

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1742

By: Representative McCollum

By: Senator J. Boyd

For An Act To Be Entitled

AN ACT TO AMEND THE LAWS CONCERNING THE TRANSITIONAL EMPLOYMENT ASSISTANCE PROGRAM; TO TRANSFER THE ADMINISTRATION OF THE TRANSITIONAL EMPLOYMENT ASSISTANCE PROGRAM FROM THE DEPARTMENT OF COMMERCE TO THE DEPARTMENT OF HUMAN SERVICES; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO TRANSFER THE ADMINISTRATION OF THE TRANSITIONAL EMPLOYMENT ASSISTANCE PROGRAM FROM THE DEPARTMENT OF COMMERCE TO THE DEPARTMENT OF HUMAN SERVICES; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. DO NOT CODIFY. Legislative findings and intent – Transfer of the Transitional Employment Assistance Program and the Arkansas Work Pays Program from the Department of Commerce to the Department of Human Services.

(a) The General Assembly finds that:

(1) In order to promote family economic stability and maximize the effectiveness of workforce development funding and initiatives, some individuals and families need assistance in removing barriers to work; and

(2) The Department of Human Services offers wraparound social services, including without limitation prevention services and family preservation services, that holistically meet the four (4) purposes of



Temporary Assistance for Needy Families.

(b) The General Assembly intends this transfer to streamline the delivery of eligibility, case management, program services, and administrative operations to optimize Temporary Assistance for Needy Families resources available to help Arkansans return to work and support their families.

(c) The Transitional Employment Assistance Program and the Arkansas Work Pays Program, within the Division of Workforce Services, established under § 20-76-101 et seq., shall be transferred by a cabinet-level department transfer under § 25-43-101 et seq. from the Department of Commerce to the Department of Human Services on July 1, 2023.

(d) The statutory authority, powers, duties, functions, records, personnel, property, contracts, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting or purchasing of the Transitional Employment Assistance Program and the Arkansas Work Pays Program, are transferred to the Department of Human Services on July 1, 2023.

(e)(1) The transfer of the Transitional Employment Assistance Program and the Arkansas Work Pays Program does not affect the orders, rules, regulations, directives, or standards made or promulgated by the Department of Commerce before the effective date of this act.

(2) The orders, rules, regulations, directives, or standards under subdivision (e)(1) of this section shall continue with full force and effect until amended or repealed under authority given by law.

(f) The Department of Commerce shall grant access to and provide all information requested by the Department of Human Services to accomplish the transfer of the Transitional Employment Assistance Program and the Arkansas Work Pays Program and the mission of both programs.

SECTION 2. Arkansas Code § 20-76-102 is amended to read as follows:
20-76-102. Coordination of state agency service delivery.

(a) To ensure that all available state government resources are used to help transitional employment assistance recipients make the transition from welfare to work, each of the following state agencies and organizations shall also be required to work with the ~~Division of Workforce Services~~ Department of Human Services in providing transitional employment assistance

services:

- (1) The Department of ~~Human Services~~ Commerce;
- (2) The Division of Higher Education, including community colleges and the University of Arkansas Cooperative Extension Service;
- (3) The Division of Elementary and Secondary Education;
- (4) The Arkansas Development Finance Authority;
- (5) The Arkansas Economic Development Council;
- (6) The Arkansas Department of Transportation;
- (7) The Department of Finance and Administration, including the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration;
- (8) The Adult Learning Alliance, Inc.;
- (9) The Adult Education Section of the Division of Workforce Services; ~~and~~
- (10) The Department of Corrections;
- (11) The Department of Labor and Licensing; and
- (12) Other state agencies as directed by the Governor or as directed by the General Assembly.

(b) State agencies required under subsection (a) of this section to work with the ~~Division of Workforce Services~~ Department of Human Services in providing transitional employment assistance 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 moneys allocated by the ~~Division of Workforce Services~~ Department of Human Services for the Transitional Employment Assistance Program.

(c) All agencies of the state and local governments providing program services shall work cooperatively with and provide any necessary assistance to the General Assembly and the Arkansas Workforce Development Board and shall furnish, in a timely manner, complete and accurate information regarding the program to legislative committees and the board upon request.

SECTION 3. The introductory language to Arkansas Code § 20-76-106(a), concerning the development of a statewide implementation plan, is amended to read as follows:

(a) The ~~Division of Workforce Services~~ Department of Human Services shall:

SECTION 4. Arkansas Code § 20-76-106(b)(1), concerning the contents of the transitional employment assistance implementation plan, is amended to read as follows:

(1) Performance standards and measurement criteria for state and county offices of the ~~Department of Human Services, the Division of Workforce Services,~~ department and all service providers under the program;

SECTION 5. Arkansas Code § 20-76-106(c)(1) and (2), concerning the preparation of a comprehensive annual program report, are amended to read as follows:

(c)(1)(A) The ~~division~~ department shall prepare a comprehensive annual program report.

(B) The report shall be subject to review and recommendation by the board.

(2) The ~~division~~ department shall submit the comprehensive annual program report to the Governor, the House Committee on Public Health, Welfare, and Labor, and the Senate Committee on Public Health, Welfare, and Labor.

