

-Preface-

Department of Economic Security

Five - Year Review Reports

A.R.S. § 41-1056 requires that at least once every five years, each agency shall review its administrative rules and produce reports that assess the rules with respect to considerations including the rule's effectiveness, clarity, conciseness and understandability. The reports also describe the agency's proposed action to respond to any concerns identified during the review. The reports are submitted in compliance with the schedule provided by the Governor's Regulatory Review Council. A.R.S. § 18-305, enacted in 2016, requires that statutorily required reports be posted on agency's website.

Arizona Department of Economic Security

Five-Year Review Report

Title 6. Economic Security

Chapter 12. Cash Assistance Program

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November 30, 2016

I. INTRODUCTION

The Temporary Assistance for Needy Families (TANF) Cash Assistance (CA) program provides temporary cash benefits and supportive services to the neediest of Arizona's children and their families. The program helps these families meet their basic needs for well-being and safety and serves as their bridge back to self-sufficiency. Eligibility is based on citizenship or qualified noncitizen resident status, Arizona residency and limits on resources and monthly income.

Adults receiving cash benefits are required to complete and sign a Personal Responsibility Agreement. This agreement specifies their willingness to engage in work activities that will lead to employment and to comply with child support enforcement activities, if applicable.

II. ANALYSIS OF RULES

A. STATUTORY AUTHORITY

The Arizona Department of Economic Security's general authority to make rules derives from A.R.S. § 41-1954(A)(3). The specific statutory authority for the development of the rules in Title 6, Chapter 12 is found at A.R.S. §§ 46-134(A)(10) and 46-292.

B. OBJECTIVES

ARTICLE 1. GENERAL PROVISIONS

R6-12-101. Definitions

The objective of this rule is to promote and ensure uniform understanding of the terminology used by the Department. The purpose of this rule is to define the terms used in A.A.C. Title 6, Chapter 12.

R6-12-102. Confidentiality

The objective of this rule is to ensure that confidential information is protected. The purpose of the rule is to define "personally identifiable information," and explain the Department's policies for the release of information.

R6-12-103. Case Records

The objective of this rule is to ensure that the Department retains eligibility information regarding applicants and recipients. The purpose of the rule is to specify the length of time for which these records are retained and to specify what information shall be retained.

R6-12-104. Manuals

The objective of this rule is to inform the public that the CA program manual is available for inspection and copying. The purpose of the rule is to require each Family Assistance Administration office to make this service available.

ARTICLE 2. APPLICATION PROCESS AND PROCEDURES

R6-12-201. Application

The objective of this rule is to explain application procedures and requirements. The purpose of the rule is to specify the methods by which an application may be submitted and the information that is required to be on the application in order for it to be accepted and registered.

R6-12-202. Request for Benefits; Composition of the Assistance Unit

The objective of this rule is to explain who is included in an assistance unit. The purpose of the rule is to specify which individuals in the household are potentially eligible for assistance.

R6-12-203. Initial Eligibility Interview

The objective of this rule is to explain the procedures for an eligibility interview. The purpose of the rule is to explain the responsibilities of both the Department and the applicant during the eligibility interview process to ensure that a timely and accurate eligibility determination is completed.

R6-12-204. Disability Determination

The objective of this rule is to explain the procedures for verifying the existence of a disability. The purpose of the rule is to specify the Department's responsibilities and the applicant's responsibilities when establishing that a household member is disabled.

R6-12-205. Verification of Eligibility Information

The objective of this rule is to explain the procedures for verifying eligibility information. The purpose of the rule is to specify the Department's responsibilities and the applicant's responsibilities for requesting, obtaining, and providing such information when necessary to determine eligibility or benefit level.

R6-12-206. Home Visits

The objective of this rule is to provide an in-home interview for homebound applicants or recipients. The purpose of the rule is to specify the circumstances under which the Department will schedule a home visit for an applicant or recipient, and the notification procedures the Department shall use.

R6-12-207. Withdrawal of Application

The objective of this rule is to explain the procedures for withdrawing an application. The purpose of the rule is to specify the Department's responsibilities and the applicant's responsibilities when making and processing such a request.

R6-12-208. Death of an Applicant

The objective of this rule is to ensure that the Department does not approve a pending application in the event that an applicant dies. The purpose of the rule is to specify the Department's responsibilities to deny the application and to inform the new caretaker of the children of the availability of assistance for the children if they choose to apply.

R6-12-209. Processing the Application; Denials; Approval

The objective of this rule is to explain the time frame for the Department to complete an eligibility determination. The purpose of the rule is to specify how an application will be denied, and what happens when an application is approved.

R6-12-210. Six-month Review

The objective of this rule is to require a periodic review of continued eligibility. The purpose of the rule is to explain the Department's responsibilities and procedures and the recipient's requirements during the eligibility review.

R6-12-211. Reinstatement of Benefits

The objective of this rule is to require the Department to reinstate benefits under certain circumstances. The purpose of the rule is to specify the circumstances, the requirements, and the procedures for reinstating benefits.

ARTICLE 3. NON-FINANCIAL ELIGIBILITY CRITERIA

R6-12-301. Non-financial Eligibility Criteria

The objective of this rule is to establish that there are non-financial eligibility factors that will be considered in determining whether a household or an individual may be included in the program. The purpose of the rule is to require individuals to satisfy the criteria in Article 3 in order to be eligible for CA.

R6-12-302. Applicant and Recipient Responsibility

The objective of this rule is to require an applicant or recipient to cooperate with the Department as a condition of initial and continuing eligibility. The purpose of the rule is to specify the requirements which require applicant or recipient cooperation.

R6-12-303. Application for Other Potential Benefits

The objective of this rule is to explain the requirement that a person must apply for all other benefits for which they may be eligible in order to be eligible for CA. The purpose of the rule is to specify the types which must be applied for.

R6-12-304. Residency

The objective of this rule is to ensure that benefits are paid only to qualifying Arizona residents. The purpose of the rule is to detail the circumstances in which Arizona residency requirements are met.

R6-12-305. Citizenship and Alienage

The objective of this rule is to ensure that benefits are paid only to U.S. citizens and non-citizens who meet the “qualified non-citizen” requirement. The purpose of this rule is to specify the non-citizen eligibility criteria and to specify the Department’s responsibility to verify such status.

R6-12-306. Eligible Persons

The objective of this rule is to ensure that benefits are paid only to individuals who are potentially eligible to be included in an assistance grant. The purpose of the rule is to specify which members of a family who either may be included in the CA program or are required to be included in the assistance unit.

R6-12-307. Social Security Number

The objective of this rule is to ensure that only persons who have been issued, or who have applied for, a Social Security Number are included in the assistance grant. The purpose of the rule is to specify the applicant’s requirement to obtain and provide

the Social Security Number and the Department's responsibility to verify that the Social Security Number is legitimate.

R6-12-308. Family Benefit Cap

The objective of this rule is to explain the Family Benefit Cap exclusion. The purpose of the rule is to specify the circumstances in which a child will be excluded from C.A. due to the Family Benefit Cap and to specify the circumstances in which the Family Benefit Cap exclusion will be waived by the Department.

R6-12-309. Relationship

The objective of this rule is to limit participation in the program to individuals who are related to each other. The purpose of the rule is to specify the familial relationships that individuals are required to have in order to qualify for CA and to specify the limited exceptions to this requirement.

R6-12-310. Deprivation

The objective of this rule is to require a dependent child to be deprived of parental support in order for assistance to be provided on behalf of the child. The purpose of the rule is to specify the circumstances that constitute deprivation of parental support.

R6-12-311. Assignment of Support Rights; Cooperation

The objective of this rule is to explain the requirement that an applicant for CA must assign to the Department all rights to spousal or child support. The purpose of the rule is to specify the applicant's responsibilities in meeting this requirement and the Department's responsibilities for assisting the applicant in this matter.

R6-12-312. Good Cause for Non-cooperation with Child Support Enforcement

The objective of this rule is to exempt the applicant from the requirements in R6-12-311 when good cause for non-cooperation exists. The purpose of the rule is to specify the circumstances in which good cause exists and the applicant's and the Department's responsibilities in verifying such circumstances.

R6-12-313. Participation in JOBS; Exemptions; Good Cause Exceptions

The objective of this rule is to promote self-sufficiency by requiring work eligible persons to participate in the TANF work program, called the Jobs Program. The purpose of this rule is to specify the Jobs program requirement and to identify persons who are exempt from this requirement.

