



Mike Huckabee
Governor

Arkansas Department of Human Services

Office of the Director

329 Donaghey Plaza South


P.O. Box 1437

Little Rock, Arkansas 72203-1437

Telephone (501) 682-8650 FAX (501) 682-6836 TDD (501) 682-7958

Memorandum

TO: Governor Mike Huckabee

FROM:  John Selig, Director, DHHS

DATE: July 13, 2005

SUBJ: Attached Document for Signature
Letter & Certification Pages – Title IV-A State Plan
Temporary Assistance for Needy Families (TANF)

Attached for your signature is a letter and the Certification Pages for Arkansas' Title IV-A State Plan that governs the Temporary Assistance for Needy Families program entitled Transitional Employment Assistance (TEA).

Your signature, in accordance with Section 3 of Arkansas Act 1705, transfers the TANF Block Grant from the Department of Health and Human Services to the Department of Workforce Services effective October 1, 2005.

Please return the signed letter and Certification Pages to Joni Jones, Director, Division of County Operations for routing.

If you have any questions, please contact Joni Jones at 682-8375 or Artee Williams at 682-2121.

Thank you.

JS:lw

Attachments

cc: Joni Jones, Director, DCO
Artee Williams, Director, DWS
file

July 15, 2005

Leon McCowan
Regional Administrator
Administration for Children and Families
1301 Young St., Room 914
Dallas, TX 75202

Dear Mr. McCowan:

Enclosed are revised Certification Pages for Arkansas' Title IV-A State Plan that governs the Temporary Assistance for Needy Families program entitled Transitional Employment Assistance (TEA).

The revision transfers responsibility for the administration of Arkansas' TANF Block Grant from the Arkansas Department of Human Services to the Arkansas Department of Workforce Services effective October 1, 2005. This transfer is in accordance with Section 3 of Arkansas Act 1705 of 2005.

The State is submitting this revision to transfer responsibility well in advance of the October 1 effective date to provide your agency and both of the state agencies involved with adequate time to ensure a smooth transition in terms of financial reporting and actual receipt of funds. Therefore, I am requesting your assistance in notifying the Directors of both agencies of the necessary actions to be taken to enable the Department of Workforce Services (DWS) to draw funding from the Block Grant beginning October 1, 2005.

If you have questions or need additional information regarding the transfer, please contact either John Selig, DHS Director at 501-682-8650 or Artee Williams, DWS Director at 501-682-2121.

Sincerely yours,

Mike Huckabee

MH:lw

CERTIFICATIONS

The State will operate a program to provide Temporary Assistance to Needy Families (TANF) to reduce dependence of needy parents on government benefits by promoting work so that children may be cared for in their own homes or in the homes of relatives; to prevent and reduce the incidence of out-of-wedlock pregnancies; and to promote family unity.

This program is known as the **Transitional Employment Assistance Program**.

Executive Officer of the State (Name) **Mike Huckabee**.

In administering and operating a program which provides Temporary Assistance for Needy Families under Title IV-A of the Social Security Act, the State:

1. Has designated the **Department of Workforce Services (DWS)** as the agency responsible for administering the program under Part A in all political subdivisions of the state.
2. Has consulted local governments and private sector organizations regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and has allowed at least 45 days to submit comments on the plan and the design of such services.
3. Operates a Child Support Enforcement program under the State plan approved under part D.
4. Operates a Foster Care and Adoption Assistance program in accordance with part E and certifies that the State will take all necessary actions to ensure that children receiving assistance are eligible for medical assistance.
5. Provides each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a Tribal Family Assistance plan approved under Section 412, with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.
6. Establishes and enforces standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

Effective Date October 1, 2005

7. Makes available to the public a summary of the State plan.

8. Has established procedures to:

- a) Recognize individuals receiving assistance under this part with a history of domestic violence and, when appropriate, refer such individuals to counseling and supportive services;
- b) Waive, on a case-by-case basis and pursuant to a determination of good cause, other program requirements such as time limits (for as long as necessary) for individuals receiving assistance, and child support cooperation requirements when compliance with such requirements would make it more difficult for an individual receiving assistance under this part to escape domestic violence or unfairly penalize such an individual who is or has been victimized by such violence, or who is at risk of further domestic violence.

Decisions to waive compliance with TEA requirements will be made on an individual, case-by-case basis, and will not endorse an individual's failure to behave proactively to ameliorate destructive domestic violence situations. We support domestic violence victims taking actions to recover their lives through the relief provided by resources Arkansas makes available.

CERTIFIED BY THE CHIEF EXECUTIVE OFFICER OF THE STATE:

Date

Signature and Title

Effective Date October 1, 2005

Division of County Operations
Office of Program Planning & Development

Memorandum

TO: Joni Jones, Director
FROM: Linda Greer, Assistant Director, OPPD 
DATE: July ¹² 8, 2005
SUBJ: Attached Memo for Signature
Certification Pages – Title IV-A State Plan

Attached is a letter from the Governor to Leon McCowan, Regional Administrator, Administration for Children and Families, transmitting the Certification Pages for Arkansas' Temporary Assistance for Needy Families program transferring the TANF Block Grant to the Department of Workforce Services effective October 1, 2005. This is in accordance with Section 3 of Arkansas Act 1705.

Also attached is a memo from you to John Selig requesting his signature on a memo to the Governor. If you have any questions, please let me know.

Thank you.

LG:LW

Attachments

cc: file



STATE OF ARKANSAS
OFFICE OF THE GOVERNOR

Mike Huckabee
Governor

July 19, 2005

Leon McCowan
Regional Administrator
Administration for Children and Families
1301 Young Street, Room 914
Dallas, TX 75202

Dear Mr. McCowan:

Enclosed are revised Certification Pages for Arkansas' Title IV-A State Plan that governs the Temporary Assistance for Needy Families program entitled Transitional Employment Assistance (TEA).

The revision transfers responsibility for the administration of Arkansas' TANF Block Grant from the Arkansas Department of Human Services to the Arkansas Department of Workforce Services effective October 1, 2005. This transfer is in accordance with Section 3 of Arkansas Act 1705 of 2005.

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If you have questions or need additional information regarding the transfer, please contact either John Selig, DHS Director, at 501-682-8650 or Artee Williams, DWS Director, at 501-682-2121.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mike Huckabee".

Mike Huckabee

MH:cp:kh

CERTIFICATIONS

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CERTIFIED BY THE CHIEF EXECUTIVE OFFICER OF THE STATE:

7.22.05

Date



Signature and Title

Effective Date October 1, 2005



Mike Huckabee
Governor


Arkansas Department of Human Services

Office of the Director

329 Donaghey Plaza South
P.O. Box 1437
Little Rock, Arkansas 72203-1437
Telephone (501) 682-8650 FAX (501) 682-6836 TDD (501) 682-7958

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Stricken language would be deleted from present law. Underlined language would be added to present law.

0121971428.jjd056

HB 1295

As Engrossed: H2/7/97 S3/24/97

State of Arkansas

As Engrossed: H2/7/97 S3/24/97

81st General Assembly

A Bill

ACT 1058 OF 1997

Regular Session, 1997

HOUSE BILL 1295

By: House Committee on Public Health, Welfare and Labor

By: Senators Bradford, Bearden, Wilson, Scott, Hoofman, Ross, and Boozman

For An Act To Be Entitled

"THE ARKANSAS PERSONAL RESPONSIBILITY AND PUBLIC ASSISTANCE REFORM ACT"

Subtitle

"THE ARKANSAS PERSONAL RESPONSIBILITY AND PUBLIC ASSISTANCE REFORM ACT"

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Purpose

The General Assembly recognizes that for too many families, welfare has become what it never was intended to be: a permanent way of life. This system of continuous income maintenance not only discourages all incentive for an individual to become self-sufficient, but often leads to intergenerational dependency, and has built-in disincentives toward obtaining work and toward any effort to seek and secure a job. The total package of welfare benefits available to some is frequently better than the package of benefits the working poor can obtain, creating an incentive to stay on welfare. The State's welfare system has numerous disincentives for the maintenance of a stable two-parent family unit. The role and responsibilities of the father are largely ignored in the current system although the State's role should be to promote family and community responsibility for nurturing children, not to take their place. Accordingly, the General Assembly hereby declares that welfare reform is one of the major human service priorities of state government and establishes the goals of achieving a significant reduction in the number of citizens who are enrolled in such programs, transforming a "one size fits all" welfare system that fosters dependence, low self-esteem, and irresponsible behavior to one that rewards work and fosters self-reliance, responsibility, and family stability. The General Assembly intends that new approaches be designed to provide county Human Services offices with flexibility and autonomy to craft local solutions, encourage volunteer, religious, and charitable organizations to fulfill a critical role in leveraging the reduced funding available for welfare programs, create a system that is just and compassionate, hold individuals accountable for their actions, and recognize that even with assistance some recipients may be unable to attain complete self-sufficiency.

SECTION 2. Arkansas Code Annotated § 20-76-101 is amended to read as follows:

"20-76-101. Definitions.

As used in this act, unless the context otherwise requires:

- (1) "Division" means the appropriate division of the Department of Human Services;
- (2) "Deputy director" means a deputy director of an appropriate division of the Department of Human Services;
- (3) "Assistance grants" means money payments to person for old age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, as defined in the federal Social Security Act;
- (4) "General relief" means any form of material aid or service given to a needy person or family not in the form of assistance grant;
- (5) "Recipient" means a person who receives an assistance grant under the terms of this act.

As used in this chapter:

- (1) Assessment Services means an evaluation to determine the abilities, talents, proficiencies, and deficiencies of applicants and recipients with regard to the ability of the individual to move into employment;
- (2) Date of enrollment means the date that an applicant is approved as eligible for the Transitional Employment Assistance program (TEA);
- (3) Department means the Department of Human Services;

- (4) Diversion from assistance means a one time loan of money or the furnishing of non-monetary assistance to an applicant who is eligible for but does not require enrollment in the Transitional Employment Assistance program (TEA);
- (5) Education or training means basic remedial education, adult education, high school education, education to obtain the equivalent of a high school diploma, education to learn English as a second language, and applied technology training;
- (6) Employment assistance means financial assistance, child care, assistance to secure full-time employment, assistance in obtaining education and training that leads to full-time employment, case management services, and other services designed to assist recipients to achieve self-sufficiency through employment;
- (7) Full time education or training means education or training on a full time basis as defined by the department;
- (8) Medical Assistance means assistance furnished pursuant to Title XIX of the Social Security Act, commonly referred to as Medicaid, or a state-funded medical assistance program;
- (9) Personal Responsibility Agreement means an agreement between the department and recipient specifying the recipient's responsibilities that are a condition of receiving employment assistance, which may include an employment plan that describes what the recipient and the department will do to assist the recipient to achieve self-sufficiency through employment;
- (10) Positive Reinforcement Outcome Bonus means a one time cash assistance bonus for achieving an employment plan goal;
- (11) Relocation Assistance means assistance to an eligible recipient, who lives in an area of limited job opportunities, to enable the recipient to relocate for purposes of full-time employment that the recipient has secured;
- (12) Support Services means child care, transportation, financial assistance, medical assistance, *substance abuse treatment*, life skills training, and parenting skills training, and other similar assistance;
- (13) TEA means the Transitional Employment Assistance Program;
- (14) Extended Support Services means assistance to a recipient who has exhausted the financial assistance available under the Transitional Employment Assistance program (TEA), which may include, but is not limited to, child care and medical assistance;
- (15) Unearned income means all income that a recipient receives from sources other than employment, including child support payments, supplemental security income, supplemental security disability income, workers' compensation, and unemployment insurance."

SECTION 3. Arkansas Code Annotated § 20-76-102 is amended to read as follows:

- "20-76-102. ~~Arkansas Employment Security Department - Service to food stamp applicants.~~ Coordination of State Agency Service Delivery.
- (a)(1) ~~To insure that job finding assistance is being adequately provided to food stamp applicants and TEA recipients, the Arkansas Employment Security Department shall may periodically station appropriate staff for some portion of a work day in each any county or district office of the Department of Human Services.~~
- (2) ~~The administrator of the Arkansas Employment Security Department and the Director of the Department of Human Services shall enter into a written agreement regarding the provision of such services to food stamp applicants, provided the Arkansas Employment Security Department has federal funds available and specifically identified for use in providing such services recipients of food stamps and TEA.~~
- ~~(b)(1) The Arkansas Employment Security Department shall report quarterly to the Arkansas Legislative Council the number of registrants or recipients of food stamps interviewed, the number of job referrals made, and the number of registrants or recipients of food stamps placed in jobs.~~
- ~~(2) This report shall be made for each county or district office, provided the Arkansas Employment Security Department has federal funds available and specifically identified for use in providing such services.~~
- (b) The Department of Human Services shall appropriately train and supervise all employees and other persons who are responsible for developing, evaluating, and managing personal responsibility agreements for TEA recipients. Such training and supervision shall include, but not be limited to, a competency based case management program to measure the effectiveness of each plan and to provide appropriate oversight and implementation and training to identify and assist victims of domestic violence.
- (c) To insure that all available state government resources are used to help TEA recipients make the transition from welfare to work, each of the following state agencies shall also be required to work with the Department of Human Services in providing TEA services:
- (1) the Employment Security Department;
 - (2) the Department of Health;
 - (3) the Department of Higher Education, including community colleges and the Cooperative Extension Service;
 - (4) the Department of Education, including the General Education Division and the Vocational Education Division;
 - (5) the Arkansas Development Finance Authority;
 - (6) Arkansas Industrial Development Commission;
 - (7) Arkansas Highway and Transportation Department;
 - (8) the Department of Finance and Administration, including the Child Support Enforcement Unit;
 - (9) the State Child Abuse and Neglect Prevention Board;
 - (10) the Arkansas Adult Literacy Council; and
 - (11) other state agencies as directed by the Governor or as directed by the General Assembly.
- (d) State agencies required under subsection (b) of this section to work with the Department of Human Services in providing TEA services to recipients shall make every effort to use financial resources in their respective budgets and to seek additional funding sources, whether private or federal, to supplement the monies allocated by the Department of Human Services for the TEA Program.
- (e) All agencies of the state and local governments providing TEA Program services shall work cooperatively with and provide any necessary assistance to the General Assembly and the TEA Program Advisory Council and shall furnish, in a timely manner, complete and accurate information regarding the TEA Program to legislative committees and the advisory council upon request."

SECTION 4. Subchapter 1 of Chapter 76 of Title 20 of the Arkansas Code Annotated is amended by adding the following new sections:

20-76-105. TEA Program Advisory Council.

(a) There is created a TEA Program Advisory Council, which shall be composed of the following members:

- (1) the director of the Department of Human Services;
- (2) the director of the Employment Security Department;
- (3) the director of the Department of Health;
- (4) the director of the Department of Education;
- (5) the director of the Department of Higher Education;
- (6) the director of the Arkansas Development Finance Authority;
- (7) the director of the Arkansas Industrial Development Commission;
- (8) the director of the Arkansas Highway and Transportation Department;
- (9) the director of the Office of Child Support Enforcement;
- (10) the director of the Division of Child Care and Early Childhood Education;
- (11) three (3) members appointed by the Governor;
- (12) three (3) members appointed by the House Chairperson of the Public Health, Welfare and Labor Committee; and
- (13) three (3) members shall be appointed by the Senate Chairperson of the Public Health, Welfare and Labor Committee.

(b) Appointed members may be representatives of non-profit organizations, the business community, labor, current and former public assistance recipients, the Chamber of Commerce, the Arkansas Municipal League, and the Association of Arkansas Counties. Appointed members may be legislators.

(c)(1) The appointed members of the advisory council shall serve three-year staggered terms. Initial appointed members of the advisory council shall draw lots to determine the length of their terms. The director of the Department of Human Services shall call the first meeting of the advisory council, and the advisory council shall annually elect a chairperson from among the appointed members. Ten (10) members of the advisory council shall constitute a quorum. The advisory council shall meet with the Governor every six (6) months or as frequently as it deems necessary upon request of the chairperson.

(2) Vacancies occurring on the advisory council by reason of death or resignation shall be filled in the same manner as a regular appointment for the remainder of the unexpired term.

(3) The members of the advisory council shall not be entitled to compensation for their services but may receive expense reimbursement in accordance with A.C.A. § 25-16-902.

(d) The advisory council shall:

- (1) Advise and assist all state agencies in the implementation of the TEA Program;
- (2) Provide evaluation and feedback on the TEA implementation plan submitted by the Department of Human Services;
- (3) Provide evaluation and feedback on rules of state agencies participating in the delivery of services under the TEA Program;
- (4) Provide evaluation and feedback on the role of local TEA coalitions;
- (5) Encourage businesses in the State to hire TEA recipients;
- (6) Respond to and report on citizen concerns about the implementation and administration of the TEA Program; and
- (7) Submit biannual reports to the House and Senate Committees on Public Health, Welfare and Labor.

(e) Employees of the Department of Human Services and the Employment Security Department shall provide staff support for the TEA Advisory Council.

20-76-106. Statewide implementation plan - TEA.

(a) The department shall:

(1) Develop a statewide implementation plan for ensuring the cooperation of state agencies and local agencies and encouraging the cooperation of private entities, especially those receiving state funds, in the coordination and implementation of the TEA Program;

(2) Ensure that TEA recipients throughout the state including those in rural areas have comparable access to TEA benefits; and

(3) Charter local TEA coalitions and approve local implementation plans.

(b)(1) By March 1, 1998, or anytime prior to that date, the department shall submit to the TEA Program Advisory Council the proposed TEA implementation plan.

(2) By July 1, 1998, or any time prior to that date, the department shall submit to the Governor and the House and Senate Committees on Public Health, Welfare and Labor the TEA implementation plan.

(c) At a minimum, the TEA implementation plan shall include:

(1) Performance standards and measurement criteria for all service providers under the TEA Program.

(2) Contract guidelines for contract service providers under the TEA Program.

(3) Recommendations for training TEA service providers, whether State employees or contract providers.

(4) Functions to be performed by each state agency in helping recipients make the transition from welfare to work.

(5) Recommendations for clarifying, or if necessary, modifying the rules of the state agencies charged with implementing the TEA Program so that all unnecessary duplication is eliminated.

(6) Recommendations for establishing joint TEA benefit and employment offices in every county of the state, which shall function as common service centers for the delivery of TEA Program services to applicants and recipients of food stamps and TEA benefits.

(7) Recommendations for modifying compensation and incentive programs for state employees in order to achieve the performance outcomes necessary for successful implementation of the TEA Program.

- (8) A micro-lending program and an Individual Development Trust Account (IDA) demonstration project for TEA recipients.
- (9) One (1) or more employment opportunity districts and develop job development, child care, and transportation strategies for each district.
- (10) Application guidelines and requirements for chartering local TEA coalitions to plan and coordinate the delivery of services under the TEA Program at the local level.
- (11) Criteria for relocation of TEA recipients, which takes into account factors, including but not limited to, job availability, availability of support services, and proximity of relocation area to current residence.
- (12) Criteria for the approval of the implementation plans submitted by local TEA coalitions.
- (13) Criteria for allocating TEA Program resources to local TEA coalitions.
- (14) Criteria for prioritizing work activities of TEA recipients in the event that funds are projected to be insufficient to support full-time work activities of TEA recipients. The criteria may include, but not be limited to, priorities based on the following:
 - (A) At least one adult in each two-parent family shall be assigned priority for full-time work activities;
 - (B) Among single-parent families, a family that has older preschool children or school-age children shall be assigned priority for work activities;
 - (C) A recipient who has access to unsubsidized child care may be assigned priority for work activities;
 - (D) Priority may be assigned based on the amount of time remaining until the recipient reaches the applicable time limit for program participation or may be based on requirements of a personal responsibility agreement.
- (15) The development of a performance-based payment structure to be used for all TEA Program services, which takes into account the degree of difficulty associated with placing a TEA Program recipient in a job, the quality of placement with regard to salary, benefits, and opportunities for advancement, and the recipient's retention of the placement. The payment structure should, if appropriate, provide bonus payments to providers that experience notable success in achieving long-term job retention with TEA Program recipients.
- (d) The department shall update the TEA implementation plan annually and submit quarterly progress reports to the Governor and the House and Senate Committees on Public Health, Welfare, and Labor. The annual updated plan must contain proposals for implementing the goals and objectives of the TEA Program during the succeeding three (3) year period. The quarterly progress reports to the Governor and the House and Senate Committees on Public Health, Welfare, and Labor shall also include the following information for the state, each employment opportunity district, and each county:
 - (1) Total number of cases;
 - (2) Number of TEA recipients who signed the personal responsibility agreement;
 - (3) Number of persons getting a diversion from assistance;
- (4) Number of TEA Program dropouts, and to the extent possible, the reason they have dropped out, where they are living, if they are working, and any other pertinent information;
- (5) The number of persons who reapplied for and received TEA benefits after having dropped out;
- (6) The types of assistance and support services utilized by TEA recipients;
- (7) Number of births to TEA recipients;
- (8) Percentage of TEA children complying with compulsory school attendance;
- (9) Percentage of TEA children immunized;
- (10) Number of cases of reported child abuse and neglect cases among TEA recipients and TEA Program dropouts;
- (11) Number of cases deferred from TEA work requirements and time limitations because of domestic violence;
- (12) Types and percentages of child care placements;
- (13) Percentage of TEA recipients in allowable work activities;
- (14) Number of TEA recipients in each allowable work activity;
- (15) Length of time TEA recipients have spent in each allowable work activity;
- (16) Number of TEA recipients employed by State agencies and contract service providers compared to the ten percent (10%) target goal;
- (17) Occupation types of TEA recipients;
- (18) Estimated earnings for employed TEA recipients;
- (19) Number of hours worked by TEA recipients;
- (20) Percent of TEA employed persons with continued employment continuing into the next quarter; and
- (21) Any other data agreed to by the department and the House and Senate Committees on Public Health, Welfare, and Labor.
- (e) The Department of Human Services shall submit bi-annual reports on the impact of welfare reform on child welfare issues to the Senate Committee on Children and Youth and the House Subcommittee on Children and Youth of the House Committee on Aging, Children and Youth, and Legislative and Military Affairs.
- (f) The House and Senate Committees on Public Health, Welfare, and Labor the Senate Committee on Children and Youth and the House Subcommittee on Children and Youth of the House Committee on Aging, Children and Youth, and Legislative and Military Affairs shall report annually to the General Assembly their findings and recommendations regarding the TEA Program.

20-76-107. Independent Evaluator.

- (a) By July 1, 1997 the Governor shall contract with a professional consultant for an ongoing independent evaluation of the TEA Program and TEA Program development. The independent evaluator shall submit bi-annual reports to the Governor and the House and Senate Committees on Public Health, Welfare, and Labor, which assess:
 - (1) How effectively performance standards and measurement criteria in the statewide implementation plan are being met;
 - (2) How effectively State agencies are cooperating in the implementation of the TEA Program;
 - (3) How effectively various funding sources are being integrated into the support of the TEA Program;

(4) How effectively local TEA coalitions are serving the needs of their local TEA population;

(5) The effects of the TEA program on recipients and their children;

(6) Effectiveness of training received by TEA recipients based upon the number of individuals placed in employment;

(7) Outcomes of incentive programs for State employees charged with implementing the TEA Program;

(8) Outcomes of bonus programs for TEA service providers who experience success in achieving long-term job retention with TEA recipients;

(9) Effectiveness of incentives designed to promote business participation in the TEA Program; and

(10) Any other information deemed by the independent evaluator to be helpful in assisting the Governor and the General Assembly in evaluating the impact and effectiveness of the TEA Program.

(b) All agencies of the State and local government providing TEA Program services shall work cooperatively with and provide any necessary assistance to the independent evaluator and shall furnish, in a timely manner, complete and accurate information to the independent evaluator upon request.

20-76-108. Local TEA coalitions.

(a)(1) Local TEA coalitions may organize and apply to the department for a charter to plan and coordinate the delivery of services for the TEA Program at the local level.

(2) The membership of each coalition may include:

(A) Representatives of the principal entities that provide funding for the employment, education, training, and social service programs that are operated in the area.

(B) A representative of the Chamber of Commerce;

(C) A representative of the department;

(D) A representative of a community development organization;

(E) Representatives of the business community who represent a diversity of sizes of business;

(F) Representatives of other local planning, coordinating, or service-delivery entities; and

(G) A representative of a grassroots community or economic development organization that serves the poor of the community.

(b)(1) Each local TEA coalition may perform the planning, coordination, and oversight functions specified in the statewide implementation plan, including, but not limited to:

(A) Developing a local implementation plan to be approved by the department to achieve the performance outcomes of the TEA Program for current and potential program recipients in the local area, which reflects the needs of the service area for seed money to create programs that assist children of TEA recipients;

(B) Developing a funding strategy to implement the local implementation plan which incorporates resources from all principal funding sources;

(C) Identifying employment, service, and support resources in the community which may be used to fulfill the performance outcomes of the TEA Program; and

(D) Advising the Department of Human Services and other agencies involved in the delivery of services under the TEA Program with respect to the competitive procurement of services under the TEA Program.

(2) The department shall not approve the local implementation plan of a TEA local coalition unless the plan provides a teen pregnancy prevention program within each segment of the service area in which the childhood birth rate is higher than the state average.

(c) Each local TEA coalition shall establish a business registry for business firms committed to assist in the effort of finding jobs for TEA recipients. Registered businesses agree to work with the coalition and to hire TEA recipients to the maximum extent possible consistent with the nature of their business. Each quarter, the coalition shall publish a list of the businesses registered, the number of jobs each has provided for TEA recipients, and the current job openings with each registered business.

20-76-109. Use of contracts.

The department should, as appropriate, provide work activities, training, and other services through contracts. In contracting for work activities, training, or services, the following applies:

(1) A contract shall be performance-based. Whenever possible, payment shall be tied to performance outcomes that include factors such as, but not limited to, job entry, job entry at a target wage, and job retention, rather than tied to completion of training or education or any other phase of the program participation process.

(2) A contract may include performance-based incentive payments that may vary according to the extent to which the recipient is more difficult to place. Contract payments may be weighted proportionally to reflect the extent to which the recipient has limitations associated with the long-term receipt of welfare and difficulty in sustaining employment. The factors may include the extent of the recipient's prior receipt of welfare, lack of employment experience, lack of education, lack of job skills, and other factors determined appropriate by the department.

(3) Each contract awarded under the TEA Program shall be awarded in accordance with State purchasing and contract law.

(4) The department may contract with commercial, charitable, or religious organizations. A contract must comply with federal requirements with respect to nondiscrimination and other requirements that safeguard the rights of participants. Services may be provided under contract, certificate, voucher, or other form of disbursement.

SECTION 5. Arkansas Code Annotated § 20-76-201 is amended to read as follows:

"20-76-201. Department of Human Services - ~~Public assistance~~ - Powers and duties.