SECTION 6. Arkansas Code § 20-76-106(c)(7), concerning the contents of the comprehensive annual program report, is amended to read as follows:

(7) This report shall include a copy of all federal monthly, quarterly, and annual reports submitted by the ~~Department of Human Services~~ department regarding the Temporary Assistance for Needy Families Program.

SECTION 7. Arkansas Code § 20-76-109 is amended to read as follows:
20-76-109. Use of contracts.

The ~~Division of Workforce Services~~ Department of Human Services, as appropriate, should provide work activities, training, and other services through contracts. In contracting for work activities, training, or services, the following apply:

(1)(A) A contract shall be performance-based.

(B) 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) A contract may include performance-based incentive payments that may vary according to the extent to which the recipient is more difficult to place.

(B)(i) 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.

(ii) 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 ~~division~~ department;

(3) Each contract awarded under the Transitional Employment Assistance Program shall be awarded in accordance with state procurement and contract laws; and

(4)(A) The ~~division~~ department may contract with commercial, charitable, or faith-based organizations.

(B) A contract must comply with federal requirements with respect to nondiscrimination and other requirements that safeguard the rights of participants.

(C) Services may be provided under contract, certificate, voucher, or other form of disbursement.

SECTION 8. Arkansas Code § 20-76-113(b) and (c), concerning promoting outcomes for the Transitional Employment Assistance Program and the Arkansas Work Pays Program, are amended to read as follows:

(b) The ~~Division of Workforce Services~~ Department of Human Services shall develop and maintain the indicators for the Transitional Employment Assistance Program outcomes listed in subdivisions (a)(1)-(5) of this section, subject to review and approval by the Arkansas Workforce Development Board.

(c)(1) The ~~division~~ department shall develop proper targets for each Transitional Employment Assistance Program outcome by July 1 of each year, subject to review and approval by the board.

(2) The ~~division~~ department shall review and report on progress in achieving the targets in the comprehensive annual program report.

(3)(A) On the forty-fifth day after the end of the federal fiscal year, the report shall be submitted to the Governor and to the Chair of the House Committee on Public Health, Welfare, and Labor and the Chair of the Senate Committee on Public Health, Welfare, and Labor.

(B) The report shall include comments from ~~the Department of Human Services, the division, and~~ other relevant state agencies about their activities and their progress toward the Transitional Employment Assistance Program outcome targets.

SECTION 9. Arkansas Code § 20-76-401(a), concerning the creation and administration of the Transitional Employment Assistance Program, is amended to read as follows:

(a)(1) The Transitional Employment Assistance Program is created.

(2)~~(A)~~ The Transitional Employment Assistance Program shall be administered by the Department of Human Services ~~and the Division of Workforce Services.~~

~~(B) Subject to the order of the Governor, the division may take full authority for administering the Transitional Employment Assistance Program.~~

~~(C) The division may contract with the department for administrative services.~~

~~(3) The division may operate a separate Transitional Employment Assistance Program Two Parent Program funded by state funds not claimed for the federal Temporary Assistance for Needy Families Program maintenance of effort requirement if the Director of the Division of Workforce Services deems such action necessary to avoid the risk of not meeting the two-parent work participation rate.~~

SECTION 10. Arkansas Code § 20-76-402 is amended to read as follows:
20-76-402. Work activities – Definitions.

(a) The ~~Division of Workforce Services~~ Department of Human Services shall develop and describe categories of approved work activities for transitional employment assistance recipients in accordance with this section. The rules shall be subject to review and recommendation by the Arkansas Workforce Development Board. Approved work activities may include unsubsidized employment, subsidized private sector employment, subsidized

public sector employment, education or training, vocational educational training, skills training, job search and job readiness assistance, on-the-job training, micro enterprise, community service, and work experience. For purposes of this section:

(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 program recipient in subsidized private sector employment shall be eligible for the same benefits as a nonsubsidized employee who performs similar work. Before receiving any subsidy or incentive, an employer shall enter into a written contract with the ~~division~~ 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) Contributions, if any, made to the recipient’s individual development account; and

(v) 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 ~~division~~ 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 ~~division~~ department may require an employer to repay some or all of a subsidy or incentive previously paid to an employer under the 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 program recipient in subsidized public sector employment shall be eligible for the same benefits as a

nonsubsidized employee who performs similar work. Before receiving any subsidy or incentive, an employer shall enter into a written contract with the ~~division~~ department that 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) Contributions, if any, made to the recipient's individual development account; and

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

(4) "Work experience" is job-training experience at a supervised public or private not-for-profit agency or organization or with a private for-profit employer which is linked to education or training and substantially enhances a recipient's employability. Work experience may include work study, training-related practicums, and internships;

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

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

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

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

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

(E) Preparation to seek or obtain employment, including life skills and literacy training, and substance abuse treatment, mental health treatment, or rehabilitation activities for those who are otherwise employable;

(6) "Education" includes elementary and secondary education, education to obtain the equivalent of a high school diploma, and education to learn English as a second language. In consultation with adult education or rehabilitative services, a person with a high school diploma or the equivalent who tests at less than a working functioning level shall be eligible to participate in basic remedial or adult education. If an individual does not have a high school diploma or equivalency, "education" also includes basic remedial education and adult education;

(7) "Vocational educational training" is postsecondary education, including, at least, programs at two-year or four-year colleges, universities, technical institutes, and vocational schools or training in a field directly related to a specific occupation;

(8) Job skills training directly related to employment provides job skills training in a specific occupation. Job skills training may include customized training designed to meet the needs of a specific employer or a specific industry;

(9) "On-the-job training" means training and work experience at a public or private not-for-profit agency or organization or with a private for-profit employer which provides an opportunity to obtain training and job supervision and provides employment upon satisfactory completion of training;

(10) 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;

(11) Participation in medical, educational, counseling, and other services that are part of the recipient's personal responsibility agreement is a required activity for each teen parent who participates in the Transitional Employment Assistance Program; and

(12) "Community service" is time spent engaged in an approved activity at a government entity or community-based, charitable organization.

