

NOTICES OF EXEMPT RULEMAKING

The Administrative Procedure Act requires the *Register* publication of the rules adopted by the state's agencies under an exemption from all or part of the Administrative Procedure Act. Some of these rules are exempted by A.R.S. §§ 41-1005 or 41-1057; other rules are exempted by other statutes; rules of the Corporation Commission are exempt from Attorney General review pursuant to a court decision as determined by the Corporation Commission.

NOTICE OF EXEMPT RULEMAKING

TITLE 6. ECONOMIC SECURITY

CHAPTER 5. DEPARTMENT OF ECONOMIC SECURITY SOCIAL SERVICES

[R06-510]

PREAMBLE

1. Sections Affected

Article 49
R6-5-4901
R6-5-4903
R6-5-4904
R6-5-4905
R6-5-4906
R6-5-4907
R6-5-4908
R6-5-4909
R6-5-4910
R6-5-4911
R6-5-4912
R6-5-4913
R6-5-4914
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R6-5-4920
R6-5-4921
R6-5-4921
R6-5-4922
R6-5-4923
R6-5-4923
R6-5-4924
R6-5-4925

Rulemaking Action

Amend
Repeal
Amend
Amend
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Amend
Amend
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Amend
Amend
Amend
Amend
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2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. §§ 41-1954 (A) (3); 46-134 (12); 46-809
Implementing statute: A.R.S §§ 46-801 through 46-810
Statute authorizing the exemption: Laws 2006, Ch. 331, § 28(A)

3. The effective date of the rules:

The rules will be effective on December 31, 2006.

4. A list of all previous notices appearing in the Register addressing the exempt rule:

None

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5. The name and address of agency personnel with whom persons may communicate regarding the rule:

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6. An explanation of the rule, including the agency's reason for initiating the rule, including the statutory citation to the exemption from the regular rulemaking procedures:

Laws 2006, Ch. 331, § 28(A) exempts the Department from formal rulemaking procedures to implement A.R.S. § 46-803, as amended by Laws 2005, ch. 328, § 11, and A.R.S. § 46-805, as amended by Laws 2005, ch. 328, § 12. These statutes give the Department the authority to establish priority for Child Care Assistance based on income, when a waiting list is in effect; limit Child Care Assistance to six children in a family; require co-payments for all children in the family; and limit Child Care Assistance to sixty cumulative months per child and allow extensions if the family can prove efforts toward self sufficiency. Laws 2005, Ch. 328, § 12 amended A.R.S. § 46-805 to require the Department to include in the income eligibility determination the income and earnings of a family member who is at least eighteen years of age, and who is residing with a parent receiving Child Care Assistance, if the family member claims any member of a family unit applying for Child Care Assistance as a dependent on the family member's federal or state tax income tax return.

R6-5-4901, and R6-5-4904 through R6-5-4916 were amended, and remain at their original Section numbers. R6-5-4903 and R6-5-4922 were repealed in their entirety. The text from R6-5-4917 was moved to R6-5-4918, and R6-5-4917 now contains a new Section regarding the waiting list. The text from R6-5-4918 was moved to R6-5-4920, and R6-5-4918 now contains amended text that previously resided at R6-5-4917. The text from R6-5-4919 was moved to R6-5-4921, and R6-5-4919 now contains a new Section regarding time limits. The text from R6-5-4920 was moved to R6-5-4923, and R6-5-4920 now contains amended text that previously resided at R6-5-4918. The text from R6-5-4921 was moved to R6-5-4924, and R6-5-4921 now contains amended text that previously resided at R6-5-4919. The text from R6-5-4923 was moved to R6-5-4925, and R6-5-4923 now contains amended text that previously resided at R6-5-4920. The Department created two new Section numbers, R6-5-4924 and R6-5-4925, to contain the original text of R6-5-4921 and R6-5-4925, respectively, and these sections have not been amended.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

Not applicable

8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. The summary of the economic, small business, and consumer impact:

Because these rules are exempt from the Administrative Procedure Act under A.R.S. § 41-1005(A)(26), the Department did not prepare an economic impact statement.

10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

Not applicable

11. A summary of the comments made regarding the rule and the agency response to them:

Not applicable

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

13. Incorporations by reference and their location in the rule:

Not applicable

14. Was this rule previously adopted as an emergency rule?

No

15. The full text of the rules follows:

TITLE 6. ECONOMIC SECURITY

CHAPTER 5. DEPARTMENT OF ECONOMIC SECURITY
SOCIAL SERVICES

ARTICLE 49. CHILD CARE ASSISTANCE

Section

- R6-5-4901. Definitions
- ~~R6-5-4903. Redetermination of Eligibility~~
- R6-5-4904. Access to Child Care Assistance
- R6-5-4905. Initial Eligibility Interview
- R6-5-4906. Verification of Eligibility Information
- R6-5-4907. Withdrawal of an Application
- R6-5-4908. Child Care Assistance Approvals and Denials
- R6-5-4909. 12-month Review
- R6-5-4910. Reinstatement of Assistance
- R6-5-4911. General Eligibility Criteria
- R6-5-4912. Eligible Activity or Need
- R6-5-4913. Applicants and Recipients as Child Care Providers
- R6-5-4914. Income Eligibility Criteria
- R6-5-4915. Fee Level and Copayment Assignment
- R6-5-4916. Special Eligibility Criteria
- ~~R6-5-4917. Authorization of Child Care Assistance~~ Waiting List for Child Care Assistance
- ~~R6-5-4917R6-5-4918. Denial or Termination of Child Care Assistance~~ Authorization of Child Care Assistance
- ~~R6-5-4919. Notification Requirements~~ Time Limit for Child Care Assistance
- ~~R6-5-4918R6-5-4920. Overpayments~~ Denial or Termination of Child Care Assistance
- ~~R6-5-4919R6-5-4921. Appeals~~ Notification Requirements
- ~~R6-5-4922. Termination and Phase-Out of Ineligible Current Clients~~
- ~~R6-5-4920R6-5-4923. Maximum Reimbursement Rates for Child Care~~ Overpayments
- ~~R6-5-4921R6-5-4924. Appeals~~
- ~~R6-5-4923R6-5-4925. Maximum Reimbursement Rates for Childcare~~

ARTICLE 49. CHILD CARE ASSISTANCE

R6-5-4901. Definitions

The following definitions apply to this Article:

1. "Adequate notice" means ~~a notice~~ written notification which that explains the action the Department intends to take, the reason for the action, the specific authority for the action, the client's appeal rights, and right to benefits pending appeal, and ~~which that~~ is mailed before the effective date of the action.
2. "Appellant" means an applicant or recipient of assistance who is appealing a negative action by the Department.
3. "Availability" means the portion of time that a parent or caretaker can provide care to their own child, as determined by the Department, because the parent or caretaker is not participating in an eligible activity.
- ~~3-4.~~ "Applicant" means a person who has filed an application for Child Care Assistance ~~with the Department.~~
- ~~4-5.~~ "Authorized" means ~~a the~~ the specific amount of Child Care Assistance has been authorized approved by the Department for an eligible family for a specific period of time ~~to allow reimbursement of a DES registered provider for child care services.~~
- ~~5-6.~~ "CCA" means the DES Child Care Administration.
7. "Caretaker relative" means a relative who exercises the responsibility for the day-to-day physical care, guidance, and support of a child who physically resides with the relative.
- ~~6-8.~~ "Cash Assistance" means ~~a the~~ the program administered by the Family Assistance Administration which that provides temporary Cash Assistance to needy families.
- ~~7-9.~~ "Cash Assistance participant" means a recipient of Cash Assistance.
- ~~8-10.~~ "Child care" means the compensated service ~~that is provided~~ the Department provides to a child who is unaccompanied by a parent or guardian during a portion of a 24-hour day.
- ~~9-11.~~ "Child Care Assistance" means ~~any~~ money payments for child care services that are paid by the Department and that are paid for the benefit of an eligible family.
- ~~10-12.~~ "Child Care Provider" means ~~a child care facilities~~ facility licensed pursuant to under Title 36, Chapter 7.1, Article 4, child care home providers, in-home providers, noncertified relative providers and regulated child care on military

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- installations or federally recognized Indian Tribes.
- ~~11-13.~~ “Client” means a person who has ~~applied for~~, requested, has been referred for, or who is currently receiving Child Care Assistance.
- ~~12.~~ “Convert” means to reestablish eligibility for a current client who is determined eligible under A.R.S. § 46-801 through 46-810 and this Article.
- ~~13-14.~~ “Countable income” means the amount of gross income for the ~~of~~ individuals included in family size ~~which that~~ the Department considers to determine eligibility and calculate an assistance amount.
- ~~14-15.~~ “CPS or Child Protective Services” means the child welfare services administration within the Department’s Division of Children, Youth, and Family Services.
- ~~15.~~ “Current client” means a person who:
- a. ~~Is receiving child care on the effective date of these rules, and~~
 - b. ~~Has continuously received Child Care Assistance since on or before July 31, 1997.~~
16. “Day” means a calendar day unless otherwise specified.
17. “DDD” means the Division of Developmental Disabilities.
18. “Denial” means a formal decision of ineligibility on an application, referral, or request for Child Care Assistance.
19. “Department” means the Arizona Department of Economic Security.
20. “Dependent child” means a person ~~under the less than~~ age of 18, who resides with the applicant and whom the applicant has the legal financial obligation to support.
21. “DES certified child care provider” means a provider who is certified by the Department of Economic Security under A.R.S. § ~~36-895 (B) and (C)~~ 46-807 and who provides care in either the child’s or the provider’s own home.
22. “DHS certified group home” means a provider who is certified by the Department of Health Services under A.R.S. § 36-897.01.
23. “DHS licensed child care center” means a provider who ~~holds a license~~ is licensed by the Department of Health Services as prescribed in A.R.S. § ~~36-892-36-881~~.
- ~~24.~~ “EITC” means Earned Income Tax Credit and is a federal income tax credit for low-income working individuals and families.
- ~~24-25.~~ “Eligibility criteria” means the requirements an individual or family must meet to receive Child Care Assistance.
- ~~25-26.~~ “Eligible activity” means a specific type of activity ~~which that~~ causes an applicant or recipient and any other parent or responsible person in the eligible family to be unavailable to provide care to their children for a portion of a 24-hour day, and ~~which that~~ partially determines the amount of Child Care Assistance an eligible family shall receive.
- ~~27.~~ “Eligible child” means a child less than 13 years of age.
- ~~26-28.~~ “Eligible family” means a group of persons whose needs, income and other circumstances are considered as a whole for the purpose of determining eligibility and amount of Child Care Assistance.
- ~~27-29.~~ “Eligible need” means a specific type of need ~~which that~~ causes an applicant or recipient, ~~and or~~ any other parent or responsible person in the eligible family to be unavailable or incapable to provide child care to their children for a portion of a 24-hour day, and ~~which that~~ partially determines the amount of Child Care Assistance an eligible family shall receive.
- ~~28-30.~~ “E.S.O.L.” means English for Speakers of Other Languages.
31. “Existing client” means an individual who is currently receiving Child Care Assistance or who has an open Child Care Assistance case with the Department.
- ~~29-32.~~ “Family size” means the number of individuals considered when determining income eligibility, and includes the applicant, other parent or responsible person, and their dependent children who reside in the same household, subject to R6-5-4914 (D). A man and woman legally married, not living in the same household but with the intention of remaining a family, shall be included in the family size. When the applicant requests Child Care Assistance for other related children or children in guardianship in addition to his or her own children, all children shall be included in family size. When foster parents are applying for Child Care Assistance for their own children, the foster child shall not be considered a member of the foster parent’s family.
- ~~30-33.~~ “Federal poverty level” (FPL) means the poverty guidelines ~~that are~~ issued by the United States Department of Health and Human Services ~~pursuant to~~ under Section 673(2) of the Omnibus Reconciliation Act of 1981; ~~that are~~ and reported annually in the *Federal Register*; which are converted into monthly amounts by the Department; which shall become effective for use in determining eligibility for Child Care Assistance on the first day of the State fiscal year immediately following the publication of the annual amount in the *Federal Register*.
- ~~31-34.~~ “Foster care” means a that the Department or an Arizona Tribe placed a child placed in the custody of a licensed foster home parent, by the Department or an Arizona tribe.
- ~~32-35.~~ “Foster parent” means any person licensed by ~~DES~~ the Department or an Arizona tribe to provide ~~out-of-home care for a foster~~ for the out of home care, custody, and control of a child.
36. “Gap in employment” means a period of 30 consecutive days of Child Care Assistance that begins the first day after the last day worked and ends the 30th day after the last day worked for an existing client who has lost employment.
- ~~33-37.~~ “G.E.D.” means General Educational Development Equivalency Diploma.