(a) ~~The department shall be charged with the administration and supervision of all welfare activities of the state, as provided:~~

(b) The department shall:

- (1) Administer ~~or supervise~~ all forms of public assistance ~~including general relief, outdoor and indoor care for persons in need, old age assistance, aid to dependent children, aid to the blind, child welfare services, aid and services to crippled children and persons otherwise handicapped, except those provided for by civilian vocational rehabilitation, the supervision of~~ supervise agencies and institutions caring for dependent or *mentally or physically disabled* or aged adults, and administer such other welfare activities or services that may be vested in it;
- (2) Administer or supervise all child welfare activities, in accordance with the rules and regulations of the ~~division~~ department, including:
 - (A) ~~The regulation of the importation of children;~~
 - (B)(A) ~~Licensing and supervising of private and public child-caring agencies and institutions and boarding homes for children;~~
 - (C)(B) ~~The care of dependent, neglected, and delinquent children and children with mental or physical disabilities, in foster family homes or in institutions; and~~
 - (D)(C) ~~The care and supervision of children placed for adoption;~~
 - (E) ~~The care and supervision of children of illegitimate birth;~~
 - (F) ~~The supervision of the Juvenile Court Department;~~
- (3) ~~Supervise and license all private institutions, private boarding homes, and private agencies providing assistance, care, or other direct services to the aged, blind, feeble-minded, and other dependent persons and in accordance with rules and regulations of the division. It shall also administer or supervise all mental hygiene work, including the care of mentally ill or feeble-minded persons not in the State Hospital;~~
- (4) ~~Provide services to county governments including the organization and supervision of county welfare departments for the effective administration of welfare functions and for the compilation of statistics and necessary information relative to public welfare problems throughout the state;~~
- (5)(3) ~~Have the authority to enter~~ Enter into reciprocal agreements with public welfare agencies in other states relative to the provisions of relief and assistance to transients and nonresidents and cooperate with other state departments and with the federal government in studying labor, health, and public assistance problems involved in transiency;
- (6)(4) ~~To administer~~ Administer and make effective the rules and regulations governing personnel administration, including the preparation and administration of classification and compensation plans and the method of selection for positions in the ~~state and county or district departments~~ department;
- (7)(5) Carry on research and compile statistics relative to the public welfare programs throughout the state, including all phases of dependency, defectiveness, delinquency, and related problems and develop plans in cooperation with other public and private agencies for the prevention as well as treatment of conditions giving rise to public welfare problems;
- (8)(6) Assist other departments, agencies, and institutions of the state and federal governments, when so requested, by performing services in conformity with the purposes of this ~~aet~~ chapter;
- (9)(7) Cooperate with the federal government in matters of mutual concern pertaining to federally funded programs within the department's purview; ~~assistance to the needy aged, assistance to dependent children, assistance to the needy blind, services for locating crippled children and for providing medical, surgical, corrective, and other services, care, and facilities for diagnosis, hospitalization, and aftercare for children who are crippled or who are suffering from conditions that lead to crippling; and services for the care and protection of homeless, dependent, and neglected children and children in danger of becoming delinquent, and other general welfare matters, including the adoption of such methods of administration as may be recommended by the federal government for the efficient operation of the plans for such service and assistance;~~
- (10)(8) Make any and all contracts that may be necessary to carry out the purposes of this ~~aet~~ chapter and in accordance with rules and regulations made by the ~~division~~ department;
- (11)(9) Make such reports in such form and containing such information as the federal government may from time to time require and comply with such provisions as the federal government may from time to time find necessary to assure the correctness and veracity of the reports;
- (12)(10) ~~Have authority to allocate~~ Allocate funds to ~~county departments~~ for such purposes and in accordance with the provisions of this ~~aet~~ chapter and such rules and regulations as may be prescribed by the ~~division~~ department;
- (13)(11) ~~Have authority to establish~~ Establish general standards of eligibility ~~and adequacy of~~ for assistance grants;
- (14)(12) ~~Have authority to receive~~ Receive, administer, disburse, dispose, and account for funds, commodities, equipment, supplies, and any kind of property given, granted, loaned, or advanced to the State of Arkansas for public assistance, public welfare, social security, or any other similar purposes;
- (15) ~~At its discretion, establish boards and departments of public welfare for such territory as it may see fit and by rules and regulations prescribe the duties of such;~~
- (16)(13) Make such rules and regulations and take such actions as necessary or desirable to carry out the provisions of this ~~aet~~ chapter and which are not inconsistent therewith;
- (17) ~~[Repealed.]~~
- (14) Solicit participation of private organizations, nonprofit organizations, charitable organizations, and institutions of education, in the delivery of services and in the enactment and revision of rules and regulations;
- (15) Employ attorneys to represent the interests of the department;
- (16) Establish and implement a Transitional Employment Assistance Program that meets the requirements of this chapter and of federal law regarding Temporary Assistance for Needy Families; and
- (17) Develop and implement automated statewide benefit delivery and information systems to achieve the purposes of this chapter."

SECTION 6. Arkansas Code Annotated § 20-76-202 is amended to read as follows:

"20-76-202. Department of Human Services - Public assistance - Temporary funding.

(a)(1) It is found and determined that the continued operations of the Department of Human Services, through its appropriate divisions, in

accordance with the approved annual operations plan, are from time to time seriously impaired by either administrative oversights and delays by the Grants Management Office of the United States Department of Health and Human Services, or by the processes of federal fiscal year conversion.

(2) It is further found and determined that the delays in the proper preparation and transmittal of federal grant award authorizations and letter of credit instruments have created unnecessary hardships on the providers of services and the needy citizens of this state.

(b)(1) Therefore, upon certification of the pending availability of federal funding by the Disbursing Officer of the appropriate division of the Department of Human Services, the Chief Fiscal Officer of the State may grant temporary advances. ~~The maximum amount of these advances shall not exceed seven million five hundred thousand dollars (\$7,500,000) from the State Budget Revolving Fund to the appropriate accounts of the Department of Human Services, through its appropriate divisions, so affected by such delays.~~

(2) The Chief Fiscal Officer of the State shall recover within a period of twenty (20) days such temporary advances upon receipt of the grant award authorizations or letter of credit instruments.

(c) No person in the State of Arkansas shall be excluded from participation in or be subjected to discrimination under any program or activity enumerated in this section on the ground of race, color, sex, disability, religion, or national origin."

SECTION 7. Subchapter 2 of Chapter 76 of Title 20 of the Arkansas Code Annotated is amended by adding the following new section:

"20-76-214. Payment of certain contributions and withholdings - TEA.

(a) The department is authorized to pay the employer's portion of contributions and withholdings required by the federal and state income tax laws, the Federal Insurance Contributions Act, the Workers Compensation Law §11-9-101 et seq., the Arkansas Employment Security Act §11-10-101 et seq., and private medical insurance premiums for eligible individuals where such is necessary to achieve employment assistance.

(b)(1) TEA recipients shall not be deemed to be state employees solely as a consequence of receiving TEA benefits and shall not be eligible to participate in the State Employees Retirement System solely as a consequence of receiving TEA benefits;

(2) TEA recipients who are employed by the State shall be eligible for the same benefits as an employee who performs similar work and is not a TEA recipient."

SECTION 8. Arkansas Code Annotated § 20-76-401 is amended to read as follows:

"20-76-401. Eligibility generally - Transitional Employment Assistance Program.

(a) Public assistance grants or general relief shall be granted under this act to any needy person or family which:

(1) Has not sufficient income or other resources to provide a reasonable subsistence compatible with decency and health;

(2) Has not made an assignment of or transfer of real or personal property for the purpose of rendering himself eligible for assistance grants under this act at any time within the last five (5) years. Any person making such an assignment or transfer shall be ineligible for assistance grants under this act for such a period of time as the fair market value of the property assigned or transferred would have provided subsistence in accordance with the budgetary need as established by the existing rules and regulations of the appropriate division of the Department of Human Services;

(b) No recipient of one form of welfare assistance shall be entitled to receive any other form of welfare assistance;

(c) No assistance grant shall be given under the laws of this state to any needy person until, in addition to the qualifications set forth in §§ 20-76-401, 20-76-419, 20-76-424, and 20-76-427, the person has resided in the State of Arkansas for at least three (3) years of the last five (5) years and for the past one (1) year of the three (3) years has resided continuously in the State of Arkansas;

(a) The department shall establish a program of Transitional Employment Assistance (TEA). Eligible applicants shall receive one or more of the following: assessment services, employment assistance, support services, medical assistance, a positive reinforcement outcome bonus, relocation assistance, and extended support services.

(b) Eligibility for TEA is limited to applicants for or recipients of assistance who:

(1) have care and custody of a related minor child;

(2) reside in the state at the time of application for assistance;

(3) have applied for child support services, when applicable, with a local child support enforcement office at the time of application for assistance and comply and cooperate with all applicable requirements of that office, including, but not limited to, assignment of benefits to the department;

(4) participate in an approved work activity, including complying with an employment plan, unless deferred or exempt from work activity requirements;

(5) are citizens of the United States of America, are qualified aliens lawfully present in the United States of America before August 23, 1996, or are aliens to whom benefits under Temporary Assistance for Needy Families must be provided under federal law;

(6) are income and resource eligible; and

(7) sign and comply with a personal responsibility agreement.

(c) The department shall promulgate regulations to determine resource eligibility and benefit levels for participating families. The regulations shall include, but not be limited to, the following categories of income and resource disregards:

(1) To reward work, earned income from sources other than TEA;

(2) A certain percentage of a family's gross monthly income;

(3) The family's homestead;

(4) An operable motor vehicle per family;

(5) Household and personal goods;

(6) Income producing property;

(7) Monies deposited in an approved individual development account (IDA) or approved escrow account for business or career development;

(8) Any other property or resource specified in the TEA implementation plan which is determined to be cost-efficient to exclude or which must be excluded due to federal or state law.

(e) Any person who makes an application for assistance shall have the burden of proving eligibility for such assistance."

SECTION 9. Arkansas Code Annotated § 20-76-402 is amended to read as follows:

~~"20-76-402. Eligibility—Refusal to accept employment. Work activities.~~

~~(a) No able-bodied individual who has refused any employment which pays at or above the federal minimum wage, or the state minimum wage when the federal minimum wage is not applicable, shall receive any welfare benefits administered by the appropriate division of the Department of Human Services after thirty (30) days from the date of his refusal to accept the employment.~~

~~(b) In the event that federal statutes, rules, or regulations conflict with the requirements of this section or rules and regulations promulgated hereunder, the appropriate division of the Department of Human Services is authorized to promulgate rules and regulations bringing the state's welfare programs into compliance with federal law after first obtaining the advice of the Legislative Council thereon, while pursuing, insofar as possible, the legitimate objectives of this section.~~

~~(c) As used in this section, "able-bodied individual" shall be defined as all individuals between eighteen (18) years of age and sixty (60) years of age, except for those individuals:~~

~~(1) Who are medically certified by a licensed physician as incapacitated; or~~

~~(2) Whose presence in the home is required because of the medically certified illness or incapacity of another member of the household; or~~

~~(3) Who are mothers or other relatives of a minor under twelve (12) years of age who are caring for the child.~~

~~(a) The department shall develop and describe categories of approved work activities for TEA recipients in accordance with this section. Approved work activities may include unsubsidized employment, subsidized private sector employment, subsidized public sector employment, education or training, skills training, job search and job readiness assistance, on-the-job training, micro enterprise, and community service work experience.~~

~~(1) Unsubsidized employment is full-time employment or part-time employment that is not directly supplemented by federal or state funds.~~

~~(2)(A) Subsidized private sector employment is employment in a private for-profit enterprise or a private not-for-profit enterprise which is directly supplemented by federal or state funds. A TEA recipient in subsidized private sector employment shall be eligible for the same benefits as a nonsubsidized employee who performs similar work. Prior to receiving any subsidy or incentive, an employer shall enter into a written contract with the department which may include, but not be limited to, provisions addressing any of the following:~~

~~(i) payment schedules for any subsidy or incentive, such as deferred payments based on retention of the recipient in employment;~~

~~(ii) durational requirements for the employer to retain the recipient in employment;~~

~~(iii) training to be provided to the recipient by the employer;~~

~~(iv) weighting of incentive payments proportionally to the extent to which the recipient has limitations associated with the long-term receipt of welfare and difficulty in sustaining employment. In establishing incentive payments, the department shall consider the extent of the recipient's prior receipt of welfare, lack of employment experience, lack of education, lack of job skills, and other appropriate factors.~~

~~(B) The department may require an employer to repay some or all of a subsidy or incentive previously paid to an employer under the TEA program unless the recipient is terminated for cause.~~

~~(3)(A) Subsidized public sector employment is employment by an agency of the federal, state, or local government which is directly supplemented by federal or state funds. A TEA recipient in subsidized public sector employment shall be eligible for the same benefits as a nonsubsidized employee who performs similar work. Prior to receiving any subsidy or incentive, an employer shall enter into a written contract with the department which may include, but not be limited to, provisions addressing any of the following:~~

~~(i) payment schedules for any subsidy or incentive, such as deferred payments based on retention of the recipient in employment;~~

~~(ii) durational requirements for the employer to retain the recipient in employment;~~

~~(iii) training to be provided to the recipient by the employer;~~

~~(iv) weighting of incentive payments proportionally to the extent to which the recipient has limitations associated with the long-term receipt of welfare and difficulty in sustaining employment. In establishing incentive payments, the department shall consider the extent of the recipient's prior receipt of welfare, lack of employment experience, lack of education, lack of job skills, and other appropriate factors.~~

~~(B) The department may require an employer to repay some or all of a subsidy and incentive previously paid to an employer under the TEA program unless the recipient is terminated for cause.~~

~~(4) Community service work experience is job-training experience at a supervised public or private not-for-profit agency, which is both linked to education or training and substantially enhances a recipient's employability.~~

~~(5)(A) Job search assistance may include supervised or unsupervised job-seeking activities. Job readiness assistance provides support for job-seeking activities, which may include:~~

~~(i) Orientation in the world of work and basic job-seeking and job retention skills;~~

~~(ii) Instruction in completing an application for employment and writing a resume;~~

~~(iii) Instruction in conducting oneself during a job interview, including appropriate dress;~~

~~(iv) Providing a recipient with access to an employment resource center that contains job listings, telephones, facsimile machines, typewriters, and word processors.~~

~~(B) Job search and job readiness activities may be used in conjunction with other program activities, such as community service work experience, but may not be the primary work activity and may not continue longer than the length of time permitted under federal law.~~

~~(6) Education or training is vocational-educational training and education directly related to employment. Education or training may be combined with other program activities and also may be used to upgrade skills or prepare for a higher paying occupation for a recipient who is employed.~~

~~(7) Job skills training directly related to employment provides job skills training in a specific occupation for which there is a written commitment by the employer to offer employment to a recipient who successfully completes the training. Job skills training includes customized training designed to meet the needs of a specific employer or a specific industry. A recipient may be required to complete an entrance assessment or test before~~

entering into job skills training if assessments or tests are required for employment upon completion of the training.

- (8) School attendance at a high school or attendance at a program designed to prepare the recipient to receive a high school equivalency diploma is a required program activity for each recipient eighteen (18) years of age or younger who:
(A) has not completed high school or obtained a high school equivalency diploma;
(B) is a dependent child or a head of household; and
(C) for whom it has not been determined that another program activity is more appropriate.
- (9) Participation in medical, educational, counseling, and other services that are part of a the recipient's personal responsibility agreement is a required activity for each teen parent who participates in the TEA Program.
- (b) Adult recipients who meet the minimum weekly work requirement, but who do not have a GED or the equivalent and who do not spend forty (40) hours per week in approved work activities, shall be given an option of participating in education directly related to employment or a GED program in accordance with the recipient's personal responsibility agreement.
- (c) Each state agency and each entity that contracts to provide services for a state agency shall establish recruitment and hiring goals which shall target ten percent (10%) of all jobs requiring a high school diploma or less to be filled with TEA or food stamp recipients. A question concerning receipt of TEA benefits or food stamps may be added to the state employment application for purposes of targeting these applicants. Each agency shall report to the TEA Program Advisory Council and the independent evaluator the number of TEA recipients employed by the state agency and the contract service provider in comparison to the established goal.
- (d)(1) The department shall require participation in approved work activities to the maximum extent possible, subject to federal and state funding. If funds are projected to be insufficient to support full-time work activities by all TEA program recipients who are required to participate in work activities, the department shall screen recipients and assign priority in accordance with the TEA implementation plan.
- (2) In accordance with the TEA implementation plan, the department may limit a recipient's weekly work requirement to the minimum required to meet federal work activity requirements and may develop screening and prioritization procedures within employment opportunity districts or within counties based on the allocation of resources, the availability of community resources, or the work activity needs of the employment opportunity district or county.
- (e)(1) Subject to subparagraph (2), an adult in a family receiving assistance under TEA may fill a vacant employment position in order to engage in a work activity described in subsection (a).
- (2) No adult in a work activity described in subsection (a) which is funded, in whole or in part, by funds provided by the federal government shall be employed or assigned:
(A) When any other individual is on layoff from the same or any substantially equivalent job; or
(B) If the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction in its workforce in order to fill the vacancy so created with an adult described in subparagraph (1).
- (3) The Employment Security Department shall establish and maintain a grievance procedure for resolving complaints of alleged violations of subparagraph (2).
- (4) Nothing in this subsection shall preempt or supersede any provision of state or local law that provides greater protection for employees from displacement.
- (f) The department shall establish criteria to exempt or temporarily defer the following persons from any work activity requirement:
(1) an individual required to care for a recipient child until the child reaches the maximum age specified by regulation, not to exceed twelve (12) months of age;
(2) an individual who is medically incapacitated or who possesses a disability that precludes an individual from working at available employment;
(3) a woman in the third trimester of pregnancy;
(4) an individual who must remain in the home to care for a resident family member who is seriously ill or incapacitated;
(5) a minor parent less than eighteen (18) years old who resides in the home of a parent or in an approved adult-supervised setting and who participates in full-time education or training;
(6) a teen parent/head of household under the age of twenty (20) who maintains satisfactory attendance as a full-time student at a secondary school;
(7) an individual for whom support services necessary to engage in a work activity are not available;
(8) an individual who, as determined by a department case manager, is unable to participate in work activities due directly to the immediate effects of domestic violence. All case manager determinations made under this subsection shall be reviewed by a supervisor within five (5) days of such determination;
(9) an individual unable to participate in a work activity due to extraordinary circumstances."

SECTION 10. Arkansas Code Annotated § 20-76-403 is amended to read as follows:

"20-76-403. Application ~~generally~~ - Fraud.

- ~~(a)(1) Application for assistance grants under this act shall be made to the county office in the county or district in which the applicant resides.~~
~~(2) The application shall be in writing or reduced to writing in the manner and upon the form prescribed by the appropriate division of the Department of Human Services.~~
~~(3) The application for assistance shall contain a statement of the amount of both real and personal property in which the applicant has an interest and of all earned and unearned income which he may have at the time of the filing of the application, and such other information as may be required by the division department.~~
~~(b) In the case of dependent children, the application shall be made by the person having custody of the dependent child and shall contain information as to the age and residence of the child and such other information as may be required by the rules and regulations of the division. One~~

(1) application may be made for several children of the same family if they reside with the same person.

(c) ~~Whosoever shall give a false answer to any question contained in the application for assistance shall be guilty of fraud under Rev. Stat., ch. 44, art. 11, § 1 [repealed]. Any assistance grant improperly paid as a result of this fraud shall be recoverable by the state as a debt due the state and, if applicable, the recipient shall be prosecuted under theft of public benefits, § 5-36-202.~~

(c)(1) All assistance provided under this chapter shall be reconsidered by the department as frequently as the department deems necessary. The amount of assistance may be entirely withdrawn by the department if the department is advised that the recipient's circumstances have altered sufficiently to warrant such action.

(2) Whoever shall withhold information in a periodic reconsideration that may result in a recipient's assistance being changed or withdrawn shall be guilty of fraud. Any money paid after information has been withheld shall be recoverable as a debt due the state.

(d) The department shall forthwith close any recipient's open case upon a judicial or administrative determination that the individual recipient has committed fraud in order to receive TEA benefits. The case shall remain closed and the recipient shall remain ineligible until all indebtedness to the department is repaid with interest."

SECTION 11. Arkansas Code Annotated § 20-76-404 is amended to read as follows:

"20-76-404. ~~Application - Physically disabled persons.~~ Duration of Assistance - Extended Support Services.

~~(a) Whenever any person makes application for an assistance grant or for general relief and states in his application as his reason for seeking assistance that he is physically disabled and unable to support his family or himself, then the claim must be proved to the satisfaction of the appropriate division of the Department of Human Services:~~

~~(b) The appropriate division of the Department of Human Services shall require sufficient medical evidence to establish that the applicant is physically or mentally incapacitated to such an extent that he is unable to provide the necessities of life for himself or his family.~~

(a) Beginning, July 1, 1998, the department shall not provide financial assistance to a family that includes an adult recipient who has received financial assistance for more than twenty-four (24) months, except as provided in subsection (c) of this section. The number of months need not be consecutive and shall include the time a recipient receives financial assistance from another state. The department may by regulation establish other limitations on the receipt of financial assistance not inconsistent with state or federal law.

(b) The department shall certify to the Governor and the House and Senate Committees on Public Health, Welfare and Labor when the support services necessary for TEA recipients to obtain employment or participate in allowable work activities are available. The department may certify subsets of TEA recipients, including, but not limited to, TEA recipients in a certain geographical area or employment opportunity district, or TEA recipients with a high school diploma or G.E.D. Prior to implementing the twenty-four (24) month cumulative limit on financial assistance, the department shall notify TEA recipients by direct mail or contact and by other means reasonably calculated to reach to current and potential TEA recipients, including but not limited to, the posting of notices in county offices.

(c) The department shall establish criteria to exempt or temporarily defer the following persons from the twenty-four (24) month cumulative limit on financial assistance:

(1) an individual, as determined by a department case manager, who cooperated and participated in activities, but was unable to obtain employment because of extraordinary circumstances or barriers beyond his or her control;

(2) child-only cases;

(3) an individual unable to obtain employment because of the lack of support services necessary to overcome barriers to employment;

(4) a parent or caregiver over sixty (60) years of age;

(5) a parent or caregiver who is caring for a disabled child relative or disabled adult relative, based upon criteria set forth in the department's regulations;

(6) a disabled parent or caregiver, based upon criteria set forth in the department's regulations;

(7) a parent less than eighteen (18) years old who resides in the home of a parent or in an approved adult-supervised setting, and who participates in full-time education or training;

(8) an individual, who as determined by a department case manager, is unable to obtain employment due directly to the effects of domestic violence.

All case manager determinations made under this subsection shall be reviewed by a supervisor within five (5) days of such determination;

(9) other individuals as determined by the department, including, but not limited to, a child when necessary to protect the child from risk of neglect, as defined by A.C.A. § 12-12-503(6).

(d) A recipient who was eligible for Medicaid that loses his or her financial assistance due to earnings whose income remains below one hundred eighty-five percent (185%) of the federal poverty level shall remain eligible for transitional Medicaid and child care assistance without reapplication during the immediately succeeding twelve (12) month period if private medical insurance is unavailable from the employer. Twenty-four (24) additional months of child care assistance shall be provided on a sliding fee scale or other cost-sharing arrangement as determined by the department.

(1) The department shall deny Medicaid and child care assistance during the twelve (12) month period for any month in which the recipient's family does not include a dependent child.

(2) The department shall notify the recipient of transitional Medicaid and child care assistance when the recipient is notified of the termination of cash assistance. The notice shall include a description of the circumstances in which the transitional Medicaid and child care assistance may be terminated.

(e)(1) In order to assist current and former TEA recipients in continuing training and upgrading skills, transitional education or training may be provided to a recipient for up to one (1) years after the recipient is no longer eligible to participate in the TEA program due to employment earnings.

(2) Education or training resources available in the community at no additional cost to the department shall be used whenever possible.

- (3) Transitional education or training shall be employment-related, and may include education or training to improve a recipient's job skills in the recipient's existing area of employment or may include education or training to prepare a recipient for employment in another occupation.
- (4) The department may enter into an agreement with an employer to share the costs relating to upgrading the skills of recipients hired by the employer.
- (f) Other extended support services may be available to recipients no longer eligible for financial assistance under TEA.
- (g) By January 1, 1998 the department, in conjunction with the Department of Health, shall present a plan for the consideration of the Governor and the House and Senate Committees on Public Health, Welfare and Labor to monitor and protect the safety and well-being of the children within a family whose temporary assistance is terminated for any reason other than the family's successful transition to economic self-sufficiency. Such actions may include, but not necessarily be limited to, one (1) or more in-home visits with such children within thirty (30) days of the termination of such temporary assistance."

SECTION 12. Arkansas Code Annotated § 20-76-405 is amended to read as follows:

"20-76-405. Application - Investigation - Diversion from Assistance.

Whenever a county office receives an application for assistance grants under this act, an investigation and record shall promptly be made of the circumstances of the applicant in order to ascertain the facts supporting the application and in order to obtain such other information as may be required by the rules of the appropriate division of the Department of Human Services. The investigation shall include a visit to the home of the applicant:

- (a) When an applicant applies for employment assistance, the department shall determine if the applicant is eligible to be diverted from receiving employment assistance. That determination shall be based on an assessment conducted in conformity with regulations promulgated by the department.
- (b) The department shall determine eligibility for diversion from assistance by considering whether, but for the diversion from assistance, the applicant would receive employment assistance. If the department determines that the applicant is eligible for diversion from assistance and the recipient agrees to the diversion, the department may provide a single loan payment of up to the amount of financial assistance that the applicant could receive during three months if not diverted.
- (c) An applicant may receive diversion loan assistance only once. Receipt of diversion loan assistance shall be accompanied by a written declaration by the recipient electing to forego TEA financial assistance for one hundred (100) days as a condition of receiving the diversion loan assistance.
- (d) A diversion from assistance is in lieu of other services described in this chapter."

SECTION 13. Arkansas Code Annotated § 20-76-406 is amended to read as follows:

"20-76-406. Investigation of claims and award of assistance - Issuance of voucher. Alternative Benefits.

- (a) When a claim for assistance has been filed with the appropriate division of the Department of Human Services, the appropriate division of the Department of Human Services shall have an investigation made, and, within sixty (60) days from the date of filing the claim, a report must be sent to the applicant of the action taken by the office. In the event any applicant is found eligible for benefits under the present law, the applicant's case shall be certified immediately to the deputy director of the appropriate division of the Department of Human Services who in turn must cause a voucher to be issued without delay for the amount allowed the applicant.
- (b) Upon the completion of an investigation on an application for an assistance grant, the appropriate division of the Department of Human Services shall determine eligibility and certify eligible cases with the amount of the assistance grant as determined by division rules and regulations:
- (c) The assistance shall be paid monthly by the appropriate division of the Department of Human Services.
- (a) The department may establish and maintain a program of public assistance as an alternative for individuals otherwise eligible for TEA, who having engaged in TEA work activities for at least six weeks, have fully complied with all provisions in the individual's personal responsibility agreement, but who are not engaged in work as defined in TEA laws or regulations.
- (b) No individual shall be eligible for alternative benefits unless such person meets the minimum eligibility requirements for TEA. The amount, scope, and duration of alternative benefits shall not exceed benefits available through TEA."

SECTION 14. Arkansas Code Annotated § 20-76-407 is amended to read as follows:

"20-76-407. Amount: Micro-lending Program and Individual Development Accounts.