R6-12-314. School Attendance

The objective of this rule is to promote personal responsibility by requiring parents and other no-parent heads of household to register school age children in school. The purpose of the rule is to specify the actions that must be taken in order to be in compliance with this requirement.

R6-12-315. Immunization

The objective of this rule is to promote the health and safety of dependent children by requiring children to be immunized. The purpose of the rule is to specify the actions that must be taken in order to be in compliance with this requirement.

R6-12-316. Sanctions for Noncompliance

The objective of this rule is to enforce the requirements in the Personal Responsibility Agreement that the applicant signs with the Department when establishing eligibility for assistance. The purpose of the rule is to specify the circumstances in which

there is noncompliance with the Personal Responsibility Agreement and to specify the sanction actions that the Department's imposes each instance of noncompliance.

R6-12-317. Voluntary Quit/Reduction in Work Effort

The objective of this rule is to require the applicant or recipient to maintain employment or work efforts. The purpose of the rule is to specify when a person is considered to have voluntarily quit a job or reduced work effort, the consequences of voluntary termination or reduction in work effort, and circumstances in which good cause for voluntary termination or reduction in work effort exists.

R6-12-318. Duration of Assistance - 36-month Time Limit

The objective of this rule is to establish a state time limit for eligibility in the program. The purpose of the rule is to specify the length of the state time limit, to specify which households are subject to the state time limit, and to specify the months which are considered to be countable toward the state time limit.

R6-12-319. Extension of Time Limited Assistance

The objective of this rule is to permit an otherwise eligible household an extension to the state and federal time limits when a qualifying hardship condition exists. The purpose of the rule is to specify the conditions for and circumstances under which an extension of the time limit due to hardship may exist, the responsibilities of the family when requesting a hardship extension, and the responsibilities of the Department when processing a hardship extension request.

R6-12-320. Duration of Assistance - Federal 60-month Time Limit

The objective of this rule is to limit receipt of assistance to no more than the 60-month time limit contained in federal law and TANF program regulations. The

purpose of the rule is to specify which households are subject to the federal time limit and to specify the months which are considered to be countable toward the federal time limit.

R6-12-321. Hardship Verification Requirements

The objective of this rule is to permit an otherwise eligible household an extension to the state and federal time limits when a qualifying hardship condition is verified. The purpose of the rule is to specify the methods in which each hardship condition must be verified.

ARTICLE 4. FINANCIAL ELIGIBILITY; RESOURCES

R6-12-401. Treatment of Resources; Limitations

The objective of this rule is to establish a limit on the amount of financial assets that an assistance unit may own or have access to when establishing eligibility for a cash grant. The purpose of the rule is to specify the asset limit amount and to specify which assets will be counted toward that limit.

R6-12-402. Treatment of Resources by Ownership Status; Availability

The objective of this rule is to require the Department to only consider the assets of certain persons when determining the countable asset amount. The purpose of the rule is to specify which individuals will be considered in the countable asset limit and to specify whether an asset will be considered available or unavailable based on the sole or joint ownership of the asset.

R6-12-403. Treatment of Resources; Exclusions

The objective of this rule is to require the Department to exclude certain types of assets when determining the countable asset limit of an assistance unit. The purpose of the rule is to specify each type of asset that is excluded from the countable asset limit.

R6-12-404. Individual Development Accounts

The objective of this rule is to allow applicants and recipients to establish an Individual Development Account (IDA) in order to save money for specific purposes. The purpose of the rule is to specify the methods in which the IDA may be initiated, the purposes for which the IDA may be used, and the limits on the amount in the IDA which will be excluded from the countable asset limit.

R6-12-405. Resource Transfers; Limitations

The objective of this rule is to prohibit C.A. eligibility when ownership of a resource has been transferred with the intent to qualify or attempt to qualify for CA. The purpose of the rule is to specify the limitations on transfer of resources, the methods which the Department will use to determine whether a resource transfer affects eligibility for CA, and the penalties for an improper transfer of resources.

R6-12-406. Resource Verification

The objective of this rule is to ensure that the value of countable resources is verified. The purpose of the rule is to specify that the Department is required to verify all resources before determining income eligibility and benefit amount.

ARTICLE 5. FINANCIAL ELIGIBILITY; INCOME

R6-12-501. Treatment of Income; In General

The objective of this rule is to establish that all income of both the family and the assistance unit will be considered when determining eligibility for CA and a cash grant amount. The purpose of this rule is to specify what types of income the Department shall consider as gross income when determining financial eligibility.

R6-12-502. Income Available to the Assistance Unit

The objective of this rule is to require the Department to only consider the income of certain persons when determining the cash grant amount for an assistance unit. The purpose of the rule is to specify which individuals will be considered as having income available to the assistance unit for the purpose of determining a cash benefit amount.

R6-12-503. Income Exclusions

The objective of this rule is to require the Department to exclude certain types of income when determining both the countable income of a family and the countable income of an assistance unit. The purpose of the rule is to specify each type of income that is excluded when determining income available to a family when determining income eligibility, and to an assistance unit when determining a cash benefit amount.

R6-12-504. Special Income Provisions: Child Support, Alimony, or Spousal Maintenance

The objective of this rule is to require the Department to apply special rules to the receipt of child support, alimony, or spousal maintenance. The purpose of this rule is to specify the budgeting methods the Department shall use for the receipt of child support, alimony, or spousal maintenance and to specify the penalties that shall be imposed

when the receipt of such income is not submitted to the Department after the eligibility approval date.

R6-12-505. Special Income Provisions; Nonrecurring Lump Sum Income

The objective of this rule is to require the Department to apply special rules to the receipt of a nonrecurring lump sum payment. The purpose of this rule is to specify that a nonrecurring lump sum payment is considered a resource if it is received by an assistance unit member or person whose income is considered available to the assistance unit.

R6-12-506. Special Income Provisions: Sponsored Noncitizens

The objective of this rule is to require the Department to apply special rules for the budgeting of the income of a sponsored noncitizen's Sponsor. The purpose of this rule is to specify when the income of a Sponsor will be considered available to the sponsored noncitizen, to specify the budgeting methods the Department shall use to determine the amount of the Sponsor's income that will be countable when determining CA eligibility, and to specify the responsibilities of both the sponsored noncitizen and the Department when verifying the income of the sponsor, and the consequences for not complying with the income verification requirement.

R6-12-507. Determining Monthly Income

The objective of this rule is to require the Department to determine a countable monthly income amount for both a family, when determining income eligibility, and an assistance unit, when determining a cash grant amount. The purpose of this rule is to specify the method in which the Department shall determine a monthly countable income amount.

R6-12-508. Methods to Determine Projected Monthly Income

The objective of this rule is to require the Department to determine a projected monthly income amount to be budgeted for ongoing eligibility for both a family, when determining income eligibility, and an assistance unit, when determining a cash grant amount. The objective of this rule is to specify the methods the Department will determine a projected monthly income amount.

R6-12-509. Income Verification

The objective of this rule is to ensure that the amount of countable income is verified. The purpose of the rule is to specify that the Department is required to verify all income before determining income eligibility and a cash grant amount.

ARTICLE 6. SPECIAL CA CIRCUMSTANCES

R6-12-601. Caretaker Relative of SSI or Foster Child

The objective of this rule is to allow eligibility for households in which the applicant is the caretaker relative of children who are excluded from CA due to the receipt of SSI or Foster Care Child income. The purpose of the rule is to specify the budgeting methods the Department shall apply for these households when determining income eligibility and a cash grant amount.

R6-12-602. Strikers

The objective of this rule is to restrict the eligibility of households that contain a member who is on strike. The purpose of the rule is to specify the budgeting methods the Department shall apply for these households when determining income eligibility and a cash grant amount.

R6-12-603. Dependents of Foster Children

The objective of this rule is to allow eligibility for households in which the applicant is excluded from CA due to the receipt of Foster Care Child income and is requesting assistance for their dependent child. The purpose of the rule is to specify the budgeting methods the Department shall apply for these households when determining income eligibility and a cash grant amount for the foster child's dependent child.

R6-12-604. Minor Parents

The objective of this rule is to restrict eligibility for minor parent heads of household. The purpose of the rule is to specify when a parent under the age of 18 is considered to be a minor parent, to specify the special eligibility rules that apply to minor parents, and to specify the circumstances in which the Department shall file a report with the Arizona Department of Child Safety.