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- 34-38. ~~“Homebound” means a person who is confined to the his or her home because of physical or mental incapacity.~~
- 35-39. ~~“Homeless shelter” means a public or private nonprofit program that is targeted to assist homeless families and is designed to provide temporary or transitional living accommodations and a program of services to assist such families toward self-sufficiency self-sufficiency.~~
- 36-40. ~~“Income” means earned and unearned income combined.~~
- 37-41. ~~“JOBS” “Jobs” or “Job Opportunities and Basic Skills Training Program” means the Department program which that assists Cash Assistance participants to prepare for, obtain, and retain employment. “JOBS” “Jobs” Program also means includes the Tribal JOBS Jobs Program and any other entities who that contract with the state to perform this function.~~
- 38-42. ~~“JOBS “Jobs participant” means a Cash Assistance participant who is participating in the JOBS Jobs program as a condition of receiving Cash Assistance.~~
- 39-43. ~~“Local office” means a CCA office which location that is designated as the office location in which Child Care Assistance applications and other documents are filed with the Department and in which eligibility and assistance amounts are determined for a particular geographic area of the state.~~
- 40-44. ~~“Lump sum income” means a single payment of earned or unearned income, such as a retroactive monthly benefits, non-recurring pay adjustments or bonuses, inheritances, or personal injury and workers’ compensation awards.~~
- 41-45. ~~“Mailing date” when used in reference to a document sent 1st class, postage prepaid, through the United States mail, means the date:~~
- a. ~~Shown on the postmark;~~
 - b. ~~Shown on the postage meter mark of the envelope, if there is no postmark; or~~
 - c. ~~Entered on the document as the date of its completion, if there is no legible postmark or postage meter mark.~~
- 42-46. ~~“Minor parent” means an unwed a parent under less than the age of 18 years, living with his or her own parents.~~
- 43-47. ~~“Negative action” means ~~±~~ one of the Department actions described in R6-5-4918, including action to terminate assistance or increase the fee level and copayment for Child Care Assistance.~~
- 44-48. ~~“Noncertified relative provider” means a person who is at least 18 years of age, who provides child care services to an eligible child, who is by affinity or consanguinity or by court decree blood, marriage, or adoption the grandparent, great grandparent, sibling not residing in the same household, aunt, great aunt, uncle or great uncle of the eligible child, who provides child care services to an eligible child, and who meets the Department’s requirements to be a noncertified relative provider.~~
45. ~~“Nonparent relative” means a caretaker relative who exercises responsibility for the day to day physical care, guidance and support of a child who physically resides with the relative and who is by affinity or consanguinity or by court decree a grandparent, great grandparent, sibling of the whole or half blood, stepbrother, stepsister, aunt, uncle, great aunt, great uncle, or first cousin.~~
- 46-49. ~~“Notice date” means the date which that appears as the official date of issuance on a document or official written notice the Department sends or gives to an applicant or recipient.~~
- 47-50. ~~“OSI” or “Office of Special Investigations” means the Department office to which CCA refers cases for investigation of certain eligibility information, investigation and preparation of fraud charges, coordination and cooperation with law enforcement agencies and other similar functions.~~
- 48-51. ~~“Other related child” means a child who is related to the applicant or recipient by blood, marriage, or adoption, and who is not the applicant’s or recipient’s natural, step, or adoptive child.~~
- 49-52. ~~“Overpayment” means a Child Care Assistance payment received by a child care provider or for an eligible family which that exceeds the amount to which the provider or family was lawfully entitled.~~
- 50-53. ~~“Parent” means the biological parent mother or father whose name appears on the birth certificate, or who has the person legally acknowledged as a mother or father, or a father who has had an adjudication of paternity, or the adoptive parent mother or father of the child.~~
- 51-54. ~~“Positive action” means the approval, increase, or resumption of service such as increasing the amount of assistance, or decreasing the fee level and copayment.~~
- 52-55. ~~“Recipient” means a person who is a member of an eligible family receiving Child Care Assistance.~~
56. ~~“Relative” means a person who is by blood, adoption, or marriage a parent, grandparent, great-grandparent, sibling of the whole or half blood, stepbrother, stepsister, aunt, uncle, great-aunt, great-uncle, or first cousin.~~
- 53-57. ~~“Request for Hearing” means a clear written expression by an applicant or recipient, or such person’s representative, indicating a desire to present the case or issue appeal a Department decision to a higher authority.~~
- 54-58. ~~“Responsible person” means one or more persons, residing in the same household who have the legal responsibility to financially support:~~
- a. ~~One or more of the children for whom Child Care Assistance is being requested, or~~
 - b. ~~The applicant or recipient for of Child Care Assistance.~~
- 55-59. ~~“Review” means a the Department’s review of all factors affecting an eligible family’s eligibility and assistance amount.~~
60. ~~“Self-Sufficiency Declaration” means a written statement signed and dated by the child care recipient that lists the~~

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specific actions the recipient has taken during the most recent 6 or 12-month period to maintain or increase self-sufficiency.

61. "Tax Claimant" means a relative more than age 17 who resides with a parent who has applied for or is receiving Child Care Assistance, and who states their intention to claim any member of the eligible family as a tax dependent on a federal or state income tax return for the current calendar year, to be filed in the following calendar year.
62. "Tax Dependent" means a member of an eligible family applying for or receiving Child Care Assistance who is included in family size, and who the tax claimant states an intention to claim as a dependent on a federal or state income tax return for the current calendar year, to be filed in the following calendar year.
63. "Time Limit" means that each child in the eligible family may receive no more than 60 cumulative months of Child Care Assistance in a lifetime, unless the parent, caretaker relative, or legal guardian of the child needing care can prove they are making efforts to improve skills and move toward self-sufficiency, under A.R.S. § 46-803(K)(1).
64. "Unit" means a part or full day measurement of Child Care Assistance authorized by the Department to meet the needs of an eligible family based on the participation of parents, caretaker relatives, or legal guardians of the children needing care in an eligible activity.
65. "Waiting List" means the prioritization of applicants by the Department to manage resources within available funding by placing applicants determined eligible for Child Care Assistance on a list, until the Department determines that sufficient funds are available to fund Child Care Assistance for families on the list.
- ~~56-66.~~ "Work" means the performance of duties on a regular basis for wages or salary.

~~R6-5-4903. Redetermination of Eligibility~~

- ~~A. Effective August 1, 1997 through December 31, 1997, the Department shall redetermine eligibility for all current clients as prescribed in A.R.S. § 46-803(L).~~
- ~~B. The Department shall conduct redeterminations of eligibility on the client's regularly scheduled review date, or, when the client submits a change of information, whichever occurs first. The Department shall convert or phase out current clients based on the redetermination of eligibility.~~
- ~~C. The Department shall terminate eligibility no later than June 30, 1998 for current clients who do not meet the eligibility criteria set forth in A.R.S. §§ 46-801 through §§ 46-810 and this Article, as prescribed in R6-5-4922.~~
- ~~D. The Department shall convert current clients no later than June 30, 1998, who meet eligibility criteria set forth in A.R.S. §§ 46-801 through 46-810 and this Article, as prescribed in this Section.~~
- ~~E. This Section is automatically repealed on July 31, 1998.~~

R6-5-4904. Access to Child Care Assistance

- A. Application for Child Care Assistance.
 1. Any person may apply for Child Care Assistance by filing, either in person or by mail, a Department-approved application form with any CCA office.
 2. The application file date is the date any CCA office receives an identifiable application. An identifiable application contains, at a minimum, the following information:
 - a. The legible name and address of the person requesting assistance; and
 - b. The signature, under penalty of perjury, of the applicant, or, if the applicant is incompetent or incapacitated, someone legally authorized to act on behalf of the applicant.
 3. In addition to the identifiable information described in subsection (2), a completed application shall contain:
 - a. The names of all persons living with the applicant and the relationship of those persons to the applicant, and
 - b. All other eligibility information requested on the application form.
- B. Request for Child Care Assistance.
 1. Cash Assistance participants who need Child Care Assistance for employment activities are not required to complete an application.
 2. Child Care Assistance for Cash Assistance participants may begin effective the start date of the eligible activity but not earlier than the date that the participant requests Child Care Assistance from a local CCA office after the Department has verified eligibility criteria.
- C. Referral for Child Care Assistance.
 1. ~~JOBS~~ Jobs Participants. Cash Assistance participants in ~~JOBS~~ Jobs approved work participation activities who request child care shall be referred by the ~~JOBS~~ Jobs Program for Child Care Assistance.
 2. Child Protective Services Families (CPS). CPS shall refer families that CPS deems eligible for Child Care Assistance on a case by case basis.
 3. CPS and DDD Foster Families - CPS or DDD shall determine eligibility for and refer children in the care, custody, and control of DES who need child care services as documented in a foster care case plan.

R6-5-4905. Initial Eligibility Interview

- A. Upon receipt of an identifiable application, the Department shall schedule an initial eligibility interview for the applicant. Upon request, the Department shall conduct the interview at the residence of a person who is homebound.
- B. The applicant shall attend the interview. A person of the applicant's choosing may also attend the interview.

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- C. The Department may conduct a telephone interview if the applicant has previously verified citizenship or legal residency status as prescribed in R6-5-4911(E).
- D. During the interview, a Department representative shall:
1. Assist the applicant in completing the application form;
 2. Witness the signature of the applicant;
 3. Discuss information pertinent to the applicant's child care needs;
 4. Provide the applicant with written information explaining:
 - a. The terms, conditions, and obligations of the Child Care Assistance program;
 - b. Any additional verification information as prescribed in R6-5-4906 which the applicant must provide for the Department to conclude the eligibility evaluation;
 - c. The Department practice of exchanging eligibility and income information among Department programs;
 - d. The coverage and scope of the Child Care Assistance program;
 - e. The applicant's rights, including the right to appeal a negative action; and
 - f. The requirement to report all changes within 2 work days from the date the change becomes known;
 5. Review the penalties for perjury and fraud, as printed on the application;
 6. Explain to the applicant who is included in family size for the purpose of determining income eligibility, and whose availability is considered in determining the amount of Child Care Assistance authorized for each child needing care as prescribed in R6-5-4914(D);
 7. If the applicant is the parent of the children needing care, explain the tax claimant provision under R6-5-4914(D)(3);
 8. Provide the applicant with the tax claimant declaration form if there is a potential tax claimant in the household;
 9. Provide the following information to assist the family in continuing to move toward self-sufficiency:
 - a. Availability of the Earned Income Tax Credit (EITC). Provide the applicant with the current U.S. Department of Internal Revenue Service (IRS) EITC information if the applicant comes into the office for the initial interview;
 - b. Availability of child support services through the Division of Child Support Enforcement (DCSE) to assist with paternity establishment, establishment of a child support order, or enforcement of an existing child support order. Provide the applicant with written information regarding child support services if the applicant comes into the office for the initial interview; and
 - c. Availability of Department-sponsored or contracted employment services that may assist the applicant and spouse or other parent in finding a job, or pursuing a better job or career. Provide the applicant with written information regarding employment services if the applicant comes into the office for the initial interview;
 10. Explain to the applicant the 60-month per child time limit for Child Care Assistance:
 - a. Describe the child care programs to which the 60-month time limit applies;
 - b. Describe how child care utilization is measured per child to calculate the 60-month limit; and
 - c. Explain the criteria for extensions of the time limit based on continued efforts to improve job skills and move toward self-sufficiency;
 11. Discuss the 6-child limit for Child Care Assistance:
 - a. Explain that no more than 6 children in a family may receive Child Care Assistance at any point in time; and
 - b. Explain the child care programs to which the 6-child limit applies;
 12. Discuss the waiting list for Child Care Assistance:
 - a. Describe the programs to which it applies;
 - b. Explain prioritization for assistance based upon income for families on the waiting list;
 - c. Indicate whether the waiting list is currently in effect; and
 - d. Explain that, based on funding availability, the Department may implement a waiting list at any point in time;
 - 7-13. Review any verification information already provided;
 - 8-14. Explain the applicant's duties to:
 - a. Notify the Department regarding initial provider selection or changes in provider in advance of using services or changing providers;
 - b. Pay DES required copayments to the child care provider as assigned by the Department; and
 - c. Pay any additional charges to the provider for the cost of care in excess of the amount paid by the Department; and
 - 9-15. Review all ongoing reporting requirements, and explain that the applicant may incur overpayments for failure to make timely reports.

R6-5-4906. Verification of Eligibility Information

- A. The Department shall obtain independent verification or corroboration of information provided by the client when required by law, or when it is necessary to determine eligibility, fee level and copayment assignment, or service authorization amount.
- B. The Department may verify or corroborate information by any reasonable means including:
1. Contacting 3rd parties such as employers and educational institutions;
 2. Asking the client to provide written documentation such as pay stubs or school schedules; and

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3. Conducting a computer data match through other Department programs' computer systems.
- C. The client is responsible for providing all required verification. The Department shall offer to assist a client who has difficulty in obtaining the verification and requests help.
- D. A client shall provide the Department with all requested verification within 10 calendar days from the notice date of a written request for such information. When a client does not timely comply with a request for information, the Department shall deny the application as provided in R6-5-4908(B).

R6-5-4907. Withdrawal of an Application

- A. An applicant may withdraw an application at any time prior to its disposition by providing the Department with a written request for withdrawal signed by the applicant.
- B. If an applicant makes an oral request to withdraw an application:
 1. The Department shall accept the oral request, provide the applicant with a written withdrawal form, and request that the applicant complete the form and return it to the Department. The Department shall inform the applicant of the consequences of not returning the withdrawal form within 10 days of the notice date.
 2. If the applicant fails to return the completed withdrawal form, the Department shall deny the application for failure to provide information unless the applicant rescinds the oral withdrawal request within 10 days of the date the Department provides the applicant a withdrawal form.
- C. A withdrawal is effective as of the application file date unless the applicant specifies a different date on the withdrawal form.
- D. An application that has been withdrawn shall not be reinstated; an applicant who has withdrawn an application shall reapply anew.