The amount of assistance grants which any person shall receive shall be determined by the appropriate division of the Department of Human Services with due regard to the resources and necessary expenditures of the case, the conditions existing in each case, and in accordance with the rules and regulations made by the division. This amount shall be sufficient, when added to all other income and support available to the recipient, to provide the person with a reasonable subsistence compatible with decency and health:

- (a)(1) The department will make available a micro-lending program to low-income entrepreneurs. For the purpose of this section, a low-income entrepreneur is one who is starting or expanding a business and who meets the eligibility criteria established by the department for the micro-lending program. A micro-lending program is one which provides training, technical assistance, and loan funds to low-income entrepreneurs to start or expand a business venture.
- (2) In accordance with their personal responsibility agreement, low-income entrepreneurs may escrow profits from their business enterprise which are not reinvested into their business into an account which will be placed in a micro-lending program and not be counted against their public assistance benefits until they accumulate an amount to be determined by the department for the period they are eligible for the TEA program. Under this section, participating low-income entrepreneurs, who are otherwise eligible for TEA, shall not have their benefits reduced and shall not lose any transitional or extended support services available to them as TEA recipients for the life of the escrow account.
- (3) Under this section self-employment shall be considered an allowable work activity, if the individual's income, divided by the minimum wage,

equals at a minimum twenty (20) hours per week. To receive the self-employment exemption outlined in this section, low-income entrepreneurs shall be enrolled in the TEA program and shall be enrolled in a micro-lending program providing entrepreneurship training, technical assistance, and peer support.

(b)(1) The department shall establish an Individual Development Account (IDA) demonstration project.

(2) In the selected communities for the demonstration project, TEA recipients may deposit up to an amount determined by the department in special savings accounts for career development goals for post-secondary education of themselves or their children, small business development, home ownership purposes, or transportation needs. For the period the recipient is eligible for the TEA program, the Individual Development Account (IDA) shall not be considered when computing the asset limit of the recipient when determining the participant's eligibility for TEA or for food stamps, unless contrary to federal law.

(3) To be eligible, IDA demonstration project participants shall be a member of a group which meets twice a month to make contributions into their Individual Development Accounts (IDAs) and receive support, training, and technical assistance to ensure they secure and maintain employment while building their Individual Development Account (IDA), and shall notify the department in advance of establishing such an account.

(4) For those TEA recipients who secure employment while participating in this project, their Individual Development Accounts (IDAs) may begin to be matched immediately. TEA recipients who are not employed shall not receive matching fund donations into their Individual Development Accounts (IDAs). Matching funds may be secured from public and private funds. Public funds utilized to provide such matching funds shall not include state funds.

(c) Federal funds received by the state pursuant to the Temporary Assistance for Needy Families (TANF) program shall be available for programs under this section.

SECTION 15. Arkansas Code Annotated § 20-76-408 is amended to read as follows:

"20-76-408. Appeal to Department of Human Services.

(a) If an application for an assistance grant is not acted upon by the appropriate division of the Department of Human Services within a reasonable time after the filing of the application, or is denied in whole or in part, or if any award of assistance grants is modified or cancelled under any provision of this act, the applicant or recipient may appeal to the appropriate division of the Department of Human Services department in the manner and form prescribed by the appropriate division of the Department of Human Services department. The division department shall, upon receipt of the appeal, give the applicant or recipient a reasonable notice of opportunity for a fair hearing pursuant to the Arkansas Administrative Procedures Act, § 25-15-201, et seq.

(b) The decision of the division on any appeal for assistance grants shall be final. No action shall be brought in any court having for its object the changing of a ruling of the division on the merits of any application."

SECTION 16. Arkansas Code Annotated § 20-76-409 is amended to read as follows:

"20-76-409. General relief. Disqualification and Sanction.

(a) General relief shall be material aid or service given to any person or family not in the form of an assistance grant.

(b) The determining of eligibility for an amount of general relief shall be in accordance with § 20-76-401 and the disbursement wholly in accord with rules and regulations of the appropriate division of the Department of Human Services.

(c) Application for general relief shall be made to the county office in the county or district in which the applicant resides.

(d) The application shall be taken to the member of the appropriate division of the Department of Human Services, and investigations shall be made, including a visit to the home of the applicant, by a member of the Department of Human Services.

(e) Upon completion of the investigation, the county office shall decide as to the amount of the relief to be given in accordance with rules, regulations, and policies of the division.

(a) Each individual applying for assistance under this chapter shall state in writing during the application process whether the individual, or any member of the household of the individual has been found guilty of or pleaded guilty or nolo contendere to a crime described in subsection (b).

(b) No individual who has been found guilty of or has pleaded guilty or nolo contendere to any state or federal offense classified as a felony by the law of the jurisdiction involved, and which has as an element of the offense, the distribution or manufacture of a controlled substance (as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)) shall be eligible for:

(1) assistance under any state program funded wholly or partially under part A of title IV of the Social Security Act;

(2) assistance under any state program created by this chapter; or

(3) benefits under the food stamp program.

(c)(1) The amount of the assistance otherwise required to be provided under TEA to the family members of an individual made ineligible by this section shall be reduced by the amount which would have otherwise been made available to the individual.

(2) The amount of benefits otherwise required to be provided to a household under the food stamp program shall be determined by considering the individual made ineligible by this section not to be a member of such household, except that the income and resources of the individual shall be considered to be income and resources of the household.

(d) Clear notice of this section shall be provided in the personal responsibility agreement:

(e) This section shall not apply to findings of guilt or pleas of guilty or nolo contendere for offenses occurring on or before July 1, 1997.

(f) In accordance with this section, the State of Arkansas opts out of Section 115 of the Personal Responsibility and Work Opportunity Act of 1996."

SECTION 17. Arkansas Code Annotated § 20-76-410 is amended to read as follows:

20-76-410. Dependent children Administrative Sanctions - TEA.

(a)(1) Assistance grants shall be given under this act to any dependent child, as defined in this section, who is living in a suitable family home

meeting the standards of care and health fixed by the laws of this state and the rules and regulations of the appropriate division of the Department of Human Services:

(2) The amount of the assistance shall be determined in accordance with the provisions of § 20-76-407.

(3) The assistance grants shall be in the form of money payments with respect to a dependent child or dependent children:

(b) The term "dependent child" means a needy child under the age of twenty-one (21) years who has been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent and whose relatives liable under the law for his support are not able to provide adequate care and support of the child without public assistance grants, and who is living with any blood relative, including those of half-blood, and including first cousins, nephews, nieces, stepfather, stepmother, stepbrother, stepsister, adoptive parents, or spouses named in the above groups, in a place of residence maintained by one (1) or more of the relatives as their own home.

(c) By accepting assistance for or on behalf of a child which assistance is provided by the appropriate division of the Department of Human Services, under subsections (a) and (b) of this section, the recipient thereof shall be deemed to have assigned to the appropriate division of the Department of Human Services any rights to child support from any other person as the recipient may have:

(1) In his own behalf or in behalf of any other family member for whom the recipient is receiving assistance; and

(2) Accrued at the time such assistance, or any portion thereof, is accepted.

(d) The appropriate division of the Department of Human Services shall give notice, in writing, to each applicant for assistance. This notice shall state that acceptance of assistance would invoke the provisions of subsection (c) of this section and result in an assignment under subsection (c) of this section:

(a) A reduction in financial assistance or case closure shall be imposed in the following situations:

(1) Individual fails without good cause to cooperate with the Office of Child Support Enforcement;

(2) Individual refuses to accept employment without good cause;

(3) Individual quits employment without good cause;

(4) Individual fails without good cause to comply with the provisions of the Employment Plan;

(5) Individual fails without good cause to comply with the provisions of the Personal Responsibility Agreement; or

(6) Individual flees prosecution or custody or confinement following conviction or in violation of terms or condition of parole, or probation.

(b) The Department may by regulation define additional situations that require sanction, establish additional sanctions, and provide for administrative disqualification.

(c)(1) If a parent is sanctioned for noncompliance with TEA program requirements, financial assistance for the child or children in a family who are under age sixteen (16) may be continued. The department shall develop procedures in such instances to ensure the well-being of the child or children. Such procedures may include, but not be limited to, reduced assistance to the parent, designation of a protective payee, referral to the Division of Children and Family Services as a dependent-neglect case, or any other procedures necessary to protect the child or children from risk of neglect, as defined in A.C.A. § 12-12-503(6).

(2) When appropriate, protective payees may be designated by the department and may include:

(A) A relative or other individual who is interested in or concerned with the welfare of the child or children and agrees in writing to utilize the assistance in the best interests of the child or children;

(B) A member of the community affiliated with a religious, community, neighborhood, or charitable organization who agrees in writing to utilize the assistance in the best interests of the child or children; or

(C) A volunteer or member of an organization who agrees in writing to utilize the assistance in the best interests of the child or children.

(3) If it is in the best interest of the child or children, as determined by the department, for the staff member of a private agency, a public agency, the department, or any other appropriate organization to serve as a protective payee, such designation may be made, except that a protective payee must not be any individual involved in determining eligibility for assistance for the family, staff handling any fiscal pressures related to the issuance of assistance, or landlords, grocers, or vendors of goods, services, or items dealing directly with the recipient.

SECTION 18. Arkansas Code Annotated § 20-76-411 is amended to read as follows:

"20-76-411. Reporting requirements for ~~receivers of Aid to Families with Dependent Children~~ recipients of TEA benefits - Failure to appear for pediatrics screening ~~and have children age-appropriately immunized.~~

Those citizens receiving benefits under ~~the Aid to Families with Dependent Children Program~~ TEA who fail to keep their appointments for pediatric screening at the local health office ~~or who fail to have their child or children age-appropriately immunized~~ shall be required to appear in person at the local health office the following month and each month thereafter to receive their warrants until such time as the appointment is kept ~~or until such time as the child or children are age-appropriately immunized.~~"

SECTION 19. Arkansas Code Annotated § 20-76-412 is amended to read as follows:

"20-76-412. Abandonment - Duties of Department of Human Services.

Whenever any person makes an application for ~~Aid to Families with Dependent Children~~ assistance TEA benefits from the ~~appropriate division of the Department of Human Services~~ department and the application reveals that the applicant or child or children was or were put in such needy circumstances as to require public assistance by reason of the fact that the spouse or child or the illegitimate child was deserted or abandoned or left in destitute or necessitant circumstances by willful neglect or refusal to provide for the support or maintenance of the spouse or child by the child's parents, then it shall be the duty of the department to refer that applicant or child or children to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration, to attempt to establish the paternity of the child or children, if necessary, and secure support therefor from any person who might owe the child or children a duty of support."

SECTION 20. Arkansas Code § 20-76-429 is amended to read as follows:

"20-76-429. Receipt of additional property or income by assistance recipient.

- (a) If at any time during the continuance of assistance ~~grants~~ the recipient thereof becomes possessed of any property or income in excess of the amount stated in the application for ~~the~~ assistance ~~grant~~, it shall be the duty of the recipient immediately to notify the county office of the receipt or possession of the property or income. ~~The county office, after investigation, shall notify the appropriate division of the Department of Human Services, which~~ The department may either cancel the assistance ~~grant~~ or alter the amount thereof in accordance with the circumstances.
- (b) Any assistance ~~grant~~ paid after the recipient has come into the possession of the property or income and in excess of his need shall be recoverable by the state as a debt due the state."

SECTION 21. Arkansas Code Annotated § 20-76-432 is amended to read as follows:

"20-76-432. Removal to another county.

- (a) Any recipient of ~~an~~ assistance ~~grant~~ who is moved, moves, or is taken to another county in this state shall be required to notify the appropriate division of the Department of Human Services of the removal and ~~shall be entitled to may, if otherwise eligible,~~ receive assistance ~~grants~~ in the county to which he has moved.
- (b) The office of the county from which he has moved shall transfer all necessary records relating to the recipient to the office of the county to which he has moved."

SECTION 22. Arkansas Code Annotated § 20-76-433 is amended to read as follows:

"20-76-433. Records - Confidentiality.

- (a)(1) Records identifying persons participating in programs administered by the department may be disclosed only as expressly authorized by law or regulation creating or implementing such programs. The rule-making power of the ~~appropriate division of the Department of Human Services~~ department shall include the power to establish and enforce reasonable rules and regulations governing the custody, use, and preservation of the records, papers, files, and ~~departmental~~ communications of the state division and county offices. ~~The use of the records, papers, files, and communications by any other agency or department of government to which they may be furnished shall be limited to the purpose for which they are furnished.~~
- (2) The various executive departments and agencies of the state shall exchange information as necessary for each department and agency to accomplish objectives and fulfill obligations created or imposed by federal or state law. Information received pursuant to this chapter shall be maintained by persons with a business need to access such information and shall be further disclosed only in accordance with any confidentiality provisions applicable to the department or agency originating the information. The various executive departments and agencies of the state shall execute operating agreements to facilitate the exchanges of information authorized by this chapter.
- (b) It shall be unlawful, except for purposes directly connected with the administration of general public assistance, ~~aid to the blind, or aid to dependent children~~ and in accordance with the rules and regulations of the ~~division~~ department, for any person or persons to solicit, disclose, receive, make use of, or to authorize, knowingly permit, participate in, or acquiesce in the use of any list of or names of or any information concerning persons applying for or receiving assistance directly or indirectly derived from the records, papers, files, or communications of the ~~state or county or subdivisions or agencies thereof~~ department, or acquired in the course of the performance of official duties.
- (c) Any person violating the provisions of this section, or any rules promulgated under the power hereof, shall, upon conviction, be deemed guilty of a misdemeanor and subject to a fine of not less than twenty-five dollars (\$25.00) nor more than one hundred dollars (\$100) or confined in the county jail for not less than ten (10) nor more than sixty (60) days, or subjected to both a fine and jail sentence."

SECTION 23. Arkansas Code Annotated § 20-76-434 is amended to read as follows:

"20-76-434. Maintenance of list of recipients.

- (a)(1) ~~In order to ensure that the needy citizens of the State of Arkansas are receiving all benefits to which they may be entitled, the appropriate division of the Department of Human Services~~ department shall maintain a list of all recipients of state assistance reflecting each recipient's income, social security number, and the programs in which the recipient is participating.
- (2)(b) The information required for the list shall be obtained from the recipient's records and such other sources necessary to ensure accuracy and completeness.
- (3)(c) The recipient shall be provided a release form to sign in order to obtain the required information. Failure to sign the release form shall result in termination of the recipient from the program of assistance until a review can be made of the eligibility of the recipient by the ~~appropriate division of the Department of Human Services~~ department from public records.
- (b) ~~No person in the State of Arkansas shall, on the ground of race, color, sex, handicap, religion, or national origin, be excluded from participation in or be subjected to discrimination under any program or activity enumerated in this section."~~

SECTION 24. Arkansas Code Annotated § 20-76-435 is amended to read as follows:

"20-76-435. ~~Right of amendment or repeal.~~ No Entitlement to Assistance.

- (a) This chapter shall not be interpreted to entitle any individual or family to assistance under any program created, implemented, or funded under or pursuant to this chapter.
- (b) All assistance ~~granted~~ provided under this ~~act~~ chapter shall be ~~deemed to be granted and to be held~~ subject to the provisions of any amending or repealing act that may hereafter be passed, and no recipient shall have any claim for compensation, or otherwise, by reason of his assistance being affected in any way by any amending or repealing act."

SECTION 25. Arkansas Code Annotated § 20-76-436 is amended to read as follows:

"20-76-436. Recovery of benefits from recipients' estates.

Federal or state benefits in cash or in kind, including, but not limited to, Medicaid, Aid to Families with Dependent Children, Transitional Employment Assistance, and food stamps distributed or paid by the Department of Human Services, as well as charges levied by the Department of Human Services for services rendered, shall, upon the death of the recipient, constitute a debt to be paid. The Department of Human Services may make a claim against the estate of a deceased recipient for the amount of any benefits distributed or paid, or charges levied, by the Department of Human Services."

SECTION 26. Subchapter 4 of Chapter 76 of Title 20 is amended by adding the following new sections:

"20-76-437. Reporting - TEA.

The Department of Human Services, the Employment Security Division, the Department of Health, the Department of Education, the Department of Higher Education, the Arkansas Development Finance Authority, the Arkansas Industrial Development Commission, the Arkansas Highway and Transportation Department shall report quarterly to the House and Senate Committees on Public Health, Welfare and Labor regarding the provision of services to TEA recipients."

SECTION 27. Arkansas Code Annotated § 5-55-204 is amended to read as follows:

"5-55-204. Penalties for food stamp trafficking.

In addition to the penalties set forth in this chapter, any recipient of food stamps found guilty of a violation set forth in this chapter shall be ineligible for further participation in the food stamp program, as follows:

- (1) For a period of ~~six (6) months~~ one (1) year, upon the first occasion of any offense;
- (2) For a period of ~~one (1) year~~ two (2) years, upon the second occasion of any offense; and
- (3) Permanently, upon the third occasion of any offense."

SECTION 28. Arkansas Code Annotated § 5-36-205 is amended to read as follows:

"5-36-205. Ineligibility for programs.

In addition to the penalties set forth in this chapter:

- (1) Except as set forth in (5) below, any ~~Any~~ recipient of food stamps who pleads guilty or nolo contendere to, or is found guilty of, a violation set forth in this subchapter shall be ineligible for further participation in the food stamp program, as follows:
 - (A) For a period of ~~six (6) months~~ one (1) year upon the first occasion of an offense pertaining to the receipt of food stamps;
 - (B) For a period of ~~one (1) year~~ two (2) years upon the second occasion of an offense pertaining to the receipt of food stamps; and
 - (C) Permanently upon the third occasion of an offense pertaining to the receipt of food stamps;
- (2) Any recipient of ~~Aid to Families with Dependent Children~~ Transitional Employment Assistance who pleads guilty or nolo contendere to, or is found guilty of, a violation set forth in this subchapter shall be ineligible for further participation in the ~~Aid to Families with Dependent Children~~ Transitional Employment Assistance program, as follows:
 - (A) For a period of ~~six (6) months~~ one (1) year upon the first occasion of an offense pertaining to the receipt of ~~Aid to Families with Dependent Children~~ Transitional Employment Assistance;
 - (B) For a period of ~~one (1) year~~ two (2) years upon the second occasion of an offense pertaining to the receipt of ~~Aid to Families with Dependent Children~~ Transitional Employment Assistance; and
 - (C) Permanently upon the third occasion of an offense pertaining to the receipt of ~~Aid to Families with Dependent Children~~ Transitional Employment Assistance;
- (3) Any recipient of benefits under the Special Supplemental Food Program for Women, Infants and Children who pleads guilty or nolo contendere to, or is found guilty of, a violation set forth in this subchapter may be ineligible for further participation in the Special Supplemental Food Program for Women, Infants and Children for up to three (3) months; and
- (4) Any recipient of Supplemental Security Income who pleads guilty or nolo contendere to, or is found guilty of, a violation set forth in this subchapter shall be ineligible for further participation in the Supplemental Security Income program, as follows:
 - (A) For a period of ~~six (6) months~~ one (1) year upon the first occasion of an offense pertaining to the receipt of Supplemental Security Income;
 - (B) For a period of ~~one (1) year~~ two (2) years upon the second occasion of an offense pertaining to the receipt of Supplemental Security Income; and
 - (C) Permanently upon the third occasion of an offense pertaining to the receipt of Supplemental Security Income.
- (5) An individual shall be ineligible to participate in the food stamp program as a member of any household for a ten (10) year period if the individual is found by the department to have made, or is found guilty of or pleads guilty or nolo contendere to having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously."

SECTION 29. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 30. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 31. Arkansas Code Annotated §§ 20-76-203; 20-76-413; 20-76-414; 20-76-415; 20-76-416; 20-76-417; 20-76-424; 20-76-425; 20-76-426; 20-76-427; 20-76-428; and 20-76-430; are repealed.

~~20-76-203. Department of Human Services – Public assistance – Legal assistants.~~

- ~~(a) The Department of Human Services, through its appropriate division, shall employ legal assistants on a part-time basis for each judicial circuit of the State of Arkansas.~~
- ~~(b) The salaries of the assistants shall be paid by the State of Arkansas by warrants drawn by the Auditor of State and paid from the Department of Human Services Fund from moneys appropriated biennially. The salaries shall be set by the director and shall be dependent upon the number of cases handled by the assistants in each judicial district.~~
- ~~(c)(1) The legal assistants hired by the Department of Human Services, through its appropriate division, shall handle all uniform reciprocal support actions in the chancery courts where the State of Arkansas is either the initiating or the responding state.~~
- ~~(2) They shall process and handle all illegitimacy proceedings in the county courts when the cases have been referred to them by the prosecuting attorney's office or the Department of Human Services, through its appropriate division.~~
- ~~(3) The attorneys shall process and handle any and all matters pertaining to dependent or neglected children who have become or threaten to become a charge upon the State of Arkansas or any county therein by reason of abandonment, desertion, neglect, or who have been charged with being delinquent.~~
- ~~(4) The welfare legal assistants shall have the duty and authority to handle all reciprocal support cases, illegitimacy cases, and cases involving dependent and neglected children in all courts having jurisdiction thereof.~~
- ~~(d) Due to the confidential nature of the information received by legal assistants from the Department of Human Services, through its appropriate division, the Social Security Administration, and other federal and state agencies or offices supplying information and material of a confidential nature, no member of any state or federal agency nor any deputy prosecuting attorney may act as counsel for any defendant; nor may the attorney in any manner assist in the defense of any person pertaining to the processing and handling of any support actions or paternity proceedings or other proceedings of like nature handled by the legal assistants.~~
- ~~(e) The Director of the Department of Human Services, through the deputy director of the department's appropriate division, is authorized to set up standards and qualifications acceptable to the federal government for the special legal assistants in order that their salaries may be paid partly by funds from the federal government.~~
- ~~(f) The attorneys shall be selected on the basis of their qualifications, experience, and suitability for the work they are to perform.~~

~~20-76-413. Abandonment – Criminal proceedings.~~

- ~~(a) The appropriate division of the Department of Human Services shall direct the person to report to the official to execute an affidavit praying that a warrant of arrest be issued for the spouse or parents who have abandoned the spouse or child.~~
- ~~(b) The official shall institute the necessary criminal proceedings against the deserting and abandoning spouse or parent.~~
- ~~(c) The failure of the applicant to report to the official designated by the appropriate division and his failure to execute the affidavit and to cooperate in good faith as a prosecuting witness with the official shall disqualify the applicant for an assistance grant or for general relief.~~

~~20-76-414. Abandonment – Conviction – Costs.~~

- ~~(a)(1) In any criminal proceeding instituted by a deputy prosecuting attorney, or by a justice of the peace in a county where at the time there is no deputy prosecuting attorney, which results in the conviction of the defendant of a felony by trial, or by plea of guilty, whether sentence is actually pronounced or not or in the court in a felony case where the court has entered an order for the support of the deserted, abandoned, or neglected wife, or child or children, a fee of twenty-five dollars (\$25.00) shall be taxed as costs for the official instituting the criminal proceeding, to be paid by the defendant.~~
- ~~(2) The official instituting criminal proceeding shall be paid only from costs collected from the defendants, provided that only one (1) item of costs against the defendant shall in any one (1) county be allowable during the pendency of that particular criminal proceeding.~~
- ~~(b)(1) In any criminal proceeding instituted by a deputy prosecuting attorney, or a justice of the peace in a county where at the time there is no deputy prosecuting attorney and no city attorney within the municipality, if the offense is committed within the municipality, or by a city attorney that results in the conviction of the defendant of a misdemeanor case entering an order for the support of the deserted or abandoned spouse or child or children, a fee of ten dollars (\$10.00) shall be taxed as costs for the official instituting the criminal proceeding to be paid by the defendant.~~
- ~~(2) The official instituting the criminal proceedings shall be paid only from costs collected from the defendants, provided that only one (1) item of costs against the defendant shall be allowable in any one (1) county or city during the pendency of that particular criminal proceeding.~~

~~20-76-415. Abandonment – Grand jury.~~

~~Once each year at the regular session of the grand jury, the appropriate division of the Department of Human Services shall refer to the grand jury all cases for which no action has been taken of desertion and abandonment which have been referred to the prosecuting attorney.~~

~~20-76-416. Abandonment – Recovery of payments.~~

- ~~(a) All payments made by the appropriate division of the Department of Human Services to a spouse with a dependent child shall be recoverable against the spouse or parent or illegitimate child's parent by the state as a debt due to the state. Any recovered payments shall be deposited in the State Treasury to the credit of the Department of Human Services Fund. The suit may be brought by the welfare attorney.~~
- ~~(b) In the event the spouse or parent has left the state, the Secretary of State shall be the lawful attorney or agent for the spouse or parent, service of process shall be made by serving a copy of the process on the Secretary of State, and the service shall be sufficient notice upon spouse or parent providing that notice of the service and a copy of the process are forthwith sent by registered mail by the attorney for the appropriate division of the Department of Human Services to the last known out-of-state address of the spouse or parent.~~
- ~~(c) The property of the spouse or parent in the State of Arkansas shall be subject to execution for payment of any judgment taken against him.~~

~~20-76-417. Abandonment – Location of parents, etc. through state records.~~

- ~~(a) To assist in locating parents who have deserted their children and other persons liable for support of dependents, the appropriate division of the~~

Department of Human Services or any prosecuting attorney may request and shall receive information from the records of all departments, boards, bureaus, or other agencies of this state, and they are authorized and directed to provide such information as is necessary for this purpose.

(b) Only information directly bearing on the identity and whereabouts of a person owing or asserted to be owing an obligation of support shall be requested and used or transmitted by the appropriate division of the Department of Human Services, pursuant to the authority conferred by this section.

(c) The appropriate division of the Department of Human Services may make the information available only to public officials and agencies of this state, other states, and the political subdivisions of this state and other states seeking to locate parents who have deserted their children and other persons liable for support of dependents for the purpose of enforcing their liability for support.

20-76-424. Aged persons:

(a) Assistance grants shall be given under this act to any needy person who, in addition to qualifications set forth in § 20-76-401, is sixty-five (65) years of age or over.

(b) The amount of the assistance grant shall be determined in accordance with the provisions of § 20-76-407 and shall be in the form of money payments to aged persons in need, provided that the appropriate division of the Department of Human Services is authorized to increase the monetary benefits payable to each person qualified under this act to one hundred twenty-five dollars (\$125) each month in keeping with the federal Social Security Act, as amended.

20-76-425. Long-term care facilities having welfare recipients:

(a) Upon the adoption by the appropriate division of the Department of Human Services of rules classifying recipients, the deputy director of the division is authorized to determine appropriate sums to be paid as assistance grants for the maintenance of the various classes of recipients.

(b) The sum to be paid for the maintenance of recipients who are classified as skilled care patients under Title XIX of the Social Security Act can only be paid to a long-term care facility which has been certified as a skilled care facility under the provisions of Title XIX of the Social Security Act.

(c) The sum to be paid for the maintenance of recipients who have been classified as Intermediate I care patients can only be paid to a long-term care facility which has been certified as a skilled care facility under the provisions of Title XIX of the Social Security Act or a long-term care facility which has been licensed by the State Board of Health as an Intermediate I care facility.

(d) The sum to be paid for the maintenance of recipients who have been classified as Intermediate II care patients can only be paid to a long-term care facility which has been certified as a skilled care facility under the provisions of Title XIX of the Social Security Act or has been licensed by the State Board of Health as an Intermediate I or an Intermediate II care facility.

(e) The sum to be paid for the maintenance of recipients who have been classified as Intermediate III care patients can be paid to any long-term care facility which has been certified as a skilled care facility under the provisions of Title XIX of the Social Security Act, or as an Intermediate I, Intermediate II, or Intermediate III care facility.