R6-12-605. Unemployed Parents in a Two-parent Household (TPEP)

The objective of this rule is to allow CA eligibility for households in which both parents of a dependent child reside. The purpose of the rule is to specify the CA provisions that apply to unemployed parents in a two-parent household (TPEP).

R6-12-606. TPEP: Education and Employment Requirements; Good Cause for Nonparticipation

The objective of this rule is to require both parents to participate in the Jobs program. The purpose of this rule is to specify the Jobs program requirements for both parents in the TPEP component and to specify circumstances in which good cause for nonparticipation in Jobs exist.

R6-12-607. TPEP: Duration

The objective of this rule is to restrict the receipt of benefits in the TPEP component to no more than 6 months in a 12-month period. The purpose of this rule is to specify the duration of TPEP benefits and to specify the circumstances for requesting an extension of benefits.

ARTICLE 7. DETERMINING ELIGIBILITY AND BENEFIT PAYMENT AMOUNT

R6-12-701. Income Limitations for a Family

The objective of this rule is to restrict CA eligibility to only assistance units that reside in a Needy Family. The purpose of the rule is to specify the income limits for a family and to specify that these income limits do not apply to households in which the only dependent child for whom assistance is requested is in unlicensed foster care placement with the applicant (a child only case).

R6-12-702. Eligibility for an Assistance Unit

The objective of this rule is to restrict CA eligibility to only assistance units that satisfy the non-financial and financial eligibility requirements. The purpose of this rule is to specify under what circumstances an assistance unit is eligible for CA.

R6-12-703. Earned Income Disregards

The objective of this rule is to allow deductions to be made from the earned income of a family member when determining income eligibility for a family and a CA benefit amount for an assistance unit. The purpose of the rule is to specify what the earned income deductions are and any limitations on the amount of those deductions.

R6-12-704. Disqualification from Earnings Disregards; Good Cause

The objective of this rule is to disallow deductions to be made from the earned income of a family member under certain circumstances. The purpose of the rule is to specify the circumstances under which an assistance unit member, or a person whose income is considered available to the assistance unit, may be disqualified from having earned income disregards deducted from their earned income, and identifies good cause reasons that will excuse the person from such disqualification.

R6-12-705. Determining Benefit Payment Amount

The objective of this rule is to require the Department to determine a benefit payment based on a percentage of the 1992 federal poverty level as specified in state law. The purpose of this rule is to specify the method the Department uses when determining the amount of a cash grant.

R6-12-706. Notice of Eligibility Determination

The objective of this rule is to ensure that an applicant is notified by the Department of the results of an eligibility determination. The purpose of this rule is to specify the Department's responsibilities when informing an applicant of the results of an eligibility determination, including the information required in a denial notice.

ARTICLE 8. PAYMENTS

R6-12-801. Benefit Payments

The objective of this rule is to explain under what circumstances benefits will be paid to an eligible assistance unit member, and to whom the benefits will be paid. The purpose of this rule is to specify the Department's responsibilities in the benefit payment process.

R6-12-803. Supplemental Payments

The objective of this rule is to ensure that a recipient receives the full amount of benefits for which they are eligible. The purpose of this rule is to specify the Department's responsibility to correct an underpayment of benefits by issuing the assistance unit a supplemental payment, regardless of whether the individual who was underpaid is eligible on the date the supplemental payment is issued.

R6-12-806. Protective Payee

The objective of this rule is to ensure that the benefit payment is being used to provide for the basic needs of the household when the head-of-household is not fulfilling that responsibility. The purpose of this rule is to specify the circumstances in which the Department will designate a person other than the head-of-household to have access to the CA benefit, to specify what persons may not be named as the Protective Payee, and the circumstances in which a protective payee will no longer be needed by the household.

R6-12-807. Emergency Payee

The objective of this rule is to allow CA benefits to continue to be provided on behalf of eligible dependent children when the head-of-household is not available or able to take care of those needs. The purpose of this rule is to specify the circumstances in which the Department may pay benefits to an emergency payee and to specify the length of time that benefits may be provided to the Emergency Payee.

R6-12-808. Identification Card

The objective of this rule is to ensure that recipients have access to their CA benefit which is issued via an Electronic Benefit Transfer (EBT) card. The purpose of this

rule is to specify the Department's responsibility to issue an identification card or an EBT card when such card is requested by the recipient.

ARTICLE 9. CHANGES; ADVERSE ACTION

R6-12-901. Reporting Changes

The objective of this rule is to ensure that CA benefits are issued only to eligible assistance units and that the benefit amount is accurate based on the assistance unit's current circumstances. The purpose of this rule is to specify the recipient's responsibility to timely report all changes and to specify the time frame in which a change must be reported.

R6-12-902. Withdrawing a Member from the Assistance Unit

The objective of this rule is to ensure that the Department efficiently processes a reported change in household composition. The purpose of this rule is to specify the actions that the Department shall take when a request to remove a household member is received from the head-of-household.

R6-12-903. Determining Benefits When Adding or Removing a Member

The objective of this rule is to ensure that the Department efficiently processes a reported change in household composition and authorizes an accurate benefit payment based on the change in household circumstances. The purpose of this rule is to specify the methods in which the Department shall redetermine a CA benefit amount when a member is added to, or removed from, an assistance unit.

R6-12-904. Benefit Reduction or Termination

The objective of this rule is to ensure that benefits are authorized based on the current circumstances of the assistance unit and that benefits will be decreased or

stopped based on those circumstances. The purpose of the rule is to specify that the Department will decrease or terminate benefits, when appropriate, based on an assistance unit's reported changes or failure to comply with review requirements.

R6-12-905. Ineligibility Date for an Assistance Unit

The objective of this rule is to ensure that benefits do not continue to be provided to an ineligible assistance unit. The purpose of the rule is to specify the different timeframes in which ineligibility begins and the circumstances for each of those timeframes.

R6-12-906. Ineligibility Date for an Individual Member of an Assistance Unit

The objective of this rule is to ensure that benefits do not continue to be provided on behalf of an ineligible person within an eligible assistance unit. The purpose of this rule is to specify the timeframe in which ineligibility begins for that person.

R6-12-907. Notice of Adverse Action

The objective of this rule is to ensure that an assistance unit is timely notified by the Department of a decrease or termination of assistance. The purpose of the rule is to specify the timeframes within which an assistance unit must be notified of an adverse action and the circumstances that determine the appropriate timeframe for the adverse action notice.

R6-12-908. Referral for Investigation

The objective of this rule is to require the Department to maintain the integrity of the CA program by referring suspected fraudulent activity to the Office of Special Investigations. The purpose of the rule is to specify the circumstances that require the FAA to refer a case for investigation by the Office of Special Investigations.

ARTICLE 10. APPEALS

R6-12-1001. Entitlement to a Hearing

The objective of this rule is to indicate the opportunity for applicants and recipients to obtain a hearing to challenge adverse actions and to specify actions that are not appealable. The purpose of this rule is to convey appeal rights and clarify which Department actions have no associated appeal rights.

R6-12-1002. Request for Hearing; Form; Time Limits

The objective of this rule is to specify the time period and the formal and procedural requirements for filing an appeal, and the circumstances that will excuse the late filing of an appeal. The purpose of this rule is to clearly convey what constitutes a timely and proper appeal and to set forth requirements for an appellant to establish good cause for an otherwise late-filed appeal to be considered timely.

R6-12-1003. Hearing Requests; Preparation and Processing

The objective of this rule is to ensure that the Department prepares and processes a hearing request expeditiously. The purpose of the rule is to specify the Department's responsibilities for preparing required forms within set time frames and to specify the actions the Department will take to provide the appellant with information about available legal resources they may access.

R6-12-1004. Stay of Adverse Action Pending Appeal; Exceptions

The objective of this rule is to allow an appellant to continue to receive assistance throughout the time their appeal of adverse action is being conducted. The purpose of the rule is to specify the time frames in which a request to continue benefits must be

submitted and to specify the circumstances in which benefits may not be continued during the appeals process.

R6-12-1005. Hearing Officer; Qualifications; Duties; Subpoenas

The objective of this rule is to specify the qualifications and the duties of the hearing officer. The purpose of this rule is to assure that all hearing officers are duly qualified for that role and that each performs consistent functions in the course of any proceeding before him or her.

R6-12-1006. Hearings: Location; Notice; Time

The objective of this rule is to specify when hearings are to be scheduled, the contents of the hearing notice and when the notice of hearing is to be sent to the parties. The purpose of this rule is to establish guidelines and time frames for the scheduling of hearings and to assure the parties have sufficient and proper notice of the hearing issue(s) and the circumstances under which the hearing will be held.