(b) All occupational training shall meet at least one (1) of the following requirements:

(1) Be on the statewide or appropriate area list of occupations in the Guide to Educational Training Programs for Demand Occupations published by the ~~division~~ Division of Workforce Services;

(2) Be on that list for another area within the state to which the Transitional Employment Assistance Program recipient has signed a commitment to relocate;

(3) Be for a specific position for which an employer has submitted a letter demonstrating intent to hire persons upon successful completion of training; and

(4) Be in an occupation in local demand but not shown on the state or area demand list if the local demand is documented or will be documented by the area workforce development board through a state-prescribed methodology.

(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 transitional employment assistance or food stamp recipients.

(d)(1) The ~~division~~ 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 program recipients who are required to participate in work activities, the ~~division~~ department shall screen recipients and assign priority in accordance with the implementation plan.

(2) In accordance with the implementation plan, the ~~division~~ 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 subdivision (e)(2) of this section, an adult in a family receiving assistance under the program may fill a vacant employment position in order to engage in a work activity described in subsection (a) of this section.

(2) No adult in a work activity described in subsection (a) of this section which is funded, in whole or in part, by funds provided by the United States 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 subdivision (e)(1) of this section.

(3) The ~~division~~ department shall establish and maintain a grievance procedure for resolving complaints of alleged violations of subdivision (e)(2) of this section.

(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 ~~division~~ department, subject to review and recommendation by the board, 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 twelve (12) months of age, if the caregiver is an active participant in a home-based or part-time center-based quality-approved early learning program, where available, that requires parental involvement and is approved by the Department of Education under the Arkansas Better Chance Program Act, § 6-45-101 et seq.;

(2) An individual required to care for a recipient child until the child reaches the maximum age specified by rule, not to exceed twelve (12) months of age;

(3) A parent or caregiver with a disability, based upon criteria set forth in rules;

- (4) A woman in the third trimester of pregnancy;
- (5) A parent or caregiver who is caring for a child relative with a disability or an adult relative with a disability, based upon criteria set forth in rules;
- (6) A minor parent less than eighteen (18) years of age who resides in the home of a parent or in an approved adult-supervised setting and who participates in full-time education or training;
- (7) A teen parent head of household under twenty (20) years of age who maintains satisfactory attendance as a full-time student at a secondary school;
- (8) An individual for whom support services necessary to engage in a work activity are not available;
- (9) An individual who, as determined by a ~~division~~ department case manager, is unable to participate in work activities due directly to the effects of domestic violence. All case manager determinations made under this subdivision (f)(9) shall be reviewed by a supervisor within five (5) days of such determination;
- (10) An individual unable to participate in a work activity due to extraordinary circumstances;
- (11) A parent or caregiver over sixty (60) years of age; and
- (12) Child-only cases.

SECTION 11. Arkansas Code § 20-76-404, as amended by Acts 2023, No. 266, § 2, is amended to read as follows:

20-76-404. Duration of assistance – Extended support services.

(a)(1) The ~~Division of Workforce Services~~ Department of Human Services shall not provide financial assistance to a family that includes an adult recipient who has received financial assistance for more than twelve (12) months, except as provided in subsection (c) of this section.

(2) The number of months need not be consecutive and shall include the time a recipient receives financial assistance from another state.

(3) The ~~division~~ Department of Human Services may by rule establish other limitations on the receipt of financial assistance not inconsistent with state or federal law.

(b)(1) The ~~division~~ Department of Human Services shall certify to the

Governor, the House Committee on Public Health, Welfare, and Labor, and the Senate Committee on Public Health, Welfare, and Labor when the support services necessary for program recipients to obtain employment or participate in allowable work activities are available.

(2) The ~~division~~ Department of Human Services may certify subsets of program recipients, including without limitation recipients in a certain geographical area or employment opportunity district or program recipients with a high school diploma or high school equivalency diploma approved by the Adult Education Section of the Division of Workforce Services.

(3) Before implementing the twelve-month cumulative limit on financial assistance, the ~~division~~ Department of Human Services shall notify program recipients by direct mail or contact and by other means reasonably calculated to reach ~~to~~ current and potential program recipients, including, but not limited to, the posting of notices in county offices.