(f) In the event that federal law or federally promulgated rules fix minimum standards higher than the minimum standards presently required for Intermediate III care facilities, then the commissioner may discontinue the classification of recipients as Intermediate III care patients and the State Board of Health may discontinue the classification of long-term care facilities as Intermediate III facilities.

20-76-426. Provision of medical services, drugs, etc., to patients in long-term care facilities:

(a) The appropriate division of the Department of Human Services is authorized and directed to amend the state medical assistance plan to provide payment to state operated long term care facilities and to provide medical services and patient drugs for patients within these institutions in keeping with authority granted by the federal government under their rules and regulations and the federal Social Security Act.

(b) The appropriate division of the Department of Human Services is authorized and directed to enter into contracts with all state institutions providing long-term care facilities, medical or psychiatric services, or medication or drugs whenever the institutions can furnish funds to the appropriate division of the Department of Human Services to be matched with the federal moneys in keeping with federal regulations for medical services.

(c)(1) The appropriate division of the Department of Human Services may pay state institutions individually on a reasonable cost basis and pay private long-term care facilities on a negotiable set rate basis.

(2) Vendor payments shall be made from long-term care facility appropriations.

(3) All public institutions furnishing medical or psychiatric services, therapy, laboratory services, or drugs may enter into a contract with the division under a plan approved by the federal government for the payment of services rendered.

(d) The service shall be paid upon a reasonable cost from medical assistance appropriations only when the state's share of the cost of the additional services has been provided by contract to the division so that the funds may be matched by federal funds.

20-76-427. Permanently and totally disabled persons:

(a) Assistance grants shall be given under this section and § 20-76-409 to any needy person who, in addition to qualifications set forth in § 20-76-401:

(1) Is eighteen (18) years of age or over;

(2) Is not eligible to receive old age assistance or aid to the needy blind.

(b) The amount of the assistance grant shall be determined in accordance with the provisions of § 20-76-407.

(c) The assistance grant shall be in the form of money payments to permanently and totally disabled persons in need.

20-76-428. Periodic reconsideration:

(a) All assistance grants made under this act shall be reconsidered by the appropriate division of the Department of Human Services as frequently as the division may deem necessary. After such further investigation as the division may deem necessary, the amount of assistance grant may be entirely withdrawn by the division if the division is advised that the recipient's circumstances have altered sufficiently to warrant such action.

(b) Whoever shall withhold information in a periodic reconsideration that may result in a recipient's grant being changed or withdrawn shall be

~~guilty of fraud against the state, and any money paid after information has been withheld shall be recoverable as a debt due the state.~~

~~20-76-430. Assignment prohibited - Garnishment, attachment, etc. prohibited.~~

~~(a) It shall be unlawful for any person entitled to any benefits under the laws of this state such as a police officer's pension, fire fighter's pension, old age benefits, or unemployment benefits to assign, sell, or pledge any of the benefits. Any contract in violation of this section shall be void.~~

~~(b) Assistance grants given under this act shall not be transferable or assignable, at law or in equity, and none of the money paid or payable under this act shall be subject to execution, levy, attachment, garnishment, or other legal process or to the operation of any bankruptcy or insolvency law.~~

SECTION 32. All other laws and parts of laws in conflict with this act are hereby repealed.

SECTION 33. EMERGENCY. It is found and determined by the General Assembly of the State of Arkansas that the United States Congress has amended the laws pertaining to certain federally funded public assistance programs; that these programs are crucial to the life and health of many needy citizens of the State of Arkansas who otherwise will be unable to obtain food, clothing, shelter, or medical care; that federal law mandates participating states to implement new public assistance programs on or before July 1, 1997, or forfeit federal funding necessary for such programs; that this act so provides. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety, shall be in full force and effect on July 1, 1997.

/s/Rep. Flanigan, et al

APPROVED:4-03-97

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1010 Purpose of Transitional Employment Assistance (TEA)

1000 General Provisions

2/1/06

1010 Purpose of Transitional Employment Assistance (TEA)

The purpose of the Transitional Employment Assistance (TEA) program is to help needy families become economically self-sufficient by providing opportunities to obtain and retain employment sufficient to sustain the family. Central to this purpose is helping adults and minor parents to reduce out-of-wedlock births, and promoting family unity. Employment improves the quality of life for parents and children by increasing family income and assets and by improving self-esteem.

It is the goal of the TEA program that all participants receive services that best prepare them for long-term self-sufficiency. Therefore, it is important that eligible families receive the supportive services, and, in some cases, education and training to enable them to make the transition from welfare to work. Through employability assessments, employment planning, and the provision of employment related services, the TEA program helps recipients recognize their employment possibilities. TEA recipients are also encouraged and allowed to participate in education and training activities as a component of their individual Employment Plan. Minor parents are encouraged and supported in completing a high school education or equivalency so that they are better prepared to enter the job market as adults. Since TEA benefits are time-limited, emphasis is placed on short-term goals so that the recipient enters employment before the end of his or her time limit.

In addition to case management and employment related services, the TEA program provides monthly cash assistance to eligible families to help meet the families' basic needs while the parent/s or other adult relative/s works toward increasing his/her earning potential.

TEA cash assistance is also available to help meet the needs of children who are being cared for by non-parent adult relatives. Assistance to such relatives may be provided without regard to a specified time limit.

TEA Diversion Assistance provides a one-time lump sum payment in lieu of other TEA services or assistance to help a family accept or retain employment.

1000 General Provisions

1020 Administration

1020 Administration

12/06/11

The Transitional Employment Assistance program is governed by federal law (Title IV-A of the Social Security Act), State law (Arkansas Act 1058 of 1997), and the state's Transitional Employment Assistance Program State Plan.

The program is jointly funded by the State and Federal governments. The federal funding source is the Temporary Assistance for Needy Families (TANF) block grant under Title IV-A of the Social Security Act. State general revenues also fund the program.

The Department of Human Services, Division of County Operations (DCO), is responsible for determining TEA eligibility. The Department of Workforce Services (DWS) is responsible for providing case management services.

An individualized approach to the delivery of TEA services is paramount to the program purpose of moving families to self-sufficiency in a short timeframe. To promote this approach, the program is administered with a high degree of flexibility provided to DWS Case Managers, the DHS county office, or front-line staff.

1030 Personnel

12/06/11

DWS and DCO are responsible for the provision of personnel in their areas of responsibilities, which include determining eligibility, authorizing payments, and providing case management services to eligible families.

DHS County Administrators and DWS Office Administrators will develop procedures within their individual offices, through training and supervision, whereby decision-making occurs at the lowest possible level.

1040 Volunteers

7/1/97

Volunteers are subject to the rules, regulations, and policies of the office where they are assigned. This includes the policies which govern the disclosure of information concerning DHS and its clients. The volunteer's supervisor in the DHS County Office is responsible for

1000 General Provisions

1050 Disclosure of Information

informing the volunteer of the disclosure policy for each program in which the volunteer works.

Volunteers may perform any duty in the DHS County Office as determined appropriate by the County Administrator. However, a paid DCO employee, as designated by the County Administrator, must review and approve any certification or benefit determination decisions recommended by a non-paid volunteer.

1050 Disclosure of Information

7/1/97

Information concerning an applicant, recipient, or other persons known to the agency will not be made available without the written consent of the client except to authorized employees of the Department of Human Services, the Office of Child Support Enforcement, the Social Security Administration, the federal Department of Health and Human Services, or for purposes directly connected with the following:

1. Any investigation, prosecution, or criminal or civil proceeding conducted in connection with the administration of any program administered by the Department of Health and Human Services.
2. The administration of any other Federal or federally assisted program which provides assistance, in cash or in-kind, or services, directly to individuals on the basis of need.
3. The certification of receipt of TEA cash assistance to an employer for purposes of claiming the Work Opportunity Tax Credit.
4. Any audit or similar activity, e.g., review of expenditure reports or financial review, conducted in connection with the administration of any such program by any governmental entity which is authorized by law to conduct such audit or activity.

In addition, the current address of a recipient may be disclosed to a state or local law enforcement officer at his/her request without the recipient's consent provided the law officer provides the recipient's name and Social Security number and satisfactorily demonstrates that (1) the recipient is a fugitive felon, a probation or parole violator, or is fleeing prosecution for a felony offense, (2) the location or apprehension of such

TRANSITIONAL EMPLOYMENT ASSISTANCE POLICY MANUAL, SECTION 1000

1000 General Provisions

1060 Coordination with Other Programs

person is within the law officer's official duties, and (3) the request is made in the proper exercise of those duties. A felon is defined as a person who has been convicted of a crime which was termed a felony by the court which heard the case.

1060 Coordination with Other Programs

7/1/97

The County Administrators will establish procedures to insure coordination between the TEA and other programs administered by the County Office.

1070 Maintenance of Electronic Case Records

12/06/11

The maintenance of the Electronic Case Record is the responsibility of the DHS County Office staff. The electronic record will be maintained in ANSWER. The processing and review of TEA case actions will be conducted via ANSWER.

1080 Electronic Case Record Organization

12/06/11

All forms and supporting documents related to an individual or household will be filed in the individual's or household's electronic case record in ANSWER. Application forms and other forms and documents relating to a budget unit will be filed in the Budget Unit Notebook. Forms and documents relating to a specific individual will be filed in the Client Notebook.

The following electronic case record organization system will be followed for the TEA cash assistance case.

BUDGET UNIT NOTEBOOK:

Application Status

- Request for Assistance (DCO-215)

Budget Unit Composition

- Client Declaration Statement

1000 General Provisions

1080 Electronic Case Record Organization

- Diversion Assistance Agreement (DCO-182)
- TEA Document Deletion (Diversion and Reimbursement)
- TEA Warrant Cancellation
- Notice of Appointment (DCO-219)
- Request for Information (DCO-191)
- Collateral Statements
- All Manual Notices
- Change Report Forms (DCO-234)

CLIENT NOTEBOOK:

Profile

- Personal Responsibility Agreement (DCO-217)
- Assignment of Rights (DCO-237)
- Birth Certificates
- Social Security Card
- Social Security Enumeration
- Client ID
- Marriage License
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- Life Insurance Policies
- Deeds
- Acknowledge of Receipt of PUB 389 (DCO-188)

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Resources

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1000 General Provisions

1090 Disposition of Records

Parent

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Immunization

- Immunization Verification

Sanction (Program Violations)

- IPV
- Drug Conviction
- Fugitive Felon
- Parole/Probation Violator

1090 Disposition of Records

12/06/11

TEA records will be purged when the case has been closed continuously for five years unless an audit is being conducted at that time or there is an outstanding overpayment claim. In this context, “case closure” refers to the closure of the case for purposes of TEA program services, including Extended Support Services (and therefore does not refer to “closure” of the cash assistance aspect of the case).

The five- year timeframe will apply to cases in which the adult’s lifetime maximum period to receive TEA benefits has been reached. This is to ensure case record information is available should an audit be conducted on the case during those five years following closure.

4000 Continuing Eligibility

4050 Timely (Advance) and Adequate Notices for Reduction, Hold, or Termination of Assistance

4000 Continuing Eligibility

12/06/11

The Division of County Operations has a continuing responsibility to provide assistance for eligible participants as adequately as funds will permit and to insure that no ineligible recipient continues to receive assistance.

DCO and the participant have the responsibility to insure that information upon which a participant's eligibility is based is current and complete.

During follow-up contact with the TEA participant, the Eligibility Worker and Case Manager will ensure that the requirements in the following sections continue to be met.

4050 Timely (Advance) and Adequate Notices for Reduction, Hold, or Termination of Assistance

12/06/11

When the County Office proposes to terminate, reduce, or hold the assistance payment or change the payee to a protective payee, a "timely" and "adequate" notice (DCO-1 or system generated) will be mailed or given to the participant prior to the date of the action.

"Timely" or an "advance" notice is one which is mailed at least ten days before the date of action, that is, the date upon which the action would become effective; except that in instances of probable fraud, the notice is timely if it is mailed at least five days before the date of action. Day one is considered the day following the day the notice is sent.

"Adequate" is a written notice that includes a statement of what action the agency intends to take or has taken, the reasons for the intended agency action, the specific policy supporting such action, an explanation of the person's right to request a hearing, and the circumstances under which assistance is continued if a hearing is requested.

If an Administrative Hearing is not requested within the advance notice period, then the action will be taken. If a hearing is requested within the advance notice period, the eligibility worker will forward a copy of the DCO-1 to Appeals and Hearing, Slot N401, and the action will be delayed pending the hearing unless the participant specifically requests assistance not be continued pending the hearing.

4000 Continuing Eligibility

4051 When a Timely (Advance) Notice is Not Required

4051 When a Timely (Advance) Notice is Not Required

07/01/97

Advance notice is not required when:

1. The agency has factual information confirming the death of the TEA payee and there is no relative to serve as the new payee.
2. The agency receives a written statement signed by a participant that he no longer wishes assistance; or that gives information which requires termination or reduction of assistance, and the participant has indicated that he understands the consequences of supplying such information.
3. The participant has been admitted or committed to an institution, thereby rendering him ineligible.
4. The participant has been placed in a Long Term Care Facility (LTCF).
5. The participant's whereabouts are unknown and agency mail directed to him has been returned by the Post Office indicating no known forwarding address. The participant's check must be made available to him if his whereabouts become known during the payment period covered by the returned check.
6. A participant has been accepted for assistance in a new jurisdiction (another state) and that fact has been established by the jurisdiction.
7. A TEA child is removed from the home as a result of a judicial determination or voluntarily placed in foster care by his legal guardian.
8. The participant has been informed in writing at the time of certification that assistance shall automatically terminate at the end of a specific period.
9. The sanction for non-cooperation with child support requirements is imposed following a determination of such non-cooperation by the Office of Child Support Enforcement

In the above situation, an adequate notice is still required. If the participant requests a hearing within 10 days of the date the action was taken, then assistance will be reinstated to its previous level unless the participant specifically requests assistance not be continued pending the hearing; and except when the reason for closure is reaching the time limit.

4100 Non-Work Participation Eligibility Requirements

12/06/11

4100 Non-Work Participation Eligibility Requirements

12/06/11

4101 Periodic Reviews

4101.1 Time Limited Cases

12/06/11

During Employment Updates and other periodic contacts with the participant, the DWS Workforce Specialist will ensure that participants continue to meet eligibility requirements that are subject to change (e.g., child in the home, income, etc.). If it is determined that a family's circumstances have changed, DWS will notify DCO and continued eligibility will be determined. The participant will be also be reminded of his or her responsibility to report changes within 10 days

4101.2 Non-Time Limited Cases

12/06/11

Cases that are not subject to the time limit will be reviewed on a yearly basis. Form DCO-190, TEA/Work Pays Reevaluation, will be sent to the household to complete. Non time-limited cases may also be reevaluated during the SNAP recertification or when the semi-annual report is completed.

4110 Resources

07/01/97

Newly acquired resources should be reported to the county office within 10 days of receipt. Resources will be verified according to the same standard used to determine original eligibility. If the total countable resources available to the unit are over the limit of \$3000, the TEA case will be closed. A timely notice will be required prior to case closure.

4100 Non-Work Participation Eligibility Requirements

4120 Income

4120 Income

12/06/11

The DCO Eligibility Worker or DWS Case Manager will discuss income changes during periodic contacts with the participant. The participant will be advised that he or she must report changes within 10 days.

Income and eligibility will be redetermined only when a significant change occurs.

A significant change is defined as:

1. A new job.
2. A change in hourly rate or salary.
3. A status change from part-time to full-time and vice versa.
4. Loss of a job.
5. Start or termination of an unearned source of income.

When a change in income is due to termination of employment or a reduction of earnings, the DWS worker will determine the reason for the change to ascertain whether it meets the requirements of good cause (Refer to section 3800.2 of the [DWS Case Management Manual](#)). Verification of a change in income is required.

A decrease in payment or case closure requires a timely notice. If the case remains eligible but the payment increases, an adequate notice will be sent.

In certain situations, extended support services may be authorized when a TEA case is closed due to earnings (Refer to [TEA 5100](#) and section 3660 of the [DWS Case Management Manual](#)).

4120.1 Recomputing Income

07/01/97

When a family reports a significant change in income, the budget will be recomputed to determine the family's continued eligibility.

1. If the net countable income exceeds \$223 (Income Eligibility Standard), the family is no longer eligible (See Example #1; Refer to [TEA 2353.2](#)).

4100 Non-Work Participation Eligibility Requirements

4120 Income

2. If the net countable income does not exceed \$223 and the **gross** countable income does not exceed \$446, the assistance payment will remain the same (See Example #2; Refer to [TEA 2353.2](#)).
3. If the net countable income does not exceed \$223 but the **gross** countable income exceeds \$446, the assistance payment will be reduced by 50% (See Example #3; Refer to [TEA 2362](#)).

EXAMPLE #1: Mrs. Jones receives \$286/mo. assistance for herself, husband and three children. Mr. Jones started to work and his monthly gross earnings computed to be \$754. The income eligibility budget is as follows: \$754.00 (gross earnings) x 80% = \$603.20 - \$361.92 (60% of \$603.20) = \$241.28. Since the net countable income of \$241.28 exceeds the Income Eligibility Standard of \$223.00, the family is no longer eligible.

EXAMPLE #2: Mr. Thomas receives assistance for himself and one child (\$162.00). He started to work and his monthly gross earnings computed to be \$400.00. The income eligibility budget is as follows: \$400.00 (gross earnings) x 80% = \$320.00 - \$192.00 (60% of \$320.00) = \$128.00. Since the net countable income is less than the Income Eligibility Standard of \$223.00, the family remains eligible. The assistance payment (\$162.00) remains the same because the gross earnings (\$400.00) are less than \$446.00.

EXAMPLE #3: Mrs. Hill receives assistance for herself and two children (\$204.00). She has found employment and her monthly gross earnings are computed to be \$450.00. The income eligibility budget is as follows:

\$450.00 (gross earnings) x 80% = \$360.00 - \$216.00 (60% of \$360.00) = \$144.00, which is less than the \$223.00 standard. The family remains income eligible. Since the gross income is greater than the \$446.00 (refer to [TEA 2360](#)), the assistance payment is reduced by 50%. The new assistance payment will be \$102.00.

Even if the family remains eligible, the participant may choose at any time to have his or her case closed. The worker should discuss this option with a participant who becomes employed, since each month of receipt reduces the number of months he or she may receive benefits in the future.

4100 Non-Work Participation Eligibility Requirements

4120 Income

4120.2 Child Support Income Exceeds Assistance Payment

01/04/99

The Office of Child Support Enforcement sends the TEA family any current monthly child support collected which is in excess of the TEA payment. A printout is sent to the County Office stating that the child support exceeds the TEA payment. If the total child support collected, alone or with other countable income, exceeds the Income Eligibility Standard of \$223, action to close the case will be taken. If the family remains eligible, however, then contact will be made with the participant to discuss options, or alternatives to cash assistance which could benefit the family. The contact can be by phone, in writing, or during in person contacts with the participant.

When the child support income exceeds the assistance payment but the family remains income eligible, the participant will be given the following options:

- Close the TEA case and receive the full child support. Explain to the participant that the child support payment is more than the TEA payment and even though a partial child support payment is being received, the limited months of TEA are continuing to count. Also, explain that Medicaid may continue and if the absent parent stops paying, reapplication for TEA can be made.
- Continue to receive TEA and the partial child support payments. Explain to the participant that if this option is chosen, the payments will continue to count toward the time limitation.

It will be the participant's decision as to which option is chosen. If there is no response from the participant, no further action will be taken on the case.

EXAMPLE: The family's TEA payment is \$204/mo. The absent parent is paying \$220 per month in child support. OCSE is sending the participant \$16. It would be to the family's benefit to close the TEA case and receive the child support in full. The time limit clock would stop at this point. If the reapplies in the future, the time limit will pick up from where it previously ended.

Whichever option is chosen, the caseworker should re-determine the family's Medicaid eligibility. The family may be eligible for three (3) months of extended Medicaid due to

4100 Non-Work Participation Eligibility Requirements

4130 Household Composition

child support income, or may be eligible in another Medicaid category. Please refer to [Medical Services \(MS\) policy](#).

4130 Household Composition

07/01/97

An eligible child must be living in the home in order for a family to continue to be eligible for TEA. Family members must continue to live in the home with the child for continued individual eligibility.

Changes in household composition could result in individuals being added, dropped, or the case closed.

4131 Family Cap Provisions - Newborns

12/06/11

A child who is born while the mother is receiving TEA cash assistance either for other children or as a minor child, herself, will not be included in the case for cash assistance purposes. In addition, a child who is born within nine (9) months of the month TEA benefits were terminated to the mother will not be included for payment unless the mother's case has been closed continuously for six (6) months.

This provision applies equally to applicants who are pregnant and deliver after certification, and to participants who become pregnant after certification. There are **no** exceptions. The income and resources of a child excluded due to the family cap are disregarded when determining the family's continued eligibility for and amount of cash assistance.

Since the newborn is not eligible for cash assistance, the father of such newborn living in the home (who is not already included in the assistance unit) will not be added to the unit solely due to the birth of the child. His income and resources will not be considered for cash assistance. However, if he and the mother marry, he will be added (as the stepparent of the child(ren) receiving cash assistance) and his income and resources will then be considered.

The family cap provision does not apply to a child who moves into the home from another home (see [TEA 4132](#)).

4100 Non-Work Participation Eligibility Requirements

4132 Adding Other Individuals

A separate Medicaid determination for the child may be required. Refer to [Medical Services](#) policy. The referral to the Office of Child Support Enforcement will be made in ANSWER.

4132 Adding Other Individuals

12/06/11

A child or other adult who moves into the home and meets all eligibility requirements will be added to the TEA case and will be eligible for payment.

The county will obtain a new DCO-215 in order to obtain information needed to establish the new member's eligibility and the continuing eligibility of other family members.



NOTE: A child to whom the family cap provision has been applied, either under the AWDP waiver or under TEA, will continue to be subject to the family cap provision, unless the case has been closed continuously for a period of six months. In addition, a child who was born within nine months after case closure will not be added unless the case has been closed continuously for six months. This does not apply to a child who was under the family cap but was later added for payment. He or she will continue to be eligible.

Once all eligibility requirements have been established for the new individual, he or she will be added.

4132.1 Procedures for Adding a Person

12/06/11

1. Obtain and record sufficient information to verify all eligibility requirements for the person being added.
2. Complete a new budget in ANSWER to determine the unit's continuing eligibility and grant amount.
3. If appropriate, send notice to the individual advising him or her that a referral will be made to DWS for work activity participation.
4. Complete Form DHS-3350 for referrals to agencies for requested services such as Family Planning Services.

4100 Non-Work Participation Eligibility Requirements

4132 Adding Other Individuals

5. Make any other necessary referrals to agencies or organizations to help meet a specific family need such as housing assistance.
6. If a child is being added for whom cooperation with the Office of Child Support Enforcement is required, provide the casehead an opportunity to claim good cause (DCO-90) prior to requiring his or her cooperation. If good cause is not claimed or does not exist, the referral will be made by adding the absent parent's name to the appropriate section in ANSWER. If good cause is determined to exist, no referral will be made.
7. Submit the budget in ANSWER.
8. In situations in which a system notice is not generated, notify the participant of the action by form DCO-1.

4132.2 Effective Date of Payment

07/01/97

The effective date of payment for the individual will be the first day of the month in which the worker determines the individual's eligibility.

Applications to add people will be processed within 30 days. Benefits will not be prorated. The grant amount will be adjusted based upon one additional assistance unit member and the countable income of that family member.

EXAMPLE: Ms. Jones' son had been living with his grandmother. He moved back to his mother's home on July 22nd. Ms. Jones applied on July 23rd to add her son to her TEA case. She completed the action on July 25th. Ms. Jones currently receives a payment in the amount of \$204 and her new payment amount will be \$247. For the month of July, Ms. Jones will receive an additional \$43 (difference between \$247 and \$204). If eligibility is not determined until August, benefits for her son will start in August. No retroactive benefits will be paid.

4100 Non-Work Participation Eligibility Requirements

4133 Dropping Individuals From the TEA Grant

4133 Dropping Individuals From the TEA Grant

12/06/11

Individuals who become ineligible for TEA assistance, e.g., die, move from the home, reach the maximum age for a child, will be dropped from the TEA case. The casehead is eligible to receive assistance for the individual for the month in which the change occurs.

In the case of a payee adult who becomes ineligible because he is no longer living in the home, a change in payee will also be made.

When an individual is dropped from the grant, the worker will complete the following tasks:

1. Record pertinent information in the case record.
2. Complete a new budget in ANSWER to determine the family's continuing eligibility and payment amount.
3. Give advance notice (system generated or DCO-1), if necessary. If advance notice is not necessary, notify the participant that the action has been taken via DCO-1 if a system generated notice is not sent.
4. Submit the completed budget.

4134 Marriage of the TEA Parent

12/06/11

When a TEA participant reports a marriage, the worker will:

1. Require an application to add the new spouse to the unit unless the spouse is an SSI participant.
2. Determine if the person married is employed or has any other income or resource.
3. If the family remains eligible, refer the new member to DWS for work participation requirements.
4. Record all pertinent information in the appropriate section of ANSWER.
5. Complete a new budget in ANSWER.

4100 Non-Work Participation Eligibility Requirements

4140 Time Limit

6. Allow the participant an opportunity to complete a Voter Registration Application so that he or she can report an address or name change to the county clerk's office if he or she so chooses (Refer to [Appendix V](#)).
7. In situations in which a system notice is not generated, notify the participant by DCO-1, if appropriate.
8. Submit the budget in ANSWER.

4140 Time Limit

08/01/99

Beginning July 1, 1998, a family who meets all the eligibility requirements may receive TEA cash assistance benefits for a period of up to 24 months. The 24 months do not have to be consecutive months. The months counted are based on receipt by the adult recipient or "head of household" minor parent.

The time limit does not apply:

- to cases in which the only parent in the home, or both parents if both are living in the home, receives SSI benefits, and therefore, no adult is included in the case; or
- in the months in which an individual is deferred/exempt from work activity participation.
- in the months in which an under age 18 non-head of household minor parent receives cash assistance. The count will begin when the minor reaches age 18.

The time limit applies to non-parent caretaker relatives only when such relative chooses to be included in the TEA payment with the child. If a non-parent relative is a payee only, then the time limit does not apply to the case.

The time a child receives assistance will not count toward his/her time limit when he or she becomes an adult.

Payments made by another state under a Temporary Assistance for Needy Families program count toward the twenty-four month limit in Arkansas if the adult has received more than thirty-six such payments in another state. Only the payments from another state in excess of thirty-six will count toward Arkansas' twenty-four month limit.

4100 Non-Work Participation Eligibility Requirements

4141 Time Limit Exemptions, Extensions, Reviews, and Closures

Diversion Assistance payments also count toward the twenty-four month limit if not repaid. See [TEA 2130](#).



NOTE: A client may request case closure at anytime during receipt of assistance.

During periodic contacts, the DWS worker will inform the client of the number of months of TEA eligibility remaining. The worker should continue to stress to the client the importance of employment because of the time limit.

The worker will explain to the recipient what action will be taken once the 24 month time limit has been reached. Refer to [TEA 5001](#) for termination procedures. The worker will advise that the TEA case will be closed unless it is determined that an extension, or exemption from the time limit, should be granted. See [TEA 4141](#).

4141 Time Limit Exemptions, Extensions, Reviews, and Closures

(Refer to sections 4141 – 4147 of the [DWS TEA Case Management Manual](#)).