R6-5-4908. Child Care Assistance Approvals and Denials

- A. The Department shall complete the eligibility determination within 30 calendar days of the application file date or referral receipt date, unless:
 1. The application or referral is withdrawn;
 2. The application or referral is rendered moot because the applicant has died or cannot be located; or
 3. There is a delay resulting from a Department request for additional verification information as provided in R6-5-4906(D).
- B. The Department shall deny Child Care Assistance when the applicant fails to:
 1. Complete the application and an eligibility interview, as described in R6-5-4905;
 2. Submit all required verification information within 10 days of the notice date of a written request for verification, or within 30 days of the application file date whichever is later; or
 3. Cooperate during the eligibility determination process as required by R6-5-4911(A).
- C. When an applicant satisfies all eligibility criteria, the Department shall determine the service authorization amount, the fee level and copayment amount (if applicable), approve Child Care Assistance, and send the applicant an approval notice. The approval notice shall include the amount of assistance, fee level and copayment information, and an explanation of the applicant's appeal rights.

R6-5-4909. 12-month Review

- A. The Department shall complete a review of all eligibility factors for each client at least once every 12 months, beginning with the 12th month following the 1st month of Child Care Assistance eligibility.
- B. The Department may elect to review eligibility factors more frequently than every 12 months.
- C. At least 30 days prior to the 12-month review date, the Department shall mail the client a notice advising of the need for a review, and the requirement to submit a completed review application and verification of income and other eligibility factors for the most recent calendar month.
- D. In response to such notice, the client shall mail or deliver to the Department a completed review application and verification by the date on the notice.
- E. The Department shall verify the client's income and any eligibility factors ~~which~~ that have changed or are subject to change.
- F. The Department shall terminate Child Care Assistance effective the review date and deny the review application if the client:
 1. Fails to submit the review application by the review date, or
 2. Fails to submit requested verification by the review date as required by the Department for a redetermination of eligibility.
- G. If the client submits the review application and required verification within 30 days after the review date, the Department shall not require the client to appear for an intake interview, and shall approve Child Care Assistance effective the date that the application and verification were received if other eligibility criteria are met.

R6-5-4910. Reinstatement of Assistance

- A. If the Department has terminated Child Care Assistance, the Department shall not reinstate assistance unless the client

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files a new application.

- B.** Notwithstanding subsection (A), the Department shall reinstate assistance within 10 calendar days when:
1. Termination was due to Department error; the Department shall reinstate assistance effective the date following the date of termination;
 2. The Department receives a court order or administrative hearing decision mandating reinstatement; the Department shall reinstate assistance effective the date prescribed by the court order or hearing decision; or
 3. The recipient files a request for a fair hearing within 10 days of the notice date of the termination notice and requests that assistance be continued pending the outcome of an appeal; the Department shall reinstate assistance effective the date following the date of termination.

R6-5-4911. General Eligibility Criteria

A. Applicant and Recipient Responsibility.

1. An applicant for or recipient of Child Care Assistance shall cooperate with the Department as a condition of initial and continuing eligibility. The client shall:
 - a. Give the Department complete and truthful information;
 - b. ~~Inform the Department of all changes~~ Within 2 business days from the date the change becomes known, inform the Department of all changes in:
 - i. Income;
 - ii. Eligible activities as described in R6-5-4912;
 - iii. Work or school schedules;
 - iv. Persons moving in or out of the household;
 - v. Tax claimants moving in or out of the household;
 - vi. ~~Other circumstances affecting eligibility or the amount of assistance authorized; within 2 work days from the date the change becomes known;~~ and
 - c. Comply with all the Department's procedural requirements.
2. The Department may deny an application for or reduce or terminate assistance, if the client fails or refuses to cooperate with the Department to determine eligibility. ~~as requested.~~

B. Eligible Applicants.

1. In order to be considered an eligible applicant for Child Care Assistance, a client shall reside with the child needing care and shall be: ~~a relative or guardian as described in this Section.~~
 - a. The parent of the child for whom assistance is being requested; or
 - b. The ~~nonparent caretaker~~ relative related by either blood, adoption, or marriage to the child for whom assistance is requested, including a brother, sister, aunt, uncle, first cousin, grandmother, grandfather, and persons of preceding generations as denoted by "grand", "great", or "great-great".
 - c. A court-appointed legal guardian for the child for whom assistance is requested, or a person who can provide documentation from the court that the process of legal guardianship has been initiated.
2. When more than one applicant resides in the home, or the child resides with 2 different caretakers intermittently, the Department shall determine the eligible applicant for Child Care Assistance as follows:
 - a. If both the parent and a caretaker relative are in the home, the parent is the eligible applicant.
 - b. If both a legal guardian and the parent are in the home, the legal guardian is the eligible applicant;
 - c. If a caretaker relative whose legal guardianship has been terminated and the parent are both in the home, the parent is the eligible applicant;
 - d. When the child resides with a caretaker relative or legal guardian who is acting as caretaker at least 51% percent of the time, and the parent either maintains a separate residence and visits the child intermittently, or resides outside of the child's home for an indefinite period of time, the caretaker relative or legal guardian of the child is the eligible applicant for the child.
 - i. An eligible applicant cannot be the noncertified relative provider or certified provider of the child for whom he or she is applying for assistance.
 - ii. The Department shall not consider the tax claimant status of the caretaker relative or legal guardian under R6-5-4914(D) with respect to any member of the eligible family.
 - e. When the child resides with 2 or more caretaker relatives, the caretaker relative who will be claiming the child as a dependent for income tax purposes is the eligible applicant for Child Care Assistance.
- 2.3. Acceptable verification of guardianship shall include the following court documents:
 - a. Petition for Temporary Appointment of Guardian (date stamped as received by the court);
 - b. Petition for Permanent Appointment of Guardian (date stamped as received by the court);
 - c. Order of Appointment of a Temporary Guardian;
 - d. Order of Appointment of a Permanent Guardian;
 - e. Letters and Acceptance of Permanent Guardianship.
- 3.4. If the client has not been appointed as a guardian when the Department authorizes Child Care Assistance, the client shall ~~to~~ continue the legal process for appointment in order to retain eligibility for Child Care Assistance.

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- 4.5. The client shall verify relationship or guardianship status as requested by the Department.
- C. Arizona Residency. The client and the child for whom assistance is requested shall be Arizona residents, and shall be physically present within Arizona.
- D. Age of the Child. An eligible child is birth through 12 years of age only; a child aged 13 or older is ineligible for Child Care Assistance.
- E. Citizenship and Legal Residency Requirements.
1. The client shall be a United States citizen; or shall be a legal resident of the United States.
 2. The client shall verify citizenship or legal residency status as requested by the Department by providing a birth certificate, naturalization documentation, or alien or immigration registration documentation from the U.S. Immigration and Naturalization Service (INS).
- F. Eligible Activity or Need.
1. The client, and any other parent or responsible person in the household shall be engaged in an eligible activity, or have an eligible need for Child Care Assistance as prescribed in R6-5-4912 ~~which~~ that causes ~~them~~ each client, parent, or responsible person to be unavailable to provide care to the child for whom assistance is requested.
 2. ~~Each parent or responsible person in the household shall have an eligible activity or need.~~
 2. The Department does not require a tax claimant to be engaged in an eligible activity, unless the tax claimant is the other parent of a child receiving Child Care Assistance.
- G. Availability of the Client, Parent, and Responsible Person.
1. The Department shall consider the availability of the client, and any other parent or responsible person in the household in determining eligibility and the amount of ~~service~~ Child Care Assistance authorized for each individual child needing care.
 2. The client, parent, and any other responsible person in the household shall be unavailable to provide care to the child for whom assistance is being requested for a portion of a 24-hour day due to an eligible activity or need.
 3. In a family with more than ~~1~~ one parent or responsible person, the Department shall authorize Child Care Assistance ~~shall be authorized~~ for the period of time that neither the parent nor the responsible person is available due to an eligible activity or need ~~only~~.
 4. The Department shall not consider the availability of a tax claimant in determining eligibility or amount of Child Care Assistance authorized for the client's children, unless the tax claimant is the other parent of a child receiving Child Care Assistance.
- H. Provider Selection and Arrangements.
1. The Department shall not authorize Child Care Assistance until the applicant has selected a child care provider. An allowable child care provider for DES Child Care Assistance:
 - a. Shall be one of the following:
 - i. A DHS licensed child care center;
 - ii. A DHS certified group home;
 - iii. A DES certified family child care home;
 - iv. A DES certified in home care provider;
 - v. A DES noncertified relative provider;
 - vi. A regulated provider meeting requirements established by military installations or federally recognized Indian Tribes.
 - b. Shall have a registration agreement with the Department.
 2. The Department shall not authorize Child Care Assistance with a noncertified relative provider when Child Care Assistance is requested for a CPS referred family, or a CPS or DDD foster family;
 3. The Department shall not authorize Child Care Assistance with a noncertified relative or certified provider when:
 - a. The relative or certified provider is the natural, step, or adoptive parent of the child for whom assistance is requested;
 - ~~a-b.~~ Child Care Assistance is requested by a Cash Assistance participant and the relative or certified provider is included in the same Cash Assistance grant as the child care applicant; or
 - ~~b-c.~~ The relative or certified provider is included in family size as prescribed in R6-5-4914(D), ~~or~~ is the applicant for Child Care Assistance, or is the applicant's spouse.
 - ~~d.~~ The relative is the natural, step, or adoptive parent of the child for whom assistance is requested.

R6-5-4912. Eligible Activity or Need

- A. Eligible activities and needs for Child Care Assistance are described in this subsection:
1. Employment. Full or part-time employment for monetary compensation;
 2. Self Employment. Full or part time self employment for monetary compensation.
 3. Education and Training Activities with Minimum Work Requirement. A client who is employed shall be eligible to receive Child Care Assistance for education and training activities as prescribed in subsections (a), (b), and (c) below.
 - a. Post secondary education in a college or trade school.
 - i. The client is employed an average of at least 20 hours per week, per calendar month;

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- ii. A self-employed client meets the 20 hour work requirement if the client's monthly net profit, divided by the current minimum wage standard, equates to the average 20 hour weekly work requirement.
- iii. The education or training activity is related to the client's employment goal.
- iv. The client's educational level is freshman or sophomore as defined by the educational institution, or the educational activities are in pursuit of an Associate Degree, or the client is in training at a vocational or trade school.
- v. The client shall maintain satisfactory progress in the educational activity and remain in good standing, as defined by the educational institution.
- vi. The client has not received more than the lifetime limit of 24 months of Child Care Assistance for education and training activities. Child Care Assistance authorized for educational activities before August 1, 1997 does not count toward the 24 month limit.
- vii. Countable months toward the 24 month limit are those calendar months in which the Department authorized additional child care services for education and training needs; the Department shall not calculate the 24 month limit based on monthly usage.
- viii. The client assumes full responsibility for employment goals and educational choices made; the Department is under no obligation to provide Child Care Assistance until educational or employment goals are attained.
- ix. The Department shall authorize Child Care Assistance for actual class time; time between classes as determined by the Department; and travel time to and from school only.
- x. Correspondence courses, home study courses, and study time are not eligible educational activities for Child Care Assistance.
- b. High School, G.E.D., E.S.O.L., and Remedial Educational Activities for Adults age 20 and Older.
 - i. The client is employed an average of at least 20 hours per week, per month.
 - ii. A self-employed client meets the 20 hour work requirement if the person's monthly net profit, divided by the current minimum wage standard, equates to the average 20 hour weekly work requirement.
 - iii. The educational or training activity is related to the client's employment goal.
 - iv. The client shall maintain satisfactory progress in the educational activity and remain in good standing, as defined by the educational institution.
 - v. The client has not received more than the lifetime limit of 12 months of Child Care Assistance for education and training activities described in this ~~section~~ Section. Child Care Assistance authorized for educational activities before August 1, 1997 does not count toward the 12-month limit.
 - vi. Countable months toward the 12-month limit are those calendar months in which the Department authorized additional child care services for education and training needs. The Department shall not calculate the 12-month limit based on monthly usage.
 - vii. The client assumes full responsibility for employment goals and educational choices made; the Department is under no obligation to provide Child Care Assistance until educational and employment goals are attained.
 - viii. Allowable educational activities are: attendance at high school, G.E.D. or E.S.O.L. classes, or remedial educational activities as determined allowable by the Department.
 - ix. The Department shall authorize Child Care Assistance for actual class time; time between classes as determined by the Department; and travel time to and from school only.
 - x. Correspondence courses, home study courses, and study time are not allowable educational activities for DES Child Care Assistance.
- c. Cash Assistance participants who are sanctioned due to ~~JOBS~~ Jobs noncompliance are ineligible for Child Care Assistance for education and training activities in any month when a ~~JOBS~~ Jobs sanction is applied to the Cash Assistance case, unless the education and training activities are ~~JOBS~~ Jobs approved.
- 4. Teen Parents in Education and Training Activities. Teen parents are eligible for Child Care Assistance for education and training activities according to the following criteria:
 - a. The teen parent is under age 20.
 - b. The teen parent is attending high school, G.E.D. or E.S.O.L. classes, or remedial educational activities in pursuit of a high school diploma.
 - c. Child Care Assistance for teen parents for the educational activities described in this ~~section~~ Section is not time-limited. The teen parent shall continue to receive assistance for the educational activity if eligibility criteria are met and until the teen parent:
 - i. receives a diploma or certificate; or
 - ii. attains the age of 20 years, whichever occurs first.
 - d. If the teen parent attends post secondary educational activities, the eligibility criteria outlined under "Post Secondary Education" in subsection (3)(a) shall apply.
 - e. The Department shall authorize Child Care Assistance for actual class time; time between classes as determined by the Department; and travel time to and from school only.