(c) The ~~division~~ Department of Human Services shall exempt or temporarily defer within thirty (30) calendar days the following persons from the twelve-month cumulative limit on financial assistance:

(1) An individual, as determined by a ~~division~~ Department of Human Services case manager, who cooperated and participated in activities, but was unable to obtain employment because of 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 ~~division~~ Department of Human Services rules;

(6) A disabled parent or caregiver, based upon criteria set forth in ~~division~~ Department of Human Services rules;

(7) A parent less than eighteen (18) years of age 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 ~~division~~ Department of Human Services case manager, is unable to obtain employment due directly to

the effects of domestic violence. All case manager determinations made under this subdivision (c)(8) shall be reviewed by a supervisor within five (5) days of the determination;

(9) Other individuals as determined by the ~~division~~ Department of Human Services, including, but not limited to, a child when necessary to protect the child from the risk of neglect, as defined by § 12-18-103(14); and

(10) Individuals participating in education and training activities who have reached the end of their twelve-month cumulative limit on financial assistance, have complied with all transitional employment assistance rules, are making satisfactory academic progress as determined by the academic institution or training program in which the individual is currently enrolled, and are expected to complete the requirements for the education or training program within a reasonable period of time as defined in rules issued by the ~~division~~ Department of Human Services.

(d)(1) No months shall be counted toward a person's twelve-month cumulative limit on financial assistance while he or she is receiving a deferral or exemption.

(2) There shall be no limit on the length or the number of deferrals or exemptions granted each person as long as the person meets any of the criteria outlined in subsection (c) of this section.

(3) The ~~division~~ Department of Human Services shall periodically review each case to determine whether the person still meets any of the criteria outlined in subsection (c) of this section.

(4)(A) The ~~division~~ Department of Human Services shall carry out an enhanced review of all cases six (6) months before the expiration of the time limit.

(B) The review shall assess the barriers that remain to the adult or adults in the case obtaining employment, what enhanced services can be provided to enable him or her to obtain employment, and whether the case should be given a six-month extension or be exempted from the time limit.

(C) The ~~division~~ Department of Human Services shall make every reasonable effort to deliver the available services identified in subdivision (d)(4)(B) of this section.

(D) The ~~division~~ Department of Human Services shall grant

an extension at the time for review if the client meets one (1) of the grounds for extension.

(E) The ~~division~~ Department of Human Services shall carry out a further review at the end of the extension period.

(e)(1) A recipient who was eligible for Medicaid and loses his or her financial assistance due to earnings and whose income remains below one hundred eighty-five percent (185%) of the federal poverty level shall remain eligible for transitional Medicaid without reapplication during the immediately succeeding twelve-month period if private medical insurance is unavailable from the employer.

(2) A recipient who loses his or her financial assistance due to earnings and who is employed shall be eligible for:

(A) Childcare assistance at no cost and without reapplication for a cumulative period of twelve (12) months; and

(B) Twenty-four (24) additional months of childcare assistance provided on a sliding fee scale or other cost-sharing arrangement as determined by the ~~division~~ Department of Human Services.

(3) The ~~division~~ Department of Human Services may reduce the period of transitional child care to a total of twenty-four (24) months for recipients who lose assistance at a specified date after the ~~division's~~ Department of Human Services' decision to limit the assistance if the ~~division~~ Department of Human Services certifies to the Governor and the Chief Fiscal Officer of the State that the reduction is necessary to avoid overspending the biennial budget for child care.

(4) The transitional childcare assistance available to former recipients shall not exceed the cumulative number of months provided under subdivisions (e)(2) and (3) of this section, regardless of whether the former recipient reenters the Transitional Employment Assistance Program.

(f)(1) The ~~division~~ Department of Human Services shall deny Medicaid, childcare, and transportation assistance during the twelve-month period for any month in which the recipient's family does not include a dependent child.

(2) The ~~division~~ Department of Human Services shall notify the recipient of transitional Medicaid, childcare, and transportation 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 childcare assistance may be terminated.

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

(2) Education or training resources available in the community at no additional cost to the ~~division~~ Department of Human Services 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 ~~division~~ Department of Human Services may enter into an agreement with an employer to share the costs relating to upgrading the skills of recipients hired by the employer.

(h) Other extended support services may be available to recipients no longer eligible for financial assistance under transitional employment assistance.

(i)(1) By August 1, 2001, the ~~division~~ Department of Human Services shall develop a plan, subject to review and recommendation by the Arkansas Workforce Development Board, 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.

(2)(A) Actions required by the plan shall include at least one (1) home visit with the parents and children.

(B) Every reasonable effort shall be made to make contact with all families, including visits during evenings and on weekends.

(C) The first home visit shall occur within six (6) months after the termination of cash assistance.

(D) The purposes of the home visits shall include checking on the well-being of children in those families and determining whether the families need available services.

(3) The ~~division~~ Department of Human Services may contract with other state agencies, private companies, local government agencies, or community organizations for the conducting of these visits.

(4) The board shall submit a report to the Governor and the Chair of the House Committee on Public Health, Welfare, and Labor and the Chair of the Senate Committee on Public Health, Welfare, and Labor that reports on the outcomes of the home visits and provides separate information for families who left transitional assistance due to noncompliance and time limits.

(j) As part of the home visits, families shall be informed about the availability of Medicaid and the ARKids First Program, food stamps, child care, housing assistance, any other supportive services offered by the ~~division~~ Department of Human Services or the Department of Health designed to help meet the basic needs and well-being of children, federal and state earned income tax credits, individual development accounts, employment counseling services, and education and training opportunities designed to increase the future earnings and employment prospects of clients.

