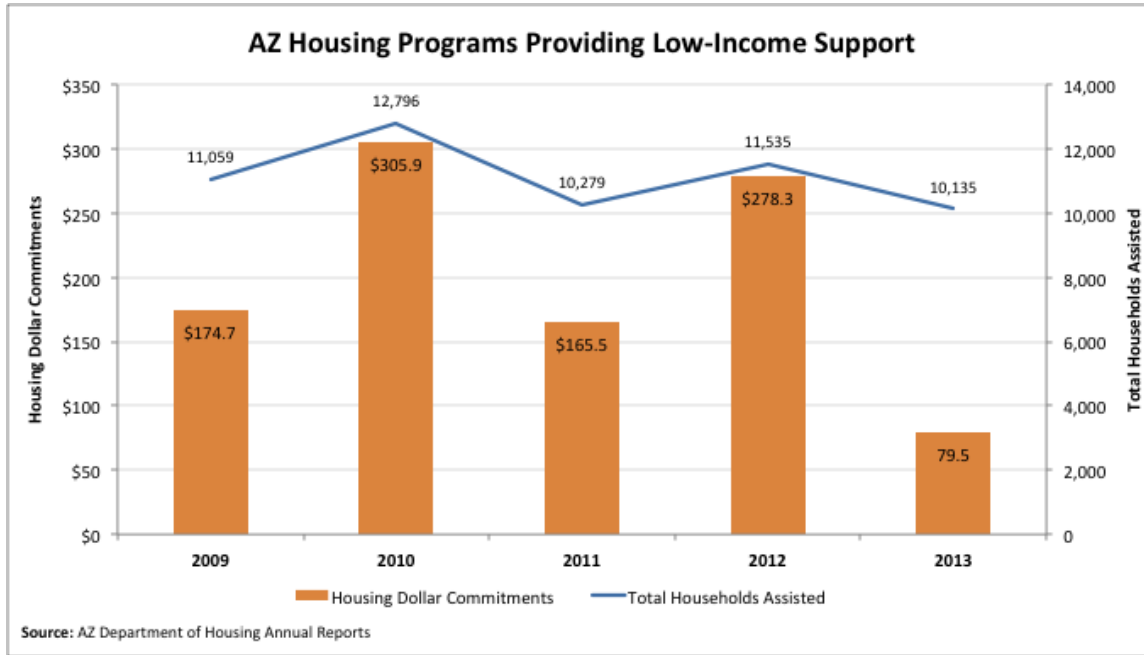
**Source:** AZ Department of Housing Annual Reports

**Notes:** Community Development Block Grant numbers reported are households assisted by housing-related programs only. CDBG funds other programs (such as infrastructure projects) as well. 2010 CDBG housing-related includes 1,040 households were assisted through the development of shelters. Low Income Housing Tax Credits includes both 9 percent and 4 percent tax credits. Section 8 includes both the Housing Choice Voucher Program and Project-Based funding.

\*Neither ADOH nor HUD reported data for Section 8 project-based households assisted in 2007 and 2008. The numbers reported here are households assisted by Section 8 voucher programs. Funding, however, does include the Section 8 project-based funds.

Changes in the number of households assisted track consistently with changes in funding, as [Figure 78](#) illustrates.

**Figure 78: Housing Dollar Commitments & Households Assisted**





## 11.11 Services for Victims of Domestic Violence – Additional Detail

In addition to the domestic violence programs provided by the Department of Economic Security and listed in [Table 28](#), other state agencies providing services include:

- Criminal Justice Commission – Services include victim advocacy and outpatient counseling
- Department of Housing – Acquisition/rehabilitation and operating subsidies for domestic violence emergency shelters and transitional housing
- Department of Health Services – Services include emergency shelter, crisis intervention, case management, peer counseling, advocacy, legal advocacy, children's crisis intervention, counseling, training and community education.
- Department of Public Safety – Services include counseling, personal and criminal justice victim advocacy, other supportive services, and training
- Governor's Office for Children, Youth and Families – Services include emergency shelter, transitional housing, supportive services, prevention, training, and law enforcement/prosecutorial services<sup>263</sup>

