

Report of Investigation



**Arizona Ombudsman-Citizens' Aide
Final Report of Investigation
Cases # 2406592 and # 2407618
Department of Economic Security
Division of Developmental Disabilities (DDD)
January 13, 2026**

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Arizona Department of Economic Security

Summary

On November 14, 2024, we received a complaint from a mother (hereinafter, “Mother”) and daughter (hereinafter, “Daughter”) stating that the Arizona Department of Economic Security (hereinafter, “DES”) had not made a timely decision on whether to renew each of their Child Developmental Foster Home licenses (hereinafter, “License” or CDFH license).

We find that DES acted contrary to law by exceeding the timeframes set by its own administrative rules for approving or denying the complainants’ license renewals by 98 and 70 days, respectively. DES’s failure to adhere to the proper timeframes goes beyond these individual cases and indicates a systemic problem.

Background

On November 14, 2024, Mother and Daughter contacted our office about DES. They alleged that they had tried to renew their CDFH licenses, but DES had not yet made a decision on either license.

DES contains the Division of Developmental Disabilities (hereinafter, “DDD”). DDD “supports eligible individuals diagnosed” with particular developmental disabilities.¹ The Office of Licensing, Certification, and Regulation (hereinafter, “OLCR”) functions as the licensing authority for DDD.² DES contracts with third-party licensing agencies to license Developmental Home providers.³ To become a Child Developmental Home provider, you must obtain a CDFH license.⁴ According to DES, third-party licensing agencies “facilitate the application process and provide ongoing monitoring and support once the license is issued.”⁵

Initially, we asked Mother and Daughter to demonstrate that they had made reasonable efforts to resolve the matter within DES.⁶ They produced emails between themselves and DES’s Office of the Ombudsman (hereinafter, “DES Ombudsman’s Office”) in which the DES Ombudsman’s

¹ <https://des.az.gov/ddd>

² See <https://des.az.gov/services/disabilities/developmental-disabilities/certification-licensing/developmental-home-licensing>.

³ <https://des.az.gov/services/disabilities/developmental-disabilities/certification-licensing/developmental-home-licensing>.

⁴ See A.A.C. R6-6-1001.

⁵ <https://des.az.gov/services/disabilities/developmental-disabilities/certification-licensing/developmental-home-licensing>.

⁶ See A.A.C. R2-16-301.

Office⁷ declined to assist Mother and Daughter, stating the matter was “not a DDD issue,” and the only assistance the DES Ombudsman’s Office could provide was to “suggest that [Mother and Daughter] reach out to *DDDOLCR@azdes.gov*” (emphasis added).⁸

On December 16, 2024, our agency contacted the DES Ombudsman’s Office for information about the complaint and DES’s handling of the matter.⁹

On December 24, 2024, we inquired with the DES Ombudsman’s Office about whether there is a policy regarding the renewal timeframe for CDFH licenses and what the typical or average renewal period is. On December 26, 2024, the DES Ombudsman’s Office responded, stating, “There is not a specific or even a typical timeframe for the renewal process.” It also said, “Unfortunately, we cannot give a specific timeframe for how long this review will take.”¹⁰

On December 26, 2024, after researching the issue, we contacted the DES Ombudsman’s Office about DDD’s administrative rule¹¹ that sets a 61-day timeframe to issue a decision for CDFH license renewals.

On January 8, 2025, the DES Ombudsman’s Office admitted that the rule we cited does indeed specify timeframes for Mother and Daughter’s applications, but “due to the staff shortages, OLCR has not been able to meet the Rule at this time.” The DES Ombudsman’s Office also mentioned, “Due to OLCR staff shortages, they are currently taking, on average 83 days to issue a renewal.”

The DES Ombudsman Office further noted that a third-party licensing agency had submitted Daughter’s renewal application to DES on October 10, 2024, and a third-party licensing agency had submitted Mother’s renewal application to DES on September 12, 2024. The DES Ombudsman’s Office said, “It is OLCR practice to not issue a renewal when there is an open licensing concern. This practice has been discussed with the [Attorney General]’s office and it was determined to be an acceptable practice. It is applied to all licenses when there is an open licensing concern.”

We inquired whether the agency has a legal foundation for its practice.

On January 13, 2025, the DES Ombudsman’s Office responded and provided no legal basis to support this practice and said, “This has been reviewed with the [Attorney General]’s office and it

⁷ DES does not have an Agency Ombudsman filed with the Secretary of State, as required by A.R.S. § 41-1006 and A.A.C. R1-1-212, although it appears the DES Ombudsman’s Office serves as the office “designated by the agency to assist members of the public or regulated community in seeking information or assistance from the agency.” A.R.S. § 41-1006.