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- f. Correspondence courses, home study courses, and study time are not allowable educational activities for Child Care Assistance.
 - g. Cash Assistance participants who have been sanctioned due to ~~JOBS Jobs~~ noncompliance are ineligible for Child Care Assistance for education and training activities in any month that a ~~JOBS Jobs~~ noncompliance sanction is applied to the Cash Assistance case, unless the education and training activities are ~~JOBS Jobs~~ approved.
 5. Participation in ~~JOBS Jobs~~ Approved Activities. Individuals participating in the ~~JOBS Jobs~~ Program and who receive Cash Assistance shall be eligible for Child Care Assistance if the following criteria are met.
 - a. The individual is referred by a ~~JOBS Jobs~~ Program Specialist to CCA for Child Care Assistance.
 - b. The individual is required to contact a local DES Child Care Office to notify CCA of the selection of a provider, and to cooperate with CCA to arrange child care services.
 - c. The Child Care service authorization shall be based on the days and hours of the approved ~~JOBS Jobs~~ activity as specified by the ~~JOBS Jobs~~ Program Specialist in the ~~JOBS Jobs~~ referral.
 - d. ~~JOBS Jobs~~ participants shall receive Child Care Assistance for ~~JOBS Jobs~~ approved educational and training activities only. Educational and training activities that are not ~~JOBS Jobs~~ approved are not eligible activities for Child Care Assistance for ~~JOBS Jobs~~ participants.
 6. Unable or Unavailable to Provide Care. Clients who are unable or unavailable to care for their own children for a portion of a 24-hour day are eligible for Child Care Assistance according to the following criteria.
 - a. Clients who are unable to care for their own children due to a physical, mental or emotional disability are eligible for Child Care Assistance when the diagnosis, inability to care for the children, and anticipated recovery date (or the date of the next medical evaluation) have been verified by a licensed physician, certified psychologist, or certified behavioral health specialist.
 - b. The Department shall authorize Child Care Assistance to cover:
 - i. The amount of time the client is unable to care for the child; and
 - ii. The amount of time needed for ongoing treatment for the specified condition as verified by the physician, certified psychologist, or certified behavioral health specialist.
 - c. Child Care Assistance shall not cover intermittent and routine appointments that are not part of an ongoing treatment plan.
 - d. Clients participating in a drug rehabilitation program are eligible for Child Care Assistance to participate in activities as specified by the drug rehabilitation program.
 - e. Clients participating in a court-ordered community service program are eligible for Child Care Assistance to support required community service participation as specified by the court.
 - f. Clients who are residents of a homeless or domestic violence shelter are eligible for Child Care Assistance based on shelter residency, and on verification provided by an authorized representative at the shelter. Child Care Assistance shall cover:
 - i. The days and hours that the client is unavailable to provide care to their own child due to participation in shelter directed activities as verified by an authorized representative of the shelter; and
 - ii. The days and hours that the client is unable to provide care to their own child due to a physical, mental, or emotional disability as verified by a licensed physician, certified psychologist, or a certified behavioral health specialist.
- B. Gaps In Employment.** Clients receiving Child Care Assistance are eligible for continued assistance during gaps in employment.
1. The Department shall continue Child Care Assistance for each parent, legal guardian, or relative caretaker in the eligible family during no more than two gaps in employment of 30 days in each 12-month period.
 2. The Department shall authorize Child Care Assistance during a 30-day gap in employment beginning the day after the last day worked, after the client provides verification of his or her job termination date.
 3. Gaps in employment may be consecutive (if requested).
 - a. The Department shall continue Child Care Assistance for an additional 30 days upon request of the client, if the client has not already used Child Care Assistance during 2 gaps in employment in the most recent 12-month period immediately preceding the job termination date.
 - b. The second gap in employment shall begin the day after the last day of the first gap in employment.
 4. The Department shall continue to authorize the same number of units of Child Care Assistance as previously authorized for the employment activity.
 5. The Department shall decrease the client's fee level and copayment under Appendix A, based on the loss of earned income effective the date that terminated employment has been verified, or the day after the last day worked, whichever is the later date.
 6. The Department shall end Child Care Assistance during a gap in employment on the 30th day after the client's last day worked, or on the 60th day after the client's last day worked if 2 consecutive gaps were authorized, unless the client can verify participation in a new eligible activity.
 7. When a client fails to report job loss timely as described under R6-5-4911(A)(1), and continues to use Child Care

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Assistance, the Department shall automatically reduce the overpayment period by subtracting any unused gaps in employment in lieu of the corresponding months of overpayment.

8. Child care utilized during a gap in employment shall count toward the 60 month per child time limit for Child Care Assistance under R6-5-4919.
- 7-9. CPS Referred Families and CPS and DDD Foster Families.
 - a. Child Care Assistance shall be provided to families requiring assistance as documented in a CPS case plan, or to children who are in the care, custody, and control of the Department, and who need Child Care Assistance as documented in a foster care case plan.
 - b. Eligibility for Child Care Assistance under this provision shall be determined by CPS and DDD on a case by case basis.
- B. Verification of Eligible Activity or Need. The client shall verify eligible activities and needs as requested by the Department. Acceptable verification shall include:
 1. Pay stubs for the most recent 30-day period calendar month;
 2. Employer's statement verifying start date, hourly rate of pay, work schedule, and frequency of pay including:
 - a. The date of receipt of the first full paycheck if the client is newly employed; and
 - b. The last day worked, if the client's employment has terminated.
 3. Quarterly or annual tax statement for the most recent calendar quarter or year to verify self employment activities;
 4. Self employment log to document self employment activities and income accompanied by receipts for gross sales and business expenses for the most recent calendar month or quarter;
 5. Written verification from an educational institution to verify days and hours of attendance, start and end dates of the activity, educational level, and satisfactory progress;
 6. Written verification from a licensed physician, certified psychologist, or certified behavioral health specialist indicating the diagnosis, inability to care for the child, days and hours that child care is needed, and the anticipated recovery date;
 7. Written verification from a homeless or domestic violence shelter indicating the days, hours, and duration that child care is needed as prescribed in subsection (F).

R6-5-4913. Applicants and Recipients as Child Care Providers

- A. The client for Child Care Assistance may also be the child care provider for any child for whom assistance is requested when:
 1. The client works for but is not the DES contracted party for the provision of Child Care Assistance;
 2. The client receives monetary compensation for work performed as a child care provider;
 3. The client cares for other unrelated children, for whom client does not receive Child Care Assistance, as well as for the child for whom the client has applied for Child Care Assistance; and
 4. The client is unavailable to provide care to the child for whom assistance is requested. When the client is also the child care provider, this is defined as:
 - a. There is no "not for compensation" slot available for the child; and
 - b. Caring for the child as well as for the other children for whom the child care provider receives compensation, would exceed the ratio per state certification or licensing standards pursuant to A.R.S. § 36-897.01 and 6 A.A.C. 5, Article 52.
- B. If there is no "not for compensation" slot available for the child, and other eligibility criteria described in this Article are met, the client for Child Care Assistance may also be the child care provider for the child for whom assistance is requested.

R6-5-4914. Income Eligibility Criteria

- A. Child Care Assistance Without Regard to Income. The Department shall not determine income eligibility for Child Care Assistance for the following:
 1. ~~JOBS~~ Jobs participants who need Child Care Assistance to participate in the ~~JOBS~~ Jobs Program, and who are referred to CCA as prescribed in R6-5-4904(B).
 2. Cash Assistance participants who need Child Care Assistance to maintain employment.
 3. CPS referred families, and CPS or DDD foster families who need Child Care Assistance as documented in a CPS or foster care case plan, and who are referred to CCA as prescribed in R6-5-4904(B).
- B. Child Care Assistance With Regard to Income. The Department shall determine income eligibility for Child Care Assistance for the following:
 1. Former Cash Assistance participants who need Child Care Assistance to maintain employment as prescribed in R6-5-4916(A).
 2. Clients who are not Cash Assistance participants but who need Child Care Assistance to maintain employment.
 3. Teen parents who need Child Care Assistance for educational activities as prescribed in R6-5-4912(D).
 4. Clients who need Child Care Assistance because they are unable or unavailable to care for their own children due to physical, mental or emotional disability, participation in a drug treatment or court-ordered community service pro-

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- gram, or residency in a homeless or domestic violence shelter as prescribed in R6-5-4912(F).
- C. Income Maximum for Child Care Assistance. The Department shall determine income eligibility by calculating the gross monthly income of all family members included in family size unless otherwise excluded as prescribed in subsections (D), (E), (F), and (H).
1. If the gross monthly income for the family is equal to or less than ~~135%~~ 165% FPL, the family meets the income eligibility requirements for Child Care Assistance.
 2. If the gross monthly income for the family exceeds ~~135%~~ 165% FPL, the family does not meet the income eligibility requirements for Child Care Assistance.
- D. Family Size Determination. The Department shall ~~determine family size~~ include the countable income of every person included in family size for the purpose of determining income eligibility.
1. Family size shall consist of:
 - a. The applicant for Child Care Assistance;
 - b. The applicant's natural, adoptive, and step children;
 - c. Any other parent or responsible person living in the household who is legally and financially responsible for either the applicant, or for the children needing care; ~~and~~
 - d. The children of the other parent or responsible person residing in the same household; and
 - e. The tax claimant under subsection R6-5-4914(D)(3).
 2. When a parent applies for Child Care Assistance for a natural, adoptive, or step child~~ren~~, the Department shall:
 - a. If the applicant and other adult in the household are married, or have children in common who need child care, make one family size determination ~~shall be made~~ for the family.
 - b. ~~Count~~ Count the income of both parents ~~shall be counted~~.
 3. When a tax claimant resides in the household with a parent who is applying for or receiving Child Care Assistance, the Department shall include the tax claimant in family size if:
 - a. The tax claimant states an intention to claim any of the following members of the eligible family residing in the same household as a dependent on the tax claimant's federal or state income tax return for the current calendar year:
 - i. The parent who is the applicant;
 - ii. The parent's natural, adoptive, or step children less than 18 years of age;
 - iii. The parent's spouse;
 - iv. The other parent of the children for whom assistance is requested, or who are receiving Child Care Assistance; or
 - v. The dependent children of the other parent residing in the household, and who are included in family size.
 - b. The tax claimant signs a declaration stating the intention to claim specific members of the eligible family as tax dependents for the current calendar year.
 4. The Department shall include the tax claimant's dependent children under age 18 and spouse residing in the same household in family size.
 5. When the applicant and his or her spouse are legally married and do not reside in the same household, but have the intention of remaining a family, the Department shall include the spouse in family size if the absent spouse is engaged in an eligible activity under R6-5-4912.
 - 3-6. ~~When a nonparent caretaker relative applies for Child Care Assistance for another other related children only (children who are not the applicant's own children, but who are related, such as grandchildren, nieces, nephews, siblings, or first cousins):~~
 - a. Family size shall consist of the other related child or children only; and the nonparent relative shall not be included.
 - b. The Department shall exclude both the nonparent caretaker relative's and his or her spouse's income shall be excluded from the family size determination.
 - 4-7. When the applicant applies for Child Care Assistance for natural, adoptive, or step children, and also for another related child~~ren~~, the Department shall make one family size determination ~~shall be made~~ for the family:
 - a. Family size shall consist of the applicant, the applicant's child~~ren~~, the any other related eligible children who need care, and any other parent or responsible person in the household.
 - b. ~~The applicant's and other parent's or responsible person's income shall be counted.~~
 - e-b. Any income received by or for ~~the an~~ an "other related" child less than 13 years of age shall be counted.
 - c. If there is another relative in the household who states an intention to claim an other related child as a dependent for income tax purposes, this tax claimant must be the applicant for the child. The Department shall determine family size separately for this child under R6-5-4914(D)(6).
 - 5-8. When an unwed minor parent applies for Child Care Assistance for his or her own child, and resides with his or her parents:
 - a. ~~One family size determination shall be made for the family.~~
 - b-a. The Department shall include the following ~~shall be included~~ in family size, unless the minor parent or the minor

