

Title 20. Public Health and Welfare

Chapter XIII. Division of County Operations, Department of Human Services

Subchapter A. Generally

Part 503. Transitional Employment Assistance and Work Pays Policy Manual

Subpart 1. Case Management and Employment Services

20 CAR § 503-101. Case management services.

(a)(1) Case management is the process of coordinating and brokering the multiple services needed to achieve progress toward self-sufficiency.

(2) Program Eligibility Specialists serve as a point of contact for participants and a point of accountability for the agency.

(3) The Program Eligibility Specialist has overall responsibility for working with participants from initial assessment until case closure.

(b)(1) The primary case management consists of the following primary activities:

(A)(i) Screening and assessment includes all the interactions that Program Eligibility Specialists have with participants, from the initial interview and screening process through case closure and the provision of extended services.

(ii) In all of these interactions, the goal is to help the participant identify which services are needed to support family self-sufficiency.

(iii) Rapport and trust are built by helping participants identify and address their own issues;

(B)(i) Brokering for resources, communication with partners, and staffings ensure that the most appropriate services are provided to the participant.

(ii) Program Eligibility Specialists will work closely with community and other partners.

(iii) Brokering also involves continual evaluation of each service's usefulness and success.

(iv) Brokered services include not only case plan activities and local resources, but Department of Human Services, Social Security, child support, and other benefits as well;

(C)(i) Employment plans are the road map for the participant in their journey toward enhanced self-sufficiency.

(ii) They are developed using the participant's best thinking on how they can increase self-sufficiency.

(iii)(a) The results of initial assessment are used to help the participant choose self-sufficiency-enhancing services, and the Program Eligibility Specialist acts as a broker to access these services.

(b) The plan states when, where, how, and by whom these activities will be provided.

(iv) Employment plans should be individualized based on participant need and can be added to and adjusted over time; and

(D)(i) Narration and computer entry are the means by which the department's benefits are provided and case activities recorded.

(ii) They also enable the department to collect and evaluate data to continually improve program services.

(iii) Accuracy and timeliness of narration and computer entry are necessary to help the department maintain federal and state funding.

(iv) Case narratives should be:

(a) Clear;

(b) Comprehensive; and

(c) Void of personal opinion.

(2)(A) All these activities occur during case management, but the order may vary depending on the participant's situation.

(B) In all cases, the department uses case management skills such as:

(i) Asking open-ended questions;

(ii) Restating;

(iii) Summarizing; and

(iv) Helping participants develop their own plan of action and be accountable for their own progress.

(c)(1) Case management services will be provided to those participants who need assistance before and after accepting employment.

(2) This service will be provided:

(A) As long as the participant is eligible; and

(B) Up to twelve (12) months after cash assistance has been terminated due to employment.

(3) Refer to 20 CAR § 503-219.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-102. Intent — Individualized approach.

(a)(1) Central to the purpose of the Transitional Employment Assistance Program is an individualized approach to employment services.

(2) An individual employment plan is developed for each transitional employment assistance (TEA) participant based on his or her individual and family circumstances.

(3) Therefore, the process of working with the participant in employment-related activities should, to the maximum extent possible, be geared to the specific needs and circumstances of that individual and family.

(b) It is the intent of this part to assist local office staff with making decisions regarding the most appropriate work activities and supportive services that will lead participants to self-sufficiency.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-103. Focus — Time-limited nature of program.

(a) In conjunction with an individualized approach, focus must be placed on the time-limited nature of the program.

(b)(1) Most participants will have a maximum of twelve (12) months to attain some level of self-sufficiency before cash assistance is terminated.

(2)(A) Some participants may have less than twelve (12) months to attain self-sufficiency depending upon past periods of transitional employment assistance (TEA) receipt.

(B) Therefore, it is critical that the Program Eligibility Specialist and participant make decisions that consider where the family is in terms of the time limit.

(3) For example, if a family has only two (2) or three (3) months remaining before the time limit expires, job search or subsidized employment would probably be a more appropriate activity than career and technical education.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-104. Documentation.

(a) Documentation and complete and accurate case records are vital to the success of good case management.

(b) The case record should include a clear chronology of events during a participant's entire experience with the program.

(c) The documentation constitutes a major source of evidence in the supporting of the agency's position in a case.

(d) In addition, good documentation enables other staff who may conduct reviews or who may later work with the participant to understand what has occurred in the case.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-105. Time limit.

(a) A "work-eligible individual" is an adult or minor head of household parent who is receiving transitional employment assistance (TEA) cash assistance.