⁸ It is unclear why the DES Ombudsman’s Office would incorrectly inform Mother and Daughter that the matter was not a DDD issue, only to then refer them to DDD.

⁹ The DES Ombudsman’s Office has been designated by DES as the office that responds to and addresses complaints from our office during attempts to resolve complaints informally and without resorting to investigation. R2-16-303.

¹⁰ In responding to the preliminary report our office issued to DES on this matter, DES’s Assistant Director for DDD acknowledged this assertion but stated that, contrary to what the DES Ombudsman’s Office said, DDD does have specific timeframe requirements in rule and is “aware” of them.

¹¹ A.A.C. R6-6-1004.01.

was determined it was a reasonable practice if it was applied to all cases. This standard is applied to all licenses that have an open concern.”

On February 18, 2025, DDD sent a notice to Mother and Daughter of its determination on each of their respective renewal applications.

On February 21, 2025, having received no substantial response from DES addressing the allegations in the complaints and providing no legally sufficient explanation for not complying with the law or offering a reasonable path toward legal compliance, we sent a formal notice of investigation to the DES Director.

On March 14, 2025, DDD’s OLCR Program Administrator provided additional information about how DDD processes renewal applications and explicitly confirmed that DES is not meeting the timeframes set in its administrative rules.

On April 4, 2024, DES responded to our preliminary report on the matter. The agency explained that its DES ombudsman office had provided incorrect information to us. Their ombudsman office claimed there were no specific or typical renewal timeframes and that the agency cannot give a specific timeframe. DES’s DDD Assistant Director said, “Although our records reflect that the *DES Ombuds Office employee* made this statement, the Division of Developmental Disabilities (DDD), Office of Licensing Certification and Regulations (OLCR) is aware of the licensing timelines.” It is unclear to our office why DES’s Ombudsman’s Office initially asserted that there is not a “specific or even a typical timeframe for the renewal process” as there are timeframes set out in DES’s administrative rules. The DES Ombudsman’s Office eventually acknowledged the legal timeframes and provided the average renewal period.

DES’s subsequent statement indicates that the DES Ombudsman’s Office made these claims to our office without proper research and/or consulting with DDD.

Authority

The Arizona Ombudsman—Citizens’ Aide (hereinafter, “AZOCA”), pursuant to Title 41, Chapter 8, Article 5 of the Arizona Revised Statutes and Title 2, Chapter 16 of the Arizona Administrative Code, has the authority to investigate and may issue reports on agency administrative acts.

Upon receiving a complaint, the AZOCA “may investigate administrative acts of agencies that the ombudsman-citizens aide has reason to believe may be . . . [c]ontrary to law. . . .”¹² After completing an investigation and consulting with the agency about the AZOCA findings and recommendations, the AZOCA may present its opinions and recommendations to the Governor, the Legislature, an appropriate prosecutor, and the public.¹³

¹² A.R.S. § 41-1377(A).

¹³ See A.R.S. §41-1376(B).

Allegations

Mother and Daughter alleged that DES failed to approve or deny each of their License renewal applications within a proper amount of time.

Findings

Finding 1. Substantiated.

DES acted contrary to law by failing to grant or deny Mother and Daughter's Licenses within the timeframes established in DES's administrative rules.

Based on the dates provided to our office by DES, DES failed to issue a decision about Mother and Daughter's license renewal applications within the applicable timeframes outlined in its rules.

After initially stating that there was no timeframe for processing licenses, the DES Ombudsman's Office subsequently admitted that the agency did not comply with the applicable law in this case, provided no legal basis for the agency's actions, and indicated that this is a systemic issue.

After initially stating that there was no timeframe for processing licenses, the DES Ombudsman's Office subsequently admitted that the agency did not comply with the applicable law in this case, provided no legal basis for the agency's actions, and indicated that this is a systemic issue.

All agencies "that issue[] licenses shall have in place final rules establishing an overall time frame during which the agency will either grant or deny each type of license that it issues."¹⁴ DES's CDFH licensing is governed by Title 6, Chapter 6, Article 10 of the Arizona Administrative Code. DES itself promulgated these rules.