4148 Appeal Rights

07/01/99

If the decision is to close the case at the end of twenty-four months and not allow an extension, the client has the right to appeal that decision through the Appeals and Hearings office. However, benefits will not be continued pending the hearing decision after the twenty-fourth month. Retroactive payment may be made if the hearing decision overturns the case closure decision.

4100 Non-Work Participation Eligibility Requirements

4150 Failure to Comply With Non-Work Related Aspects of the PRA

4150 Failure to Comply With Non-Work Related Aspects of the PRA

07/01/99

4151 Child Support

12/06/11

Failure to comply with child support requirements will result in a 25% reduction in the TEA payment.

The Office of Child Support Enforcement (OCSE) will:

- determine if a parent or other adult caretaker relative has failed to comply with child support requirements;
- determine if the client had a satisfactory reason for the act of noncompliance;
- provide the client an opportunity to appeal the non-compliance decision prior to notifying DHS; and;
- impose the non-compliance sanction if a parent or other adult relative fails to comply with child support requirements. (See below)

Child support sanctions will be processed automatically through ANSWER. ANSWER will process sanction request files from OCSE each night, then complete a budget to apply the sanction. WACE will be updated with the new grant amount, and an adequate notice will be system generated. The notice will advise the client of his or her right to request an Administrative Hearing of the payment reduction.

However, the payment reduction is the only appealable issue to DHS. Since OCSE made the non-compliance decision and has already provided the client an opportunity to appeal it, the non-compliance decision is not an appealable issue with DHS.

4151.1 Lifting the Child Support Sanction

07/01/99

A child support sanction may be lifted at any time a parent or other adult caretaker relative complies with OCSE.

If the parent or other adult caretaker relative wishes to have the sanction lifted

4100 Non-Work Participation Eligibility Requirements

4151.1 Lifting the Child Support Sanction

by complying with OCSE:

- a referral will be made to OCSE; and
- notification from OCSE that he or she has cooperated must be received prior to the assistance being restored to the full amount.

If a customer whose cash assistance payment was reduced due to non-cooperation with OCSE, states a willingness to cooperate, and appears at the OCSE office but the reason for non-cooperation was that the customer had previously failed to appear in court, then he or she must actually appear at the next scheduled court date OCSE arranges in order to be fully cooperating. In this situation, the payment will remain at the reduced amount until he or she appears at the scheduled court date. The OCSE will notify the county office of this stipulation when the applicant is first referred to them for cooperation and will follow up with a notice to the county office following the customer's appearance at court.

4152 School Attendance

12/06/11

School attendance is required in order for an eligible child to receive assistance.

For purposes of this section, school attendance relates only to children and not minor parents. (Refer to section 3500 of the [DWS TEA Case Management Manual](#) for minor parent education requirements.)

During the application process, the worker may accept the applicant's statement that all school-age children are enrolled in and satisfactorily attending school. Enrollment and satisfactory attendance will be verified with the school, and documented in the case record, in those cases where it is reported that one or more children in the family has failed to enroll or attend school regularly. Such reports may come from any of several sources including, but not limited to, the school system locally, courts, system-generated reports supplied by the state Department of Education, etc.

"Satisfactory attendance" is defined in accordance with the school's definition of attendance. During periodic contacts with the parent, a declaration of school attendance will be accepted unless attendance appears questionable (e.g. information received from other sources that the child is not attending). Form DCO-65 may be completed by the school to verify attendance. Phone contact or other documentary evidence from the school may also be accepted.

4100 Non-Work Participation Eligibility Requirements

4153 Immunizations

If a child is being home-schooled:

- verification that there is an approved home-schooling application on file with the school superintendent may be required if the client's home-schooling allegation appears questionable.

If the child is not enrolled in school:

- a 10-day notice will be issued to the casehead, stating that the child will be dropped from the TEA case unless verification is received that the child is attending school.
- The unearned income and resources of the child will be counted in determining continued eligibility.
- In order to be added back to the case, verification must be received from the school that the child has attended satisfactorily for a period of 30 days.

4153 Immunizations

07/01/99

Immunizations of pre-school age children is a requirement for Transitional Employment Assistance. Exemptions to this requirement due to religious beliefs or medical problems may be approved as described below.

If a parent was given 30 days to have the children included in the TEA case immunized:

- verification must be provided by the 30th day.
- If the parent does not bring the verification, the worker will issue a 10-day notice stating that unless verification of the immunizations is received, the TEA cash assistance payment will be reduced.
- The family may provide the child's immunization (shot) record or verification from the local health department or physician.
- See Appendix A for the American Academy of Pediatrics Immunization Schedule which identifies the age and type of immunization the child should have.

4100 Non-Work Participation Eligibility Requirements

4153.1 Exemptions Due to Religious Beliefs or Medical Problems

4153.1 Exemptions Due to Religious Beliefs or Medical Problems

07/01/99

A parent or caretaker relative who refuses to have a child immunized because of religious beliefs or because of a medical problem (e.g., allergic reaction) must provide verification that an exemption has been granted by the Arkansas Department of Health (ADH).

To obtain such exemption, the parent must request a Religious Exemption Application or Medical Exemption Application from the Arkansas Department of Health. The address is 4815 West Markham, Little Rock, AR 72205. The toll free telephone number is 1-800-482-5400.

Upon completion, the application must be submitted to the Arkansas Department of Health at the above address for a decision.

The decision will be sent directly to the parent(s) or caretaker relative.

The normal processing time is two weeks. The parent(s) or caretaker relative must provide verification of the decision within 30 days from the date the TEA application is approved or the date in which the child is added to the TEA case (if eligible for payment). Failure to provide such verification will result in the TEA cash assistance payment being reduced after appropriate notice. If, however, a decision remains pending from the Arkansas Department of Health at the end of the 30 days, verification of pending status will be obtained by the applicant from the Health Department and provided to the case worker.



NOTE: Requests can be made only to the Central Office of the Arkansas Department of Health listed above, not to the local health units.

4100 Non-Work Participation Eligibility Requirements

4154 Cooperation with Quality Assurance

4154 Cooperation with Quality Assurance

07/01/99

A family must cooperate with the Quality Assurance Unit if the case is selected for a TEA program review.

Failure to cooperate will cause the entire family to be ineligible. Upon notification from the QA Unit, that a family has failed to cooperate, a 10-day notice will be issued to the family stating that the TEA case will be closed unless cooperation occurs. If the family contacts the office stating a willingness to cooperate, a referral will be made to the Quality Assurance Reviewer. The closure will be delayed pending notification from the QA Reviewer as to whether the client actually cooperated. If the client did not cooperate, then the case will be closed. The client will be notified of the closure but the notice need not be another advance notice.

4200 Non-Eligibility Changes

12/06/11

4200 Non-Eligibility Changes

12/06/11

4210 Change of Address

The participant is responsible for notifying the DCO or DWS within 10 days of any change of address. It is important that the participant be advised of his/her responsibility to report any change of address within 10 days to ensure that the participant will receive appointments, notices, etc. in a timely manner. It is also important that any change of address reported be processed promptly by the County Office.

4210.1 To Change an Address

12/06/11

1. Record all pertinent information in the case record.
2. Key the change in ANSWER.
3. Send a Voter Registration Application to the participant so that he or she can report this change to the county clerk's office if he or she so chooses.

The worker should also be alert for other changes (acquiring or disposing of property, moving from the homestead, change in assistance unit members, change in income, change in food stamp household), which may be indicated by a change of address.

4210.2 Change of Address to Another County

12/06/11

A TEA case will be transferred upon the request of the individual, his authorized representative, or another County Office.

A participant may visit in another county within the state without transferring his case record, if absence from his home county will not exceed one month.

If the absence will exceed one month, the case will be transferred to the county in which the family is located. This is to insure that work participation activities continue.

4200 Non-Eligibility Changes

4220 Absence from the State

The individual will be advised by letter of the action taken and that the service county to which his or her case record has been sent will be contacting him or her.

4210.3 To Transfer an Active Case:

08/26/11

If reported to the receiving county:

1. Change the address in ANSWER
2. Select the new county code.
3. Transfer the open budget.
4. Document pertinent information in ANSWER.

If reported to the transferring county:

1. Change the address in ANSWER.
2. Select the new county.
3. Transfer the open budget.
4. Send an email to the receiving county's Program Eligibility Coordinator and County Administrator notifying them of the transfer.
5. Document pertinent information in ANSWER.

When an active case is transferred, a system-generated task is created in ANSWER notifying the receiving county and DWS that the case has been transferred.

4220 Absence from the State

12/06/11

If a participant is absent from the state for more than one month, the case will be closed and the participant will be advised that he may reapply once he returns to Arkansas.

When the county office receives information that a TEA participant is or will be absent from the state, the worker will ascertain, if possible, the out-of-state address, whether the participant intends to return to Arkansas, and if so, the reason for the absence and the probable length of stay in the other state.

4200 Non-Eligibility Changes

4230 Protective Payment - Mismanagement

If the participant indicates he or she is moving from the state with no intent to return, the TEA case will be closed following the appropriate notice (DCO-1) to the participant.

If the county office is unable to ascertain the out-of-state address or the participant's intention at the time the absence is reported (e.g. neighbor reports, participant sends letter, etc.), then a DCO-1 to close in 10 days will be sent. The DCO-1 will advise the participant that if his absence from the state is only for one month and he wishes his case to remain open, he should contact the county office prior to the end of the 10 days.

4230 Protective Payment - Mismanagement

07/01/97

When there is evidence that the TEA grant is not being used in the best interests of the children, a protective payee to handle the family's cash assistance may be appointed. Protective payment due to mismanagement is intended to be a temporary measure designed to help the participant improve his management and use of money.

If mismanagement is determined to exist and DCFS is not already providing services to the family, a referral to DCFS, or other appropriate services or treatment agency, should be made to help the participant resolve his/her money management problems. If, because of mental or physical incapacity, there is no substantial likelihood a participant will ever be able to manage his own affairs, a protective payment should not be recommended. Such persons should be referred to Legal Services for the appointment of a legal guardian.

4231 Determination of Need for Mismanagement Protective Payment

07/01/97

The case record must clearly reflect the evidence upon which the worker's recommendation for protective payment is based. Such evidence should indicate mismanagement of funds by the participant to the extent that the children are not receiving the benefit of the assistance payment. Examples of such evidence are:

1. Continued inability to plan for necessary expenditures.

4200 Non-Eligibility Changes

4231 Determination of Need for Mismanagement Protective Payment

2. Continued evidence that the children are not properly fed or clothed and that expenditures for them are made in such a way as to threaten their chances for health, growth, and development.
3. Persistent and deliberate failure to meet obligations for rent, food, or other essentials.
4. Repeated evictions or incurrence of debts.
5. Drug abuse even if bills are being met (possibly by another relative).

4231.1 Standards for Selection of Protective Payee

07/01/97

Persons Who May Be Selected As Protective Payee

A protective payee may be a relative, friend, neighbor, or member of a community service group. The person to act as a protective payee should be selected by the participant, or with the participant's involvement and consent to the extent possible. The individual selected to act as payee must:

1. Show an interest and concern for the family.
2. Have the ability to help the family make proper use of the assistance payment.
3. Live near the family or have sufficient means of transportation to enable him to maintain close contact with them.
4. Have the ability to establish and maintain a positive relationship with the family.

Be a responsible and dependable individual, capable of fulfilling his responsibilities to the participant and the agency.

Except for those specified below, a DHS employee may serve as the protective payee when it is determined that it would be in the best interests of the family for a staff member to act as the payee. This would be more appropriate in mismanagement situations than in sanction cases. Therefore, if such a protective payment is determined to be appropriate, then the staff member selected should be a DCFS employee providing protective services to the family.

4200 Non-Eligibility Changes

4232 Authorization of Mismanagement Protective Payment

Persons Who May Not Act As Protective Payee

The following individuals may not be selected as the protective payee:

1. Any landlord, grocer, or other vendor of goods or services who deals directly with the participant.
2. The Director of the Department of Human Services.
3. The Director of the Division of County Operations.
4. The Worker establishing eligibility for the family.
5. Any employee assigned to the Office of Child Support Enforcement.
6. Any employee assigned to the Division of Finance or any employee assigned the function of handling processes related to the participant.

4232 Authorization of Mismanagement Protective Payment

12/06/11

Protective Payment will be authorized by the County Administrator upon recommendation of the Program Eligibility Coordinator or his/her designee.

Form DCO-195, *Request for Protective Payee Approval*, will be used by the county office to recommend a person to act as the protective payee. It will also be used by the County Administrator to authorize a protective payee request.

Once authorization of the protective payee is received, the worker will notify the participant via Form DCO-1 that the TEA payment will be changed to a protective payment. This notice must meet the requirements of a “timely and adequate” notice and will include the name of the protective payee. A case will be created in ANSWER with the protective payee as the casehead.

4240 Designation of Emergency Payee

03/15/98

In emergency situations, payments can be made temporarily to a person acting in place of a parent when no eligible payee is immediately available, provided:

4200 Non-Eligibility Changes

4240 Designation of Emergency Payee

1. The payee has been removed from the home by death, desertion, imprisonment, or confinement to the State Hospital, residential substance abuse facility, or other medical institution.
2. Payments are on a temporary emergency basis for the child(ren) receiving TEA at the time the emergency occurred.
3. Payments are made only for the period of time necessary to make and carry out plans for the child(ren), including the transfer of responsibility for the child to another relative, agency or community program, or for the eligible caretaker relative to return to the home.

No such temporary payment will be made for longer than 90 days.

The county will follow procedures outlined in the EBT handbook for obtaining an EBT card for the emergency payee.

4300 Computer Matching Act of 1988 requirements (IEVS)

4300.1 IRS Match Bendex Wage

4300 Computer Matching Act of 1988 requirements (IEVS)

05/01/08

The following procedures will be used to verify and take action on information received as a result of a covered computer match.

4300.1 IRS Match Bendex Wage

The IRS match will be processed by the IRS Central Processing Unit. No action is required of the local county office.

4300.2 Bendex Change; SSI Match

For the above matches, information is considered verified upon receipt. A 10-day notice to verify is not necessary; however, the worker will send a 10-day notice of adverse action to the household, if appropriate.

4300.3 ESD Wage, Monthly UI, Quarterly Wage Match

For the above matches, independent verification must occur. However, WESD will be checked as appropriate. A 10-day notice requesting verification will be sent to the household. If the client fails to respond to the 10-day notice, an adverse notice is sent requesting that the client contact the worker within 10 days. If the client fails to contact the worker, the case will be closed at the expiration of the notice period. If the information provided results in a closure or a reduction, a 10-day notice of adverse action will be issued.

4301 Monitoring Process

12/06/11

The Program Eligibility Analyst will conduct a random review of pending applications and cases each month for compliance and provide a report to the Area Director.

The Program Eligibility Analyst assigned to the IRS Central Processing Unit will review a random sample of cases from each match and provide a report to the Area Director.

4301.1 SSN or Name Mismatches (Codes 1 or 5)

12/06/11

1. View the person's Social Security card and obtain a photocopy if one is not already in the case record.

4300 Computer Matching Act of 1988 requirements (IEVS)

4301 Monitoring Process

2. If the number shown on the card is different from the number shown in ANSWER, make the necessary correction to ANSWER and change the enumeration code to "V". The SSN will then be resubmitted to SSA on the next tape.
3. If the name shown on the card is different from the name in ANSWER and the person says the name on the card is correct, change the name in ANSWER to agree with the card and change the enumeration code to "V".
4. If the person says the name shown on the card is wrong, proof of the correct name should be obtained and ANSWER updated, if necessary. An SS-5 with the documents verifying the correct name attached should then be submitted to SSA to correct their records. A DCO-12 should be sent with the SS-5 and documents to ensure that the documents are returned to the county office. The SS-5 and DCO-12 will be annotated by entering the SSN shown in ANSWER, preceded by the state BENDEX code (040), in the appropriate spaces. When SSA's records are corrected, an update will be received via the enumeration process and the enumeration code will be changed automatically to "E".
5. If the name and number on the card agree with the name and number in ANSWER, send a photocopy of the card to the Systems Coordinator, Income Support Section, Central Office.

4301.2 Date of Birth Mismatch

1. View or obtain a copy of the individual's birth certificate or other proof of age
2. If the age documentation shows a date of birth different from that shown in ANSWER, make the necessary corrections to ANSWER and change the enumeration code to "Y." The SSN will then be resubmitted on the next tape.
3. If the age documentation shows that the date of birth shown in ANSWER is correct, submit an SS-5 with the age documentation attached to correct SSA's records. A DCO-12 will also be sent with the SS-5 and documents to ensure that the documents are returned to the county office. The SS-5 and DCO-12 will be annotated as for an original SS-5 by entering the SSN shown in ANSWER, preceded by the state Bendex code (040), in the appropriate spaces. When SSA's records are corrected, an update will be received via the enumeration system and the enumeration code will be changed automatically to "E."

4400 Lost or Stolen EBT Card and Warrant Action

4410 Lost or Stolen EBT Card

4400 Lost or Stolen EBT Card and Warrant Action

4410 Lost or Stolen EBT Card

12/06/11

The county will follow procedures outlined in the EBT handbook for reporting a lost or stolen EBT card and obtaining a new card.

4421 Lost, Stolen, and/or Forged Checks (Reimbursement, Diversion, Relocation)

12/06/11

If a payee notifies the County Office that a diversion check has not been received, the worker will determine:

1. if a check has been issued and mailed.
2. if it has been at least 10 days since the check was issued, mailed, and
3. the current status of the check.

These determinations will be made utilizing the Check Register (RSCR) screen or by contacting the Office of Finance and Administration, Accounts Payable Unit.

4421.1 Procedure for Replacing a Missing Check

10/15/97

1. If a check has not been returned to OFA within ten days of the check issue date, and the payee states he or she has not received the check, the County Office will complete section A of Form DHS-80, Claim of Lost, Stolen and/or Forged Assistance Warrant/Check and issue to the payee at the time the report is received. The County Office will fully explain the purpose and assure completion of all sections of the form. The payee will be responsible for completion of sections B and C. Section B will be completed by a member an appropriate local law enforcement agency. Section C will be completed by the payee in the presence of a Notary Public.

Form DCO-1461, *Surety Bond for Reissuing Checks*, will also be issued to the payee to be returned to the County Office with the DHS-80.



NOTE: If there is a Notary Public in the County Office, all sections of the forms relative to Notary Public may be completed while the payee is in the office (the payee will still be

4400 Lost or Stolen EBT Card and Warrant Action

4421 Lost, Stolen, and/or Forged Checks (Reimbursement, Diversion, Relocation)

required to have section B of form DHS-80 completed as stated on the form). For completion of Form DCO-1461, the payee must have the individual who will act as Surety present during the visit.

2. Forms DHS-80 and DCO-1461 along with a cover memo will be forwarded to OFA-Accounts Payable Unit, Slot W-406, no later than the next working day following submission from the payee.

If the payee cannot secure a Surety, no replacement will be made. Representatives of DHS will not act as a Surety for a payee.

3. Upon receipt of the DHS-80 and DCO-1461, OFA will determine if all necessary information has been submitted. If the forms are not completed correctly or are incomplete, OFA will return the forms to the County Office for necessary action.
4. Upon receipt of the original completed Lost, Stolen, and/or Forged Check forms from the County Office (by mail only), OFA will verify the status of the check. If the check has not been returned or cashed, Accounts Payable will initiate a stop payment if the check is \$15 or over. A stop payment action will not be made for checks which are less than \$15, but such checks will be canceled on the system by OFA. Canceled checks (issued through the Aasis system of less than \$15) will be reissued by the County Office once the Check Register screen shows that the status code has been changed to "X" indicating the check has been canceled on the system by OFA. The County Office will inform the payee to return the original check if it is received. (**NOTE:** OFA will reissue checks of \$15 or more. (See Step #6))
5. If OFA verifies the check has already been cashed and cleared the bank, a copy of the canceled check will be sent to the County Office with a cover memo requesting the worker to contact the payee to determine the status of the check.

If the payee reports not receiving the check or states that the signature does not belong to him or her, the County Office will notify OFA to continue processing the replacement check.

6. OFA will reissue a replacement check to the payee within seven working days from the date the completed forms are received.

If the original check is later found or returned to the payee, he or she is required to return the check immediately to the County Office. The County will accept the check from the payee (write "void" across the check) forward it to OFA, Accounts Payable Unit, Slot W-406, along with a cover memo explaining the circumstances. All identifying information (e.g. payee, casehead if different, check number etc.,) will be included in

4400 Lost or Stolen EBT Card and Warrant Action

4421 Lost, Stolen, and/or Forged Checks (Reimbursement, Diversion, Relocation)

the memo. A copy of both the memo and the voided check will be retained in the County Office.

4421.2 Checks Returned to the Office of Finance and Administration

12/06/11

If a check has been returned by the Post Office to OFA, the following procedures will be followed:

1. Upon receipt of a returned check issued through the AASIS System, OFA will access the Check Register (RSCR) screen and key "U" indicating the check was returned by the Post Office as undeliverable. This means that the check can only be mailed at the County's request.

A system generated report showing such returned checks will be forwarded to the County Office the following day.

2. The County Office will be notified either by phone call or memorandum if a diversion or relocation check is returned to OFA.
3. Upon receipt of the notice of a returned check (or in situations where the payee contacts the County Office regarding the check), the County Office will inquire to the Check Register (RSCR) screen to determine the reason for the return.
4. If the check was returned due to an incorrect address, the County Office will contact OFA by mail or fax with the correct mailing information no later than the following work day and request that the check be re-mailed to the correct address.

4421.3 Mutilated Checks

12/06/11

A check that has been damaged or marred to the point that it cannot be cashed is considered to be mutilated. If a mutilated check is brought to the County Office by the payee, the following procedures will be followed:

1. The mutilated check will be mailed to OFA – Accounts Payable Unit, Slot W-406, along with a cover memo explaining the circumstances surrounding the check and authorizing reissuance.
2. OFA will complete the necessary steps to reissue the check to the payee.

5000 Termination of Cash Assistance

5001 Time Limit

5000 Termination of Cash Assistance

03/01/00

A Case will be closed:

1. When the recipient has requested closure. Advance notice will be given if required (Refer to [TEA 4050](#)).
2. Upon notice of another state agency that the recipient is being certified for assistance in that state.
3. When the County Office has factual information that a recipient fails to meet any eligibility requirement.
4. When a recipient has failed to furnish requested information or comply with other Agency procedures necessary to establish his eligibility after specific written notice (DCO-1 or system generated) that he must do so.

Cash assistance will be terminated at any point it is determined that a family is no longer eligible to receive assistance.

5001 Time Limit

03/01/00

A family which includes an adult is eligible for TEA cash assistance benefits for a period of not more than 24 months. The 24 months need not be consecutive months.

During periodic contacts with the DWS Case Manager, TEA recipients will be informed of how many months of eligibility he or she has remaining due to the time limit. The number of months a TEA family has received benefits can be determined via the TEPC screen.

The County Office will receive a printout identifying cases that have received TEA for 6, 12, 18, or 22 months.

Upon completion of the 22nd month staffing, a decision to close the TEA case or grant an extension will be made. The Case Manager will advise the client of the decision. If the decision is to not extend the time limit, the case will be closed when the recipient has received TEA for 24 months. The client may appeal this decision. If the client appeals

5000 Termination of Cash Assistance

5002 Intentional Program Violation (IPV)

the decision within 10 days of the date the closure notice, benefits will continue pending the hearing. Upon actual closure of the TEA case, the Case Manager will send a final notice to the client as a reminder that the TEA case has been closed.

 **NOTE:** The time limit for TEA eligibility has no bearing on Medicaid Eligibility.

5002 Intentional Program Violation (IPV)

03/01/00

The family of any individual who pleads guilty or nolo contendere to, or is found guilty of, an Intentional Program Violation in the Transitional Employment Assistance program will be ineligible for further participation in the program for the following minimum time periods:

1. For the first offense, one (1) year.
2. For the second offense, two (2) years.
3. For more than two, permanently.

A 10-day notice will be sent to the client stating that the case will be closed due to an Intentional Program Violation. Also, that the case will remain closed until the resulting overpayment (e.g. the total amount of assistance received to which the family was entitled) has been repaid to the State with interest. This requirement may be waived by the Director of the Division or his or her designee.

Refer to [TEA 8100](#) for detailed policy and procedures concerning IPV Disqualifications.

5003 Earnings Related

03/01/00

At any point it is determined that a family is no longer eligible for TEA benefits due to earnings, the TEA case will be closed. An advance notice of closure will be required. In addition, the family's eligibility for extended support services will be determined. Refer to TEA 5004.

5000 Termination of Cash Assistance

5100 Extended Support Services (ESS)

5100 Extended Support Services (ESS)

12/06/11

Extended Support Services are available to certain families who lose eligibility for TEA due to earnings.

These services are Child Care, ESS Employment Bonus and Transportation assistance, ESS Job Retention, ESS Case Management Services, and Transitional Medicaid.



NOTE: Eligibility for Transitional Medicaid is determined by DCO. Individuals approved for Transitional Medicaid will be eligible for the full range of Medicaid services, including services under the Children's Health Services Program (Refer to MSP 2061). All other ESS services are determined by DWS and DCC. (e.g. child care).

7000 Fraud Investigations

7001 Purpose

7000 Fraud Investigations

7001 Purpose

The Fraud Investigations Unit identifies, investigates, and refers for prosecution any individual accused of committing theft of property or theft of public benefits as defined by state law. This includes agency staff, participants, providers, or other persons who deliberately violate the rules and regulations of DWS to defraud the state. Fraud Investigations prepares the administrative disqualification file on persons accused of committing an intentional program violation.

7002 Organization

The Fraud Investigations Unit is organizationally located within the Office of Chief Counsel, Program Services Section.

7003 Functions

The Fraud Investigations Unit has the following major functions:

1. Review the case record and independently verify information contained in the file to determine if a criminal investigation is warranted.
2. Investigate to gather evidence in cases where there is a probability that a fraudulent act was committed.
3. Refer to the prosecutor if facts are obtained which indicate that the accused person, by deception, received DWS monies/benefits to which he/she was not entitled.

7004 Referral Sources

Reports of suspected fraud may be received from any source within the Department of Human Services, the Department of Workforce Services, the general public, public officials, other public agencies, or by the Fraud Investigations Unit, itself.

7005 Reporting Suspected Fraud

Criteria for reporting suspected fraud:

1. the suspected fraudulent act(s) resulted in a cumulative overpayment of \$200 or more.
2. cases in which the participant is receiving assistance in two or more names, counties or states.

Referrals from DWS sources in which an overpayment has not been established are referred to the Fraud Investigations Unit via the DCO-1700, *Suspected Fraud Report*.

7000 Fraud Investigations

7006 Review of Case

7006 Review of Case

When a referral is made to the Fraud Investigations Unit, the circumstances will be reviewed to determine if the case warrants investigation toward criminal prosecution.

If one or more of the following facts are present, the case will not be referred for prosecution:

1. total amount of the overpayment resulting from the alleged fraud is less than \$500;
2. age/education of the suspect is not conducive to proving criminal intent;
3. statute of limitations has run on all evidence referred;
4. participant is permanently residing out of state.

If one or more of the following facts are present, the decision to investigate lies with the director of Fraud Investigations:

5. fraud is not evident in referred material;
6. fraud resulted from failure to report child support payments;

Cases containing one or more of the above facts may be referred for an Administrative Disqualification Hearing. Decisions will be made on a case-by-case basis as the evidence supporting the case dictates.