R6-12-1007. Rescheduling the Hearing

The objective of this rule is to specify the manner of requesting postponements, the grounds for granting postponements, and the procedures and time frames that apply to rescheduled hearings. The purpose of this rule is to provide guidance to the parties on the process for requesting a hearing postponement, the grounds under which such a request would be granted, and to specify how and when the hearing would be rescheduled.

R6-12-1008. Hearings Concerning Disability Determinations

The objective of this rule is to provide an appellant with the opportunity to have a new medical examination when the issue of the appeal is whether the appellant is

disabled. The purpose of the rule is to specify the Department's responsibility in providing a medical appointment for the appellant and to specify the hearing officer's responsibilities and options when deciding the disability appeal.

R6-12-1009. Group Hearings

The objective of this rule is to allow the Department the option of conducting a group hearing rather than separate, individual hearings. The purpose of the rule is to specify under what circumstances a group hearing may be conducted.

R6-12-1010. Withdrawal of Appeal; Default

The objective of this rule is to specify the procedure for requesting and processing the withdrawal of an appeal. The purpose of this rule is to inform parties of their right to withdraw any appeal, how to do so, and that the matter will be dismissed.

R6-12-1011. Hearing Proceedings

The objective of this rule is to specify procedures applying to a variety of hearing related matters including burden of proof, admissibility of evidence, the hearing record, and closing and opening statements by the parties. The purpose of this rule is to clarify the procedures used in appeal hearings to assist parties to properly prepare for and to fully participate in the process.

R6-12-1012. Hearing Decision; Time Limits; Form; Contents; Finality

The objective of this rule is to specify time frames for the issuance of the hearing officer's decision, the required contents of the decision, and the procedures for delivering the decision to the parties. The purpose of this rule is to inform the parties of the time and method for receiving a decision, and the necessary information which must be included in that decision.

R6-12-1013. Implementation of the Decision

The objective of this rule is to specify when a decision adverse to the appellant shall be effective. The purpose of this rule is to clarify when the Department may act upon the decision of the hearing officer if the adverse action is affirmed and what the Department must do if the adverse action is reversed.

R6-12-1014. Further Appeal and Review of Hearing Decisions; Stay of Adverse Action

The objective of this rule is to specify procedures for appeal of a hearing officer decision to the DES Appeals Board. The purpose of this rule is to set forth the procedures and time frames which a party must follow to have the hearing officer's decision reviewed by the Appeals Board.

R6-12-1015. Appeals Board Proceedings and Decision

The objective of this rule is to specify procedures for review of hearing officer decisions before the Appeals Board. The purpose of this rule is to clarify the responsibilities and processes of the Appeals Board with respect to any further appeals filed from a hearing officer's decision.

ARTICLE 11. OVERPAYMENTS

R6-12-1101. Overpayments: Date of Discovery; Collection; Exceptions

The objective of this rule is to require the Department to recover overpayments of benefits. The purpose of the rule is to specify the timeframes used to determine the overpayment period and to specify the time frame in which the Department shall initiate the overpayment referral.

R6-12-1102. Overpayments: Persons Liable

The objective of this rule is to require certain persons in an assistance unit to repay the Department an overpayment of benefits. The purpose of the rule is to specify the persons who are liable for an overpayment, and to specify the order of those persons from which the Department will seek recovery.

R6-12-1103. Methods of Collection and Recoupment

The objective of this rule is to provide a variety of means by which a person can repay an overpayment to the Department. The purpose of the rule is to specify the methods which may be utilized to repay an overpayment.

ARTICLE 12. INTENTIONAL PROGRAM VIOLATION

R6-12-1201 Intentional Program Violation (IPV); Defined

The objective of this rule is to clarify the circumstances in which an IPV exists, or potentially exists. The purpose of this rule is to define what an IPV is and to specify the circumstances in which an IPV disqualification may be imposed by the Department.

R6-12-1202. IPV Disqualification Proceedings; Hearing Waiver

The objective of this rule is to require the Department to initiate an administrative disqualification proceeding, or a referral for prosecution, when sufficient documentary evidence exists. The purpose of the rule is to specify the Department's responsibilities when informing a recipient of an IPV action and to specify the information that must be provided to that person in the written notification notice.

R6-12-1203. Disqualification Proceedings; Hearing

The objective of this rule is to require the Office of Appeals to proceed with an IPV Disqualification Hearing when the recipient does not waive their right to a hearing.

The purpose of the rule is to specify the responsibilities of the Office of Appeals when notifying the recipient of the hearing and when conducting the hearing.

R6-12-1204. Disqualification Sanctions; Notice

The objective of this rule is to require the Department to impose a sanction on a recipient found guilty of committing an IPV. The purpose of the rule is to specify the terms and length of the sanction, to specify the Department's notification requirements, and to specify the manner in which the income of the convicted member will be treated by the Department when determining eligibility and a cash grant amount for the remaining assistance unit members.

R6-12-1205. Disqualification Hearings; Appeal

The objective of this rule is to specify that the person found guilty of an IPV may appeal the decision to the DES Appeals Board. The purpose of this rule is to set forth the procedures and time frames which a party must follow to have the hearing officer's decision reviewed by the Appeals Board and to specify that an appeal may not be requested when the right to a disqualification hearing was waived by the recipient.

R6-12-1206. Honoring Out-of-state IPV Determinations and Sanctions

The objective of this rule is to require the Department to honor sanctions imposed against an applicant or recipient by Title IV-A agencies of other states. The purpose of the rule is to specify the Department's use of other states' IPV sanction periods when imposing a new sanction for an IPV conviction in Arizona.

ARTICLE 13. JOBSTART

R6-12-1301. Scope

The objective of this rule is to require the Department to operate a JOBSTART component in the CA program. The purpose of the rule is to specify that the JOBSTART component will be operated on a statewide basis.

R6-12-1302. Definitions

The objective of this rule is to promote and ensure uniform understanding of the terminology used by the Department. The purpose of this rule is to define the terms used in Article 13.

R6-12-1303. Diversion of Benefits to Wage Pool

The objective of this rule is to require the Family Assistance Administration (FAA) to divert the CA and Nutrition Assistance benefits to a Wage Pool specific to this component. The purpose of the rule is to specify the FAA responsibilities when calculating the amount of benefits to be diverted and the start date of the benefit diversion process.

R6-12-1304. Treatment of Income

The objective of this rule is to require the Department to exclude the wages received from the JOBSTART participant's subsidized employment. The purpose of this rule is to specify the special budgeting process that the FAA will utilize when determining the amount of a JOBSTART participant's CA benefits.

R6-12-1305. Supplemental Payments

The objective of this rule is to ensure that the income that the JOBSTART participant receives from the subsidized employment is not less than the amount of CA and Nutrition Assistance benefits that the recipient would receive if not participating in

JOBSTART. The purpose of the rule is to specify the methods the Department shall utilize to determine whether the recipient will be issued a CA supplemental payment and to specify the type of supplemental payment that will be provided.

R6-12-1306. Sanctions

The objective of this rule is to enforce the requirements in the Personal Responsibility Agreement that the JOBSTART participant signed with the Department when establishing eligibility for assistance. The purpose of the rule is to specify the circumstances in which there is noncompliance with the JOBSTART component requirements and to specify the sanction actions that the Department's imposes for each instance of noncompliance.

ARTICLE 14. GRANT DIVERSION

R6-12-1401. Definitions

The objective of this rule is to promote and ensure uniform understanding of the terminology used by the Department. The purpose of this rule is to define the terms used in Article 14.

R6-12-1402. Eligibility for Grant Diversion

The objective of this rule is to establish that there are non-financial and financial eligibility factors that will be considered in determining whether a household may be offered the Grant Diversion option. The purpose of the rule is to specify all of the financial and non-financial factors that must be satisfied in order for the Grant Diversion option to be offered to the applicant and to specify the applicant's responsibilities in the Grant Diversion option.

R6-12-1403. Amount of the Grant Diversion Cash Benefit

The objective of this rule is to establish the amount of assistance that will be provided to an eligible assistance unit in the Grant Diversion option. The purpose of the rule is to specify that frequency of a Grant Diversion option payment and the method the Department shall use to determine the amount of the Grant Diversion option payment.

R6-12-1404. Treatment of Changes During the Grant Diversion Payment Period

The objective of this rule is to require the Department to redetermine the Grant Diversion option benefit amount when the assistance unit reports the addition of an eligible member. The purpose of the rule is to specify the change reporting responsibilities of the assistance unit, to specify the manner in which a new member will be added to the Grant diversion assistance unit, and to specify the circumstances when a supplemental payment will be made.