DES established timeframes for DDD and OLCR in its rules to evaluate CDFH license applications. DES has 30 days to complete its "[a]dministrative completeness review for license renewals."¹⁵ It

has 31 days to complete its "[s]ubstantive review."¹⁶ And finally, the administrative rule explicitly gives DES 61 total days for an "[o]verall time frame" for CDFH license renewal applications.¹⁷

On February 18, 2025, OLCR sent Mother and Daughter each a letter denying their respective license renewal applications. OLCR sent the letter to Daughter 131 days after she submitted her application. DES sent the letter to Mother 159 days after Mother's submission. DES exceeded the 61-day maximum time in law by 70 days for the Daughter's renewal and by 98 days in Mother's case.

¹⁴ A.R.S. § 41-1073(A).

¹⁵ A.A.C. R6-6-1004.01(1)(b).

¹⁶ A.A.C. R6-6-1004.01(2)(b).

¹⁷ A.A.C. R6-6-1004.01(3)(b).

On January 8, 2025, the DES Ombudsman's Office stated, "Due to OLCR staff shortages, they are currently taking, on average, 83 days to issue a renewal." In response to our office asking whether A.A.C. R6-6-1004.01 requires DES to approve or deny Mother's and Daughter's renewal applications within 61 days, the DES Ombudsman's Office said, "Article 10 does state this and it is accurate. However, due to the staff shortages, OLCR has not been able to meet the Rule at this time."

On March 14, 2025, DDD's OLCR Program Administrator confirmed what other DES employees had said. She stated, "As we discussed in previous emails, OLCR was not able to review the two renewal applications within the stated timeframes based on staff shortages." The OLCR Program Administrator also said, "The two families that are involved with this case had open concerns that were elevated to DDD Leadership and then to the AG's office. OLCR was completing due diligence before taking adverse action. Once that process was completed, the denial letters were sent to the providers." She also noted that OLCR is acting to "decrease its timeframes," including hiring two new employees.

We understand that many cases are unique and that specific circumstances, such as credible safety concerns about an applicant, may require a review that takes longer than usual. However, the public reasonably expects DES to adhere to the timeframes set by law. These established deadlines offer a predictable structure and help with planning. When DES fails to meet these legal timeframes, it introduces unnecessary uncertainty into situations that may already be stressful and challenging. It could also lead to lawsuits, erode trust in the law and system, and decrease the willingness of families to foster developmentally disabled children. If the current administrative rule does not allow DES enough time to complete thorough reviews, then DES may need to revise its administrative rules.

We find that DES violated A.A.C. R6-6-1004.01 by failing to process Mother's and Daughter's CDFH renewal applications within 61 days. DES exceeded the timeframe by 70 days for the Daughter's application and 98 days for the Mother's application. This is not an isolated issue. DES acknowledged that its average processing time for CDFH license renewals is 22 days longer than the allowed timeframe. DES staff also recognized that this breached A.A.C. R6-6-1004.01 and provided no legal justification for their actions.

Finding 2. Substantiated.

DES acted unreasonably and inefficiently by failing to respond properly to Mother's and Daughter's complaints, and by not providing our office with accurate information when we inquired about the complaint.

As noted previously, the DDD Assistant Director responded to our preliminary investigation report on behalf of DES, indicating that the initial information provided by the DES Ombudsman's Office to our office did not reflect DDD's knowledge or position on the issue. It is also important to note that the DES Ombudsman's Office incorrectly told Mother and Daughter that the matter did not concern DDD while also directing them to DDD. It is concerning that the information given by the DES Ombudsman's Office to Mother, Daughter, and our office was not accurate, well-researched, or representative of the agency's stance.

Recommendations

Recommendation 1a:

We recommend that DES take necessary action to ensure its DDD licensing complies with the timeframes specified in the administrative rule.

Recommendation 1b:

We recommend that DES review all its timeframes and license renewal processes related to Child Developmental Foster Homes to ensure they follow best practices, adequately serve the needs of client families, and provide DDD with enough time to perform its mission effectively and properly.

Recommendation 1c:

Following the review discussed in 1a and 1b, if DES no longer believes that the timeframes for licensing and license renewal outlined in the administrative rules allow enough time to evaluate all applications properly, we recommend that DES amend its administrative rules to change them and/or establish longer timeframes for cases involving certain complicating factors.

Recommendation 2a:

We recommend that DES management evaluate how the DES Ombudsman's Office handles inquiries from our office and complaints from the public to ensure its responses are timely, well researched, and accurate when representing the agency or any of its departments. Likewise, DES management should confirm that its departments provide the DES Ombudsman Office with prompt and reliable source information.