7007 Case Accepted for Investigation

The following procedures will be completed for reports of suspected fraud that warrant criminal prosecution:

1. The case record and any other pertinent information concerning the suspected participant will be requested from the local office manager. DHS or DWS offices, sections, and units must release any requested information to the Fraud Investigations Unit.
2. The investigator assigned to the case will:
 - a. examine the case record and/or any other records on file within or outside DHS or DWS for suspected false statements of participants, providers, or other persons;
 - b. conduct a systematic inquiry to determine validity of allegations of criminal conduct and interview DWS Workforce Specialist with knowledge of the case, as well as providers, division staff, and the suspect for any accounts of alleged conduct;
 - c. determine the net amount of the overpayment within the criminal statute of limitations or within time frames set out in overpayment policy for cases referred for an Administrative Disqualification Hearing;

7000 Fraud Investigations

7008 Disposition of Investigations

- d. examine the TEA profile of the participant to determine applicable overpayment;
- e. prepare a written, documented report at the completion of the investigation for referral to the prosecutor;
- f. complete the DHS-1208, *Hearing Statement*, for referral for an Administrative Disqualification hearing;
- g. administratively close the investigation if, at any stage of the inquiry, the investigative staff determines that the case is not suitable for prosecution or for referral for an Administrative Disqualification Hearing;
- h. notify the DHS or DWS referral source of the disposition of the investigation and return copies of the case record to the appropriate county or local office.

7008 Disposition of Investigations

The Fraud Investigations Unit will notify the local office manager of the initial disposition of each referral.

For cases referred for prosecution, the Fraud Investigations Unit will:

1. request the Prosecuting Attorney to file charges and send a copy of the request to the local office.
2. advise the Overpayment Unit of the factual basis for the overpayment as well as submit overpayment calculation documents.

For cases referred for an administrative disqualification hearing, the Fraud Investigations Unit will prepare a DHS-1208, *Food Stamps Intentional Program Violation* and send to the Overpayment Unit for determination of whether or not the cases should be referred to Appeals and Hearings for an administrative disqualification hearing.

For cases containing a signed DHS-267, *Waiver of Hearing and Disqualification Agreement*, the Fraud Investigations Unit will:

advise the local office and the Overpayment Unit of the facts of the case, send a copy of the DHS-267, and, if negotiated, a copy of the *Repayment Agreement*.

For cases administratively closed, the Fraud Investigations Unit will:

forward a memo to the local office and the Overpayment Unit explaining the reason for the closure. If an overpayment has been calculated, these documents will be forwarded to the Overpayment Unit.

TRANSITIONAL EMPLOYMENT ASSISTANCE POLICY MANUAL, SECTION 7000

7000 Fraud Investigations

7009 Decision to Prosecute

The final disposition of cases adjudicated by the court will be furnished to the local office manager and the Overpayment Unit by the memorandum from the director of the Fraud Investigations Unit.

7009 Decision to Prosecute

The director of the Fraud Investigations Unit will present the original investigative report of any case deemed worthy of prosecution to the prosecuting attorney. The prosecutor has sole discretion to prosecute, accept repayment in lieu of prosecution, or decline to prosecute.

8000 Administrative Hearings (TEA)

8001 Appeal Process

8000 Administrative Hearings (TEA)

06/08/12

The purpose of the hearing process is to provide a mechanism by which an applicant may appeal the denial of Transitional Employment Assistance (TEA), the failure of the Division of County Operations to process the application within specified times frames, and by which a recipient may appeal any agency action resulting in the suspension, reduction, or discontinuance of assistance. A hearing will not be granted when a change in either State or Federal law requiring automatic grant adjustments occurs unless the participant is alleging incorrect grant computation. A request for a hearing must be received in the Office of Appeals and Hearings (OAH) no later than 30 days from the date on the notice of adverse action.

8001 Appeal Process

06/08/12

A petitioner or his/her designated representative may request a hearing by (1) completing the reverse side of the Notice of Action, (2) making the request by letter to OAH, or (3) completing, with assistance by DCO as needed, a DHS-1200, Appeal for a Hearing Form. The DCO office will assist the petitioner whenever necessary; however, the primary responsibility for providing all information relevant to the administrative appeal rests with the petitioner or his/her representative.

DCO will immediately forward requests for hearings to OAH.

Interpreters or special accommodations needed: If the applicant/recipient indicates that he or she needs an interpreter, material in a different format, or other special accommodations, DCO must immediately notify OAH.

When an appeal is received in OAH, DCO will be notified. A memorandum will be sent to the DCO office to:

1. Provide notification that the appeal has been received,
2. Require DCO to prepare and submit an administrative hearing file no later than seven (7) days after receiving the memorandum, if the appeal was timely filed. The hearing file must contain a County Statement (DHS1203).
3. Require that within three (3) business days of its receipt of the memorandum, DCO will return a copy of the Notice of Adverse Action with the memorandum signed by the responding caseworker if the appeal was not timely filed.

8000 Administrative Hearings (TEA)

8002 DCO Administrative Hearing File

8002 DCO Administrative Hearing File

06/08/12

When OAH notifies DCO that a petitioner has filed a timely request for a hearing, the caseworker will prepare a county administrative hearing file which will be separate from the individual's case record. Each page in the hearing file shall be numbered. A copy of the DCO's administrative hearing file will be submitted to OAH within seven (7) days after receiving the memorandum from OAH.

The DCO administrative hearing file shall contain the part of the case record that constitutes documentary evidence supporting the notice of adverse action from which the petitioner is appealing. The following information must be included in the administrative hearing file:

1. Notice of Action – The file must include all notices sent to the petitioner regarding the action under appeal. The administrative hearing can include only the action specified on the notice of action. The subject of the administrative hearing shall be limited to the action specified in the notice of appeal on which the appeal is based.
2. Documentary Evidence – The file must contain the part of the case record that constitutes documentary evidence relevant to the notice of adverse action on which the individual appealed. Examples of documentary evidence include, but are not limited to: verification obtained which resulted in the adverse action; any relevant correspondence; a copy of the budget (if financial need is the issue); any information supplied by the petitioner; and any other pertinent information.
3. County Statement (DHS-1203) – The file must include a copy of the county statement. The county statement must state the issue and must contain a summary of all facts and evidence supporting the county office's position. All statements should be in simple language. Ambiguous and technical language must be avoided. DHS codes, abbreviations and acronyms should not be used. All information will be provided in an alternative format if requested.

The county statement will summarize the basis for DCO's action. However, the county statement is not evidence. Complete documentation is required in the DCO administrative hearing file to support the county statement.

Five (5) copies of the DHS-1203 will be prepared and distributed to the following within seven (7) days of DCO's receipt of the memorandum from OAH, if the appeal was timely filed:

8000 Administrative Hearings (TEA)

8003. Subpoenas

- The original will be mailed to the petitioner prior to the date of the hearing
- A copy will be sent to the appropriate Program Eligibility Analyst
- A copy will be sent to OAH along with the DCO administrative hearing file
- A copy will be sent to the Office of Chief Counsel
- A copy will be retained in the file at the county office

The petitioner or his or her representative will be advised by OAH that the DCO administrative hearing file can be reviewed at the county office.

8003. Subpoenas

06/08/12

Subpoenas: OAH will provide notice to the parties of the process by which subpoenas may be issued. Each party must provide to OAH the correct name and contact information for any witness for which a subpoena is requested.

At the time the county's administrative hearing file is sent, DCO must advise OAH of any witnesses to be subpoenaed to testify on behalf of DCO. The reverse side of the County Statement provides space for the caseworker to request subpoenas for witnesses. Department employees will attend hearings without the requirement of a subpoena. The caseworker will be advised by OAH of any witnesses for which the petitioner has requested subpoenas. DCO will have five (5) days from receipt of this notice to request subpoenas for rebuttal witnesses.

The Department of Human Services Office of Chief Counsel will issue the subpoenas, pursuant to the terms of agreement and authority of A.C.A §20-76-103. Each subpoena must be served by the party requesting the subpoena.

8004 Continuation of Assistance or Service During Appeal Process

06/08/12

If a petitioner files an appeal for a hearing within the 10 day advance notice period or five days in case of probable fraud, the case will remain open at the petitioner's request until the hearing case is closed by OAH.

At the conclusion of the hearing, the hearing official will decide whether the case should be closed or services reduced prior to the rendering of the hearing decision. The criteria for determining whether adverse action is taken prior to the rendering of the hearing decision will

TRANSITIONAL EMPLOYMENT ASSISTANCE POLICY MANUAL, SECTION 8000

8000 Administrative Hearings (TEA)

8005 Scheduling the Hearing

be based on whether or not a fact or judgment situation exists. If it is determined that the sole issue is one of state or federal law or policy, the proposed action will be taken.

Examples of issues of fact:

- Verified earned or unearned income which caused net income to be in excess of the maximum income limitations.
- Protest of agency policy – The recipient agrees that his income or resources exceed the limitation but feels that the policy imposing these limitations is unreasonable.

If the sole issue is one of judgment relating to a state or federal law or policy, no adverse action is taken prior to the hearing decision.

Examples of judgment are:

- Disability in MRT cases.
- Value of real or personal property

The petitioner will be advised at the beginning of the hearing that a decision will be made at the conclusion of the hearing regarding whether the benefits will be reduced or terminated prior to the rendering of the hearing decision. If the decision by the hearing official is to reduce or terminate benefits, a Notice of Action will be prepared by DCO and mailed for immediate action. This is not an additional ten (10) day notice.

If a subsequent change occurs that results in adverse action while the hearing decision is pending, and the petitioner does not appeal such action within the ten (10) day notice period, appropriate action will be taken.

8005 Scheduling the Hearing

06/08/12

OAH will schedule the hearing and send a letter to advise the petitioner of the time, date, and place of hearing, and the name of the hearing official who will conduct the hearing.

8006 Place of Hearing

06/08/12

The hearing will normally be held by telephone in the DCO County Office in the county in which the participant resides. The telephone hearing may be held in another location if, in advance of the hearing, the parties agree upon that location and notify OAH. Upon advance request,

8000 Administrative Hearings (TEA)

8007 Assistance in Preparation of Appeal

hearings may be held in the OAH office at 7th and Main Street in Little Rock, Arkansas, or by video conference where available.

8007 Assistance in Preparation of Appeal

06/08/12

DCO will provide reasonable assistance to the petitioner in preparing for a hearing, if requested.

8008 Abandonment of the Appeal

06/08/12

Regardless of whether the petitioner is represented, the petitioner must appear in person for all hearings regarding program eligibility or program services, or show good cause why he or she cannot be present. If any party fails to appear (either in person or by telephone) within fifteen (15) minutes after the hearing was scheduled to begin, OAH will confirm that the party had proper notice of the hearing and will attempt to contact the absent party. The hearing official may allow an additional fifteen minutes before beginning the hearing. When the hearing begins, the hearing official will identify for the record any party not present in person or by telephone. If the petitioner does not appear, the appeal shall be deemed abandoned, subject to reopening on a showing that the appellant exercised due diligence but was unable to appear due to circumstances beyond the petitioner's control. If DCO does not appear, the hearing official may proceed with the hearing and may consider any hearing statements or other documents submitted by the agency.

8009. Withdrawal of the Appeal

06/08/12

If a petitioner advises the county office that he/she wishes to withdraw the request for a hearing, he/she will be requested to sign a statement to this effect or to sign a DHS-1201, Withdrawal of Request for Fair Hearing. DCO will provide this documentation to OAH and to the Office of Chief Counsel (OCC).

8010 DCO Hearing Responsibilities

06/08/12

It is the responsibility of DCO to provide an office with privacy in which a hearing can be conducted as well as necessary telephone and/or computer equipment for hearings by telephone or by video conference.

8000 Administrative Hearings (TEA)

8011 Conducting the Hearing

It is also the responsibility of DCO to designate a county representative prior to the time of the hearing in all cases except those that involve a disability determination by the Medical Review Team. The representative will be familiar with the case and able to answer pertinent questions from the petitioner, the petitioner's representative and the hearing official. The county representative will be prepared to represent the county office at the scheduled time of the hearing to comply with all applicable time frames.

The county representative will ensure that all parties, representatives, and witnesses who have arrived at the DHS County Office or other designated hearing location are escorted to the designated hearings room by the hearing start time. When a hearing is held in the DHS County Office, the County Representative will ensure that the speaker telephone or video conferencing equipment is operational, and that the petitioner is comfortably seated in the room where the hearing will be held.

DCO may request legal assistance to prepare for the hearing and for representation at the hearing by contacting OCC.

8011 Conducting the Hearing

06/08/12

The hearing will be conducted by a hearing officer from OAH. No person having any part in making the decision being appealed may serve as the hearing official.

The petitioner may be accompanied by friends or other individuals and may be represented by a friend, attorney, or other designated representative. DCO will be represented by either the caseworker responsible for the case, the DCO Program Eligibility Coordinator, or OCC.

The hearing officer may not review the case record or other material either prior to or at the hearing unless such material is made available to both the participant or his representative and the agency representative.

The hearing will be conducted in an informal but orderly manner and is recorded. The hearing official will explain the hearing procedure to the parties. The County Statement will be read by the county representative.

The proponent of an adverse action shall have the burden of proof. The party with the burden of proof will present his/her case first.

When the petitioner presents his/her case, he/she may do so alone or with the aid of others. The petitioner or petitioner's representative will be given the opportunity to present witnesses,

TRANSITIONAL EMPLOYMENT ASSISTANCE POLICY MANUAL, SECTION 8000

8000 Administrative Hearings (TEA)

8012 Additional Medical Assessment

advance arguments, offer evidence, and question or refute any testimony or evidence. If the petitioner is unable to present evidence in an effective manner, the hearing official will assist as necessary to assure that the petitioner's evidence is communicated on the record.

When DCO presents its case, it will be given the opportunity to present witnesses, advance arguments, offer evidence, question or refute any testimony or evidence.

Each party will be allowed to cross examine the other party and any witnesses. Questioning of all parties will be confined to the issues involved. Other eligibility factors may be reviewed when appropriate. When all relevant information has been obtained, the hearing official will issue a Final Order which will include a Finding of Facts, Conclusions of Law, and a Decision. The Final Order will be mailed to the petitioner and a copy provided to DCO.

The parties will also be advised of their right to judicial review in the event of any adverse ruling.

8012 Additional Medical Assessment

06/08/12

If the hearing involves medical issues, such as those concerning a diagnosis, an examining physician's report, or a medical review team's decision, and if the hearing official considers it necessary to have a medical assessment other than that of the individual involved in making the original decision, such a medical assessment must be obtained at agency expense and made part of the record.

8013 Hearing Decision

06/08/12

The hearing official will prepare a Final Order based on the evidence accepted into the record and the sworn record of testimony of the proceedings. The format will include an Introduction, Findings of Fact, Conclusions of Law, and a Decision. The final decision will be made by the hearing official who will sign the Final Order. Final administrative action must be completed within 90 days from the date of receipt of the appeal.

8014 Judicial Review

06/08/12

When the hearing official has rendered a final agency action on a case and the petitioner or representative is not satisfied with the decision, he or she has the right to judicial review under Arkansas Administrative Procedure Act at A.C.A. §25-15-212.

8100 TEA Disqualifications – Intentional Program Violation

8101 Definition of Intentional Program Violation (IPV)

8100 TEA Disqualifications – Intentional Program Violation

07/01/97

A determination of an intentional program violation (IPV) is made either through a court of law or by a hearing officer in an internal hearing process. The internal hearing is known as an Administrative Disqualification Hearing. Penalties in the form of disqualification sanctions are imposed against individuals found guilty of an IPV through a court of law or by a hearing officer in an Administrative Disqualification Hearing.

8101 Definition of Intentional Program Violation (IPV)

07/01/97

An intentional program violation of the TEA Program is defined as an action by an individual for the purpose of establishing or maintaining the family's eligibility for TEA or increasing or preventing a decrease in the amount of the grant which is intentionally:

1. A false or misleading statement, misrepresentation, concealment, or withholding of facts; or
2. Any act intended to mislead, misrepresent, conceal or withhold facts, or propound a falsity.

An IPV determination can be made only through the Administrative Disqualification Hearing process or by a court of law. County Office staff will not make IPV determinations.

8102 Disqualification Sanction - Intentional Program Violation (IPV)

07/01/97

The family of any individual who pleads guilty or nolo contendere to, or is found guilty of, an Intentional Program Violation in the Transitional Employment Assistance program will be ineligible for further participation in the program for the following minimum time periods:

1. For the first offense, one (1) year.
2. For the second offense, two (2) years.
3. For more than two, permanently.

In addition, the family will continue to be ineligible for TEA assistance until the resulting overpayment has been repaid to the State with interest.

Only IPV's committed against the Arkansas TEA program will be considered in determining the applicable disqualification period in Arkansas.

8100 TEA Disqualifications – Intentional Program Violation

8103 Fraudulent Misrepresentation of Residence

For cases in which the family is currently receiving assistance, the disqualification sanction period will begin no later than the second month following the month in which the County Office received the decision. For cases in which the family is not currently receiving assistance, the sanction period will begin with the first month following the month the County Office received the decision.

8103 Fraudulent Misrepresentation of Residence

07/01/97

The family of an individual who is convicted in a federal or state court of having made a fraudulent statement or misrepresentation of residence in order to receive assistance simultaneously from two (2) or more states will be ineligible to receive Transitional Employment Assistance for a minimum period of ten (10) years beginning with the date of such conviction.

In addition, the family will continue to be ineligible for TEA assistance until the resulting overpayment has been repaid to the State with interest.

8120 TEA Administrative Disqualification Hearings

07/01/97

The Appeals and Hearings Section of the Office of Chief Counsel (OCC) conducts TEA Administrative Disqualification Hearings and determines if intentional program violations have occurred.

Administrative Disqualification Hearings will be conducted by a hearing officer who has no involvement in the case.

8120.1 Criteria for Conducting an Administrative Disqualification Hearing

07/01/97

Administrative Disqualification Hearings are conducted when documentary evidence is available to substantiate one or more allegations that an individual has committed an intentional program violation(s) and, as a result of the alleged IPV, has erroneously obtained TEA payments.

A case will not be referred for a TEA Administrative Disqualification Hearing if the total TEA overpayment resulting from the alleged IPV is less than \$400 unless the case is also being referred for a Food Stamp Administrative Disqualification Hearing. If the case is referred for a

8100 TEA Disqualifications – Intentional Program Violation

8121 Referral by the Overpayment Unit

Food Stamp Disqualification Hearing and there is also a TEA overpayment, then it will be referred for a TEA Disqualification as well, regardless of the amount of the TEA overpayment.

8120.2 Consolidation of Hearings

07/01/97

TEA Administrative Disqualification Hearings may be combined with other hearings, including Food Stamp Disqualification Hearings, if the factual issues arise out of the same or related circumstances, and the individual receives prior notice that the hearings will be combined. If hearings are combined, the time frames for conducting Administrative Disqualification Hearings will be followed unless the household waives the 30-day notice requirement for a disqualification hearing.

8120.3 Participation in the TEA Program During the Hearing Process

07/01/97

The County Office may not disqualify an individual until the Appeals and Hearings Section finds that the individual committed an intentional program violation. However, this does not preclude the County Office from taking adverse action for other reasons.

EXAMPLE: If a change in circumstances has occurred which will adversely affect a TEA grant and such change was not reported timely, benefits will be reduced based on the change even though a determination has not been made as to whether the failure to report resulted from an intentional program violation.

8121 Referral by the Overpayment Unit

07/01/97

A request for an Administrative Disqualification Hearing is initiated by the Overpayment Unit of its own volition, at the request of the County Office, or at the request of Fraud Investigations.

The County Office refers cases of suspected intentional program violations to the Overpayment Unit via an Overpayment Report form. The Overpayment Unit and Fraud Investigations will review the form and determine if the case is to be referred (a) for possible prosecution; (b) for an Administrative Disqualification Hearing; or (c) for non-fraud collection. If the Overpayment Unit refers the case for an Administrative Disqualification Hearing, a copy of the referral will be sent to the County Office by the Overpayment Unit.

8100 TEA Disqualifications – Intentional Program Violation

8122 Preparation of the Administrative Hearing File

8122 Preparation of the Administrative Hearing File

07/01/97

An Administrative Hearing File must be prepared on cases referred for an Administrative Disqualification Hearing. The Fraud Investigations Section will be responsible for preparing the Hearing File for cases it has developed with a possible intentional program violation (IPV). The County Office will be responsible for preparing the Hearing File for all other cases referred for a Disqualification Hearing.

The Administrative Hearing File will contain:

1. A completed DHS-1208 *Food Stamp/TEA Intentional Program Violation Statement*; and
2. Any supporting documentary evidence upon which the suspected IPV was established. Examples of documentary evidence include applications, change report forms, collateral statements, copies of award letters and verification of resources.

County Office

Upon receipt of the notification from the Overpayment Unit that a case has been referred for an Administrative Disqualification Hearing, the County Office will prepare the Administrative Hearing File. A copy of the File must be submitted to the Appeals & Hearings Office within seven calendar days of receipt of the referral notification. The original will be retained in the County Office.

Fraud Investigations

Fraud Investigations will prepare the Administrative Hearing File for cases it has developed with a possible IPV. The hearing file will be forwarded to the Overpayment Unit who will send copies of the file, including documentation gathered by Fraud Investigations, to the County Office and to the Appeals and Hearings Section.

The case record and original applications will be returned to the County Office by Fraud Investigations. Neither the case record nor the applications should be destroyed as long as an Administrative Disqualification Hearing is pending.

It is the responsibility of the County Office to review this information prior to the hearing and to present the evidence at the hearing. If any questions arise after receipt of this documentation, the County Office should contact Fraud Investigations prior to the date of the hearing to resolve the issue. The DHS- 1208 will contain the name of the Fraud Investigator who prepared the case.

8100 TEA Disqualifications – Intentional Program Violation

8123 Waived Hearings

If this individual is needed for inquiry or testimony at the hearing, the County Office should contact the Director, Fraud Investigations directly to request whatever assistance is needed.

8123 Waived Hearings

07/01/97

Individuals accused of committing an intentional program violation may waive their right to an Administrative Disqualification Hearing.

When a case is referred for an Administrative Disqualification Hearing, the Appeals and Hearings Section must advise the individual that he/she may waive his/her right to an Administrative Disqualification Hearing. The opportunity to sign a waiver in lieu of a hearing is given to the accused individual prior to the date the advance notice of a hearing is sent. If the individual does not sign a waiver by the date specified on the notice, a hearing is scheduled.

If the waiver is signed by the accused individual, the appropriate disqualification sanction will be imposed even if there is no admission to the charges.

The written waiver notification must contain the following information:

1. The date by which the signed waiver must be received by the Appeals and Hearings Section.
2. A signature blank for the accused individual and the caretaker relative.
3. A statement that the accused individual has the right to remain silent concerning the charges and that anything said or written by the individual concerning the charges may be used in a court of law.
4. The fact that the signed waiver will result in disqualification for the appropriate period of time even if the accused individual does not admit to the charges.
5. An opportunity for the accused person to admit the charges or to waive the hearing without admitting to the charges.
6. That the accused individual will be notified at least 30 days in advance of the date the hearing is scheduled if he/she chooses not to waive the hearing.

The Appeals and Hearings Section uses a form titled “Waiver of Right to an Administrative Disqualification Hearing” for this purpose. A copy of the signed waiver is sent to the County Office upon receipt by the Appeals and Hearings Section so that the appropriate disqualification sanction may be imposed (refer to [TEA 8402](#) & [8430](#)).

Waivers Obtained by Fraud Investigations

8100 TEA Disqualifications – Intentional Program Violation

8124 Advance Notice & Scheduling of Hearing

The Fraud Investigations Section may also obtain a waiver to an Administrative Disqualification Hearing from the accused individual during the course of an investigation and prior to referral to the Appeals & Hearings Office. Form DHS-267, *Waiver of Hearing and Disqualification* is used for this purpose. Upon receipt of a signed DHS-267, Fraud Investigations will forward the form to the County Office so that the appropriate disqualification sanction may be imposed (refer to [TEA 8402](#) & [8430](#)).

8124 Advance Notice & Scheduling of Hearing

07/01/97

The Appeals and Hearings Section must notify the accused individual at least 30 days in advance of the date the hearing is scheduled. The notice must include the following information:

1. The date, time and place of the hearing.
2. The charges against the household member who is believed to have committed the IPV.
3. A summary of the evidence (Administrative Hearing File) and that it may be examined at the County Office.
4. A warning that if the accused individual fails to appear for the hearing without good cause, the decision will be based solely on the evidence provided by the County Office at the hearing.
5. A statement that the accused individual may request a postponement of the hearing provided that the request is made to the Appeals and Hearings Section at least 10 days prior to the date of the scheduled hearing and provided that the request is for good cause.
6. If the accused individual fails to appear and later requests that the hearing be rescheduled, he/she must present good cause for failure to appear within 10 days of the date of the Hearing.
7. Establishment of good cause will be at the discretion of the Appeals and Hearings Section.
8. A warning that if the hearing decision determines that an intentional program violation has occurred, a disqualification period will be imposed according to the following schedule: one year for the first violation; two years for the second violation; and permanently for the third violation.
9. A statement that the state or federal government may still prosecute the household member in civil or criminal court action and collect the overissuances.

8100 TEA Disqualifications – Intentional Program Violation

8125 Cancellation of a Hearing by the County Office

10. A statement that the accused individual may contact the County Office for the name and telephone number (if available) of a person who can give free legal advice. If free legal advice is not available, the County Office will provide the number of the lawyer referral service of the local bar association.
11. A statement that the accused individual has the right to remain silent concerning the charges and that anything said or signed by the individual concerning the charges may be used in a court of law.

A statement attached to the notice contains a space for the accused individual to name any persons he or she wishes to subpoena to present testimony on his/her behalf at the hearing. A waiver of the right to subpoena witnesses is also included.

The time and place of the hearing will be arranged so that it is accessible to the member of the household suspected of the intentional program violation.

The advance notice is sent by certified mail, return mail, return receipt requested. When the Appeals and Hearings Section has proof that the household member accused of committing the IPV has received the advance notice of the hearing or has refused such notice, then the notice requirements have been fulfilled and the hearing can proceed. When neither proof of receipt nor proof of refusal exists and the household member fails to appear, the Appeals and Hearings Section has not met its regulatory obligation and cannot proceed with the hearing.

Postponement of Hearing

An accused individual may request a postponement of the scheduled hearing if the request is made at least 10 days in advance of the scheduled hearing and he/she shows good cause for the request. If the accused individual fails to appear but advises the Appeals and Hearings Section not more than 10 days after the hearing date, he/she may be permitted to show good cause for the failure to appear. The Appeals and Hearings Section determines whether or not good cause exists. If good cause is determined to exist, the hearing may be rescheduled within 30 days.

If the hearing is postponed, the time limits for processing will be extended for the number of days between initial scheduling and rescheduling not to exceed 120 days.

8125 Cancellation of a Hearing by the County Office

07/01/97

If, at any time prior to the date of an Administrative Disqualification Hearing, the County Office feels that there is insufficient evidence on which to conduct a hearing, the Appeals and Hearings Section should be contacted immediately so that the hearing can be canceled and the case

8100 TEA Disqualifications – Intentional Program Violation

8126 Review of the Administrative Disqualification File

administratively withdrawn. This does not apply to cases prepared for a hearing by Fraud Investigations. The County Office may not cancel a hearing for a case prepared by Fraud Investigations.

