



TITLE	POLICY NUMBER	
Licensing Governance	DCS 15-50	
RESPONSIBLE AREA	EFFECTIVE DATE	REVISION
Office of Licensing and Regulation	November 9, 2023	1

I. POLICY STATEMENT

The Department of Child Safety (DCS) is committed to the provision of safe living arrangements that allow children to thrive. The concept of licensing governance emphasizes the partnership between the Office of Licensing and Regulation (OLR) and providers who perform this critical function and establishes a clear path for escalation and resolution of complaints and investigations.

II. APPLICABILITY

This policy applies to all DCS employees, including OLR staff who investigate and license child welfare agencies, and child welfare agencies who operate residential group care/shelter care facilities licensed under Arizona Administrative Code (A.A.C.) [Title 21, Chapter 7](#), [Title 21, Chapter 8](#), and [Title 21, Chapter 9](#).

III. AUTHORITY

A.R.S. § 8-453	Powers and Duties
A.R.S. § 8-501	Definitions
A.R.S. § 8-503	Powers and duties
A.R.S. § 8-505	Issuance of licenses; application; investigation; Renewal

A.R.S. § 8-506.01	Denial, suspension, revocation or change of license; child welfare agency; appeal
A.A.C. Title 21, Chapter 7	Department of Child Safety – Child Welfare Agency Licensing
A.A.C. Title 21, Chapter 8	Department of Child Safety – Foster Home and Child Welfare Agency Facility Safety
A.A.C. Title 21, Chapter 9	Department of Child Safety – Adoption Agency Licensing

IV. DEFINITIONS

Adverse action: A decision by OLR to deny, suspend, revoke, or materially change a licensing status.

Appeal: The process for an applicant or licensee to exercise their legal right to contest an adverse licensing action.

Child welfare agency: Any agency or institution maintained by a person, firm, corporation, association, or organization to receive children for care and maintenance or for 24-hour social, emotional, or educational supervised care or who have been adjudicated as a delinquent or dependent child; any institution that provides care for unmarried mothers and their children; and any agency that is maintained by this state, a political subdivision of this state, or a person, firm, corporation, association or organization to place children or unmarried mothers in a foster home.

Department or DCS: The Arizona Department of Child Safety.

Department staff: All individuals employed by the Department of Child Safety.

Executive leadership: Assistant Director of Foster Care and Post Permanency Supports, OLR Program Administrator, and OLR Licensing Manager.

Legal advisor: The Office of the Arizona Attorney General and the DCS Office of General Counsel.

Licensing action: The Department's response to a provider's continued unresolved issue determined to be valid by the Office of Licensing & Regulation.

Licensing governance: The concept of a reciprocal relationship between OLR and providers to achieve shared goals, ensure adherence to compliance requirements, and deliver excellent service to vulnerable children.

Material Change in Licensing Status: For the purposes of A.R.S. § 8-506.01, a material change in licensing status means any of the following actions:

- A. denial, suspension, or revocation of an operating certificate;
- B. at any time following issuance of an initial license, imposition of provisional license status, in lieu of a regular license as prescribed in R6-5-7419; or
- C. a change in a term appearing on the face of a license or operating certificate, including:
 1. geographic area served;
 2. age, number, or gender of children served; or
 3. type of services offered.

It does not include the act of placing an agency on a corrective action plan to bring the agency into compliance with licensing requirements as prescribed in R6-5-7418.

Office of Licensing and Regulation (OLR): The administration within DCS that is responsible for reviewing and evaluating applications for licensure; supervising and monitoring licensees; and completing all official licensing actions, including issuing, denying, amending, suspending, and revoking a license.

OLR Governance Committee: Includes but is not limited to Chief Operations Officer, Assistant Director of Foster Care and Post Permanency Supports, OLR Program Administrator, Child Welfare Licensing (CWL) Manager, CWL Team Lead, Life Safety Manager, DCS Contracts for DCS Contracted Provider, OLR staff who license and investigate licensing deficiencies and concerns, and the Office of the Attorney General.

Provider: A child welfare agency, residential group care facility, and applicants for these licenses.

V. POLICY

A. OLR Roles and Responsibilities

1. OLR staff who **investigate** licensing complaints shall be responsible for:
 - a. tracking investigations and their status;
 - b. conducting an initial review, investigating, evaluating, and recommending a disposition or outcome;
 - c. compiling documentation regarding pending deficiencies and concerns for monthly OLR Governance Committee meetings and facilitating the meetings, if requested;
 - d. liaising with the Office of Attorney General/Office of General Counsel as necessary;
 - e. corresponding with the agency (debriefing and disposition letter); and
 - f. maintaining all documentation in the Department's Electronic Database.
2. OLR staff who **license** agencies shall be responsible for:
 - a. tracking licensing deficiencies and concerns related to their status, i.e. programs/services that are beyond the scope of OLR investigative staff;
 - b. compiling documentation regarding pending deficiencies and concerns for monthly OLR Governance Committee meetings and facilitating the meetings, if requested;
 - c. liaising with the Office of Attorney General/Office of General Counsel as necessary;
 - d. communicating and providing guidance to agencies regarding

licensing actions resulting from OLR Governance Committee meetings; and

- e. maintaining all documentation in the Department's Electronic Database.

B. OLR Governance Committee

- 1. An OLR Governance meeting shall occur monthly to:
 - a. review issues presented by OLR staff who license and investigate licensing deficiencies and concerns;
 - b. determine appropriate actions and/or timelines;
 - c. seek legal counsel as necessary;
 - d. approve specific adverse actions, which may include:
 - i. suspension of a license and/or operation certificates;
 - ii. denial of a license and/or operation certificates;
 - iii. revocation of a license and/or operation certificates;
 - iv. corrective action plan;
 - v. a formal notice and follow up/monitoring; and/or
 - vi. material change in licensing status.

VI. PROCEDURES

A. Submission of License Governing Report

When OLR staff who license and investigate licensing deficiencies and concerns determine there is a pattern of concern, they shall complete the [Licensing Governance Report \(CSO-3560\)](#) and submit to Manager or designee.

1. Within 5 business days, the Manager or designee will schedule a time to discuss the report with staff.
2. The Manager or designee determines if the concern should be brought to the OLR Governance Committee Review.
3. The Manager or designee will send the report to the Governance Committee to review within 5 business days prior to the meeting.

B. OLR Governance Committee Review and Determination Process

1. The Committee will review the Governance Report and supporting documentation and may recommend an action outlined in the Child Welfare Licensing Issues Finding/Action Matrix located in the Department's shared database.
2. Final determination and action by the OLR Governance Committee shall be documented on the Licensing Governance Report (CSO-3560) by the OLR staff or designee who submitted the report, and an email shall be sent to the provider notifying them of the action taken and the appeal process as outlined by rule or statute.

VII. FORMS

[Licensing Governance Report \(CSO-3560\)](#)