SECTION 12. Arkansas Code § 20-76-410(b)-(f), as amended by Acts 2023, No. 266, § 3, concerning administrative sanctions and the Transitional Employment Assistance Program are amended to read as follows:

(b) The ~~Division of Workforce Services~~ Department of Human Services may define by rule additional situations that require sanction, establish additional sanctions, and provide for administrative disqualification.

(c)(1) If a parent fails to comply with the Transitional Employment Assistance Program requirements, financial assistance for the child or children may be continued under subdivisions (a)(1)-(5) of this section, and the ~~division~~ department shall suspend the family's assistance for one (1) month.

(2)(A) During the thirty (30) days after suspension of benefits, the ~~division~~ department shall make strong efforts to arrange a face-to-face meeting with the parent, including a home visit to the family if necessary.

(B) In the face-to-face meeting, the ~~division~~ department shall explain:

(i) The reason that the family has been found to be noncompliant;

(ii) The penalty that will be imposed; and

(iii) The opportunity to correct that noncompliance and avoid the penalty.

(C) The ~~division~~ department shall also seek to determine the well-being of the child or children and whether additional services or actions are required to protect the well-being of the child or children.

(D) If the parent comes into compliance within fifteen (15) business days after the face-to-face meeting and maintains compliance for two (2) weeks, the suspended benefits shall be paid to the family.

(3) If the parent fails to come into compliance during the period of suspended benefits, the family's financial assistance may be reduced by up to twenty-five percent (25%) for the next three (3) months if noncompliance continues.

(4) If the parent's noncompliance continues after the fourth month, the ~~division~~ department shall suspend the family's financial assistance for two (2) months.

(5)(A) During the thirty (30) days after suspension of benefits, the ~~division~~ department shall make strong efforts to arrange a face-to-face meeting with the parent, including a home visit to the family if necessary.

(B) In the face-to-face meeting, the ~~division~~ department shall explain:

(i) The reason that the family has been found to be noncompliant;

(ii) The penalty that will be imposed; and

(iii) The opportunity to correct that noncompliance and avoid the penalty.

(C) The ~~division~~ department shall also seek to determine the well-being of the child or children and whether additional services or actions are required to protect the well-being of the child or children.

(D) If the parent comes into compliance within fifteen (15) business days and maintains compliance for two (2) weeks, the suspended benefits shall be paid to the parent.

(E) If the parent fails to come into compliance during the second period of suspended benefits, the family's financial assistance may be reduced by up to fifty percent (50%) for the next three (3) months, if noncompliance continues.

(F) Months during which cash assistance benefits are suspended shall not count toward the family's twelve-month limit on receiving Transitional Employment Assistance Program assistance.

(G) The Transitional Employment Assistance Program cash assistance case shall be closed if noncompliance continues after the end of the period under this subdivision (c)(5).

(6) The ~~division~~ department shall arrange a home visit with the family during the last month of the sanction to determine the well-being of the child or children and to determine whether additional services are required to protect the well-being of the child or children.

(7) Medicaid and food stamp benefits shall be continued without need for reapplication if the family is being sanctioned and for as long as the family remains eligible under the requirements of those programs.

(8) ~~Division~~ Department staff may contract with other state agencies, local coalitions, or appropriate community organizations to carry out the strong efforts to communicate with families facing sanction and to conduct the face-to-face meetings and home visits specified in this section.

(d) ~~Beginning after July 27, 2011, the division~~ The department shall include in the comprehensive annual program report information on the families sanctioned and the outcomes of the home visits to the Governor and the House Committee on Public Health, Welfare, and Labor and the Senate Committee on Public Health, Welfare, and Labor.

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

(1) 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;

(2) 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

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

(f)(1) If it is in the best interest of the child or children, as determined by the ~~division~~ department, for the staff member of a private agency, a public agency, the ~~division~~ department, or any other appropriate organization to serve as a protective payee, the designation may be made.

(2) However, a protective payee shall 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 13. Arkansas Code § 20-76-437 is amended to read as follows:
20-76-437. Reporting – Transitional employment assistance.

~~The Department of Human Services, the Division of Workforce Services, the Department of Health, the Division of Elementary and Secondary Education, the Division of Higher Education, the Adult Education Section, the Arkansas Development Finance Authority, the Arkansas Economic Development Council, and the Arkansas Department of Transportation shall report periodically to the House Committee on Public Health, Welfare, and Labor and the Senate Committee on Public Health, Welfare, and Labor regarding the provision of services to Transitional Employment Assistance Program recipients.~~

SECTION 14. Arkansas Code § 20-76-438(b), concerning the findings related to a division of administration of the Transitional Employment Assistance Program, is repealed.