C. EFFECTIVENESS

With the exception of the changes identified as necessary below, the Department believes that the rules in Title 6, Chapter 12, are effective in meeting their objectives.

R6-12-101. Definitions

The following definitions are either no longer accurate and should be revised to make this rule more effective, be removed entirely, or should be added to the rule as new definitions:

- The state time limit has changed from 36 months to 12 months. This change requires a revision to the definition of “Countable Payment”.

- The definition “District Medical Consultant” should be removed as the Department no longer employs a licensed physician in this capacity.
- The definition “JTPA” or “Job Training Partnership Act” should be removed as this federal program has been repealed and replaced.
- The Department should add a definition of “Qualified Alien,” since only aliens that meet that definition are eligible for CA.
- The definition of "TPEP" or "Two-parent Employment Program" should be revised to include an underemployed parent, and not solely an unemployed parent.
- The definition “warrant” should be removed, because all payments are made solely by Electronic Benefit Transfer.
- A definition of “Electronic Benefit Transfer (EBT)” should be added.
- “Case Record” should be defined, since the record maintenance and retention are done in both electronic and paper formats.
- A definition of “Work Eligible Individual” should be added.

R6-12-102. Confidentiality

The rule would be more effective when updated to make changes to conform to the provisions of A.R.S. § 8-451 that created the Arizona Department of Child Safety (DCS) to which the responsibilities and authority of Child Protective Services (CPS) were transferred.

R6-12-104. Manuals

The rule would be more effective when updated, because manuals are no longer maintained in the Local Office and are not available in paper format to be reviewed or copied. The FAA Policy manual is available to the public online via the Department's website.

R6-12-201. Application

- This rule would be more effective when updated to reflect that the methods for submitting an application have changed. Applications may be submitted through online transmittal and FAX, and electronic signatures are now also accepted.
- Also, this rule should be updated to reflect that an application for CA is not automatically treated as an application for AHCCCS medical benefits.

R6-12-202. Request for Benefits; Composition of the Assistance Unit

- This rule would be more effective when updated to reflect that the ARS § 8-514.04 requirements for processing an application for a case that meets the new statutory definition of "Child only case," in A.R.S. § 46-101, is different from the other procedures described in this rule.
- This rule would be more effective when updated to reflect that a child who is in the custody of a Legal Permanent Guardian and for whom the guardian is receiving Guardianship Subsidy payments from the Department of Child Safety is not eligible for CA.

R6-12-203. Initial Eligibility Interview

This rule would be more effective when the following changes are made:

- Revise the interview scheduling procedures to include telephone interviews.
- Revise the Department’s responsibilities during the interview, since they will vary depending on the method of interview.
- Remove the requirement to photograph the applicant.
- Add the A.R.S. § 46-217 Finger Imaging requirement.

R6-12-204. Disability Determination

This rule would be more effective when revised to remove the provision that a “District Medical Consultant shall determine incapacity” under certain circumstances. The Department no longer employs a District Medical Consultant as part of the disability determination process.

R6-12-205. Verification of Eligibility Information

This rule would be more effective when amended because the new automated eligibility system, HEAplus, will provide the Department with real-time access to a number of automated databases that will provide verification of several eligibility factors. This rule will be revised to include the change in verification processes.

R6-12-209. Processing the Application; Denials; Approval

This rule would be more effective when the following changes are made:

- Subsection (D) should be removed from this rule, because an application for CA is not automatically treated as an application for AHCCCS medical benefits.
- A new section on denial of applications without an interview, for applications that are clearly ineligible or for which no potential eligibility exists, will be added to this rule.

R6-12-210. Six-month Review

This rule would be more effective when revised to reflect that there are now different timeframes in which a case is subject to an eligibility review, depending on the type of CA case. Not all cases are reviewed every 6 months.

R6-12-211. Reinstatement of Benefits

This rule would be more effective when the following changes are made:

- The state time limit has changed to 12 months requiring a revision to subsection B (3).
- Also, Department policy has changed to allow continuance of benefits when a request for a fair hearing is received at any time prior to the effective date of the termination and not only within 10 days of the termination notice.

R6-12-302. Applicant and Recipient Responsibility

This rule would be more effective when revised to reflect the following changes:

- The time frame for reporting a change has changed to the 10th day of the month following the month the change occurred.
- There are now two different change reporting requirements, and the changes that must be reported depend on which of the two reporting requirements the case has been assigned.
- The A.R.S. § 46-299 requirement to sign a Personal Responsibility Agreement has changed depending on what type of CA case is being processed.

- To reflect the name change from the Division of Child Support Enforcement to the Division of Child Support Services.

R6-12-304. Residency

This rule would be more effective if the Department moved the “Temporary Absence” requirements and procedures from R6-12-309 to this rule.

R6-12-305. Citizenship and Alienage

To be more effective, in this rule, the Department should change “U.S. Immigration and Naturalization Service (INS)” to “U.S. Citizenship and Immigration Services (USCIS)”.

This rule will also be revised to state that the person’s alien registration number and other related information shall be submitted to the U.S. Citizenship and Immigration Services (USCIS) for verification of the person’s current immigration status.

R6-12-306. Eligible Persons

The following changes should be made to this rule to increase effectiveness:

- The composition of an assistance unit for a case that meets the new statutory definition of “Child only case” in A.R.S. § 46-101 is different from the requirements for other assistance units as described in this rule.
- The Department should include additional information in subsection (B), to clarify that when assistance is not requested for an otherwise mandatory member of the assistance unit or a mandatory member of the assistance unit is disqualified from CA, the countable income and resources of the mandatory member are considered available to the assistance unit. A cross-reference to R6-12-402(B) and R6-12-502(B) should be added.

R6-12-308. Family Benefit Cap

The following changes should be made to this rule to increase effectiveness:

- The rule will be revised to include implementation of the provisions in 2016 HB 2452 (52nd Legislature, Second Regular Session, Chapter 133), which removes the Benefit Cap from children who are currently excluded from Cash Assistance under certain circumstances.
- The Department should revise subsection (F) to clarify that a CA recipient is not automatically eligible for AHCCCS medical benefits.

R6-12-310. Deprivation

To be more effective, the following changes should be made to update this rule:

- Revise the “continued absence” requirements, because “30 days” is no longer needed.
- Expand the “unemployed” requirement to include “underemployed.”
- Change an incorrect citation from R6-12-609 to R6-12-605.

R6-12-311. Assignment of Support Rights; Cooperation

To be more effective, the following changes should be made to update this rule:

- The Department should update this rule to reflect the name change from the Division of Child Support Enforcement to the Division of Child Support Services, to update definitions, and to make the rule clear, concise, and understandable.

- The rule should be further revised to add the Department requirement that an applicant who is included in the cash grant must cooperate with DCSS prior to approval of the application; failure to comply results in denial of the application.

R6-12-312. Good Cause for Non-cooperation with Child Support Enforcement

To be more effective, the Department should update this rule by removing the “6 month” reference in subsection (J), because not all cases are reviewed every 6 months. Also, the rules will be revised to include the name change from the Division of Child Support Enforcement to the Division of Child Support Services

R6-12-313. Participation in JOBS; Exemptions; Good Cause Exceptions

To be more effective, the following changes should be made to update this rule:

- In R6-12-313, the Department should expand the requirement to include all persons who meet the definition of “Work Eligible Individual,” which will be defined at R6-12-101, because this person may or may not be a CA recipient.
- The rule should be further revised to add the Department requirement that all persons who meet the definition of “Work Eligible Individual” must complete a Jobs Program Preliminary Orientation (JPPO) as a condition of eligibility for the assistance unit.

R6-12-318. Duration of Assistance - 36-month Time Limit

To be more effective and to reflect statutory changes to the program, the Department should change all occurrences of “36 months” to “12 months.”

R6-12-319. Extension of Time Limited Assistance

To be more effective, the Department should revise the time frame for having started an educational/job training program, since the state time limit has been reduced to 12 months.

R6-12-321. Hardship Verification Requirements

This rule will be more effective when revised to include that determination of disability by the Social Security Administration evidenced by the receipt of federal SSI benefits is acceptable disability verification in subsection A.

R6-12-404. Individual Development Accounts

This rule will be more effective when revised to change “Food Stamp Program benefits” to “Nutrition Assistance Program benefits.”