Agency Response

Katie Hobbs
Governor



Michael Wisehart
Director

January 8, 2026

Ms. Joanne MacDonnell
Arizona Ombudsman-Citizens' Aide
7878 North 16th Street, Suite 2235
Phoenix, Arizona 85020

Re: Investigation of Case #2406592 and #2407618

Dear Ms. MacDonnell:

The Arizona Department of Economic Security (DES/Department) appreciates the opportunity to provide a response to the final report regarding the investigation of Cases #2406592 and #2407618.

DES strives to ensure that complaints are addressed and resolved in a timely and professional manner and is committed to continuous quality, improvement, transparency, and accountability.

Attached is the Department's response to your final report and recommendations. We appreciate your partnership and look forward to our continued collaborative efforts to improve service to Arizonans.

If you have any questions, please contact Erahm Patton-Stinson, DES Ombudsman, at (480) 476-4412 or epatton-stinson@azdes.gov

. Sincerely,

A handwritten signature in black ink, appearing to read "M. Wisehart".

Michael Wisehart
Director

Attachment

cc: Kathy Ber, Public Affairs Director, DES
Leah Landrum Taylor, Assistant Director, Office of Community Engagement, DES
Zane Garcia Ramadan, Division of Developmental Disabilities (DDD), Assistant Director

**Response to Arizona Ombudsman-Citizens' Aide Investigation
Case #2406592 and #2407618**

Arizona Ombudsman-Citizens' Aide Recommendation 1A: We recommend that DES take necessary action to ensure its DDD licensing complies with the timeframes specified in the administrative rule.

DES Response to Recommendation 1A: DES agrees with the recommendation. DDD's Office of Licensing, Certification, and Regulations (OLCR) has onboarded additional staffing resources for its licensing team. Additionally, the team is reviewing and revising its process to ensure that licenses are issued in a timely manner. This includes OLCR revising its practices so that it will no longer hold a license with an open concern but instead issue the license and take appropriate licensing action upon resolution of the concern. This revised practice took effect on April 2, 2025.

Arizona Ombudsman-Citizens' Aide Recommendation 1B: We recommend that DES review all its timeframes and license renewal processes related to Child Developmental Foster Homes to ensure they follow best practices, adequately serve the needs of client families, and provide DDD with enough time to perform its mission effectively and properly.

DES Response to Recommendation 1B: DES agrees with the recommendation. As part of DDD's ongoing process improvement initiatives, the Division conducted a review of policies, procedures, and standard work to ensure that all aspects of the licensing process for child developmental homes are operating effectively and serving the needs of the individuals that DDD supports. This process resulted in an updated Standard Work that was submitted to Policy for publication on November 28, 2025, and is currently in the last stages of being finalized. This new Standard Work streamlines the renewal application process and provides a structured approach to ensure all staff are reviewing the applications consistently.

Arizona Ombudsman-Citizens' Aide Recommendation 1C: Following the review discussed in 1a and 1b, if DES no longer believes that the timeframes for licensing and license renewal outlined in the administrative rules allow enough time to evaluate all applications properly, we recommend that DES amend its administrative rules to change them and/or establish longer timeframes for cases involving certain complicating factors.

DES Response to Recommendation 1C: DES agrees with the recommendation. DES/DDD will use the information gathered as part of our process improvement initiatives described in 1a and 1b to determine if the current timelines established in the rule allow enough time to evaluate all applications properly. If additional time is necessary, this will be addressed during the process of DES/DDD revising its licensing rules in 2026.

Arizona Ombudsman-Citizens' Aide Recommendation 2A: We recommend that DES management evaluate how the DES Ombudsman's Office handles inquiries from our office and complaints from the public to ensure its responses are timely, well researched, and accurate when representing the agency or any of its departments. Likewise, DES management should confirm that its departments provide the DES Ombudsman Office with prompt and reliable source information.

DES Response to Recommendation 2A: DES agrees with the recommendation. The DES Office of the Ombudsman (OMB) is committed to efficiently addressing client inquiries by utilizing an established process and partnering with subject matter experts within DES to ensure timely and accurate information. OMB has been trained and educated in the various processes each programmatic division must follow to ensure continued coordination and regular communication regarding outstanding items. DES receives inquiries through various channels, including phone, web forms, and direct referrals from partner stakeholders. To better serve clients, OMB is leveraging technology to reduce time spent on administrative tasks and dedicate more attention to client needs. Furthermore, the DES OMB office will hold briefings with AZOCA to ensure they have the most current information and can provide clear, accurate responses to clients.