~~(b)(1) The General Assembly also finds that:~~

~~(A) Currently there are inefficiencies and duplication of effort on the part of the Division of Workforce Services and the Department of Human Services in the administration of the Transitional Employment Assistance Program; and~~

~~(B) A different division of responsibility for administration of the Transitional Employment Assistance Program by the division and the Department of Human Services may result in the more efficient and effective administration of the Transitional Employment Assistance Program.~~

~~(2) Therefore, it is in the public interest that the General Assembly authorize the division to:~~

~~(A) Receive the Temporary Assistance for Needy Families block grant from the United States Department of Health and Human Services for the administration of all Temporary Assistance for Needy Families funded programs in Arkansas;~~

~~(B) Expend the Temporary Assistance for Needy Families block grant funds subject to the appropriations of the General Assembly;~~

~~(C) Provide all employment related services for time-limited Transitional Employment Assistance Program clients;~~

~~(D) Contract with other state agencies or other providers to deliver services in Temporary Assistance for Needy Families funded programs; and~~

~~(E) Prepare and submit any Temporary Assistance for Needy Families renewal plans that are required in § 402 of the Social Security Act, 42 U.S.C. § 651 et seq.~~

SECTION 15. Arkansas Code § 20-76-443(a)(1), concerning education and training for recipients of Transitional Employment Assistance Program benefits, is amended to read as follows:

(a)(1) The Department of Human Services ~~and the Division of Workforce Services~~ shall permit Transitional Employment Assistance Program recipients to obtain the education and training they need to obtain jobs that pay wages allowing them to be economically self-sufficient.

SECTION 16. Arkansas Code § 20-76-443(d)(2), concerning rules for evening childcare program for recipients of Transitional Employment Assistance Program benefits, is amended to read as follows:

(2) The ~~Division of Workforce Services~~ Department of Human Services and the Arkansas Early Childhood Commission jointly shall promulgate rules to develop an evening childcare program with extended hours under subdivision (d)(1) of this section.

SECTION 17. Arkansas Code § 20-76-444, as amended by Acts 2023, No. 266, is amended to read as follows:

20-76-444. Arkansas Work Pays Program – Created – Duties.

(a)(1) There is created the Arkansas Work Pays Program.

(2)(A) The Arkansas Work Pays Program shall be administered by the ~~Division of Workforce Services~~ Department of Human Services.

(B) The administration of the Arkansas Work Pays Program shall focus on promoting the Transitional Employment ~~Assistance~~ Assistance Program outcomes specified in § 20-76-113.

(3) Eligible applicants to the Arkansas Work Pays Program shall receive one (1) or more of the following:

- (A) Cash assistance;
- (B) Support services;
- (C) Medical assistance; and
- (D) Employment assistance.

(b)(1) Eligibility for assistance under the Arkansas Work Pays Program is limited to applicants or participants who:

- (A) Have care and custody of a related minor child;
- (B) Reside in the State of Arkansas at the time of application for assistance and during the period of assistance;
- (C) Apply for Arkansas Work Pays Program assistance within six (6) months of leaving the Transitional Employment Assistance Program after at least three (3) months of Transitional Employment Assistance Program assistance;
- (D) Have not received more than twelve (12) months of Arkansas Work Pays Program benefits;
- (E) Were engaged:
 - (i) In paid work activities for a minimum of twenty-four (24) hours per week and met the federal work participation requirement for the past month; or
 - (ii) In the case of continuing eligibility, in paid work activities for a minimum of twenty-four (24) hours per week and met the federal work participation requirement for one (1) of the past three (3) months and for at least three (3) of the past six (6) months;
- (F) Are:
 - (i) Citizens of the United States;
 - (ii) Qualified aliens lawfully present in the United States before August 22, 1996;
 - (iii) Qualified aliens who physically entered the United States on or after August 22, 1996, and have been in qualified immigrant status for at least five (5) years; or
 - (iv) Aliens to whom benefits under Temporary Assistance for Needy Families must be provided under federal law;
- (G) Have income below one hundred fifty percent (150%) of the federal poverty level; and
- (H) Sign and comply with a personal responsibility agreement.

(2) Families who leave the Arkansas Work Pays Program due to insufficient work hours may reenter the Arkansas Work Pays Program once they establish that they were paid work activities for a minimum of twenty-four (24) hours per week and met the federal work participation requirement for the past month.

(c)(1) Families participating in the Arkansas Work Pays Program with earnings less than the federal poverty level shall receive monthly cash assistance equal to the maximum monthly Transitional Employment Assistance Program benefit for a family of three (3) with no earned income.

(2) The ~~division~~ department may set payment levels for families earning above the federal poverty level by rule to allow for a gradual reduction in payments as earnings rise toward one hundred fifty percent (150%) of the federal poverty level.

(d)(1) Enrollment in Arkansas Work Pays Program cash assistance may be limited to three thousand (3,000) participants.

(2) If the Arkansas Workforce Development Board certifies to the Governor and the Chief Fiscal Officer of the State and notifies the Legislative Council, the Senate Committee on Public Health, Welfare, and Labor, and the House Committee on Public Health, Welfare, and Labor that the action is necessary to avoid the number of families receiving Arkansas Work Pays Program cash assistance going over three thousand (3,000), it may authorize a reduction of the months for which families may receive cash assistance or other supportive services.

(3) The number of months for which families are eligible for cash assistance may be reduced in three-month increments from the statutory provision of twelve (12) months.

(4) Families who lose eligibility for cash assistance due to the reduction in the number of months of eligibility shall qualify for financial incentives offered to families leaving the Arkansas Work Pays Program.