(b)(1) A work-eligible individual who meets all the eligibility requirements may receive TEA cash assistance benefits for a period of up to twelve (12) months.

(2) The twelve (12) months do not have to be consecutive months.

(3) The months counted are based on the number of months the adult participant or "head of household" minor parent receives cash assistance.

(c) The time limit does not apply:

(1) To cases in which the only parent in the home, or both parents if both are living in the home, receives Supplemental Security Income benefits, and therefore, no adult is included in the case;

(2) In the months in which an individual is deferred/exempt from work activity participation; or

(3) In the months in which a non-head of household minor parent receives cash assistance.

(d)(1) The time limit applies to nonparent caretaker relatives only when such relatives choose to be included in the TEA payment with the child.

(2) If a nonparent relative is a payee only, then the time limit does not apply to the case.

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

(f)(1) Payments made by another state under a Temporary Assistance for Needy Families program count toward the twelve-month limit in Arkansas if the participant has received more than forty-eight (48) such payments in another state.

(2) Only the payments from another state in excess of forty-eight (48) will count toward Arkansas's twelve-month limit.

(3)(A) Diversion assistance payments also count toward the twelve-month limit if not repaid.

(B) See 20 CAR § 502-309.

(g) **Note.** A participant may request case closure at any time during receipt of assistance.

(h)(1) During periodic contacts, the Program Eligibility Specialist will inform the participant of the number of months of TEA eligibility remaining.

(2) The Program Eligibility Specialist should continue to stress to the participant the importance of employment because of the time limit.

(i)(1)(A) The Program Eligibility Specialist will explain to the participant what action will be taken once the twelve-month time limit has been reached.

(B) Refer to 20 CAR § 503-118 for termination procedures.

(2)(A) The Program Eligibility Specialist will advise that the TEA case will be closed unless it is determined that an exemption, or extension from the time limit, should be granted.

(B) See 20 CAR §§ 503-115 and 503-122.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-106. Employability assessment.

(a)(1) An employability and educational assessment will be conducted on each transitional employment assistance (TEA) participant who is not exempt or deferred.

(2) However, those who are exempt or deferred may be assessed and encouraged to participate in work-related activities.

(b) **Note.** A TEA participant is defined as one who has been approved to receive ongoing TEA cash assistance.

(c)(1) An employability assessment and educational assessment (TABE) will be conducted for each appropriate participant, unless the TEA case record contains an employability and educational assessment that was completed within the last six (6) months.

(2) No new assessment will be required in that situation.

(3) However, if the Program Eligibility Specialist determines either a new employability or educational assessment is needed, one should be completed.

(4) Beyond the TABE, the level and type of assessment will be left to the discretion of the Program Eligibility Specialist based on the participant's circumstances.

(5) The case record will be documented to clearly reflect the type of assessment made and the rationale for it.

(6) Form TEA-1402, Skills, Employability, and Intake Assessment, will be completed during the assessment.

(7) Please see subsection (g) of this section for more detailed information as to what should be addressed in the assessment.

(d) An employability assessment may be conducted:

- (1) During the application interview;
- (2) At any time while the application is pending; or
- (3) At application approval.

(e) **Note.**

(1)(A) TABE testing may be completed during the application period provided the applicant does not need supportive services, e.g., transportation or child care to take the TABE.

(B) See TEA policy 2004.2.

(2) KeyTrain may be used as an additional assessment tool but will not be used in place of TABE testing.

(f) **Scheduling the employability assessment after approval.**

(1) The assessment should be scheduled and completed within twenty (20) days of the application approval.

(2) The participant may be notified of the assessment appointment at the same time the application approval notice is sent.

(3) The Program Eligibility Specialist will use TEA-1405, Appointment Notice, to schedule appointment after receiving task from the eligibility worker.

(g) **Conducting the employability assessment.**

(1)(A) The purpose of the employability assessment is to identify the participant's readiness for employment so that a realistic employment plan can be developed.

(B) In two-parent families, one (1) parent may be deferred from engaging in work requirements to care for the children.

(2) **Note.** If federally funded child care assistance is provided, both parents must be engaged in a work activity.

(3)(A) It will be determined during the joint employability assessment if such a deferral is appropriate and, if so, which parent will be deferred.

(B) Refer to 20 CAR § 503-122, work participation exemptions/deferrals.

(4)(A) During the employability assessment, the Program Eligibility Specialist:

(i) Presents an overview of the program;

(ii) Gathers pertinent case information; and

(iii) Identifies life conditions that, if not addressed, may prevent the family from becoming self-sufficient through employment.

(B) The PUB-389 (TEA Supportive Services) will be provided to the participant.