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- parent's children are tax dependents as described under subsection (d) below:
- i. The minor parent; and
 - ii. The minor parent's child.
 - iii. The parents of the minor parent; and
 - iv. The minor parent's siblings (under age 18);
- e. The monthly gross countable income received by of the minor parent and his or her parents shall be considered in the income eligibility determination.
- b. The Department shall not include the parents and siblings of the unwed minor parent in family size.
- c. The Department shall deem a portion of the monthly gross countable income received by the parent of the minor parent to be available to meet the needs of the unwed minor parent and his or her children as described in this subsection, unless the parent of the minor parent is a tax claimant, under subsection (d) below.
- i. The Department shall calculate the monthly gross countable income of the parents of the unwed minor parent;
 - ii. The Department shall subtract the amount of monthly gross countable income that equates to 165% FPL as specified in Appendix A, for the number of parents and siblings of the unwed minor parent residing in the same household only; and
 - iii. The Department shall count the remaining monthly gross countable income received by the parents of the unwed minor parent as available to meet the needs of the unwed minor parent and his or her children in the income eligibility determination.
- d. If a parent of the minor parent is a tax claimant who intends to claim the minor parent or the minor parent's child as a tax dependent, the Department shall determine family size as follows:
- i. The Department shall include the tax claimant, the tax claimant's spouse, and the tax claimant's dependent children residing in the same household in family size with the minor parent, and his or her child; and
 - ii. The Department shall count all countable income received by the tax claimant and the tax claimant's spouse in the income eligibility determination.
9. When a married, separated, widowed, or divorced minor parent applies for Child Care Assistance for his or her own children:
- a. The Department shall include the minor parent and his or her own dependent children in family size;
 - b. The Department shall include monthly gross countable income received by the minor parent and the other parent or responsible person residing in the home in the income eligibility determination;
 - c. The Department shall not consider income received by the parent of the minor parent in the income eligibility determination, unless the parent of the minor parent is a tax claimant, under subsection (8)(d); and
 - d. The Department shall not include parents and siblings of the minor parent in family size, unless the parent of the minor parent is a tax claimant, under subsection (8)(d).
10. If a tax claimant included in family size is also a parent who needs Child Care Assistance for his or her own child, the tax claimant shall submit a separate application.
- a. The Department shall make a separate eligibility and family size determination for the tax claimant's dependent children less than age 18.
 - b. The Department shall include the parent, spouse or other parent or responsible person, and their dependent children in family size.
611. When a guardian applies for Child Care Assistance for a child in guardianship only, the Department shall:
- a. Make one ~~One~~ family size determination ~~shall be made~~ for the child in guardianship.
 - b. Include all ~~All~~ children in guardianship ~~shall be included~~ in family size (~~separate family size determinations shall not be made for individual children in guardianship~~).
 - c. Exclude the ~~The~~ guardian and ~~their~~ the guardian's spouse ~~shall not be included in~~ from family size; ~~their income shall be excluded~~.
 - d. Count the income ~~Income~~ received by or for the children in guardianship ~~shall be counted~~.
 - e. If the parent of the child needing care is also in the household, the Department shall not include the parent in family size; and shall not count his or her income.
- 7-12. When the applicant applies for Child Care Assistance for natural, step, or adoptive children in addition to the children in guardianship, the Department shall:
- a. Make one ~~One~~ family size determination ~~shall be made~~.
 - b. Include in family ~~Family~~ size ~~shall consist of~~ the applicant, the applicant's children, the children in guardianship less than 13 years of age who need care, and any other parent or responsible person in the household.
 - c. Count the ~~The~~ applicant's and other parent's or responsible person's income ~~shall be counted~~.
 - d. Count the income ~~Income~~ received by or for the children in guardianship less than 13 years of age ~~shall be counted~~.
13. When a foster parent applies for Child Care Assistance for his or her own children:
- a. The Department shall include the applicant, other parent or responsible person, and their children in family size;

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and

b. The Department shall not include the foster child in family size unless the foster child is a relative.

E. Verification of Tax Claimant Status

1. The Department shall verify tax claimant status as described in R6-5-4914(D) by requiring:

a. The client to submit a signed and dated declaration stating that no relative 18 years of age or older residing in the same household intends to claim any member of the eligible family as a tax dependent for the current calendar year; or

b. The client and the relative 18 years of age or older residing in the same household who intends to claim a member of the eligible family as a tax dependent for the current calendar year to:

i. Submit a signed and dated declaration stating that fact; and

ii. State the name of the family member whom the relative intends to claim as a tax dependent.

2. The Department shall include the tax claimant, his or her spouse, and dependent children in family size upon receipt of the signed declaration.

3. If the tax claimant no longer intends to claim a member of the eligible family as a tax dependent, the client must sign and date a new declaration.

a. The new declaration shall specify that the tax claimant no longer intends to claim a member of the eligible family as a tax dependent.

b. The Department shall remove the tax claimant, tax claimant's spouse, and his or her dependent children from family size after receipt of the signed declaration.

E.F. Countable Income. The Department shall count the gross monthly income of a family as prescribed in subsection (D); countable income shall include:

1. Gross earnings received for work including wages, salary, armed forces pay (with the exception of specifically designated allotments for food and shelter costs), commissions, tips, overtime, piece-rate payments, and cash bonuses earned, before any deductions.

2. Net income from non-farm self employment ~~which includes~~ including gross receipts minus business expenses. Gross receipts include the value of all goods sold and services rendered. Business expenses include costs of goods and services purchased or produced, rent, heat, light, power, depreciation charges, wages, and salaries paid, business taxes and other expenses incurred in operating the business. The value of salable merchandise consumed by the proprietors of retail stores is not included as part of net income. Payments on loans or mortgages obtained to increase capital investments in property or equipment are not allowed as deductible expenses.

3. Net income from farm self employment which includes gross receipts minus operating expenses. Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others and incidental receipts from the sale of wood, sand, gravel, and similar items. Operating expenses include costs of feed, fertilizer, seed, and other farming supplies, wages paid to farmhands, depreciation charges, cash rent, and interest on farm mortgages, farm building repairs, farm taxes, and other expenses incurred in operation of the farm. The value of fuel, food, or other farm products used for family living is not included as part of net income. Payments on loans or mortgages obtained to increase capital investments in property or equipment are not allowed as deductible expenses.

4. Social Security payments prior to deductions for medical insurance including Social Security benefits and "survivors" benefits, and permanent disability insurance payments made by the Social Security Administration.

5. Railroad retirement insurance income.

6. Dividends including interest on savings, stocks, and bonds, income and receipts from estates or trusts, net rental income or royalties, receipts from boarders or lodgers (net income received from furnishing room and board shall be one third of the total amount charged). Interest on Series H. United States Government Savings ~~b~~Bonds.

7. Mortgage payments received shall be prorated on a monthly basis.

8. Public assistance payments including payments from the following programs: Cash Assistance, Supplemental Security Income (SSI), State Supplementary Payments (SSP), General Assistance (GA), Bureau of Indian Affairs General Assistance (BIAGA), and Tuberculosis Control (TC).

9. Pensions and annuities including pensions or retirement benefits paid to a retired person or their survivors by a former employer or by a union, or distributions or withdrawals from an individual retirement account.

10. Unemployment Insurance payments including compensation received from government unemployment insurance agencies or private companies during periods of unemployment, and any strike benefits received from union funds.

11. Worker's compensation payments.

12. Money received from the Domestic Volunteer Act when the adjusted hourly payment is equal to or greater than minimum wage; Action Volunteer Programs include VISTA, Foster Grandparent Program (FGP), Retired Senior Volunteer Program (RSVP), and Senior Companion Program (SCP).

13. Alimony or spousal maintenance which shall be counted the month received.

14. Child support which shall be counted the month received.

15. Veterans' pensions including benefits and disability payments paid periodically by the Veterans Administration to

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members of the Armed Forces or to a survivor of deceased veterans.

16. Cash gifts received on a monthly basis from relatives, other individuals, and private organizations, as a direct payment in the form of money.
17. Money received through the lottery, sweepstakes, contests, or through gambling ventures whether received on an annuity or lump sum basis.
18. Any other source of income not specifically excluded in subsection (F).

F.G. Excluded Income. The Department shall exclude the items listed in this subsection when determining a family's gross monthly income.

1. Per capita payments to or funds held in trust for any individual in satisfaction of a judgment of the Indian Claims Commission or the Court of Claims.
2. Payments made pursuant to the Alaska Native Claims Settlement Act to the extent such payments are exempt from taxation under section 21 (a) of the Act.
3. Money or capital gains received as a lump sum, from the sale of personal or real property, such as stocks, bonds, or a car (unless the person was engaged in the business of selling such property, in which case the net proceeds would be counted as income from self employment).
4. Withdrawals of bank deposits.
5. Loans; money borrowed.
6. Tax refunds.
7. Any monies received through the federal Earned Income Credit (EIC).
8. One time lump sum awards or benefits, including:
 - a. Inherited funds;
 - b. Insurance awards;
 - c. Damages recovered in a civil suit;
 - d. Monies contributed by a client to a retirement fund that are later withdrawn prior to actual retirement; and
 - e. Retroactive public assistance payments.
9. The value of U.S. Department of Agriculture (USDA) Food Stamps.
10. The value of USDA donated food.
11. The value of any supplemental food assistance received under the Child Nutrition Act of 1966 and special food service program for children under the National School Lunch Act, the Women, Infant, and Children Program (WIC), Child and Adult Care Food Program (C.A.C.F.P.), and the School Lunch Program.
12. Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (e.g. Navajo/Hopi Relocation Act).
13. Earnings of a child who is under the age of 18 and attending high school or other training program, and who is not an ~~unwed~~ minor parent who needs Child Care Assistance for his or her own child.
14. Home produce used for household consumption.
15. Government sponsored training program expenses (TRE payments) such as: training related expenses paid to ~~JOBS~~ Jobs participants and Job Training Partnership Act (JTPA) training expenses paid directly to the client.
16. The value of goods or services received in exchange for work.
17. Interest on Series E., United States Government Savings ~~b~~Bonds.
18. Foster care maintenance payments received for care of foster children.
19. Adoption subsidy payments received for the care of adopted children.
20. Educational loans, grants, awards, and scholarships regardless of their source, including Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Bureau of Indian Affairs (BIA) Student Assistance Grants, college work study income, Carl D. Perkins Vocational and Applied Technology Education Act income, and any other state or local, public or private educational loans, grants, awards, and scholarships.
21. Money received from the Domestic Volunteer Act when the adjusted hourly payment is less than minimum wage; Action Volunteer Programs include VISTA, Foster Grandparent Program (FGP), Retired Senior Volunteer Program (RSVP) and Senior Companion Program (SCP).
22. Housing and Urban Development (HUD) benefits, cash allowances and credits against rent.
23. Vendor payments including payments made directly to a third party by friends, relatives, charities, or agencies to pay bills for the client.
24. Vocational Rehabilitation training related expenses (TRE) which are reimbursements for expenses paid. Subsistence and maintenance allowances and incentive payments not designated as wages.
25. Disaster relief funds and emergency assistance provided under the Federal Disaster Relief Act, and comparable assistance provided by a State, local government, or disaster assistance organization.
26. Energy assistance including all state or federal benefits designated as "energy assistance" or assistance from a municipal utility or non-profit agency.
27. Agent Orange payments.
28. Any other income specifically excluded by applicable state or federal law.