R6-12-501. Treatment of Income; In General

This rule will be more effective when revised to include the Self Employment Income Standard Deduction method by which the Department determines the countable gross income from self-employment. In addition to the earned income disregards, self-employed family members may be eligible to receive a standard deduction of 40 percent of the countable gross self-employment income. The self-employment standard deduction is applied prior to calculating the earned income disregards. The self-employed family member must provide verification of at least one allowable expense to receive the deduction.

R6-12-503. Income Exclusions

This rule will be more effective when revised to change references to the DES Division of Children, Youth and Families to the Department of Child Safety.

R6-12-604. Minor Parents

To be more effective, the following changes should be made to update this rule:

- Subsection C should be revised to correct the statutory reference; A.R.S. § 8-201 now contains definitions of “abuse” and “neglect.” The statute currently cited in this rule has been repealed.
- References to Child Protective Services (CPS) will be changed to the Department of Child Safety.
- Subsection (E) will be revised to remove (1) and (4) as these provisions no longer apply.

R6-12-605. Unemployed Parents in a Two-parent Household (TPEP)

Subsection (A) of this rule will be more effective when revised to include an underemployed parent, and not solely an unemployed parent.

R6-12-801. Benefit Payments

To be more effective, this rule needs to be revised in its entirety, because benefit payments are made solely through Electronic Benefit Transfer (EBT).

The revised rule will also include the policy on the prohibited use of the Cash Assistance EBT card at prohibited businesses. To comply with 42 U.S.C. 608(a)(12), Arizona enacted A.R.S. § 46-297, to prohibit the use of a Cash Assistance EBT card at certain businesses.

R6-12-808. Identification Card

This rule will be more effective when updated to reflect current practices related to EBT cards.

R6-12-901. Reporting Changes

This rule will be more effective when revised to reflect new change reporting requirements, new time frames for reporting changes, and additional methods by which to report a change:

- The Department has aligned the change reporting requirements in TANF with those used in the Nutrition Assistance (SNAP) program. SNAP regulations, found at 7 CFR 273.12, allow state agencies several options, including a “simplified change reporting option,” which the Department has chosen to implement in both SNAP and TANF.
- The method for reporting a change in the current rule refers specifically to a “mailing date.” There are several methods by which to report a change in addition to reporting by mail, such as by telephone, electronic transmittal, and in person.
- A new section will also be added to this rule that will contain the Cash Assistance drug testing policy and procedure required in state law. A Cash Assistance adult recipient is required to complete a drug test when the Department determines that reasonable cause to require such a test exists.

R6-12-902. Withdrawing a Member from the Assistance Unit

This rule will be more effective when amended to clarify that if the member requested to be withdrawn is a mandatory member of the assistance unit, the Department shall notify the applicant that removing this person from the assistance unit will result in a termination of benefits, and that the applicant will be allowed to withdraw their request to withdraw the member.

R6-12-903. Determining Benefits When Adding or Removing a Member

This rule will be more effective when revised to reflect that the time frame for effecting these changes has changed. The Department has aligned the timeframes for effecting reported changes in TANF with those used in the Nutrition Assistance (SNAP) program. SNAP regulations, found at 7 CFR 273.12, contain those requirements.

R6-12-904. Benefit Reduction or Termination

This rule will be more effective when revised to remove the “6 month” reference in subsection (B), because not all cases are reviewed every 6 months. It also needs to include information about how the Department will process changes that result in a benefit reduction or termination of benefits.

R6-12-905. Ineligibility Date for an Assistance Unit

This rule will be more effective when amended to reflect a change in the ineligibility date, resulting from the change in the time frame for reporting a change.

R6-12-906. Ineligibility Date for an Individual Member of an Assistance Unit

This rule will be more effective when amended to reflect a change in the ineligibility date, resulting from the change in the time frame for reporting a change.

R6-12-907. Notice of Adverse Action

This rule will be more effective when the following changes are made:

- The Department is now allowed to provide notices to the assistance unit via email in addition to a traditional mailing. This will be included in this rule, though the Department is still in the process of developing policies and procedures for implementation of this new method.

- Reference to AHCCCS medical eligibility in the CA adverse action notice will be removed from this rule. A separate notice is sent for any change to AHCCCS eligibility.

R6-12-908. Referral for Investigation

The rule will be more effective when revised to remove the reference to “forgery of a signature on a cashed warrant”.

ARTICLE 10. APPEALS

To be more effective, the Department needs to update Article 10, rules R6-12-1001 through R6-12-1015 to conform to current policies, procedures, and practices used by the DES Office of Appeals.

R6-12-1102. Overpayments: Persons Liable

The rule will be more effective when revised to indicate the Department will pursue collection from individuals in a specified order and that it will only seek collection from adult members of the assistance unit.

D. CONSISTENCY

Except for the rules identified below, the rules in Chapter 12 are consistent with federal and state law and regulations and do not conflict with other Arizona Administrative Code rules.

The enactment of Laws 2015, Chapter 18, passed by the fifty second legislature – first regular session – revised A.R.S. §46-294 to reduce the Cash Assistance state time limit to 12 months, effective July 1, 2016. This change in state law requires the following rules to be revised to comply with the new 12-month benefit limit:

- R6-12-211. Reinstatement of Benefits
- R6-12-318. Duration of Assistance – 36-month Time Limit
- R6-12-319. Extension of Time Limited Assistance
- R6-12-1004. Stay of Adverse Action Pending Appeal; Exceptions

R6-12-308. Family Benefit Cap

The enactment of Laws 2016, Chapter 133, passed by the fifty second legislature – second regular session – revised A.R.S. §46-292 to remove the Family Benefit Cap for currently disqualified children under specific circumstances. The rule will be revised to add those provisions.

R6-12-313. Participation in JOBS; Exemptions; Good Cause Exceptions

Federal TANF regulations at 45 CFR 261.2 define a “work-eligible individual” as an adult (or minor head-of-household) receiving assistance or a parent living with a child receiving assistance even if the parent is not. The regulation excludes some parents who are not receiving TANF assistance from this definition. The CA rule specifies that “a recipient of CA” shall participate in the Jobs program. The revised federal regulation expands the requirement to include all persons who meet the definition of “Work Eligible Individual,” which will be defined at R6-12-101, because this person may or may not be a CA recipient.

R6-12-604. Minor Parents

Subsections (C)(3)(a)(i) & (ii) cite to A.R.S. § 8-546 that has been repealed. A.R.S. § 8-201 now contains the definitions of “abuse” and “neglect.”

R6-12-808. Identification Card

A.R.S. § 46-601 removed the requirement to issue an identification card when the financial assistance is issued by means of an electronic benefits transfer (EBT) card. Since Cash Assistance benefits are issued solely via EBT, identification cards are no longer required to be issued by the Department.

E. ENFORCEMENT

The CA rules are enforced to the extent that they are consistent with state and federal law and program policy. The following rules are not enforced, partially or in full, as currently written resulting from changes in law, regulation, or program policy:

R6-12-104. Manuals

This rule specifies that a CA program manual will be maintained and available in the FAA Local offices. A separate CA program manual is no longer maintained in the Local Office and is not available in paper format to be reviewed or copied. The FAA Policy manual which contains the CA program policies and procedures in addition to those of other assistance programs is available to the public online via the Department's website. A client is provided access to the online FAA Policy manual at a Local Office upon request.

R6-12-201. Application

This rule specifies that an application for CA is automatically treated as an application for AHCCCS medical benefits. This provision is no longer current; AHCCCS medical benefits must be specifically requested by an applicant. Also, in addition to filing a CA application either in person or by mail, an applicant may now also file an application via FAX transmittal or electronically via the HEAplus online application process.

R6-12-203. Initial Eligibility Interview

One provision in this rule is to require the eligibility worker to “Photograph the applicant for identification purposes”. Taking a photograph of the applicant for identification purposes is no longer required as part of the eligibility interview process. A photograph is taken at the time an applicant or recipient completes the fingerprint imaging requirement.

R6-12-204. Disability Determination

One provision in this rule is to require that a “District Medical Consultant shall determine incapacity” under certain circumstances. The Department no longer employs a District Medical Consultant as part of the disability determination process. Disability is determined through the methods specified in subsections B and C of this rule.

R6-12-210. Six-month Review

This rule specifies that an eligibility review will be completed at least once every six months. There are now different timeframes in which a case is subject to an eligibility review, depending on the component of CA in which benefits are being provided, such as Kinship Care or Kinship Foster Care. Not all cases are reviewed every 6 months.