(5) The board shall withdraw its reduction of the months for which families are eligible for cash assistance if the reduction is no longer necessary to maintain enrollments below three thousand (3,000) families.

(e) Families participating in the Arkansas Work Pays Program shall be eligible for the same support services and assistance as families enrolled in the Transitional Employment Assistance Program.

(f) The ~~division~~ department shall administer a work incentive program

that includes cash bonuses and other financial incentives to encourage:

(1) Transitional Employment Assistance Program recipients to leave the Transitional Employment Assistance Program and move into the Arkansas Work Pays Program;

(2) Arkansas Work Pays Program participants to stay employed for at least twenty-four (24) hours a week and meet the federal work participation rate; and

(3) Arkansas Work Pays Program participants to leave the Arkansas Work Pays Program and continue employment for at least twenty-four (24) hours per week.

(g)(1) The ~~division~~ department ~~shall~~ may work with local workforce offices to develop and administer services to Arkansas Work Pays Program participants designed to help them move into higher-paying jobs available in their regions.

(2) These services may include:

(A) Employment exchanges;

(B) Education and training;

(C) Work supports; and

(D) Other services designed to help Arkansas Work Pays Program participants increase their earnings and develop careers.

(3) The ~~division~~ department may make these services available to low-income workers who are not participating in the Arkansas Work Pays Program.

~~(h)(1) The division may contract with the Department of Human Services for administrative services related to eligibility and payments.~~

~~(i) The division shall make arrangements with the Department of Human Services to facilitate participants' enrollment in the Arkansas Work Pays Program after they leave the Transitional Employment Assistance Program.~~

~~(j)(1) The division~~ department shall promulgate rules establishing the Arkansas Work Pays Program.

(2) The rules shall be subject to review and recommendation by the board.

SECTION 18. Arkansas Code § 20-76-445(b)(1)(A), concerning the Career Pathways Initiative, is amended to read as follows:

(b)(1)(A) The Department of Human Services, the Division of Workforce

Services, the Division of Higher Education, and the Arkansas Workforce Development Board shall work jointly to develop a plan for the Career Pathways Initiative.

SECTION 19. Arkansas Code § 20-76-446(a) and (b), concerning the Community Investment Initiative, are amended to read as follows:

(a)(1) There is created the Community Investment Initiative.

(2) The ~~Division of Workforce Services~~ Department of Human Services shall develop the initiative.

(b) The ~~division~~ department shall contract with private or community organizations, including faith-based organizations, to offer services and support to parents, children, and youth in their communities.

SECTION 20. Arkansas Code § 20-76-446(d)(1), concerning the Community Investment Initiative, is amended to read as follows:

(d)(1) The ~~division~~ department shall authorize contracts with state agencies or community organizations to provide training and capacity building services to organizations eligible to apply for initiative funds.

SECTION 21. Arkansas Code § 20-76-702(4)(B), concerning the definition of "drug" under the Drug Screening and Testing Act of 2015, is amended to read as follows:

(B) The ~~Director of the Division of Workforce Services~~ Secretary of the Department of Human Services may add under the definition of subdivision (4)(A) of this section additional drugs by rule;

SECTION 22. Arkansas Code § 20-76-702(6), concerning the definition of "drug testing agency" under the Drug Screening and Testing Act of 2015, is amended to read as follows:

(6) "Drug testing agency" means an entity that has the required credentials as established by the ~~Division of Workforce Services~~ Department of Human Services to administer drug tests using a person's urine, blood, or DNA that will detect and validate the presence of drugs in a person's body;

SECTION 23. Arkansas Code § 20-76-703(a)(1), concerning administration of the Drug Screening and Testing Act of 2015, is amended to read as follows:

(a)(1) Subject to state appropriation, the ~~Division of Workforce Services, in coordination with the~~ Department of Human Services, shall establish and administer a drug screening and testing program of suspicion-based drug screening and testing for each applicant who is otherwise eligible for the Temporary Assistance for Needy Families Program, § 20-76-101 et seq., or its successor program and for each recipient of the Temporary Assistance for Needy Families Program, § 20-76-101 et seq., or its successor program.

SECTION 24. The introductory language to Arkansas Code § 20-76-704(a), concerning powers and duties under the Drug Screening and Testing Act of 2015, is amended to read as follows:

(a) The ~~Division of Workforce Services, in coordination with the~~ Department of Human Services, shall:

SECTION 25. The introductory language to Arkansas Code § 20-76-704(b), concerning powers and duties under the Drug Screening and Testing Act of 2015, is amended to read as follows:

(b) Annually, the ~~division, in coordination with the~~ department, shall submit a report of the past calendar year on or before February 1 to the General Assembly that includes without limitation:

SECTION 26. Arkansas Code § 20-76-705 is amended to read as follows:
20-76-705. Standards in drug screening and testing pilot program.

The drug screening and testing program shall include without limitation:

(1)(A) A requirement that an applicant upon initial application for Temporary Assistance for Needy Families Program benefits or a current recipient of program benefits at annual redetermination shall be screened using an empirically validated drug screening tool.

(B) If the result of the drug screening tool gives the ~~Division of Workforce Services~~ Department of Human Services a reasonable suspicion to believe that the applicant or recipient has engaged in the use of drugs, then the applicant or recipient shall be required to take a drug test.