(C) The participant will sign the TEA-188, Acknowledgment of TEA Support Services and Work Pays Program.

(D) The assessment should be designed to identify the following:

(i) Employment history/work experience;

(ii)(a) Educational attainment/literacy level.

(b) TABE testing will be provided through the Department of Human Services;

(iii) Family situation/circumstances;

(iv) Supportive services needs, if any;

(v) Personal attributes, personal traits that help or hinder employment; and

(vi) Job skills/interests.

(5)(A) A referral to the Adult Education Section for a career assessment may be made in counties where it is available.

(B) A career assessment is used to measure and identify a participant's job aptitude and interests.

(C) The Program Eligibility Specialist should document the type of career assessment the participant is given.

(6)(A) The Learning Needs Screening is a three-page questionnaire designed to determine if a possible learning disability exists.

(B) The Program Eligibility Specialist will explain the use of the screening tool to the participant.

(C) The Program Eligibility Specialist should advise the participant that the screening tool does not determine the existence of a learning disability but determines if further assessment is needed.

(D) If the total points from the responses total twelve (12) or more, this is an indication that a learning disability may exist and further assessment is needed.

(E)(i) Attached to the questionnaire are additional questions that the Program Eligibility Specialist may ask, if appropriate.

(ii) However, the additional questions are not used to determine if a referral for assessment should be made.

(F)(i) After discussing the results with the participant, a determination of referral should be made.

(ii) Advise the participant of the referral and explain how the participant should benefit from the assessment.

(iii) If a referral is made, the TEA-3350, Referral for Services, will be used.

(7) Information obtained during the employability assessment is used to develop the employment plan.

(h) Developing the employment plan.

(1)(A) An employment plan will be developed for each TEA participant who has been assessed.

(B) The plan will be developed jointly by the participant and the Program Eligibility Specialist.

(2)(A) The employment plan is a document that specifies a series of actions necessary for the participant to accept and retain permanent full-time employment.

(B) Even though the Program Eligibility Specialist and participant will jointly develop the employment plan, the final determination of the plan content will rest with the Program Eligibility Specialist.

(3)(A) There are two (2) versions of the employment plan, electronic and paper.

(B) The electronic plan is produced by the case management system.

(C) The paper format is the TEA-181, Employment Plan, and should only be used when the electronic version is not available but should be entered into system as soon as possible.

(4)(A) During the development of the employment plan, the Program Eligibility Specialist should also direct some discussion toward the participant's future goals.

(B) Although the focus of the plan is on short-term goals and actions, the participant should be encouraged to think about long-term goals.

(C) This type of discussion could help the participant start looking to the future, particularly to the time when cash assistance may no longer be available to the family.

(5)(A) The employment plan will contain the following:

(i) An employment goal;

(ii) The activities that will be undertaken by the participant to achieve the employment goal;

(iii) The services to be provided by the agency, including child care and other supportive services; and

(iv) Other needs of the family that might be met by TEA or other agency programs, e.g., substance abuse treatment, parenting/life skills, training, etc.

(B) The initial plan will also include tentative start dates for each activity in which the participant is likely to become engaged.

(6)(A) The participant, as part of developing skills necessary to be self-sufficient, will be encouraged to accomplish, without assistance, as many tasks as are possible, such as making arrangements for child care.

(B) Provision of services should be limited to those necessary for the participant to accept employment.

(i) **Scheduling/rescheduling assessment.**

(1) After a TEA case has been approved, the Program Eligibility Specialist will send a TEA-1405, Appointment Notice, to the participant.

(2) The notice will indicate:

(A) The appointment date and time; and

(B) What information to bring to the appointment, including diplomas, job skills assessments, certificates, etc.

(3) The decision to reschedule an employability assessment is left to the discretion of the Program Eligibility Specialist.

(4) The Program Eligibility Specialist will send a TEA-1, Notice of Action, to inform the participant of the:

(A) New appointment; and

(B) Penalties that may occur if the participant fails to attend the rescheduled assessment.

(j) Assessment.

(1)(A) The participant will complete the TEA-1402, TEA Skills, Employability, and Intake Assessment.

(B) The Program Eligibility Specialist and participant will discuss short-term and long-term goals.

(C) The gathered information will be used to develop the employment plan.

(D) Although the focus of the plan is on short-term goals and actions, the participant should be encouraged to think about long-term goals.

(E) The Program Eligibility Specialist will discuss with the participant ways to be self-sufficient.

(2)(A) The Program Eligibility Specialist will discuss supportive services and give the participant a copy of PUB-389, TEA Supportive Services.