R6-12-211. Reinstatement of Benefits

The rule provides for the continuance of CA benefits when “the recipient files a request for fair hearing as provided in R6-12-1002 within 10 days of the notice date of the termination notice”. Department policy has changed to allow continuance of benefits when a request for a fair hearing is received at any time prior to the effective date of the termination and not only within 10 days of the termination notice.

R6-12-302. Applicant and Recipient Responsibility

The rule requires the recipient to report a change within 10 days from the date the change becomes known. The time frame for reporting a change has changed in Department policy to the 10th day of the month following the month the change occurred. Also, there are now two different change reporting requirements, and the changes that must be reported depend on which of the two reporting requirements the case has been assigned.

R6-12-305. Citizenship and Alienage

The rules provide for two methods of verifying whether a noncitizen meets the federal definition of “Qualified Alien” for purposes of receiving public benefits. The Department now completes this verification solely by submitting the noncitizen’s Alien Registration Number issued by the U.S. Citizenship and Immigration Services, or its predecessor the Immigration and Naturalization Services, to the Department of Homeland Security for verification via the online Systematic Alien Verification for Entitlements (SAVE) Program.

R6-12-308. Family Benefit Cap

This rule excludes children from CA when born during a parent’s Family Benefit Cap period. State law was revised in 2016 to remove this exclusion under certain circumstances. The effective date of the change was August 6, 2016 and the revised rule will include this change.

R6-12-310. Deprivation

The rule specifies that one of the factors for deprivation of parental support due to the “continued absence” of a parent is that the parent has left the household for a minimum of 30 days. Department policy has removed the 30-day requirement.

R6-12-313. Participation in JOBS; Exemptions; Good Cause Exceptions

The rule specifies that “a recipient of CA” shall participate in the Jobs program. The revised federal TANF regulation expands the requirement to include all persons who meet the definition of “Work Eligible Individual,” which will be defined at R6-12-101, because this person may or may not be a CA recipient.

R6-12-318. Duration of Assistance – 36-month Time Limit

The rule specifies that the Department shall not authorize cash benefits for a needy family, except in case of hardship, when the head-of-household or their spouse has received 36 countable months of cash benefits in the Arizona CA program for an eligible dependent child. As explained in Section D of this report, the state time limit is now 12 months.

R6-12-319. Extension of Time Limited Assistance

The rule requires that to be potentially eligible for a hardship extension due to educational needs, “The member must have started participation in the educational or training program prior to the member receiving 30 countable months of CA.” Due to a change in the time limit, the time frame for having started an educational/job training program is now 6 countable months.

R6-12-501. Treatment of Income; In General

In this rule, a gross income amount for self-employed persons is calculated as “the sum of gross business receipts minus business expenses.” Department policy is to now use a Self-Employment Income Standard Deduction. In addition to the CA earned income disregards, self-employed family members may be eligible to receive a standard deduction of 40 percent of the countable gross self-employment income. The self-employment standard deduction is applied prior to calculating the earned income disregards. The self-employed family member must provide verification of at least one allowable expense to receive the deduction.

R6-12-604. Minor Parents

The rule contains a reference to A.R.S. § 8- 546, which has been repealed. A.R.S. § 8-201 now contains definitions of “abuse” and “neglect.”

R6-12-605. Unemployed Parents in a Two-parent Household (TPEP)

The rule specifies that deprivation of parental support exists in these households when the Primary Wage-Earning Parent is unemployed. Department policy has been revised to also include the underemployment of the Primary Wage-Earning Parent as an allowable deprivation factor, as the parent may be employed but their income is under the amount that would disqualify the family from receiving assistance.

R6-12-801. Benefit Payments

The rule states that benefit payments shall be made in the form of a state warrant. All benefit payments are now made electronically in the form of a deposit made into the recipient’s Electronic Benefit Transfer (EBT) account. Recipients are issued an EBT card

which is used in the same manner as a bank debit card to access benefits and make purchases at allowable retailers.

R6-12-808. Identification Card

The rule requires the Department to issue the recipient an identification card or an electronic benefit transfer card at no cost. The Department no longer issues identification cards since the recipient accesses benefits via an EBT card which requires the recipient to select a Personal identification Number (PIN) which is the only identification that is needed when using the card. Also, Department policy has changed to require the recipient to pay for a replacement card under certain circumstances. The initial EBT card is issued at no cost to the recipient.

R6-12-901. Reporting Changes

This rule requires an assistance unit to report all changes within 10 days from the date the change becomes known. Department policy has changed to now require changes to be reported no later than the 10th day of the month following the month the change occurred. Also, the Department has aligned the change reporting requirements in Cash Assistance with those used in the Nutrition Assistance (SNAP) program. SNAP regulations, found at 7 CFR 273.12, allow state agencies several options, including a “simplified change reporting option,” which the Department has chosen to implement in both Nutrition Assistance and Cash Assistance.

R6-12-903. Determining Benefits When Adding or Removing a Member

This rule specifies that a new member will be added to the assistance unit, when eligible, effective the date the Department receives the request to add the member.

The Department now adds a new member effective the first day of the month following the month the change was reported and verified.

R6-12-905. Ineligibility Date for an Assistance Unit

The rule specifies that an assistance unit will be ineligible on the first day of the same month in which certain changes occur. Because changes are not required to be reported until the 10th day of the month following the month the change occurred, the ineligibility date is now the first day of the first month following the date the department processes the change and determines ineligibility, allowing for timely notice of adverse action.

R6-12-906. Ineligibility Date for an Individual Member of an Assistance Unit

The rule specifies that an individual will be ineligible on the first day of the same month in which ineligibility occurred. Because changes are not required to be reported until the 10th day of the month following the month the change occurred, the ineligibility date is now the first day of the first month following the date the department processes the change and determines ineligibility, allowing for timely notice of adverse action.

R6-12-907. Notice of Adverse Action

This rule specifies that an adverse action notice for Cash Assistance will also include notification of “Any effect the intended action may have on the unit members’ AHCCCS medical eligibility.” Department policy has changed to require a separate adverse action notice for all Medical Assistance (AHCCCS) program adverse actions. Also, the rule specifies that the method for providing the adverse action notice to the household will be by first class mail; though not yet implemented, the department will

also be implementing an email notification option for those households that choose to be notified in that manner when the rule is revised.

R6-12-908. Referral for Investigation

One of the circumstances specified in the rule for the department to initiate an investigation by the Department's Office of Special Investigations is when "An applicant or recipient refuses to sign a statement attesting to forgery of a signature on a cashed warrant." Because all benefits are now provided via the EBT method, warrants are no longer issued. This will be removed from the rule.

R6-12-1002. Request for Hearing; Form; Time Limits

The rule specifies that "A person who wishes to appeal an adverse action shall file a written request for a fair hearing with a local FAA office, within 20 days of the adverse action notice date." Department policy has changed to allow a request to be made either verbally or in writing. Also, the 20-day timeframe for requesting a fair hearing has been expanded to 30 days.

R6-12-1004. Stay of Adverse Action Pending Appeal; Exceptions

The rule allows the Department to continue a recipient's benefits at their current level only when the fair hearing request is received within 10 days of the notice of adverse action being sent. Department policy has changed to allow a continuation of benefits at the current level when the fair hearing request is received at any time prior to the effective date of the adverse action or within 10 days of the date of the adverse action notice.

R6-12-1005. Hearing Officer; Qualifications; Duties; Subpoenas

One provision in this rule specifies that “An appellant may request a change in hearing officer if the appellant so requests at least 10 days prior to the hearing.”

Department policy has changed to allow an affidavit for change of hearing officer to be filed at least five days prior to the hearing.

R6-12-1006. Hearings: Location; Notice; Time

The rule requires the Office of Appeals to “schedule the hearing at the office location most convenient to the interested parties.” The Department now also allows hearings to be conducted by telephone upon request. The rule also requires the Office of Appeals to “issue all interested parties a notice of the first hearing at least 10 calendar days before the hearing.” This time frame has changed to at least 20 calendar days prior to the hearing.

R6-12-1007. Rescheduling the Hearing

The rule specifies that the appellant may request a continuance of the hearing provided that the Office of Appeals receives the request at least 5 work days before the scheduled hearing date. The five- work day requirement is no longer current. The rule will be revised to state that the household may request and is entitled to receive a postponement of the scheduled hearing, the postponement shall not exceed 30 days, and the time limit for action on the decision may be extended for as many days as the hearing is postponed.