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- ~~6.H.~~ Income Deduction. Child support that is paid for dependents who do not reside in the same household with the eligible family shall be deducted from the monthly gross countable income prior to income calculation and fee level and copayment assignment as prescribed in subsection (H.I) and R6-5-4915.
- ~~H.I.~~ Income Calculation. The Department shall calculate monthly income as prescribed in this subsection.
1. The Department shall include all income of all family members included in the family size determination, other than income excluded as prescribed in R6-5-4914(G) in the determination of income eligibility.
 2. The Department shall calculate a monthly figure for each source of income separately with the appropriate method used for calculation.
 3. After calculating monthly income for each source of income, the Department shall add the monthly amounts from each source to obtain the total monthly income.
 4. The Department shall convert income received less often than monthly to a monthly figure as provided in this subsection.
 - a. The Department shall prorate the total income over the number of months that the income is intended to cover.
 - b. If the income is received on or after the date of application, a monthly share of income shall be considered beginning with its earliest possible effective date and for a number of months equal to the number of months which the income covers.
 - c. If the family receives the income prior to the date of application, the number of months that the income is intended to cover shall be equal to the number of months of coverage remaining.
 - ~~5.~~ ~~When a family receives a new income source that will be received monthly, weekly, bi-weekly or semi-monthly, the income shall not be considered available to the family until the date that the first payment is received. Until the monies are available to the client, a new fee level or ineligibility shall not be assessed to the client. When a client has already received the payment which includes the new income source, and a higher fee level or ineligibility results, the Department shall send a 10-day negative action notice prior to increasing the fee level or terminating assistance.~~
 - ~~5.~~ The Department shall anticipate income for a current or future month based on the averaged income received in the most recent 30-day period, unless the Department receives new information that indicates that the income has changed, as verified under subsection (J).
 - a. If the income received by the household has increased due to receipt of a new source of income, an increased work schedule, or a raise in salary or wages, the Department shall calculate the gross monthly countable income for the household based on the amount of income anticipated to be received on a monthly basis. The Department shall begin counting the new or increased income as described under subsection (6).
 - b. If the income received by the household has decreased due to loss of a source of income, a decreased work schedule, or a reduction in salary or wages, the Department shall cease counting the income effective the date that the client provides verification of the loss or reduction in income.
 - ~~5.6.~~ When a family receives a new or increased income source that will be received monthly, weekly, bi-weekly, or semi-monthly:
 - a. The income shall not be considered available to the family until the date that the first full payment is received.
 - b. The Department shall not assess a new fee level or ineligibility to the client until the monies are available.
 - c. Once the client has already received the payment that includes the new or increased income source, and a higher fee level or ineligibility results:
 - i. The Department shall increase the fee level or terminate assistance no earlier than 10 days after the first full paycheck has been received; and
 - ii. The Department shall send a 10-day negative action notice prior to increasing the fee level or terminating assistance.
 - ~~6.7.~~ The Department shall convert income received more often than monthly, for a period covering less than a month, to a monthly amount by 1 of the methods listed below.
 - a. If the income amount does not vary and is received monthly, weekly, bi-weekly, or semi-monthly, the conversion to a monthly amount will be obtained by multiplying the pay period amount by:
 - i. 1, if monthly;
 - ii. 4.3, if weekly;
 - iii. 2.15, if bi-weekly; or
 - iv. 2, if semi-monthly.
 - b. This amount shall be applied as income on an ongoing monthly basis until there is a change in the income.
 - c. If the monthly income received varies in amount and frequency, and exact monthly figures are unavailable, the Department shall use an average monthly figure.
 - ~~7.8.~~ When the Department calculates the gross monthly income for the family, the whole dollar amount only shall be used to determine income eligibility, and fee level and copayment assignment; any amount that is a fraction of a whole dollar shall be rounded down to the next whole dollar.
- ~~I.J.~~ Verification of Income. The client shall verify income by providing written documentation of income as requested by the Department such as:

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1. Pay stubs for the most recent calendar month, or for any month of potential overpayment;
2. Employer's statement verifying work schedule, hourly rate of pay, and frequency of pay;
3. Benefit award statements for the most recent benefit period;
4. Statements of account to verify interest income;
5. Quarterly or annual tax returns for the most recent quarter or year for self employment income;
6. Self employment log accompanied by gross sales receipts and business expense receipts for the most recent calendar month or quarter; and
7. Other written documentation from the source of the income indicating the amount of income received, source of income, frequency received, and naming the payee.

R6-5-4915. Fee Level and Copayment Assignment

- A. The Department shall assign a fee level to the family based on family size and monthly gross countable income, as specified in Appendix A.
- B. The Department shall assign individual minimum required copayment amounts for each child in the family based on the fee level assignment, and the number of children needing care, as specified in Appendix A.
- C. The Department shall not assign a fee level or minimum required copayment to ~~JOBS~~ Jobs participants, Cash Assistance participants who need Child Care Assistance for employment, or families determined eligible and referred by CPS or DDD.
- D. When a client fails to pay the DES required copayment, or fails to make satisfactory arrangements for payment of the DES required copayment with a child care provider, the client is ineligible for Child Care Assistance.
- E. When the Department has determined that a client is ineligible for Child Care Assistance due to nonpayment of the copayment, the client is ineligible for any Child Care Assistance program that requires a copayment until past due copayments have been paid, or until satisfactory arrangement have been made with the provider for payment.

R6-5-4916. Special Eligibility Criteria

- A. Transitional Child Care
 1. Former Cash Assistance participants who are attempting to achieve independence from the Cash Assistance program, who need Child Care Assistance for employment, and who are otherwise eligible shall receive up to 24 months of Transitional Child Care Assistance.
 2. The former Cash Assistance participant shall have received Cash Assistance in Arizona in at least 1 month, and shall apply for Child Care Assistance within 6 months after the Cash Assistance case closure date.
 3. The former Cash Assistance participant and any other parent or responsible person in the household shall need Child Care Assistance to maintain employment.
 4. The most recent Cash Assistance case closure shall not have been due to a sanction for ~~JOBS~~ Jobs or Child Support noncompliance, and the Cash Assistance participant shall not have been sanctioned due to intentional program violation (IPV) at the time of the most recent Cash Assistance case closure.
- B. Cash Assistance Diversion Participants.
 1. Applicants for Cash Assistance who are diverted from long term Cash Assistance through the Cash Assistance Diversion program shall be treated as Cash Assistance participants during the 3 month period that the Cash Assistance Diversion payment covers.
 2. Cash Assistance Diversion participants shall be eligible for Child Care Assistance for employment activities without regard to income as prescribed in R6-5-4914(A) during the 3 month Diversion period.
 3. Cash Assistance Diversion participants shall be eligible for Child Care Assistance for job search activities during the 3 month Diversion period.
 4. Cash Assistance Diversion participants shall be eligible for Transitional Child Care after the 3 month Diversion period if the income eligibility requirements in R6-5-4914(B) and the TCC requirements in subsection (A) of this provision are met.

R6-5-4917. Authorization of Child Care Assistance Waiting List for Child Care Assistance

- A. Implementation of a Waiting List for Child Care Assistance.
 1. The Department may implement a waiting list for Child Care Assistance whenever it determines that sufficient funding is not available to sustain benefits for all of the applicants requesting assistance.
 - a. The Department may implement a waiting list for all applicants under subsection (B); or
 - b. The Department may implement a partial waiting list and prioritize access to Child Care Assistance for applicants based on income under subsection (D).
 2. When the waiting list is in effect, the Department shall place applicants determined to be eligible for Child Care Assistance on the waiting list under this subsection, and shall not authorize Child Care Assistance until the Department determines that sufficient funding is available.
- B. Applicants Who Are Subject To the Waiting List. When the waiting list is in effect, the Department shall place applicants determined to be eligible for Child Care Assistance on the waiting list, including individuals who are reapplying for Child Care Assistance following case closure. The Department shall place the following applicants on the waiting list:

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1. Applicants who are not Cash Assistance participants but who need Child Care Assistance to maintain employment under R6-5-4912(A).
2. Teen parents who need Child Care Assistance for educational activities under R6-5-4912(D).
3. Applicants who need Child Care Assistance because they are unable or unavailable to care for their own children due to physical, mental, or emotional disability, participation in a drug treatment or court-ordered community service program, or residency in a homeless or domestic violence shelter under R6-5-4912(F).
- C.** Applicants Who Are Not Subject To the Waiting List. When the waiting list is in effect, the Department shall not place the following applicants determined eligible for Child Care Assistance on the waiting list, and shall proceed to authorize Child Care Assistance under R6-5-4918.
 1. Jobs participants who need Child Care Assistance to participate in the Jobs Program, and who are referred to CCA under R6-5-4904(B).
 2. Cash Assistance participants who need Child Care Assistance to maintain employment under R6-5-4904(B).
 3. CPS referred families, and CPS or DDD foster families who need Child Care Assistance as documented in a CPS or foster care case plan, and who are referred to CCA under R6-5-4904(B).
 4. Former Cash Assistance participants who need Child Care Assistance to maintain employment under R6-5-4916(A).
- D.** Prioritization of Applicants for Child Care Assistance When the Waiting List Is In Effect. The Department shall prioritize applicants for authorization of Child Care Assistance when the waiting list is in effect under this subsection.
 1. Prioritization Based On Income.
 - a. Families with gross monthly incomes at or below 100% of the Federal Poverty Level (FPL) receive the highest priority for assistance;
 - b. The Department shall prioritize the remainder of families applying for Child Care Assistance when the waiting list is in effect in the following order:
 - i. Families with gross monthly incomes between 101% FPL and 110% FPL;
 - ii. Families with gross monthly incomes between 111% FPL and 120% FPL;
 - iii. Families with gross monthly incomes between 121% FPL and 130% FPL;
 - iv. Families with gross monthly incomes between 131% FPL and 140% FPL;
 - v. Families with gross monthly incomes between 141% FPL and 150% FPL;
 - vi. Families with gross monthly incomes between 151% FPL and 160% FPL;
 - vii. Families with gross monthly incomes between 161% FPL and 165% FPL;
 2. Prioritization Based On Application Date. The Department shall place clients determined eligible for Child Care Assistance on the waiting list effective the date that the Department receives an identifiable application, under R6-5-4904(A)(2).
- E.** Cooperation Requirement for Clients on the Waiting List.
 1. Clients shall cooperate with the Department to maintain eligibility while on the waiting list, under R6-5-4911(A).
 2. If the family's household income changes, the client shall notify the Department of the change in income within 2 workdays.
 3. If someone moves in or out of the household, the client is required to notify the Department within 2 workdays.
 4. The Department shall recalculate gross household income and notify the client of any changes in priority status described under subsection (D) based on the change in income or family size.
- F.** Loss of Employment While On the Waiting List.
 1. If the parent or caretaker of the child loses employment while on the waiting list, the family may remain on the waiting list without an eligible activity.
 2. When the Department selects the family for release from the waiting list under subsection (H), the Department shall require the parent or caretaker of the child to verify participation in an eligible activity under R6-5-4912 before the Department authorizes the family to receive Child Care Assistance.
- G.** Determination of Ineligibility While On the Waiting List.
 1. If the family becomes ineligible for Child Care Assistance while on the waiting list, or during release from the waiting list under subsection (J), the Department shall remove the client from the waiting list and close the case.
 2. The client shall submit a new application and verify eligibility for Child Care Assistance in order to be added back onto the list effective the new application date.
- H.** Selection from the Waiting List.
 1. The Department shall select clients for release from the waiting list within each level of income priority as described under subsection (D), and in application date order.
 2. When the Department notifies the client that he or she is being released from the waiting list, the Department may require the client to verify income, employment, other household circumstances or provider selection prior to being authorized for Child Care Assistance.
- I.** Clients Determined Eligible Upon Selection for Release from the Waiting List.
 1. The Department shall authorize Child Care Assistance effective a date specified by the Department based on the availability of funding, after the client has submitted any requested verification and the Department has determined

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that the family remains eligible for Child Care Assistance.

2. If the client is eligible for Child Care Assistance, the Department shall authorize Child Care Assistance, and shall notify the client in writing regarding:
 - a. The start date of Child Care Assistance;
 - b. The amount of assistance authorized for each child under R6-5-4918; and
 - c. The assigned fee level and copayment for each child.

J. Clients Determined Ineligible Upon Selection for Release from the Waiting List.

1. If the client is not eligible for Child Care Assistance as described in R6-5-4920, the Department shall notify the client regarding ineligibility under R6-5-4921.
2. The Department shall require the client to submit a new application and verify eligibility for Child Care Assistance in order to be added back onto the list effective the new application date, if a waiting list remains in effect.

K. Clients Selected for Release from the Waiting List in Error.

1. If the Department determines that a client was not eligible for selection from the waiting list, and the waiting list remains in effect, the Department shall proceed as described under this subsection.
2. If the Department determines that the client is currently at a lower level of priority for assistance under subsection (D)(1) due to a previously unreported change in income or family size, the Department shall not authorize Child Care Assistance.
3. The Department shall reinstate the client on the waiting list effective the existing application date; and
4. Notify the family in writing of reinstatement to the waiting list and the newly assigned level of priority.

~~R6-5-4917~~ **R6-5-4918. Denial or Termination of Child Care Assistance Authorization of Child Care Assistance**

A. Authorization Based on Eligible Activity or Need. The Department shall authorize Child Care Assistance for a portion of each 24-hour day based on the verified eligible activity or need of the parent and responsible person for the child needing care.

B. Authorization Based on Unavailability. The amount of Child Care Assistance authorized by the Department shall be based on the amount of time that the client and any other parent or responsible person in the household are unavailable or incapable to provide care to their own children due to an eligible activity or need as prescribed in R6-5-4911(F) and R6-5-4912. When there are 2 or more parents or responsible persons in the household, Child Care Assistance shall be authorized for the amount of time that neither parent or responsible person is available due to an eligible activity or need.

C. Authorization for Self Employment Activities.

1. The Department shall authorize Child Care Assistance for self employment activities based on monthly net income divided by the current hourly minimum wage standard.
2. Authorization of Child Care Assistance for self employment activities shall not exceed the lesser of:
 - a. The maximum number of Child Care Assistance units that can be authorized as prescribed in subsections (B) and (D); or
 - b. The number of hours calculated by dividing monthly net income from self employment by the amount of the hourly minimum wage standard; or
 - c. The number of hours of Child Care Assistance needed by the client to perform self employment activities.