(C) A refusal by an applicant or recipient to take a drug test shall result in lack of eligibility for program benefits for six (6)

months;

(2) A process for administering the cost of drug tests as follows:

(A) If an applicant or recipient receives a negative result on a drug test, the cost of administering the drug test shall be paid by the ~~division~~ department;

(B) If an applicant or recipient receives a positive result on a drug test, refuses to enter a treatment plan, and receives a negative result on a drug test upon reapplying for benefits after six (6) months, the cost of administering the first drug test shall be deducted from his or her first program benefits, and the cost of administering the second drug test shall be paid by the ~~division~~ department;

(C) If an applicant receives a positive result on a drug test and enters a treatment plan, the cost of administering the drug test shall be deducted from his or her first program benefits; and

(D) If a recipient receives a positive result on a drug test and enters a treatment plan, the cost of administering the drug test shall be deducted from his or her first program benefits after redetermination;

(3)(A) A referral process for any applicant or recipient who receives a positive result on a drug test to be referred to an appropriate treatment resource for drug abuse treatment or other resource by the ~~division~~ department for an appropriate treatment period as determined by the ~~division~~ department.

(B) Evidence of ongoing compliance during the determined treatment period shall be required.

(C) If an applicant or recipient is otherwise eligible during the treatment period, the applicant shall receive program benefits;

(4) A requirement that a refusal to enter a treatment plan or failure to complete the treatment plan by an applicant or recipient who receives a positive result on a drug test shall result in lack of eligibility for program benefits for six (6) months;

(5)(A) A requirement that an applicant or recipient be tested using the no less than five-panel drug test upon the conclusion of the determined treatment period.

(B) If an applicant or recipient receives a positive

result on the no less than five-panel drug test or any subsequent drug test, the applicant shall be ineligible for program benefits for six (6) months.

(C) If an applicant or recipient who has failed a drug test reapplies for program benefits, the applicant or recipient shall test negative for illegal use of controlled substances in order to receive program benefits, and the ~~division~~ department may provide a referral to an appropriate treatment resource for drug abuse treatment or other resource; and

(6)(A) A requirement that a dependent child's eligibility for program benefits shall not be affected by a caretaker relative's ineligibility due to positive results on a drug test.

(B) An appropriate protective payee shall be designated to receive program benefits on behalf of the dependent child.

SECTION 27. Arkansas Code § 20-76-706 is amended to read as follows:
20-76-706. Information regarding drug testing.

(a) All information, interviews, reports, statements, memoranda, and drug test results, written or otherwise, received by the ~~Division of Workforce Services~~ Department of Human Services as a part of the drug testing program under this subchapter shall be confidential and not subject to disclosure and may not be used or received in evidence, obtained in discovery, or disclosed in any public or private proceedings.

(b)(1) Information regarding drug test results for a test administered under this subchapter shall not be released to law enforcement officers or used in any criminal proceeding.

(2) Information released contrary to subdivision (b)(1) of this section is inadmissible as evidence in a criminal proceeding.

(c) This subchapter does not prohibit:

(1) The ~~division~~ department or a drug testing agency conducting the drug test from having access to an adult applicant's or adult recipient's drug test information or using the information when consulting with legal counsel in connection with actions brought under or related to this subchapter or when the information is relevant to its defense in a civil or administrative matter; or

(2) The reporting of child abuse, child sexual abuse, or neglect of a child.

SECTION 28. Arkansas Code § 20-76-708 is amended to read as follows:
20-76-708. Rulemaking authority.

(a) ~~The Director of the Division of Workforce Services, in coordination with~~ Secretary of the Department of Human Services, shall promulgate rules necessary for the implementation of this subchapter.

(b) The ~~director~~ secretary shall consider the following when promulgating rules:

(1) Testing procedures established by the United States Department of Health and Human Services and the United States Department of Transportation;

(2) Screening procedures established by the substance abuse experts to determine when a person exhibits the criteria to determine that there is reasonable cause to suspect that a person is likely to use drugs;

(3) Body specimens and minimum specimen amounts that are appropriate for drug testing;

(4) Methods of analysis and procedures to ensure reliable drug testing results, including without limitation standards for initial tests and confirmation tests;

(5) Minimum detection levels for each drug or drug metabolite for the purpose of determining a positive result;

(6) Chain-of-custody procedures to ensure proper identification, labeling, and handling of specimens tested; and

(7) Retention, storage, and transportation procedures to ensure reliable results of drug tests used in the administration of this subchapter.

SECTION 29. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Transitional Employment Assistance Program and the Arkansas Work Pays Program preserve the public peace, health, and safety by providing time-limited case assistance to needy families with or expecting children, work training, and other supportive services that parents need in order to attain permanent self-sufficiency, and assistance to prior participants of the Transitional Employment Assistance Program; that this act provides for the transfer of the Transitional Employment Assistance Program and the Arkansas Work Pays Program to the Department of Human Services; and that this act should become effective on

July 1, 2023, to coincide with the appropriation bills of the Department of Human Services and the Department of Commerce so that the Transitional Employment Assistance Program and the Arkansas Work Pays Program continue to provide their vital services as the transition is implemented and does not experience any issues with funding under the transfer. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2023.

APPROVED: 4/13/23