R6-12-1008. Hearings Concerning Disability Determinations

There is a provision in the rule that “At any time prior to issuing a decision, the hearing officer may ask the District Medical Consultant to schedule the appellant for a

special diagnostic evaluation by a specialist.” The Department no longer employs a District Medical Consultant and this provision will be removed from the rule.

R6-12-1010. Withdrawal of Appeal; Default

The rule stipulates that “An appellant may voluntarily withdraw an appeal at any time prior to the scheduled hearing by signing a written statement expressing the intent to withdraw.” Department policy has changed to permit the withdrawal request to be made either verbally or in writing. The rule also specifies that when an appellant fails to attend the scheduled hearing and requests within 10 days that the hearing be reopened, the Department may do so if the appellant had good cause for not attending. Good cause is defined in the rule. The Department has expanded the “good cause” definition to also include “excusable neglect” as that term is used in Arizona Rules of Civil Procedure, Rule 60(c).

R6-12-1011. Hearing Proceedings

The rule specifies that “If the record is transcribed, the appellant is entitled to receive a copy at no charge.” This policy has changed; the Office of Appeals charges a fee of 15 cents per page for providing a transcript. However, a party may obtain a waiver of the fee by submitting an affidavit stating that the party cannot afford to pay for the transcript.

R6-12-1012. Hearing Decision; Time Limits; Form; Contents; Finality

The rule states, in part, “No later than 90 days after the date the appellant files a request for appeal, the hearing officer shall render a written decision”. Department policy has changed to require a decision within 60 days. The 60-day time limit is extended for

any delay necessary to accommodate hearing continuances or extensions, or postponements requested by a party.

F. CLEAR, CONCISE, AND UNDERSTANDABLE

The Department believes that the issues identified in subsection (C) of this report also adversely impact the clarity, conciseness, and understandability of the listed rules. Other than those issues previously identified, the Department believes the rules in Chapter 12 are clear, concise, and understandable.

G. WRITTEN CRITICISMS

The Department has not received any written criticisms of the rules contained in this review.

H. ECONOMIC IMPACT COMPARISON

The Department prepared an Economic Impact Statement for the 1995 rulemaking in Title 6, Chapter 12. The economic impact anticipated at that time has proven to be substantially accurate.

The remaining rules in Chapter 12 were adopted under exemptions from the Administrative Procedure Act. The 1997 rulemaking was adopted using session law exemption language at Laws 1997, Ch.300, Section 74(A). The 2010 rulemaking was adopted using session law exemption language at Laws 2010, 7th S.S., Ch. 11, Section 11. The Department did not prepare Economic Impact Statements for either of those rulemakings. The current economic impact of the program is provided below.

Case/Client Data:

The Department received 79,120 initial applications for CA during the year ending June 30, 2016, averaging 6,953 per month. During that same fiscal year 11,994 initial applications were approved, and 69,439 applications were denied. Also, in that 12-month period, \$24,692,940 in CA was paid to eligible households.

There were 45,270 unduplicated recipients of CA during the state fiscal year 2016, comprised of 33,038 children and 12,232 adults. Approximately 2,649 children per month were subject to the benefit cap provisions of A.R.S § 46-292(H); therefore, those households did not receive an incremental increase in the cash grant otherwise applicable to eligible dependent children. The resulting savings was approximately \$1,670,384.

In 2010, there were three major eligibility changes to the program, resulting from HB 2011, passed in the Seventh Special Session of the Legislature. Effective June 15, 2010, pregnant women in their third trimester who had no eligible dependent children residing with them were no longer eligible for CA. Also, in order for a non-parent relative or a legal guardian to receive CA only for a dependent child in their care, the income of the family cannot exceed 130% of the federal poverty level. For all other families, the income of the family cannot exceed 100% of the federal poverty level. These new "needy family" income restrictions do not apply when the non-parent relative is an unlicensed foster care provider requesting assistance only on behalf of a dependent child who is in the legal custody of the Department. In July 2010, a state benefit time limit of 36 months was implemented. This state benefit time limit was further reduced to 24 months in August 2011, and

again reduced to 12 months in July 2016. The state benefit time limit applies to all CA households except those in which the non-parent relative is an unlicensed foster care provider requesting or receiving assistance only on behalf of a dependent child who is in the legal custody of the Department.

The total initial application approvals from SFY 2015 to SFY 2016 decreased 11% or 1,424.

Employee Data:

There were approximately 149 FTE evaluator, administrative and support staff managing the intake process and case dispositions for the CA program during SFY 2016.

Funding:

The Division incurred \$11,512,325 in operating expenses during SFY 2016. The funding to operate the CA program is provided from a mix of federal and state funds.

Economic Impact of Rules Identified as Needing Amendment:

The Department has identified several rules in Chapter 12 that require amendment and has obtained an exception from the regulatory moratorium to proceed with developing the necessary amendments. These changes will not increase regulatory cost or burden but will ease regulatory burden by making CA regulations consistent with current state law for the program. Regulations that are consistent with current state law are easier for program participants and other stakeholders to understand, and also provide the necessary legal framework to operate the program, effectively handling inquiries, grievances, and appeals.

The need for the rules to be updated negatively impacts stakeholders of this program, by causing confusion. An update to these rules is in progress and will ease regulatory burden by providing regulations that are consistent with state law and program procedures.

I. BUSINESS COMPETITIVENESS ANALYSIS

The Department has not received any analysis by another person comparing the impact of the rules reviewed in this report on this state's business competitiveness to the impact on business in other states.

J. COURSE OF ACTION FROM PREVIOUS 5-YEAR REVIEW REPORT

In the previous Five-Year Review Report, the Department indicated that it had received an exception under the regulatory moratorium on February 10, 2012 to proceed with developing a Notice of Proposed Rulemaking to make the amendments identified in the report and anticipated submitting a Notice of Final Rulemaking to Council by June 30, 2013. The Department made progress in drafting the rulemaking. Subsequent regulatory moratoriums beginning in July 2012 and statutory changes significantly impacted the CA program's regulatory framework and regulatory workload priorities.

On December 28, 2012, the Department received approval from the Governor's Office to file a Notice of Proposed Rulemaking specific to promulgating Article 14, Grant Diversion. The Grant Diversion cash benefit is a nonrecurring short-term benefit intended to provide financial assistance to meet the critical needs of the household for a three-calendar month period, which includes the initial month of Grant Diversion eligibility and the two months immediately following, in order for an adult household member to attempt to secure employment and support for the assistance unit. The rulemaking for Article 14

was submitted to the Governor's Regulatory Review Council for review on May 29, 2013, was approved, and became effective on August 4, 2013.

On March 7, 2016, The Department received approval from the Governor's Office to engage in further rulemaking regarding the CA program. The Department is currently drafting rulemaking to address the matters identified in the report.

K. DETERMINATION OF BURDEN AND COSTS

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

L. CORRESPONDING FEDERAL LAW

The following rules contain provisions that are more restrictive than federal law applicable to the Temporary Assistance for Needy Families (TANF) program:

R6-12-318. Duration of Assistance – 36-month Time Limit

Federal law, 42 USC § 608, provides that certain assistance units may not be provided cash benefits, funded in whole or in part from the federal TANF block grant, for more than 5 years, except in state defined hardship situations. State law at A.R.S. § 46-294 restricts cash benefits received in the Arizona Cash Assistance program to no more than 12 months for every family except unlicensed foster care providers in a Child Only case, and except in hardship situations.

R6-12-308.Family Benefit Cap

State law at A.R.S. § 46-292 excludes an otherwise eligible child who is born during a parent's Family Benefit Cap Period from participating in the program. This exclusion is not required in federal TANF law.

R6-12-315. Immunization

State law at A.R.S. § 46-292 requires a child to be immunized in accordance with the schedule of immunizations pursuant to A.R.S. § 36-672. This requirement is not contained in federal TANF law.

M. COMPLIANCE WITH A.R.S. § 41-1037

The Department has determined that A.R.S. § 41-1037 does not apply to these rules, because the Department is not proposing a new rule or an amendment to an existing rule that requires the issuance of a regulatory permit, license or agency authorization.

N. PROPOSED ACTION

On March 7, 2016, the Department received an exception under the regulatory moratorium to proceed with developing a rulemaking to make the amendments identified as necessary in this report. The Department has been in consultation with the Office of Attorney General regarding legal questions attendant to the rulemaking and is following a work plan that anticipates transmittal of the rulemaking to Council by July 2017.