D. Six Child Authorization Limit.

1. The Department shall authorize no more than 6 children in the eligible family at any given point in time.
 - a. The 6 child authorization limit applies to clients under this subsection.
 - i. Clients who are not Cash Assistance participants but who need Child Care Assistance to maintain employment;
 - ii. Teen parents who need Child Care Assistance for educational activities under R6-5-4912(D); and
 - iii. Clients who need Child Care Assistance because they are unable or unavailable to care for their own children due to physical, mental, or emotional disability, participation in a drug treatment or court-ordered community service program, or residency in a homeless or domestic violence shelter under R6-5-4912(F).
 - b. The 6 child authorization limit shall not apply to the following clients:
 - i. Jobs participants who need Child Care Assistance to participate in the Jobs Program, and who are referred to CCA under R6-5-4904(B).
 - ii. Cash Assistance participants who need Child Care Assistance to maintain employment.
 - iii. CPS referred families, and CPS or DDD foster families who need Child Care Assistance as documented in a CPS or foster care case plan, and who are referred to CCA under R6-5-4904(B); and
 - iv. Former Cash Assistance participants who need Child Care Assistance to maintain employment under R6-5-4916(A).
 - c. For eligible families who are not subject to the 6 child limit, there is no limit to the number of eligible children whom the Department can authorize to receive Child Care Assistance in the eligible family.
2. If the eligible family requests Child Care Assistance for more than 6 children, the family shall select the 6 children to be authorized to receive Child Care Assistance.
3. If the family fails to designate 6 children to receive Child Care Assistance as requested, the Department shall autho-

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alize the 6 youngest children.

4. If the client is already receiving Child Care Assistance for 6 children and requests assistance for a new child, the Department shall not authorize assistance for the new child until the client notifies the Department which child will no longer receive Child Care Assistance.

D-E. Units of Child Care Assistance.

1. The Department shall authorize Child Care Assistance in full and part day units;
2. The Department shall not authorize more than 31 units for each child, per child care provider in a calendar month;
3. A part day unit of Child Care Assistance is less than 6 hours;
4. A full day unit of Child Care Assistance is 6 hours or more;
5. Each child care provider determines the upper limit of what constitutes a full day of care for that provider.

E-F. Date of Eligibility. The Department shall approve eligibility for Child Care Assistance effective the application file date or referral receipt date as described in R6-5-4904 if the client satisfies all applicable conditions of eligibility as prescribed in this Article.

F-G. Date of Authorization.

1. The Department shall authorize Child Care Assistance to begin effective the start date of the eligible activity or need, but not earlier than application file date, request date, or referral receipt date as described in R6-5-4904.
2. The Department may authorize Child Care Assistance with an effective date that precedes the referral receipt date when the referral is received untimely due to administrative delay and the eligible start date of the activity or need precedes the referral receipt date for clients who are referred for Child Care Assistance as described in R6-5-4904 (B).

G-H. Exclusion from Authorization. The Department shall not authorize Child Care for educational services for children enrolled in grades 1 through 12 when such services are provided during the regular school day.

R6-5-4919. Notification Requirements Time Limit for Child Care Assistance

Under A.R.S. 46-803(K), each child shall receive time-limited Child Care Assistance, unless the child's parents or caretakers qualify for an extension under this Section.

A. Clients Who Are Subject To the Time Limit.

1. Clients who are not Cash Assistance participants but who need Child Care Assistance to maintain employment;
2. Teen parents who need Child Care Assistance for educational activities under R6-5-4912(D); and
3. Clients who need Child Care Assistance because they are unable or unavailable to care for their own children due to physical, mental, or emotional disability, participation in a drug treatment or court-ordered community service program, or residency in a homeless or domestic violence shelter under R6-5-4912(F).

B. Clients Who Are Not Subject To the Time Limit.

1. Jobs participants who need Child Care Assistance to participate in the Jobs Program, and who are referred to CCA under R6-5-4904(B);
2. Cash Assistance participants who need Child Care Assistance to maintain employment;
3. CPS referred families, and CPS or DDD foster families who need Child Care Assistance as documented in a CPS or foster care case plan, and who are referred to CCA under R6-5-4904(B); and
4. Former Cash Assistance participants who need Child Care Assistance to maintain employment under R6-5-4916(A).

C. Effective Date of the Time Limit. The 60-month time limit shall begin:

1. For applicants of Child Care Assistance eligible under any of the categories listed in subsection (A) who file an application on or after January 1, 2007, on the date the application is received by the Department.
2. For clients receiving Child Care Assistance on January 1, 2007 under subsection (A), January 1, 2007.
3. For clients receiving Child Care Assistance on January 1, 2007 under subsection (B), the first date that the Department determines that the existing client is eligible for Child Care Assistance under one of the categories described in subsection (A).

D. Calculation of the Time Limit.

1. Each child receiving Child Care Assistance under subsection (A) shall receive time-limited assistance for:
 - a. Any combination of 1380 paid full or part day child care units; or
 - b. Child Care Assistance that spans 60 calendar months, whichever is later. A calendar month is one in which the Department pays for at least one full- or part-day unit.
2. Any unit of assistance used by the child, and later identified as a provider or agency caused overpayment shall not count toward the child's time limit.
3. Any unit of assistance used by the child, and later identified as a client-caused overpayment shall not count toward the child's time limit, if the family repays the overpayment.
4. The Department shall apply the time limit individually to each child in the family, and not to the parent or caretaker of the child.
 - a. If a different caretaker applies for the child at a later point in time, each child will be entitled to the remaining portion of time-limited Child Care Assistance that has not yet been utilized.
 - b. Any Child Care Assistance utilized by the child as part of an eligible family that was exempt from the time limit

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under subsection (B) shall not count toward the child's time limit.

E. Expiration of the Time Limit.

1. When a child exhausts time-limited of Child Care Assistance under this subsection, the Department shall stop assistance for the child unless the parents or caretakers of the child qualify for an extension under Section (F).
2. When all of the children in a family have exhausted the time limits of Child Care Assistance, the Department shall terminate assistance for the family unless the parents or caretakers:
 - a. Qualify for an extension under subsection (F); or,
 - b. Are no longer subject to the time limit as described in subsection (B).

F. Extension of the Time Limit for Child Care Assistance.

1. The Department shall grant a 6-month extension to the time limit if the parents or caretakers show efforts toward self-sufficiency during the most recent 6-month period. The Department may elect to grant extensions on a 12-month basis. In order to qualify for an extension, the parents or caretakers in the family shall:
 - a. Currently be engaged in an activity that promotes self-sufficiency, which means the parents or caretakers continue to:
 - i. Be employed a monthly average of 20 or more hours per week;
 - ii. Be employed less than 20 hours per week and earning at least minimum wage;
 - iii. Be employed a monthly average of at least 20 hours per week while attending school or training;
 - iv. Remain self-employed with a net profit equating to a monthly average of 20 hours per week times minimum wage;
 - v. Attend high school, G.E.D. classes, or remedial education for the attainment of a high school diploma for a teen parent under 20 years of age;
 - vi. Follow the treatment plan prescribed by a physician, psychiatrist, psychologist for the treatment of a specified mental, physical, or emotional condition, which precludes the parent or caretaker for caring for his or her own child for a portion of a 24-hour day;
 - vii. Participate in a drug/alcohol rehabilitation plan or court-ordered community service plan; or
 - viii. Participate in a homeless or domestic violence case plan while residing in a shelter; and,
 - b. Sign and date the "Self-Sufficiency Statement" and declare that the parents or caretakers have taken at least one of the following actions during the most recent 6 or 12-month period to promote self-sufficiency:
 - i. Received a job promotion, or an increase in wages, hours, or benefits;
 - ii. Remained consistently employed;
 - iii. Remained self-employed and consistently demonstrated a net profit;
 - iv. Applied for a better job;
 - v. Left one job for a better job (higher pay, more hours, better schedule, or better benefits);
 - vi. Registered with DES Employment Services (e.g., One Stop Career Center or DES Job Service) or another public or private employment agency, or job searched independently;
 - vii. Not requested Cash Assistance;
 - viii. Engaged in activities to pursue or maintain child support payments from an absent parent through DES Child Support Enforcement, the county attorney's office, or a private attorney;
 - ix. Attended work-related school or training, or pursued a degree or certificate that will lead to enhanced career opportunities;
 - x. Attended high school, remedial education for the attainment of a high school diploma or G.E.D. classes;
 - xi. Attended English for Speakers of Other Languages (E.S.O.L.) classes;
 - xii. Attended a trade or vocational school, college or university and made satisfactory progress in the activity;
 - xiii. Continued with a course of treatment under the direction of a physician, psychiatrist, or psychologist;
 - xiv. Followed a shelter case plan while residing in a domestic violence/homeless shelter;
 - xv. Participated in or completed a drug/alcohol rehabilitation or court-ordered community service program;
 - xvi. Participated in other employment-related activities or career-related training activities; or
 - xvii. Any other similar action acceptable to the Department that demonstrates that the parents or caretakers are moving toward self sufficiency.
2. If the parents or caretakers do not meet the conditions specified at subsections (1)(a) and (b), the family does not qualify for an extension of the time limit.
3. If the parents or caretakers meet the conditions specified at subsections (1)(a) and (b), and all other eligibility criteria are met, the family shall qualify for additional 6 or 12-calendar month extension periods if the parents or caretakers continue to meet the criteria at the end of each extension period.

G. Extension of the Time Limit after Case Closure. When a parent or caretaker applies for Child Care Assistance after the time limit for the child in care has been exhausted, the parent or caretaker of the child may qualify for an extension as follows:

1. The parent or caretaker shall be an eligible applicant under R6-5-4911(B), and shall meet the criteria for Child Care Assistance eligibility;

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2. All parents or caretakers shall meet the self-sufficiency criteria prescribed at R6-5-4919(F); and
3. The parent or caretaker may qualify for successive extensions of the time limit under subsection (F).

R6-5-4918 R6-5-4920. Overpayments Denial or Termination of Child Care Assistance

The Department shall deny or terminate Child Care Assistance and provide written notification as prescribed in ~~R6-5-4919~~ R6-5-4921 when the client:

1. Is not an eligible applicant as prescribed in R6-5-4911(B);
2. Is not a U.S. citizen or legal resident of the U.S.;
3. Is not a resident of the State of Arizona;
4. Has no children under the age of 13;
5. Has income that exceeds the maximum allowable as prescribed in R6-5-4914(C);
6. Does not have an eligible need, and is not engaged in an eligible activity as prescribed in R6-5-4912;
7. Is available to care for the children for whom assistance is requested (or, there is another parent or responsible person in the household who is not engaged in an eligible activity, and is available to provide care);
8. Has not provided the information or documentation required for a determination or redetermination of eligibility;
9. Has failed to cooperate in the arrangement of child care services;
10. Has not selected a child care provider who is registered with the Department;
11. Has requested that the application be withdrawn or that assistance be terminated;
12. Is a member of a family ~~which~~ that already has an active case or pending application on file for Child Care Assistance;
13. Cannot be located by phone or mail and mail addressed to last known address has been returned;
14. Is deceased, incarcerated, or confined to an institution; or
15. Does not satisfy 1 or more eligibility criteria listed in R6-5-4904 through R6-5-4916.
16. Has exhausted the 60-month lifetime limit for all children in the eligible family under R6-5-4919(D) and does not qualify for an extension.

~~R6-5-4919~~ R6-5-4921. Appeals Notification Requirements

A. The Department shall mail or deliver written notice to the client as follows:

1. On a decision about an application, within 30 calendar days of the date that the Department receives the completed application.
2. On a positive action, the Department shall mail adequate notice on or before the date the action will become effective.
3. On a change in the amount of authorized units based on a change in need, the Department shall mail adequate notice on or before the date the action will become effective.
4. On a negative action, the Department shall mail the notice at least 10 calendar days in advance of the date the action will become effective.
5. On changes in law or policy which affect entire classes or groups and concern issues not related to individual questions of fact, the Department shall issue notice of such action at least 10 calendar days in advance of the effective date of the action.

B. The Department shall not provide notice on a negative action when:

1. Child Care Assistance authorized for a specified period of time is terminated and the individual was informed in writing of the termination date when the Child Care Assistance was initiated;
2. The applicant, client, or child is deceased; and
3. There is a loss of contact with the client and mail addressed to the last known address has been returned.

C. Written notice shall include a statement of the action to be taken, the reasons for the intended action, citation to the specific rule supporting the action, and an explanation of the client's rights regarding a request for a fair hearing.

~~R6-5-4922. Termination and Phase Out of Ineligible Current Clients~~

~~A. The Department shall terminate Child Care Assistance and phase out current clients who are determined ineligible under R6-5-4903(C) as prescribed in this Section.~~

- ~~1. When the Department plans to terminate Child Care Assistance, the Department shall send the client a negative action notice at least 10 days before the effective date of termination.~~
- ~~2. Except as otherwise prescribed in subsection (3), the Department shall terminate eligibility for a client who is determined ineligible as prescribed in R6-5-4903(C) on the 11th day following the redetermination of eligibility as prescribed in R6-5-4903(B).~~
- ~~3. The Department shall provide Child Care Assistance beyond the 10th day following redetermination, but no later than June 30, 1998, in the following circumstances:~~
 - ~~a. Current clients who were receiving Child Care Assistance before August 1, 1997 for independent job search activities shall remain authorized for assistance through the duration of their current 30-day job search authorization period only.~~
 - ~~b. Current clients who were receiving Child Care Assistance before August 1, 1997 for unemployment insurance (UI) job search activities shall remain authorized for assistance through the duration of the UI claim.~~

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- e- Current clients who were receiving Child Care Assistance before August 1, 1997 for public job search activities shall remain authorized for assistance through their current work readiness activity.
- d- Current clients who were clients receiving Child Care Assistance before August 1, 1997 for education and training shall remain authorized for Child Care Assistance through their current semester or school term, only.
- e- Current clients who were receiving TCC before August 1, 1997 pursuant to R6-12-612, R6-12-613, and R6-12-614 shall remain authorized for Child Care Assistance until the earlier of:
 - i- The end of the 24 month TCC eligibility period;
 - ii They apply for and receive Cash Assistance; or
 - iii 6/30/98.