(B) The participant will sign the TEA-188, Acknowledgment of TEA Supportive Services and Work Pays Program, to verify receipt.

(3) The Program Eligibility Specialist will also discuss:

(A) Minimum weekly hours;

(B) Work activity time limits;

(C) Tasks involved; and

(D) Sanctions.

(k) Failure to attend employability assessment.

(1) If the participant fails to attend the scheduled employability assessment and does not contact the Program Eligibility Specialist, or fails to attend a rescheduled appointment, the case narrative will be documented accordingly and the noncompliance sanction initiated unless, in the judgment of the Program Eligibility Specialist, there is good cause for rescheduling the appointment.

(2) Reasons for good cause include, but are not limited to, child care not available, no transportation, inclement weather, family emergency, short-term illness, etc.

(3) Refer to 20 CAR § 503-224(c).

(l) Contingency plan.

(1) The Program Eligibility Specialist should advise the participant to be prepared to deal with emergencies that may occur, such as utility cut-offs, domestic violence, etc., by developing strategies and contingency plans to deal with such emergencies when they occur.

(2) The Program Eligibility Specialist may suggest the participant make a list of relatives, friends, and community resources who can assist in case of emergency.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-107. Employment plan update.

(a)(1) The employment plan will be updated as necessary.

(2) Employment plans may be updated:

- (A) In person;
- (B) By mail; or
- (C) By telephone.

(3) The Program Eligibility Specialist may complete a new plan or amend or modify the current plan, while providing a copy to the participant.

(b) The purpose of updating the employment plan is to:

- (1) See what progress the participant is making;
- (2) Identify and resolve any additional needs; and

(3) Remind the participant where the family is in terms of the time limit.

(c)(1) If needed, at the completion of a work activity, an employment plan update should be conducted to determine the next appropriate step or steps for the participant.

(2) Therefore, the frequency of the update should be geared to the individual participant, but an update must be made at least every six (6) months.

(d) Periodic review of time-limited cases.

(1)(A) During employment updates and other periodic contacts with the participant, the Program Eligibility Specialist will ensure that the participant continues to meet eligibility requirements that are subject to change, e.g., child in the home, income, etc.

(B) If it is determined that a participant's circumstances have changed, a task should be sent to the Department of Human Services for redetermination of continued eligibility.

(C) The participant will be reminded of the responsibility to report changes within ten (10) days.

(2)(A) During periodic contacts, the participant will be informed of how many months of eligibility he or she has remaining due to the time limit.

(B) The number of months a transitional employment assistance (TEA) family has received benefits can be determined via the TEPC (TEA Payment Count in the WISE system) screen.

(C) The Program Eligibility Specialist should view this screen during periodic interviews with the participant.

(3) The local office will review monthly reports identifying cases that have received TEA for three (3), six (6), or ten (10) months.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-108. Staffings.

(a)(1) Each transitional employment assistance (TEA) time-limited cash assistance case will be reviewed at designated times to monitor the participant's progress toward

achieving self-sufficiency and to assess the appropriateness of closing or of allowing an extension as the participant nears the expiration of the twelve-month time limit.

(2) Prior to closing the case due to time limit, a case review of the participant's situation will be made by a review team at the local level that will make the decision as to whether an extension should be allowed or the case closed.

(b) Local office review team composition.

(1) The local office review team will be composed of, at a minimum:

(A) The Program Eligibility Specialist;

(B) The supervisor;

(C) The local office manager; and

(D)(i) A staff member from the county Division of Children and Family Services staff.

(ii) The Division of Children and Family Services staff member's focus should be to ascertain the likelihood of the children having to enter foster care or other protective care if the cash assistance case were to be closed.

(2)(A) In addition, any other staff person who has been actively working with the family should be included.

(B) Such staff would include WIOA staff, rehabilitation counselor, substance abuse treatment provider, domestic violence advocate or counselor, etc.

(3) The local office review team may be involved in any of the following case reviews but must be involved in the reviews at six (6) and ten (10) months.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "WIOA" means the Workforce Innovation and Opportunity Act, codified generally at 29 U.S.C. § 3101 et seq.