**Table 52: Domestic Violence Funding Administered By State Organizations (Millions \$)**

	2007	2008	2009	2010	2011	2012	2013	Total Δ 2007- 13
Department of Economic Security	\$13.7	\$16.8	\$15.1	\$14.3	\$14.1	\$12.9	\$12.9	-5.8%
Department of Public Safety	\$3.5	\$3.6	\$3.2	\$3.6	\$3.8	\$3.9	\$3.9	11.4%
Governor's Office for Children, Youth, and Families	\$3.0	\$2.6	\$2.7	\$3.1	\$3.6	\$3.6	\$4.1	36.7%
Department of Health Services	\$1.4	\$1.6	\$1.6	\$1.8	\$1.9	\$1.9	\$1.7	21.4%
Criminal Justice Commission	\$0.6	\$0.7	\$0.8	\$0.8	\$0.7	\$0.8	\$0.8	33.3%
Department of Housing	\$1.0	\$0.9	\$0.5	\$0.4	\$0.1	\$0.6	\$0.1	-90%
<b>Total</b>	<b>\$23.2</b>	<b>\$26.1</b>	<b>\$23.8</b>	<b>\$24.0</b>	<b>\$24.0</b>	<b>\$23.6</b>	<b>\$23.5</b>	<b>1.3%</b>

**Source:** Arizona DES Domestic Violence Monies Reports

In many cases, support for victims of domestic violence (most often women and children) take the form of emergency shelter and transitional housing. **Broadly, three types of housing programs serve Arizona's homeless:**

1. **Emergency Shelter programs**<sup>264</sup> – Located in urban areas and cities and towns throughout Arizona, emergency shelters are often the first point of assistance for individuals and families experiencing homelessness. Often emergency shelters serve a specific segment of the population

<sup>263</sup> AZ Dept of Economic Security (2012). *Domestic Violence Funding Administered by State Organizations, State Fiscal Year 2012*.

<sup>264</sup> Arizona Coalition to End Homelessness (2011). *Emergency Shelter*.

such as single adults or families with children. Emergency Shelter programs generally offer the following:

- Shelter for up to 120 days. Shelters may make exceptions and allow longer stays depending upon the availability of resources and each individual's needs.
- Case management or access to case management through a partnership with another local agency. Case Manager's primary goals in the short time available are to assess and stabilize immediate crisis needs (shelter, income, and stabilize any presenting conditions such as mental health).
- Assistance with the development of a case plan, which at minimum includes securing appropriate income (either employment or benefits) and finding permanent housing. Other common goals include securing or replacing identification cards, engaging in mainstream resources or addressing other issues that may provide barriers to self-sufficiency including legal problems, substance abuse, and mental or physical health issues.
- Families with children are connected with childcare and schooling.
- Connections to the appropriate housing placement are made as quickly as possible and may include transitional, permanent supportive housing or affordable housing programs.

2. **Transitional housing**<sup>265</sup> – Transitional housing is designed to provide housing and appropriate support services to homeless individuals and families for up to 24 months to facilitate movement to independent living. Supportive services within a transitional housing program vary depending on individual or family and challenges they are facing preventing self-sufficiency and independence. Upon entry into a transitional housing program an assessment process is completed and the individual or family is assigned a case manager. A case plan unique to each individual or family's needs, providing a list of necessary supportive services to complete the program and transition into permanent housing. Each transitional housing program is designed to fit a specific population:

- Youth/Young adults
- Families
- Single men or woman
- Veteran
- Domestic Violence

Transitional housing programs help maintain sobriety, reunify families, and create a sense of community and safety. Services provided in most transitional housing programs are employment services, educational and job training, childcare, transportation, financial/budget assistance, life-skills classes, substance abuse programs.

3. **Permanent supportive housing**<sup>266</sup> – Permanent supportive housing is a solution to homelessness that has several critical characteristics:
  - The housing is affordable – generally, households should not be required to contribute any more than 30% of their adjusted monthly income towards the cost of rent and utilities
  - The housing is permanent – there are no artificial time limits for the length of stay
  - The resident has his/her own lease with all of the rights of residential tenancy
  - Supportive services designed to assist the resident in achieving maximum self sufficiency and recovery are provided with the housing – preferably on a voluntary basis – but are not a condition for continued tenancy

Permanent supportive housing has been shown to be a highly successful and cost effective solution to homelessness throughout Arizona and across the country. It can take different shapes,

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<sup>265</sup> Arizona Coalition to End Homelessness (2011). *Transitional Housing*.

<sup>266</sup> Arizona Coalition to End Homelessness (2011). *Permanent Supportive Housing*.

including site-based developments and scattered-sites units, so long as these fundamental principles are maintained.