8126 Review of the Administrative Disqualification File

07/01/97

When the advance notice of the hearing is sent, the accused individual is advised that he/she has 10 calendar days from the date he/she signs the certified mail receipt to review the Administrative File and request subpoenas. This 10-day limit applies only to the request for subpoenas. The accused individual and/or caretaker relative may review the Administrative File any time prior to, or during, the Hearing. However, he/she may request subpoenas only during the 10 calendar days following the date the certified mail receipt is signed.

The County Office will provide free copies of the Administrative Hearing File if requested by the household or its representative.

8127 Requesting Subpoenas

07/01/97

The individual accused of the IPV, the County Office, or Fraud Investigations may request that witnesses be subpoenaed to appear at an Administrative Disqualification Hearing. The accused individual uses the attachment to the Advance Notice of Hearing to request that subpoenas be issued. The County Office will be advised by Appeals and Hearings of any witnesses the accused individual has requested and will have five days from receipt of this notice to request rebuttal witnesses.

The County Office and/or Fraud Investigations may use the reverse side of the *County Statement* (Form DHS-1208) to request subpoenas. If additional subpoenas are needed by the County Office on cases prepared by Fraud Investigations, these may be requested by contacting Appeals and Hearings.

The Office of Chief Counsel will issue the subpoenas pursuant to the terms of agreement and authority of Ark. Code Ann. §20-76-408.

8128 The Administrative Disqualification Hearing

07/01/97

8128.1 Attendance at Hearing

07/01/97

The hearing shall be attended by a representative of the County Office in the county of residence of the accused individual, or the county of residence of the individual's representative. The hearing may also be attended by friends and relatives upon request of the accused individual. If space limitations exist, the Hearing Officer has the authority to limit the number of persons in attendance at the hearing.

8128.2 Rights of the Accused Individual During the Hearing

07/01/97

During the hearing, the accused individual has the right to:

1. Examine the contents of his/her hearing file which includes all documents and records to be used by the County Office at the hearing.
2. Bring witnesses to present testimony on his/her behalf during the hearing.
3. Present his/her case or have it presented by legal counsel or other person.
4. Advance arguments without undue interference.
5. Question or refute any testimony or evidence including the opportunity to confront and cross examine adverse witnesses.
6. Submit evidence to establish all relevant facts and evidence in the case.

8128.3 Accused Individual's Representative

07/01/97

The accused individual may designate in a signed statement the name of a representative to act in his behalf in viewing the Hearing File and/or representing him/her at the hearing. This statement must be contained in the Hearing File.

The designated representative will receive a copy of all correspondence regarding the hearing proceedings.

8128.4 Role of the Hearing Officer

07/01/97

The hearing officer will:

1. Administer the oath to all witnesses who will present testimony.
2. Request, receive, and make part of the record all relevant evidence.
3. Advise the accused individual of his/her right to refuse to answer questions during the hearing.
4. Regulate the conduct and course of the hearing consistent with due process to insure an orderly hearing.
5. Order medical assessments at Department expense if necessary to establish intent or lack of intent on the part of the accused individual.

8129 Hearing Decision

07/01/97

The hearing officer will prepare a decision based on the evidence presented. The format will consist of an Introduction, Findings of fact, Conclusions of Law and a Decision.

The final decision must be made within 90 days of the date of the advance notice scheduling the hearing unless the hearing has been rescheduled and the time frames have been extended in accordance with the provisions specified under the Advance Notice provisions.

8129.1 Absence of Intentional Program Violation

07/01/97

If the decision is that an intentional program violation has not occurred, the accused individual will be so advised by the Appeals and Hearings Section in writing. A copy of the decision will be sent to the County Office, the Overpayment Unit, and Fraud Investigations (only if this unit prepared the case for an Administrative Disqualification Hearing).

8129.2 Finding of an Intentional Program Violation

07/01/97

If it is determined that an intentional program violation occurred, the accused individual will be advised of this finding by Appeals & Hearings. Two copies of the decision will be sent to the

8100 TEA Disqualifications – Intentional Program Violation

8130 Imposing the Disqualification Sanction

County Office, one copy to the Overpayment Unit and one copy to Fraud Investigations (only if this unit prepared the case for the Administrative Disqualification Hearing).



NOTE: The decision is being sent to the accused individual for information purposes only. The decision should also be attached to the notice of imposition of disqualification sanction sent by the County Office.

8130 Imposing the Disqualification Sanction

09/12/12

When the County Office receives a hearing decision finding that an intentional program violation has occurred, a period of disqualification from the TEA program will be imposed against the family.

The disqualification periods are as follows:

- One (1) year for the first offense.
- Two (2) years for the second offense.
- For more than two, permanently.

In addition, the family will continue to be ineligible for TEA assistance until the resulting overpayment has been repaid to the state, with interest.

Upon receipt of a hearing decision, the county office will take the following actions:

1. Establish a disqualification period that begins:
 - a. No later than the second month following the month the County Office received the decision if the family is currently receiving TEA; or
 - b. With the first month following the month the decision was received if the TEA case is closed.
2. In ANSWER, key the disqualification as an IPV sanction under each member's sanction tab.
3. Complete Form DCO-120, *Notice of TEA Administrative Disqualification*. (**NOTE:** A "timely" notice, i.e., 10 day advance, is not required in this situation.) This notice will be completed and routed to family even if the TEA case is already closed.

8100 TEA Disqualifications – Intentional Program Violation

8140 Court Imposed Disqualifications

8140 Court Imposed Disqualifications

07/01/97

The County Office will disqualify a family if a member has been found to have committed an intentional program violation by a court of law in accordance with [TEA 8102](#) & [8130](#).

When a court finds that an individual has committed an IPV, Fraud Investigations will inform the County Office by memo, with a copy to the Overpayment Unit. The procedures relative to imposition of the disqualification are described in [TEA 8130](#).

9000 TANF Overpayments

9010 Definition of Overpayment

9000 TANF Overpayments

9010 Definition of Overpayment

Any payment received by or for a participant, which is in excess of the amount that should have been paid, is an overpayment. However, only those overpayments described in the following sections will be reported and collection pursued.

An overpayment may result from the participant having given fraudulent information, having withheld information, having failed to report information, or having failed to report a change in circumstances. An overpayment may also occur from the agency having made an error or having failed to take action, or from a combination of participant and agency.



NOTE 1: By definition, no “overpayment” exists if the participant does not present the warrant or check for payment or does not access any portion of a month’s payment added to his or her EBT account; and



NOTE 2: Calculations to determine overpayments must be in accordance with eligibility requirements and budgetary procedures and allowances in effect at the time of such overpayment, not the time of discovery and computation.

9020 Definition of Fraud

Fraud consists of some deceitful practice or felonious device resorted to with the intent to receive an assistance grant to which an individual is not entitled under the rules and regulations of the Division.

9020.1 Fraud-Legal Provision

Arkansas Statute 41-2203 provides that a person commits theft of property if he/she knowingly obtains the property of another person, by deception or by threat, with the purpose of depriving the owner thereof.

Only the Courts can determine guilt under the statute and impose the legal penalty. The responsibility of the worker is to determine where there may be an “intent to defraud” on the part of the participant or other persons and report their findings to the Overpayments Unit.

9020.2 Guilty of Intentional Program Violations

If a family is found guilty of an Intentional Program Violation, the family will be ineligible for TEA cash assistance until the resulting overpayment has been repaid to the State with interest (refer to [TEA 8102](#)).

9000 TANF Overpayments

9030 Types of Overpayments

9030 Types of Overpayments

The following types of overpayments will be reported:

1. TANF Cash Assistance (TEA and Work Pays)
2. Reimbursements for Work Related Activity Expenses
3. Relocation Assistance
4. Child Care (See Note Below)



NOTE: If a worker discovers a possible child care overpayment, the information will be provided via memo to the Child Care Eligibility/Family Support Unit, Division of Child Care and Early Childhood Education, Slot S140. The Child Care Eligibility/Family Support Unit will determine and process all Child Care overpayments.

9040 Determining the Overpayment Amount to be Reported

The policy, procedures, and income eligibility standards in effect at the time the participant was overpaid will be used to determine the overpayment amount. Form DCO-199 will be used to report overpayments in the TEA cash assistance and Work Pays programs.

9041 TANF Cash Assistance

When it is determined that a participant has received a TEA cash assistance or Work Pays payment to which he or she was not entitled, an overpayment report may be required.

An overpayment report will begin with the second month following the month in which the change causing the ineligible or reduced payment occurred. For situations in which the participant is ineligible at application, the overpayment will begin with the month of approval. If the change was reported and acted upon so that the correct assistance amount was issued in the second month following the change, then an overpayment report is not required.

9041.1 Income

The process for calculating a TEA and Work Pays overpayment due to income is described below.

TEA

To determine a TEA overpayment involving income, the caseworker will determine the monthly gross and net income as outlined in the [TEA 2300](#) sections (Determining Income Eligibility). Unless a significant change occurred in the income during the overpayment period, the same monthly net income will be used to determine income eligibility for all overpaid months. In

9000 TANF Overpayments

9041 TANF Cash Assistance

addition, the same gross monthly income will be used to determine if an eligible family was eligible for a full or reduced payment unless a significant change occurred during the overpayment period. (Refer to [TEA 4120](#) for the definition of a significant change in income.) It is not necessary to verify the actual income in each month of the overpayment period.

If earned income is involved, both the 20% and the applicable Work incentive (50% or 60%) earned income deductions will be allowed when determining income eligibility for the overpayment period. The applicable Work incentive deduction will be the percentage that was in effect during the particular over paid month.

The following are examples of overpayment determinations when the income exceeds the Income Eligibility Standard and when the family is entitled to a reduced payment rather than full payment.

EXAMPLE 1: Mr. Jackson was approved for TEA on May 10th. Two months later, the eligibility worker discovered that Mr. Jackson was already working when he applied for assistance. The income made the participant ineligible at approval. An overpayment will be processed beginning with the month of approval.

EXAMPLE 2: Ms. Jones started working in August. She reported the employment in November. When determining the monthly income, both the 20% and the Work incentive deduction were allowed and the family was no longer eligible for cash assistance. The overpayment will be completed beginning with the month of October. The income amount that determined ineligibility will be used for all overpaid months, unless there was a change in the Work incentive deduction in any of the months.

EXAMPLE 3: Mrs. Davis and her two children are receiving TEA benefits in the amount of \$204. Mrs. Davis became employed in November. Her gross earnings are \$550 per month. She reported her employment in January of the following year. After allowing the participant earned income deductions, she is income eligible based on the \$223 income standard. However, when determining the payment amount, the gross earnings exceed \$446 (gross income trigger). Therefore, the family was only eligible for a reduced payment of \$102. The overpayment will be completed beginning with the month of January.

Work Pays

TRANSITIONAL EMPLOYMENT ASSISTANCE POLICY MANUAL, SECTION 9000

9000 TANF Overpayments

9041 TANF Cash Assistance

To determine a Work Pays overpayment involving income, the worker will determine the monthly gross income for each month in which an overpayment exists. An overpayment will exist for each month in which the gross income exceeds the Federal Poverty Level

(FPL) for the household size and a Work Pays payment was received for that month. There are no allowable work deductions for Work Pays.

The following are examples of overpayment determinations when the income exceeds the FPL for the family size.

EXAMPLE 1: Ms Brown was approved for Work Pays in October based on her declared income of \$950 monthly. However, when verification of earnings was received in November, the October payment had been made and Ms Brown's gross income was \$1775. This exceeded the 150% FPL for her household size of 2 and therefore she was not eligible. An overpayment exists for the October payment.

EXAMPLE 2: Ms Wilson was approved for Work Pays in October. At the time of approval Ms Wilson's gross monthly income was \$1900 which is below the 150% FPL for her household size. In December, Ms Wilson's income increased to \$2150 which is above the 150% FPL. The participant continued to receive a Work Pays payment for 3 additional months. An overpayment will be calculated beginning with the payment received for the month of February.

9041.2 Resources (TEA cash only)

When a case is found to be ineligible due to excess resources, the overpayment will begin with the second month following the month in which resources first exceeded the resource limit.

EXAMPLE: Mr. Jones receives assistance for himself and three children. In February, he received a cash inheritance of \$4,000 which was deposited into a bank account. Mr. Jones reported having the bank account in May and the TEA case was closed in May for excess resources. The overpayment will be completed beginning with the month of April.



NOTE: There is no resource limit for Work Pays.

9041.3 Household Member

In cases in which a required member has been improperly excluded from the assistance unit, an overpayment will be determined only if inclusion of such person's needs, income, and resources

9000 TANF Overpayments

9041 TANF Cash Assistance

would have rendered the unit ineligible, or eligible for a reduced payment when the full payment was received.

In cases in which a member has been improperly included in the assistance unit, an overpayment will be determined by excluding the person's needs. The income and resources will be determined in accordance with TEA and Work pays policy (See the examples below).

TEA

EXAMPLE 1: Mr. Thomas receives TEA cash assistance for himself and three children. He reported in December that his son, John, moved out of the household in October and is now living with an Aunt. This change caused a decrease in the assistance payment and an overpayment will be reported beginning with the month of December.

EXAMPLE 2: Through a review, conducted in December, it was determined that Mary's grandson, John was not attending school as required for TEA cash assistance. However, his needs continued to be included in the grant. John receives SSA benefits in the amount of \$45.00. In processing the overpayment, John's needs will be dropped. However, his income and resources will remain in the budget to determine his siblings' continued eligibility and payment amount. The last month John attended school was September. The overpayment will be determined beginning with the month of November.

WORKPAYS

EXAMPLE 1: Mr. Jackson was approved for Work Pays in July. He reported his household consisted of himself and his 3 minor children Linda, James and Janice. He verified monthly earned income of \$ 1500. During on-going case management, the DWS Workforce Specialist discovered that Linda never lived in the home with Mr. Jackson but actually lived with her mother in another city. When dropped from the unit, the household is actually over the 150% FPL for 3. An overpayment will be determined beginning with the month of approval.

EXAMPLE 2: Ms Harris was approved for Work Pays in August. At the time of approval her household consisted of herself and her 16 year old son Mike. In September Mike moved out of the home. Ms Harris failed to report the change. In December the worker discovered the change. Since there is no longer an eligible child in the home, an overpayment will be calculated beginning with November.

9000 TANF Overpayments

9042 Reimbursements/Activity Related Expenses

9042 Reimbursements/Activity Related Expenses

When it is determined that a participant was reimbursed or received a payment for expenses related to work participation that he or she was not entitled to, an overpayment will be determined beginning with the month in which the reimbursement/payment was made. This also includes payments received in a month in which the individual was not eligible for TANF cash assistance.

EXAMPLE 1: William's Auto was paid \$500 to repair Ms. Smith's vehicle. She was employed at approval of her TEA application but it was later determined that she stopped working prior to receiving the supportive service and failed to report it. The \$500 paid for vehicle repairs will be reported as an overpayment.

EXAMPLE 2: Ms. Burns, a Work Pays participant of 13 months, received supportive services in the amount of \$650 for tires. It was later discovered that she provided false information and had not worked in several months. The \$650 paid for the tires will be reported as an overpayment.

9043 Relocation

If it is determined that a relocation assistance payment was provided to a family and it was not used to relocate the family, an overpayment will be prepared for the overpaid amount.

EXAMPLE: Mr. Jones lives in Camden. He found a job in Texarkana and wanted to relocate. In May, he received a relocation check for \$2000 to move to Texarkana. It was determined in June that he was still living in Camden and commuting to his job in Texarkana. He spent the \$2000 on repairs to his Camden home. Since he did not use the relocation payment to relocate, the \$2000 relocation payment must be reported as an overpayment.

9100 Procedure for Reporting and Collecting Overpayments

9101 Responsibility for Reporting the Overpayment

9100 Procedure for Reporting and Collecting Overpayments

9101 Responsibility for Reporting the Overpayment

Overpayment reports will be submitted to the Central Office Overpayments Unit, Slot WG2.

DCO will complete and submit overpayments related to eligibility. Supportive services received during this period will also be determined by DCO and included in the overpayment report.

Overpayments related to Supportive Services only will be completed and submitted by DWS

9101.1 Recording Information in the Case Narrative

When an overpayment is discovered, the worker will document in the narrative section of ANSWER the amount of the overpayment, the date the overpayment began, the reason(s) why the overpayment occurred, and any other pertinent information. If the

overpayment occurred because the participant provided false or incomplete information or failed to report a change in circumstances within ten days, the participant will be advised of the possible consequences (request for repayment and/or prosecution for fraud) and asked to explain his/her action(s) or failure to act. His/her explanation will be recorded in the narrative section. When all information is recorded, the information will be referred to the appropriate supervisor or his or her designee for concurrence as to the correctness of the overpayment determination.

Field staff will refrain from making accusations of fraud to the participant.

9101.2 Referral to Division of Administrative Services Overpayment Unit

All cases involving incorrect payment as described in [TEA 9030](#) will be referred to the Overpayment Unit, DHS Central Office. The referral form will be the original DCO-199. The appropriate sections must be completed.

If fraud is suspected, form DHS-1700 will be submitted to the Overpayment Unit. If the worker is unable to establish the full amount of the overpayment, Form DHS-1700 will be completed and forwarded to the Overpayment Unit. A memorandum will be attached to the DHS-1700 detailing the worker's efforts and explaining why they were unable to establish the overpayment.

The DHS Division of Administrative Services, Overpayment Processing Unit will register all overpayment referrals. All cases of suspected fraud will be immediately brought to the attention of the DHS Fraud Unit. The manager of the Fraud Unit, or his or her designee, will screen all overpayment referrals at least weekly and select the appropriate referrals for further

9100 Procedure for Reporting and Collecting Overpayments

9102 Responsibility of the Division of Administrative Services Overpayment Unit

investigation. After screening, rejected referrals will be noted as to reason for rejection, and returned to the Overpayment Unit.

If the case is selected for further fraud investigation, the Overpayment Unit will not pursue recovery until notification from the Fraud Unit that the case has been declined for prosecution, agreement reached with participant and case not going to court (signed agreement), or the case has been adjudicated. The stipulations of the court order will be given to the Overpayment Unit by memorandum from the Fraud Unit.

If it is found in the fraud investigation that the period of time and/or the amount of the overpayment or ineligible payment is different from the original amount submitted by the County Office on the DHS-199, the Overpayment Unit will make the necessary adjustments.

9102 Responsibility of the Division of Administrative Services Overpayment Unit

The DAS Overpayment Processing Unit, will make the decision concerning the feasibility of repayment for all overpayments, taking into consideration whether they resulted from:

1. Administrative error.
2. Misunderstanding of state policies or laws by the participant.
3. Willful withholding or incorrect statement of factual information by the participant.

A Review Official in the Overpayment Unit will:

1. Review information submitted by the local offices via DHS-199 and DHS-1700.
Additional information from the local office may be requested when needed for a decision or further action.
2. Make a decision on the feasibility of seeking repayment relative to the disposition of the claim when collection and/or fraud referrals are indicated.

9103 Collections

The DAS Overpayment Processing Unit will make the determination relative to the disposition of the claim when collection and/or fraud referrals are indicated.

When an agreement is reached with the participant, either by the Fraud Unit or Legal Unit, the DAS Overpayment Processing Unit will be apprised of whether:

1. Participant has been sentenced;
2. Participant's sentence has been suspended contingent upon restitution by court order;

9100 Procedure for Reporting and Collecting Overpayments

9103 Collections

3. Voluntary agreement to repay has been reached;
4. Signed agreement to repay has been negotiated;
5. Civil court action initiated with results.

The Division of Administrative Services, Cash Receipts Unit, WG2, will be responsible for receiving and processing all monies collected.

9200 Recoupment and Recovery

9201 Definitions

9200 Recoupment and Recovery

9201 Definitions

Recovery - Regaining monies lost by the Arkansas TANF Program as a result of a participant receiving payments to which he or she was not entitled.

Recoupment - Withholding of a cash amount from the assistance payment when a participant has a pending claim due the state for some amount of prior ineligible or overpaid cash payment.

Restitution - Securing a direct payment from an individual in the form of a cashier's check or money order made payable to Arkansas Department of Human Services for overpayments received.

Hardship Situation - A situation in which the participant is in a state of being deprived of what is needed for basic subsistence, e.g., food, shelter, utilities.

9202 General Policy Statement

Overpayments and ineligible payments made to participants of TANF cash assistance are subject to recovery action.

The policy of this State is that recovery of overpayments will be pursued. An effort will be made to recover all reported overpayments. There will be no distinction between willful and non-willful withholding of information by the participant, i.e., reasonable and practical steps to correct and collect any overpayment that is known to the State will be made regardless of whether the reason for the erroneous payment was caused by the agency or the participant.

It is not the policy of this State to inflict hardship on individuals or their families by means of its recovery policies. Therefore, the following rules will be followed:

1. Recovery may be made from income, liquid resources, or a reduction in the current TEA or Work Pays assistance payment.
2. The amount to be recouped from the TEA or Work Pays payment will not exceed 10% of the family's full payment level.
3. Recovery will be made from the individual who caused the overpayment, or if the person responsible for the overpayment has left the household, recovery will be made from any other adult individual who was a member of the overpaid assistance unit.
4. Recovery of any reported overpayment will be made regardless of the cost effectiveness.

9200 Recoupment and Recovery

9203 Recovery Procedure

5. In all situations in which an overpayment has occurred and the participant is currently receiving TEA or Work Pays cash assistance, recoupment of the overpayment will be initiated unless the participant makes full restitution.
6. The amount of an outstanding overpayment will be used to offset an outstanding underpayment if the family has both.
7. When a former participant with an outstanding overpayment reapplies and is found eligible, recoupment will be reactivated based on the participant's current level of payment, income, and liquid resources.

9203 Recovery Procedure

All cases of ineligible payments and overpayments must be reported to the DAS Overpayment Processing Unit as outlined in [TEA 9040](#).

The Overpayment Unit will decide whether payments to ineligibles and/or overpayments will be pursued for recovery and the method of recovery.

9204 Recoupment Restrictions

Overlapping or duplication of TEA by Supplemental Security Income (SSI) is not subject to recoupment or restitution. This will be handled by the Social Security Administration.

Restitution of some or all of an overpayment can be accepted before or at the time of initiation of recoupment, while recoupment is in process, or after closure.

If the monthly recoupment amount or maximum recoupment amount exceeds the current cash assistance payment amount, the monthly recoupment amount will be the payment amount less one dollar.

9205 DAS Overpayments Processing Unit Responsibility

If the decision is made by the Overpayment Processing Unit to recoup the overpayment by a deduction from the current assistance payment to the participant, the Overpayment Processing Unit will:

1. Send a 10 day advance notice to the participant direct from the Overpayment Unit, explaining the recoupment decision, and the amount that will be deducted from the payment so the participant will know the reason for the payment change.

9200 Recoupment and Recovery

9206 Keeping DAS Processing Unit Informed

2. Initiate recoupment by reducing the grant if the participant does not request an Administrative Hearing during the 10 day advance notice period.
3. Advise the appropriate office of:
 - a. The total amount to be recouped;
 - b. The amount of monthly deduction;
 - c. The number of months deductions will be made; and
 - d. The effective dates.

9206 Keeping DAS Processing Unit Informed

The appropriate office will promptly report, by memorandum to the Overpayment Processing Unit, any pertinent information (coming to its attention) which would have an effect on an established overpayments claim that has not been satisfied, such as, but not limited to :

1. Hardship situation;
2. Acquisition of resources or income that may increase the participant's ability to repay;
3. Death;
4. Change of address;
5. Recertification of case after closure.

9207 Contacts With Participants

If participants have questions concerning recovery letters received directly from the Overpayment Processing Unit, the County Office will refer them to the DAS Overpayment Processing Unit.

If participants wish to make arrangements for repayment, the County Office will explain that the final decision regarding recovery rests with the DAS Overpayment Processing Unit and give the mailing address:

**Arkansas Department of Human Services
Overpayment Unit
P. O. Box 8181 Slot WG2
Little Rock, Arkansas 72203**

9250 State Income Tax Refund Interception

Act 372 of 1983 as amended (Ark. Stats. Ann. 84-4918) and Act 987 of 1985 authorizes the collection of TANF overpayments through the interception of State Income Tax Refunds.

9200 Recoupment and Recovery

9251 Cases Eligible for Intercept

Act 987 requires prenotification to debtors of intent to set off debts listed, prior to the annual debt loading with the Revenue Division of the Department of Finance and Administration. A computer generated notice (SS-XA) of our intention to intercept refunds will be mailed prior to the annual loading date (Dec. 1). The SS-XA is sent on cases that have Overpayment Processing Unit debts listed.

The taxpayer has 30 days from the date the notice was mailed to file a written request for a hearing ([TEA policy 9253](#)). If no hearing is requested within 30 days, Revenue Loading will be effected. Tax Refunds will be mailed to the Division of Administrative Services to be allocated within the Department of Human Services Division in order of priority.

9251 Cases Eligible for Intercept

In order for a case to be submitted for State Tax Refund Intercept, the following conditions must be met:

1. The amount owed the State must be approved by the Overpayment Processing Unit; and
2. The tax payer must have been notified of the Overpayment in at least one demand letter; and
3. The overpayment must be at least \$20.00.

If the State Tax Refund due a tax payer is less than \$20.00, the Revenue Department will not intercept the refund.

9252 Allocation of State Tax Refund

A State tax refund, intercepted to apply against debts to the State, will normally be allocated as follows:

- When only one overpayment claim exists, the refund will be applied against that claim. Should the refund be larger than the claim, the balance will be returned to the tax payer by the Revenue Department.
- When more than one claim exists with the Food Stamp, TANF and Medicaid Programs, the refund will be applied against the oldest claim first until the entire amount is used or all claims are paid. Any balance after these claims are satisfied will be allocated to other DHS Claims listed, if any. If there are no additional DHS claims, then the balance will be returned to the taxpayer.

9200 Recoupment and Recovery

9253 State Tax Refund Intercept (STRI) Hearing Procedures

9253 State Tax Refund Intercept (STRI) Hearing Procedures

9253.1 Requesting and Scheduling a Hearing

The taxpayer has thirty (30) days from the mailing date of the Intercept Notice to file a written request for a hearing. All hearing requests will be sent to the Overpayment Processing Unit (OPU). A chronological register of the hearing results will be maintained to ensure each request is acted upon in a timely manner. After the identifying information is placed on the register, a copy of the request will be sent to the County Office which originated the case and a copy sent to the Hearing Officer.

EXCEPTION: If the taxpayer has moved to a different county, the county copy along with any case records will be forwarded to the current county of residence. The appropriate office is required to complete Form DHS-1203, County Office Administrative Hearing Statement, and forward it to the Hearing Officer for receipt at least two (2) days before the hearing.

If the taxpayer does not appear at the hearing or give notice of inability to appear at least 24 hours before the hearing, the request will be considered abandoned. In the event the taxpayer is unable to be present on the date the hearing is scheduled, the hearing may be rescheduled one time at the taxpayer's request. After that, the request for hearing will be considered abandoned if the taxpayer does not appear at the hearing. The rescheduled rehearing must also be held within the thirty (30) day period from the date of the rescheduled hearing request. All rescheduling will be recorded on the Chronological Register.