B. Current clients who have received Child Care Assistance since July 31, 1997 or earlier, and whose cases are closed effective August 1, 1997 or later for any reason (other than administrative error) shall be treated as “new” applicants if they reapply for Child Care Assistance; the Department shall determine eligibility pursuant to A.R.S. §§ 46-801 through 810 and the provisions of this Article.

~~R6-5-4920~~ R6-5-4923, Maximum Reimbursement Rates for Child Care Overpayments

A. Overpayments; Date of Discovery.

1. The Department shall pursue collection of all client and provider caused overpayments.
2. The Department discovers an overpayment on the date the Department determines that an overpayment exists.
3. The Department shall write an overpayment report within 90 days of the discovery date.
4. If the CCA office suspects that an overpayment was caused by fraudulent activity, it shall refer the overpayment report to the Department’s Office of Special Investigations for potential prosecution.
5. The Department shall not attempt to recover an overpayment from a person who is not a current recipient when the overpayment was not the result of fraud, and the Department has exhausted reasonable efforts to collect the overpayment and has determined that it is no longer cost effective to pursue the claim.

B. Overpayments: Persons Liable. The Department shall pursue collection of an overpayment from:

1. The client if the overpayment was caused by the client;
2. Any individual member of the family who was included in family size as prescribed in R6-5-4914 (D) during the overpayment period if the overpayment was caused by the client; or
3. The child care provider if the overpayment was caused by the provider.

~~R6-5-4921~~ R6-5-4924, Appeals

A. Entitlement to a Hearing.

1. An applicant for or recipient of Child Care Assistance is entitled to a hearing to contest the following Department actions:
 - a. Denial of the right to apply for assistance;
 - b. Complete or partial denial of an application for assistance;
 - c. Failure to make an eligibility determination on an application within 30 days of the application file date;
 - d. Suspension, termination, reduction, or withholding of assistance except as provided in subsection (B);
 - e. Increase in the fee level and DES required copayment amount; or
 - f. The existence or amount of an overpayment attributed to the family or the terms of a plan to repay the overpayment.
2. Applicants and recipients are not entitled to a hearing to challenge benefit adjustments made automatically as a result of changes in federal or state law, unless the Department has incorrectly applied such law to the individual seeking the hearing.

B. Request for Hearing; Time Limits.

1. A person who wishes to appeal a negative action shall file a written request for a fair hearing with a local CCA office, within 10 days of the negative action notice date.
2. A request for a hearing is deemed filed;
 - a. On the date it is mailed, if transmitted via the United States Postal Service or its successor. The mailing date is as follows:
 - i. As shown by the postmark;
 - ii. As shown by the postage meter mark of the envelope in which it is received, if there is no postmark; or
 - iii. The date entered on the document as the date of its completion, if there is no postmark, or no postage meter mark, or if the mark is illegible.
 - b. On the date actually received by the Department, if not sent through the mail as provided in subsection (2) (a).
3. The submission of any document is considered timely if the appellant proves that delay in submission was due to Department error or misinformation, or to delay caused by the U.S. Postal Service or its successor.
4. Any document mailed by the Department is considered as having been given to the addressee on date it is mailed to the addressee’s last known address. The date mailed shall be presumed to be the date shown on the document, unless otherwise indicated by the facts.

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5. The Office of Appeals shall deny any request that is not timely filed. A party may appeal a decision on the timeliness of an appeal.
- C. Hearing Requests; Preparation and Processing.
 1. Within 2 work days of receiving a request for appeal, the local CCA office shall notify the Office of Appeals of the hearing request.
 2. Within 10 days of receiving a request for appeal, the local CCA office shall prepare and forward to the Office of Appeals a prehearing summary which shall include:
 - a. The appellant's name (and case name, if different);
 - b. The appellant's SSN (or case number, if different);
 - c. The local office responsible for the appellant's case;
 - d. A brief summary of the facts surrounding, and the grounds supporting, the negative action;
 - e. Citations to the specific provisions of this Article or the Department's CCA manual which support the Department's action; and
 - f. The decision notice and any other documents relating to the appeal.
 3. The local office shall mail the appellant a copy of the summary. Upon receipt of a hearing request, the Office of Appeals shall schedule the hearings.
- D. Continuation of Assistance Pending Appeal; Exceptions.
 1. If an appellant files a request for appeal within 10 calendar days of the negative action notice date, the Department shall continue assistance at the current level unless:
 - a. The appellant waives continuation of current assistance;
 - b. The appeal results from a change in federal or state law which mandates an automatic adjustment for all classes of recipients and does not involve a misapplication of the law; or
 - c. The appellant is requesting continuation of TCC benefits for longer than the 24 month eligibility period.
 2. The negative action shall be stayed until receipt of an official written decision in favor of the Department, except in the following circumstances:
 - a. At the hearing and on the record, the hearing officer finds that the sole issue involves application of law, and the Department properly applied the law and computed the assistance due the appellant;
 - b. A change in eligibility or assistance amount occurs for reasons other than those being appealed, and the eligible family receives and fails to timely appeal a notice of negative action concerning such change;
 - c. Federal or state law mandates an automatic adjustment for classes of recipients;
 - d. The appellant withdraws the request for hearing; or
 - e. The appellant fails to appear for a scheduled hearing without prior notice to the Office of Appeals, and the hearing officer does not rule in favor of the appellant based upon the record.
 3. Upon receipt of a decision in favor of the Department, the Department shall write an overpayment for the amount of any assistance the family received in excess of the correct amount, while the stay was in effect.

~~R6-5-4923~~ **R6-5-4925. Maximum Reimbursement Rates for Childcare**

The Department shall pay the maximum reimbursement rates for child care as set forth in Appendix B.

NOTICE OF FINAL EXEMPT RULEMAKING

TITLE 9. HEALTH SERVICES

**CHAPTER 19. DEPARTMENT OF HEALTH SERVICES
VITAL RECORDS AND STATISTICS**

[R06-499]

PREAMBLE

1. Sections Affected
R9-19-413

Rulemaking Action
Amend

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statutes: A.R.S. §§ 36-104(3) and 36-132(A)(3)

Implementing statutes: A.R.S. § 36-341 and Laws 2006, Chapter 331, § 30

Law authorizing exemption: Laws 2006, Chapter 331, § 28, subsection (C) effective September 21, 2006

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3. The effective date of the rules:

January 1, 2007

4. A list of all previous notices appearing in the Register addressing the exempt rule:

None

5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Kathleen Phillips, Rules Administrator

Address: Arizona Department of Health Services
1740 W. Adams St., Ste. 202
Phoenix, AZ 85007-3233

Telephone: (602) 542-1264

Fax: (602) 364-1150

E-mail: phillik@azdhs.gov

or

Name: Patricia Adams, Office Chief

Address: Arizona Department of Health Services
Office of Vital Records
1818 W. Adams
Phoenix, AZ 85007-3233

Telephone: (602) 364-1225

Fax: (602) 364-1257

E-mail: adamp@azdhs.gov

6. An explanation of the rule, including the agency's reasons for initiating the rule, including the statutory citation to the exemption from regular rulemaking procedures:

Laws 2004, Ch. 117, § 8, effective August 25, 2004, established the Vital Records Electronic Systems Fund consisting of 40 percent of the fees collected for searches, copies of registered certificates, certified copies of registered certificates, amending registered certificates, and correcting certificates. Laws 2006, Ch. 331, § 30 requires the Department to amend the fees so that the monies deposited in the vital records electronic systems fund generate no more than \$500,000 in fiscal year 2006-2007. The Department has determined that amending the following fees will cause the monies deposited in the vital records electronic systems fund to be approximately \$500,000 in fiscal year 2006-2007: The \$14 fee for each certified copy of a non-computer-generated birth certificate or "certificate of no record" if the certificate is not on file amended to \$9; the \$13 fee for each certified copy of an Affidavit of Acknowledgement of Paternity amended to \$5; the \$22 fee for the registration of a delayed birth certificate, delayed death certificate, delayed fetal death certificate, or delayed certificate of birth resulting in stillbirth amended to \$9; the \$22 fee for amending a birth certificate based on an adoption amended to \$9; and the \$22 fee for issuing a death certificate based on a court order amended to \$9. Laws 2006, Ch. 331, § 28, subsection (C) exempts the Department from the rulemaking requirements in A.R.S. Title 41, Chapter 6 for this rulemaking.

7. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

No studies were reviewed.

8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. The summary of the economic, small business, and consumer impact:

Not applicable

10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

Not applicable

11. A summary of the comments made regarding the rule and the agency response to them:

Not applicable

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

13. Incorporations by reference and their location in the rules:

None

14. Was this rule previously made as an emergency rule?

No

15. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

**CHAPTER 19. DEPARTMENT OF HEALTH SERVICES
VITAL RECORDS AND STATISTICS**

ARTICLE 4. ACCESS TO RECORDS; COPIES; FEES

Section

R9-19-413. Fee Schedule

ARTICLE 4. ACCESS TO RECORDS; COPIES; FEES

R9-19-413. Fee Schedule

~~A.~~ The Department charges the following fees:

- ~~1. Fourteen dollars for each certified copy of a non-computer-generated birth certificate, or "certificate of no record" if the certificate is not on file.~~
- ~~2. Nine dollars for each certified copy of a non-computer-generated death certificate, fetal death certificate, certificate of birth resulting in stillbirth, or a "certificate of no records" if the certificate is not on file.~~
- ~~3. Nine dollars for each computer-generated birth certification or "certificate of no record" if the certificate is not on file.~~
- ~~4. Thirteen for each certified copy of an Affidavit of Acknowledgement of Paternity.~~
- ~~5. For a record search, when the registrant's name, the date and place of birth or death, or other identifying information is not known, four dollars for the first ten years search and three dollars for each additional year, not including the issuance of a certified copy if the certificate is found.~~
- ~~6. Twenty-two dollars for applying to file a delayed certificate of birth, death, birth resulting in stillbirth, of fetal death, including one certified copy of the complete record.~~
- ~~7. Twenty-two dollars to file a new birth certificate following adoption, legitimation, paternity determination, or surgical alteration or to create a death certificate based on a court finding of death, including one certified copy of the new certificate.~~
- ~~8. Twenty-two dollars for applying to file an amendment or supplement to a certificate showing judicial changes or major administrative changes that occur 90 days or more after date of the event, including one copy of the amended certificate.~~
- ~~9. Twenty-two dollars for applying to file missing or omitted information or minor administrative changes one year or more after the date of the event, including one certified copy of the amended certificate.~~
- ~~10. Three dollars for each noncertified copy of a certificate or for each search to verify birth or death data for statistical, medical, research, or administrative purposes.~~
- ~~11. Except for state agencies, seventeen dollars for each search for a putative father in the putative father registry.~~

~~B.~~ The Department shall determine the fee and method of payment on a one-by-one basis for searches for scientific, medical, statistical, or research purposes based upon the cost of computer time, employee time, postage, and material used.

~~C.~~ In addition to the fees charged in subsection (A), the Department shall charge an additional surcharge of one dollar for each certified copy of a birth certificate or death certificate, as required in A.R.S. § 36-342.

~~D.~~ The Department shall not charge a fee to physicians, hospitals, medical examiners, or funeral directors who submit information at any time to correct errors or otherwise add to the completion of a certificate.

A. Except as provided in subsection (C), the Department shall charge the following fees:

1. Three dollars for a noncertified copy of a certificate;
2. Nine dollars for each certified copy of a:
 - a. Birth certificate,
 - b. Fetal death certificate,
 - c. Certificate of birth resulting in stillbirth,
 - d. Death certificate, or
 - e. Certificate of no record;
3. Five dollars for each search for a putative father in the Putative Father Registry;
4. Three dollars for each search to verify birth or death data for statistical, medical, research, or administrative purposes;

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5. Nine dollars for each submission of a request:
 - a. For the registration of a:
 - i. Foreign birth certificate,
 - ii. Delayed birth certificate,
 - iii. Delayed fetal death certificate,
 - iv. Delayed certificate of birth resulting in stillbirth, or
 - v. Delayed death certificate
 - b. To issue an amended birth certificate based on adoption; or
 - c. To issue a death certificate based on a court order; and
 6. Twenty-two dollars for each submission of a request to amend information on a:
 - a. Birth certificate based on a voluntary acknowledgement of paternity, sex change operation, chromosomal count, or court order; or
 - b. Death certificate based on a court order.
- B.** In addition to the fees charged in subsection (A), the Department shall charge an additional surcharge of one dollar for each certified copy of a:
1. Registered birth certificate as required in A.R.S. § 36-341(B), or
 2. Registered death certificate as required in A.R.S. § 36-341(E).
- C.** The Department shall not charge an agency as defined in A.R.S. § 41-1001 any fee in this Section.