Accompanying the hearing request, in a pending file, will be a set of hearing forms. The hearing forms packet will contain an acknowledgment letter (Form SS-RR) and a hearing statement (Form SS-1612). These forms will be completed when the hearing is scheduled and conducted. When the acknowledgment letter is mailed to the taxpayer, a copy is held in the pending file, a copy is sent to the Hearing Officer, and a copy is sent to the appropriate office.

9253.2 Conducting a STRI Hearing

It is the responsibility of the Hearing Officer to attend the hearing. If this is not possible, the Hearing Officer will designate a representative to attend the hearing. The Hearing Officer (or representative) will review the case prior to the hearing.

The hearing will be held in accordance with procedures established under Arkansas Stat. Ann 5-701 et seq., the Administrative Procedures Act to determine the validity of the claim. It will be determined at the hearing whether the claimed sum asserted as due and owing is correct.

9200 Recoupment and Recovery

9253 State Tax Refund Intercept (STRI) Hearing Procedures

In conducting the hearing, a representative from the appropriate Office will explain the facts of the overpayment. The taxpayer will be given the opportunity to offer evidence, and/or refute information presented by the agency. In the event the taxpayer requires additional time to provide evidence that would affect the outcome of the hearing, the Hearing Officer will complete the hearing to the extent possible and allow the taxpayer ten (10) days to submit the information to the appropriate Office for final resolution of the case. The agency then has five (5) days to recalculate the claim and forward the results to the Hearing Officer.

Because of the limited time frame allowed by the Revenue Department, it may become necessary to conduct hearings by conference call between the DHS Central Office and the appropriate local Office. It will be the Hearing Officer's responsibility to ascertain that all relevant information is obtained and the hearing statement is completed. The Hearing Officer will prepare an original letter to the taxpayer summarizing the evidence presented at the hearing and advising the taxpayer of the decision.

10000 Arkansas Work Pays

10101 Work Pays Application Process

10000 Arkansas Work Pays

Arkansas Act 1705 of 2005 established the Work Pays Program. Work Pays is an incentive program designed to encourage working TEA participants to remain employed after closure of the TEA case while increasing their hours of work and/or hourly wage. Families participating in Arkansas Work Pays will receive a monthly cash assistance payment in the amount of \$204 for up to 24 months, provided they meet the Work Pays eligibility requirements. The twenty-four (24) months will count toward the federal 60 month time limit but not the state's TEA 24 month limit. This work incentive program may be limited to 3,000 families.

The eligibility worker will explain the Work Pays program to the applicant and provide a Work Pays pamphlet during the initial interview for TEA cash assistance. The DWS Workforce Specialist will discuss the Work Pays program with the participant during ongoing case management activities. When the TEA case closes due to employment, the participant will receive additional information about Work Pays, including a Work Pays application.

10100 Work Pays Eligibility Requirements

10101 Work Pays Application Process

10100 Work Pays Eligibility Requirements

A participant must meet the following requirements:

1. Have care and custody of a related minor child;
2. Be a resident of the State of Arkansas;
3. Meet the citizenship or alienage requirement (Refer to [TEA policy 2220](#));
4. Apply for Work Pays within six (6) months of TEA case closure;
5. Received TEA cash assistance for at least three (3) months;
6. Have not received more that twenty-four (24) months of Arkansas Work Pays Program Benefits.
7. Meet Work Hours Requirement:
 - a. For initial eligibility - Was engaged in paid work activities for a minimum of twenty-four hours per week for the past month and meet the federal participation rate.
 - b. For on-going eligibility – must be in paid work activities for a minimum of twenty-four(24) hours per week and meet the federal participation requirement for one(1) of the past three(3) months and for at least three (3) of the past six (6) months.
8. Have income below 150% of the federal poverty level for the family size, including SSI and Family Cap Children;
9. Comply with the Work Pays Personal Responsibility Agreement;
10. Comply with Office of Child Support Enforcement (OCSE) requirements, including assignment of support and cooperation in establishing paternity and/or support unless good cause exists.

10101 Work Pays Application Process

Each month a Work Pays application will be mailed to all TEA participants whose case closed the prior month due to employment. This process will be completed by Central Office through a mass mailing process. For participants interested in applying for Work Pays, the application must be completed and mailed to the Work Pays Processing Unit who will determine initial eligibility. Applications received at a local DHS or DWS office will be forwarded to the processing unit upon receipt. The Work Pays applicant must sign the application. If it is a two-parent household, both parents must sign the form.

10100 Work Pays Eligibility Requirements

10102 Determining Initial Eligibility

10102 Determining Initial Eligibility

In determining initial eligibility for Work Pays, the participant's declaration of earnings for the 30-day period prior to the date of application will be accepted. Once the case is approved the DWS Workforce Specialist must verify the income for the same period.

EXAMPLE: A participant who meets all the eligibility requirements applies on April 7th. The DWS Workforce Specialist will verify the income for the period March 8th through April 6th, which is the 30 day period prior to the date of application.

The DWS Workforce Specialist will verify that the information provided by the participant during the application process is correct by reviewing work hours documentation. For initial eligibility, the participant will provide verification that he/she was employed 30 days prior to application date. If the participant was not employed 30 days prior to the application date, the application will be denied. No good cause will be given for not meeting initial eligibility.

10102.1 Prior TEA Receipt

The participant must have received at least 3 months of TEA cash assistance and the case closed within the past 6 months. This includes cases that close due to reaching the time limit or have been extended and earnings are included. The 3 months do not have to be consecutive. (See example below)

EXAMPLE 1: Ms. Davis applied for Work Pays in September 2006. Her TEA case closed in April 2006 after receiving assistance for 9 months. The participant provided verification of employment with Entergy working 40 hours per week at \$6.00 per hour. Ms. Davis met all eligibility requirements; therefore, her application is approved.

EXAMPLE 2: Ms. Wilson applied for Work Pays in July 2006. Her TEA case closed in June after receiving assistance for 2 months. These were the only months she received TEA. She is employed 35 hours per week. Since she did not receive TEA for at least 3 months, her application is denied.

10102.2 Income

The parent's gross earnings along with other countable income must be below the 150% Federal Poverty Level for the family size (See [Appendix B](#)). The income of the child(ren) is disregarded. (Refer to [TEA policy 2331](#) for unearned income to disregard.) For initial eligibility, self declaration of income can be accepted. However, if it is determined after approval that the participant did not meet the income/hours requirement, the case will be closed. This

10100 Work Pays Eligibility Requirements

10102 Determining Initial Eligibility

determination will be made by the DWS Workforce Specialist upon receipt of initial work documentation from the participant.

10102.3 Work Hours Requirement

The participant must be employed at least twenty-four (24) hours per week. If less than 30, he/she must be engaged in another countable work activity that when combined with the work hours will meet the federal TANF work requirement for the family. The participant's declaration of the hours worked can be accepted. If the hour requirement is met, the application may be approved if all other Work Pays requirements are met. Acceptance of the self-declaration will be documented in the ANSWER system. If it is determined after approval that the participant does not meet the work hour requirement, the Work Pays case will be closed (See examples below).

- EXAMPLE 1:** Ms. Adams applies for Work Pays on July 1, 2006. It has been verified that she has been employed since May 2006. She works 30 hours per week. Ms. Adams meets the 24 hours per week work requirement and the Federal Participation requirement. If otherwise eligible, the application may be approved.
- EXAMPLE 2:** Mr. Thomas applied for Work Pays on July 7, 2006. He declares that he has been employed since March 2006 working 24 hours per week and is attending Vo-Tech at night. He is taking a three (3) hour course in management and will graduate December 2006. He received TEA cash assistance for 8 months prior to starting Vo-Tech. His TEA case closed in April. The work requirement is met. The 3 hours of class along with the 3 hours of allowable study time brings his total countable hours to 30 per week which meets the federal work requirement for his situation. If otherwise eligible, the application may be approved.
- EXAMPLE 3:** Ms. Harris applied for Work Pays on October 15, 2006. She declares that she is employed at Wal-Mart working 30 hours a week at \$6.00 per hour. She meets all other eligibility requirements and her case is approved based on her declaration of income and hours. However, it is determined after approval that she is only working 25 hours per week. Even though she was working 24 hours per week, she did not meet the federal participation requirement of 30 hours in October. Therefore, her Work Pays case is closed.

The participant must be in a **paid** work activity at least 24 hours per week and meet the weekly federal participation requirement in one of the past three months and three of the past six months. The federal participation requirement is as follows:

- 24 hrs per week for a single-parent household with a child under the age of 6;

10100 Work Pays Eligibility Requirements

10103 Application Disposal

- 30 hrs per week for a single-parent
- 35 hrs per week for a two-parent household not receiving federally funded child care;
- and 55 hours per week for a two-parent household receiving federally funded child care.

10102.4 Resources

The family's resources are totally disregarded.

10103 Application Disposal

The Work Pays Processing Unit will dispose of the application for Work Pays by either approval or denial within 30 days from the date of application.

10104 Referral for Case Management Services and Payment Authorization

Upon approval of the application, a referral will be sent by the Work Pays Eligibility Worker via a task through ANSWER to the Work Pays Service Manager for payment authorization and case management services.

10105 Reevaluation

All Work Pays cases will be re-evaluated by the central processing unit every 6 months to determine continued eligibility. The following criteria must be met:

- There must be an eligible child in the home.
- The participant's gross earned income plus other countable income must be below the 150% Federal Poverty Level for the family size.

10106 Case Closure

A Work Pays case will be closed if the participant fails to meet the general eligibility requirements including but not limited to one of the reasons listed below. The DWS Workforce Specialist will notify the Work Pays Eligibility Worker if a change in eligibility occurs between re-evaluations. The Work Pays Eligibility Worker will process the case closure.

1. Participant failed to meet the work requirement for three (3) continuous months;
2. Participant failed to meet the work participation hours for at least three (3) of the past six (6) months;
3. No eligible child in the home;
4. Unable to locate;

10100 Work Pays Eligibility Requirements

10106 Case Closure

5. No longer a resident of the state;
6. Income exceeds 150% Federal Poverty Level for family size
7. Participant requested case closure
8. Participant failed to meet work hour requirement after verification of self-declared income.

10200 Work Pays On-Going Case Management

10220 Time Limits

10200 Work Pays On-Going Case Management

Case management is the process of coordinating and brokering the multiple services needed to achieve progress toward self-sufficiency. Case management will provide the participant with sufficient information on what to expect regarding changes and challenges in the world of work. The DWS Workforce Specialist will serve as a point of contact for participants and a point of accountability for the agency. The DWS Workforce Specialist has the overall responsibility for working with the participant from initial interview until case closure.

Case management services will be provided as long as the participant is Work Pays eligible, or up to 12 months after the Work Pays case has been terminated due to earnings in excess of the federal poverty level.

10220 Time Limits

The Arkansas Work Pays Program allows former TEA participants to receive a cash assistance payment in the amount of \$204 per month for up to 24 months and receive case management, supportive services, and job retention and advancement services, provided they meet eligibility requirements. The twenty-four (24) months will count towards the federal 60-month time limit but will not count towards the State's TEA 24-month time limit. If the participant reaches 60 months while participating in Work Pays, an automatic extension will be given to the 60-month limit. This work incentive program may be limited to 3,000 participants.

10230 Assignment of Referral

Upon approval of a Work Pays application a referral task is created in the ANSWER System from the Work Pays Processing Unit to the Works Pays Service Manager.

10230.1 Assignment of Task

1. A task will be assigned to the Works Pays Service Manager on the Work Pays Service Management Tab in ANSWER.
2. The Works Pays Service Manager will assign the task to the appropriate DWS Workforce Specialist's To Do List in ANSWER.
3. The DWS Workforce Specialist will send a notice to the participant, which contains updated agency information, an explanation of verifiable allowable documentation needed, and a request for an initial interview to be conducted no later than 2 days from the date of Work Pays approval.

10300 Work Verification

10230 Assignment of Referral

10300 Work Verification

During the initial interview, which may be conducted by telephone, the DWS Workforce Specialist will present an overview of the program, gather information, and advise the participant of what and when information is needed.



NOTE: The Federal Poverty Levels in [Appendix B](#) are updated annually.

If the participant was in a paid work activity for at least 24 hours and met the federal participation rate, then a payment will be authorized. (See Work Pays policy [TEA 10504](#) for the payment process.)

If the information received is not accurate and would affect the participant's eligibility status; the Work Pays Processing Unit should be notified immediately.

The participant must provide verification of work hours or pay stubs for each week of every month. The verification can be provided by fax, mail, scan & email, or in person. The agency will accept verification of earnings from the employer, check stubs, payroll printout, etc.

The participant must be in a paid work activity at least 24 hours per week and meet the weekly federal participation requirement in one of the past three months and three of the past six months. The federal participation requirement is as follows:

- 24 hrs per week for a single-parent household with a child under the age of 6;
- 30 hrs per week for a single-parent
- 35 hrs per week for a two-parent household not receiving federally funded child care;
- and 55 hours per week for a two-parent household receiving federally funded child care.

The parent's gross earnings along with other countable income must be below the 150% Federal Poverty Level for the family size (See [Appendix B](#)). The income of the child(ren) is disregarded. (Refer to [TEA policy 2331](#) for unearned income to disregard.) For initial eligibility, self declaration of income can be accepted. However, if it is determined after approval that the participant did not meet the income/hours requirement, the case will be closed. This determination will be made by the DWS Workforce Specialist upon receipt of initial work documentation from the participant.

The DWS Workforce Specialist will encourage the participant to engage in a paid work activity equal to the federal work activity requirement, if possible.

If the participant is only capable of engaging in a paid work activity for 24 hours a week, the DWS Workforce Specialist will assess previous work activities that the participants was engaged

10300 Work Verification

10310 Career Advancement Plan

in their TEA case to determine what work activities are allowable in the Work Pays case and the number of hours the participant can participate.

This evaluation is necessary due to federal limitations on certain work activities. The DWS Workforce Specialist will discuss allowable work activities with the participant and assign the participant to additional work activities needed to meet the weekly federal work participation requirement.

The DWS Workforce Specialist must enter all work activity hours into ANSWER. If the participant fails to follow through on a required activity then immediate contact is required.



NOTE: The DWS Workforce Specialist should review the work documentation each month to determine if a task should be sent to the Work Pays Processing Unit to update the budget.

An update to the budget is only necessary if there has been a substantial change in income. A substantial change is one in which the new wage is equal to or exceeds 150% of the current Federal Poverty Level for the family size.

If the participant becomes unemployed while in the Work Pays program, the Work Pays DWS Workforce Specialist should assist the participant to expeditiously find a new job. The participant should be referred to all available resources in the workforce development system that will assist them in becoming employed.

10310 Career Advancement Plan

Participants may need assistance increasing incomes while on a job. The participant may also need assistance learning the skills and behaviors to be a valued worker. The DWS Workforce Specialist will work with the participant to create a Career Advancement Plan. The plan will concentrate on: job retention, getting promoted, earning a pay raise, increasing hours, and acquisition of benefits. The plan will be used and modified during the entire time the participant receives Work Pays benefits.

An in-person meeting with the participant should be scheduled no later than two (2) calendar days after approval of the Work Pays Case to develop the Career Advancement Plan. The Career Advancement Plan interview will be conducted at a time and location agreed upon by the participant and the DWS Workforce Specialist. The DWS Workforce Specialist must have bi-weekly contact with the participant. The DWS Workforce Specialist will secure contact information from the participant.

10300 Work Verification

10320 Allowable Work Activities

10320 Allowable Work Activities

For a description and additional information about the allowable work activities, refer to [TEA policy 3410](#).

10320.1 Paid Work Activities:

- Unsubsidized Employment
- On-the-Job Training



NOTE: In Work Pays, subsidized employment and On-the-Job Training are not allowable work activities if subsidized with TEA funds.

10320.2 Unpaid Work Activities:

- Career and Technical Education
- Job Skills Training
- Work Experience Training
- Job Search and Job Readiness Assistance
- Community Service
- Education Directly Related to Employment
- Attendance at Secondary School
- Providing Child Care Services for Participant in Community Service

10400 Job Retention and Advancement

10430 Supportive Services

10400 Job Retention and Advancement

The Work Pays program focuses on post-employment services that are designed to provide job retention and advancement for employed post-Transitional Employment Assistance (TEA) participants. Post-Employment services are an essential tool in preventing participants from returning to TEA by helping them keep their current jobs, gain skills for a career, move toward better jobs, and become self-sufficient. The intent is to provide services that will assist these participants increase their earnings and job retention so they can advance. DWS Workforce Specialists will assist the participant with resources that will assist them in achieving their goals. The following resources, as appropriate, will be provided to the Work Pays participant:

1. developing a career advancement plan;
2. identifying career ladders, either with the participant's current employer or with another employer or industry;
3. referral to Career Pathways Training Initiative;
4. referral to other TANF Initiative Providers;
5. job search assistance through the Arkansas Job Link system;
6. career counseling;
7. working with employers to develop advancement strategies;
8. removing specific barriers;
9. coordinating work supports (e.g., child care, Medicaid, employment expenses, supportive services); and
10. pursuing educational and/or training activities that develop or expand a participant's job expertise; and
11. referral to other appropriate service providers in the workforce development system available through the Arkansas Workforce Centers.

DWS Workforce Specialist will build relationships with Work Pays participants. This assists in guiding, supporting, and encouraging the participant toward accountability, goal setting and good decision-making.

10430 Supportive Services

All Work Pays participants may be eligible for extended supportive services such as: child care, Transitional Medicaid or ARKids First, mentoring, financial credit counseling, individual development accounts, and any job retention services offered by the department.

10400 Job Retention and Advancement

10430 Supportive Services

Work Pays participants whose TEA cases **closed due to employment** may be eligible for the following supportive services within 12 months of TEA closure:

1. Vehicle Down Payment Assistance
2. Vehicle Repair
3. Vehicle Insurance
4. Vehicle Sales Tax
5. Vehicle Tags
6. Job Retention

10500 Payment

10501 Payment Amount

10500 Payment

10501 Payment Amount

The Work Pays payment amount is \$204 monthly unless the participant is under a sanction.

Work Pays income will be countable in the same capacity as TEA Cash in SNAP (Food Stamps) and Medicaid cases. All changes reported to the DWS Workforce Specialist will be entered as a task on the ANSWER System

10502 Payment Authorization

The DWS Workforce Specialist will authorize the payment when verification of participation is received or good cause for non-compliance is established (Refer to Work Pays policies [TEA 10504](#) and [TEA 10720](#)).

10503 Extract

A participant will receive a Work Pays payment once per month. However, extract will occur twice during the month. The first extract is the 10th workday of the month for participants who have provided all the required verification and met requirements for a full payment. A second extract will occur on the second work day from the end of the month for participants who provide verification later during the month. The payment is added to the participant's EBT account. (See Work Pays policy [TEA 10504](#) for specific procedures the Work Pays DWS Workforce Specialist will follow to authorize payment.)

10504 Payment Process

Families participating in the Work Pays Program will receive a monthly cash assistance payment in the amount of \$204 (regardless of family size) for up to 24 months, provided they meet the Work Pays eligibility requirements. Work Pays payments are made in the month following the month in which the participant participates. Payment will be made via the participant's EBT card. For TANF federal purposes, a Work Pays case is considered cash assistance.

EXAMPLE: Ms. Harris applies for Work Pays in July 2006. She provides verification of hours worked for July in August. The DWS Workforce Specialist determined that the participant met the work requirement for July and authorizes payment for August by placing a check in the payment box on the Work Pays payment screen in ANSWER.

10500 Payment

10504 Payment Process

By the 5th workday of each month, the Work Pays participant should provide documentation to the DWS Workforce Specialist regarding work activity hours for each week of the preceding month.

By the 10th workday of each month, the DWS Workforce Specialist must have keyed the participant's work participation hours into ANSWER. The DWS Workforce Specialist can average the weekly hours worked for the participation requirement if the participant worked over or under the required weekly participation hours during that month. However, the DWS Workforce Specialist must key actual weekly hours into ANSWER.

If the participant provides documentation by the 5th workday of the month, the DWS Workforce Specialist will key the work hours into the Service Management tab of ANSWER and select the full payment indicator.

If by the 5th workday of the month, the participant:

1. does not provide documentation; or
2. provides insufficient documentation; or
3. provides documentation but it does not meet the 24-hour per week paid work requirement and/or the federal work participation requirement:

Then the DWS Workforce Specialist will send a notice to the participant requesting that the participant:

1. submit proper documentation of meeting the work participation requirements; or
2. show good cause why they did not meet the work participation requirements;

Also, the notice will inform the participant that if the requested information is not received within 10 calendar days, their cash assistance payment will be sanctioned by 50%.

If the participant provides the required data or shows good cause within 10 calendar days, the DWS Workforce Specialist will key the work hour's data into the Service Management tab of ANSWER and select the full payment indicator.

If the participant does not provide the required data or does not show good cause within 10 calendar days, the DWS Workforce Specialist will key the work hour's data into the Service Management tab of ANSWER and select the sanctioned payment indicator. The participant's cash assistance payment for that month will be reduced by 50% of the original amount. (Refer to Work Pays Policy [TEA 10700](#) for non-compliance requirements.)

10500 Payment

10504 Payment Process



NOTE: If the participant does not meet the 24-hour paid work activity or meet the federal work participation rate for three (3) consecutive months, the DWS Workforce Specialist will send a 10-day notice to the participant requesting work activity documentation or to show good cause why s/he did not comply with work requirements or the case will be closed. The notice must be sent on the 6th day of the month if participant does not provide the documentation, show good cause, or provides documentation and still does not meet the work activity requirements, the DWS Workforce Specialist will not authorize a cash assistance payment for the third month. Instead, the DWS Workforce

Specialist should refer to [TEA Policy 10106](#) on closing the Work Pays case and take proper action to close the case.

10600 Work Pays Bonus

10504 Payment Process

10600 Work Pays Bonus

As an incentive to participants to retain their jobs, each Work Pays participant may receive pre-set bonus payments after meeting certain job retention targets. To be eligible for the bonuses, the participant must have met the federal work participation rate requirement in each of the preceding months according to the bonus schedule below. All bonus payments will be made through the participants EBT card but not counted as cash assistance. Bonuses will be keyed after the monthly cash assistance payment has been released.

The DWS Workforce Specialist will assess prior work participation and select the indicator in ANSWER to trigger the appropriate bonus payment. The bonus payment indicator should be marked at the same time as the work participation is entered each month. (See Work Pays [TEA 10504](#) for keying of work participation hours.)

10600.1 Bonus 1: Three (3) Months Job Retention Target

Participants that meet the work participation requirements for three consecutive months will receive a bonus in the amount of \$400.00.

10600.2 Bonus 2: Additional Six (6) Months Job Retention Target

Participants that meet the work participation requirements for an additional six (6) consecutive months not including the initial three (3) months in bonus 1 above will receive a job retention bonus in the amount of \$600.

10600.3 Bonus 3: Exit Bonus

Upon closure of the Work Pays case due to time limits, participants that have met the work participation requirements for 21 out of 24 months will receive an exit bonus in the amount of \$800.

10600.4 Earnings' Bonus: Case Closure Due to Earnings

The Work Pays participant may receive an earnings' bonus of \$1,200.00 anytime within the 24 months case time limit if their income exceeds 150% of the Federal Poverty Level (FPL) for their family size. The DWS Workforce Specialist will send a task to the eligibility worker stating that the participant's earnings appear to exceed the FPL. The Action Plan will remain open. The eligibility worker will determine continued eligibility. If earnings exceed FPL, the Work Pays case will be closed and notification will be sent to the DWS Workforce Specialist. The DWS Workforce Specialist will authorize the bonus to be issued and close the Action Plan after the bonus has been issued.

10600 Work Pays Bonus

10504 Payment Process



NOTE: If the Work Pays participant exits the program and re-enters the program, the participant will be eligible for bonuses not already received when their Work Pays eligibility has been re-established. (See Work Pays policy [TEA 10800](#) for the eligibility criteria for re-entry to the Work Pays program.)

10700 Non-Compliance

10710 Compliance with Child Support Enforcement

10700 Non-Compliance

Non-compliance occurs when a person who is required to participate in certain activities fails to do so. Below are two reasons that a Work Pays participant's case may be deemed in non-compliance.

1. fails to comply with the assigned work requirement (50% sanction); and/or
2. refuses to cooperate with the Child Support Enforcement (Automatic system generated sanction of 25%).

10710 Compliance with Child Support Enforcement

The participant will be required to comply with the Office of Child Support Enforcement. Failure to comply without good cause will result in a 25% sanction being imposed. This sanction is an automatic system generated sanction and requires no action on the part of the DWS Workforce Specialist

10720 Good Cause for Work Non-Compliance

The sanction process will not be applied if the person demonstrates that he or she had good cause for not complying. The determination of good cause is a decision made by each local office. For acceptable good cause reasons, refer to [TEA policy 3801.2](#).

10730 Determining Good Cause for Work Non-Compliance

Once failure to comply with Work Pays requirements has been established, the following procedures will be followed:

1. Contact the participant to give him/her the opportunity to explain why he or she failed to comply and make a determination of good cause, if appropriate. This contact should be in writing. If the contact is made by phone or face-to-face, the case record must be documented accordingly. The DWS Workforce Specialist should provide the participant, at a minimum, the following information:
 - a. The specific act of non-compliance;
 - b. A reasonable time to establish good cause prior to applying the sanction.
 - c. That if the sanction is imposed, it will result in the Work Pays payment being reduced; and
 - d. That the sanction months in which benefits are received will continue to count toward the participant's 24-month time limit.

10700 Non-Compliance

10740 Non-Compliance Sanction

2. If the participant contacts the local office and good cause is determined to exist, then a full payment will be authorized.
3. In the event good cause is not established and the participant does not cooperate, the cash assistance payment will be reduced.
4. An adequate notice will be sent to the participant advising that a sanction is being imposed.

10740 Non-Compliance Sanction

If on the 5th workday of the month, verification of hours has not been received, a notice is sent requesting documentation. If the documentation is not received within the 10 days provided in the sanction notice and good cause is not established, a 50% sanction (reduction in benefits) will be imposed on the Work Pays case. (Refer to Work Pays Policy [TEA 10504](#) to apply the sanction.)

If a participant does not comply with both the work requirement and the Office of Child Support Enforcement, the sanction applied will not exceed 50%.

If the participant fails to meet the participation requirements, then the participant will be sanctioned. The payment for a sanctioned participant is 50% or \$102.

Home visits will be required on Work Pays cases when an act of non-compliance occurs.

10750 Lifting the Sanction

If the participant fully participates in the next month following a sanctioned payment, the DWS Workforce Specialist will authorize a full payment.

10800 Re-entry to Work Pays

10750 Lifting the Sanction

10800 Re-entry to Work Pays

Re-entry into the Work Pays Program is through the TEA Program. A participant can re-enter Work Pays if they are within six months of their last TEA case closure and all Work Pays eligibility requirements are met. A participant who leaves the Work Pays Program due to insufficient work hours may re-enter the program once they establish that they are in a paid work activity with a minimum of twenty-four (24) hours per week and met the federal work participation requirement for the past month. Otherwise, re-entry to Work Pays will occur through TEA eligibility and transition to Work Pays upon TEA case closure.

10900 Overpayment

10750 Lifting the Sanction

10900 Overpayment

Any payment received by or for a participant which is in excess of the amount that should have been paid is an overpayment. However, only those overpayments described in [TEA policy 9000](#) will be reported and collection pursued.