20 CAR § 503-109. Time limit extensions.

(a) Transitional employment assistance (TEA) time limits may be extended because a TEA participant was or is:

- (1) A parent caring for a child:
 - (A) Under three (3) months of age; or
 - (B) Between three (3) and twelve (12) months of age if child care for such child is not available;
 - (2) An individual with disabilities (parent or caregiver);
 - (3) A woman in the third trimester of pregnancy;
 - (4) A parent or caregiver who is caring for individuals with disabilities (child relative or adult relative) living in the home;
 - (5) An individual for whom support services necessary to engage in a work activity are not available;
 - (6) An individual who is unable to participate in work activities due directly to the effects of domestic violence;
 - (7) An individual unable to participate in a work activity due to circumstances beyond his or her control; or
 - (8) A parent or caregiver over sixty (60) years of age.
- (b) Also, the following individuals may receive an extension of the time limit:
- (1) An individual who cooperated and participated in the required activities but was unable to obtain employment because of circumstances beyond his or her control;
 - (2) An individual for whom it has been determined appropriate to extend the time limit, particularly, but not limited to, cases in which it is necessary to protect the child from risk of neglect; and
 - (3)(A) Individuals participating in education and training activities who:
 - (i) Have reached the end of their twelve-month cumulative limit on financial assistance;
 - (ii) Have complied with all TEA requirements; and
 - (iii) Are within six (6) months of completing their current education or training program.
 - (B) However, the local office can make an exception and provide an extension to the six (6) months on a case-by-case basis.

(c)(1) The Program Eligibility Specialist may recommend an extension of the time limit based on the above criteria when a family is nearing the end of the time limit.

(2) The decision as to whether an extension to the time limit should be granted is made at the local office level.

(3) There is no limit on the length or the number of extensions a participant can receive.

(4) An extension will be granted as soon as it is established but no later than thirty (30) days from the date it was claimed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-110. Case review at three months.

(a) For those families in which the time limit count is at three (3) months, the Program Eligibility Specialist will review the case file to determine the work status of the participant.

(b)(1) The Program Eligibility Specialist will complete form TEA-197, Case Management Staffing Documentation, and indicate whether or not the participant is making satisfactory progress toward the employment goal.

(2) If so, no further action is required at that time.

(3) If satisfactory progress is not evident, then the Program Eligibility Specialist will contact the participant to conduct an employment plan update.

(c)(1) This review does not have to be a separate review from other regularly scheduled reviews or contacts the Program Eligibility Specialist may be conducting.

(2) The case record should be documented at these intervals to show that a time-limit review has occurred.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-111. Six-month review.

(a)(1) For participants whose time limit count is at six (6) months, the Program Eligibility Specialist will initiate a full review team case review and complete form TEA-197, Case Management Staffing Documentation.

(2) The Program Eligibility Specialist will first contact the participant and determine his or her current status, e.g., progressing satisfactorily or not, current health status, etc.

(3) The case review team then meets and reviews the participant's situation.

(4) On a case-by-case basis, the team may request the participation of the participant in this process.

(b) The purpose of this local office review is to:

(1) Familiarize the review team with the participant's circumstances;

(2) Assess the progress already made toward the employment goal and how much further progress is needed;

(3) Assess barriers to employment which still exist and to determine what enhanced services could be provided to resolve those barriers; and

(4) Make a recommendation as to whether the participant should be given a six-month extension or be exempted from the time limit.

(c) Following the review, the Program Eligibility Specialist will contact the participant if necessary to:

(1) Update the employment plan;

(2) Advise of other activities or services needed; and

(3) Advise of an extension of, or exemption from, the time limit, if approved.

(d) The Program Eligibility Specialist will also have, at a minimum, monthly personal contact with the participant for the next four (4) months to monitor progress, resolve problems, etc.

(e)(1) This review does not have to be separate and apart from other similar case staffings.

(2) If a regularly scheduled staffing occurs at the six-month interval, it may serve as this review.

(3) The case record should be documented accordingly.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-112. Ten-month review.

(a) If an extension or exemption was not allowed at the six-month review, the local office case review team will meet again to review the participant's current situation.

(b) The Program Eligibility Specialist will:

- (1) Complete form TEA-197, Case Management Staffing Documentation;
- (2) Indicate whether or not any progress has been made; and
- (3) Determine if an extension to the time limit should now be allowed.

(c) All factors will be taken into consideration at this time, and each member will make a recommendation as to case closure or extension at the end of twelve (12) months.

(d)(1) This review does not have to be separate and apart from other similar case staffings.

(2) If a regularly scheduled staffing occurs at the ten-month interval, it may serve as this review.

(3) The case record should be documented accordingly.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-113. Extension expires.

(a) Near the end of the extension period, the same case review team process will occur before the case is closed.

(b) More frequent reviews may be made during the extension period at local office option.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-114. General staffing information.

(a)(1) As with cases that are reaching the state twelve-month time limit, an extensive staffing focusing on progress and activities that will best achieve employment by the time the participant reaches the time limit will be conducted on cases nearing the sixty-month time limit.

(2) Other individuals or agencies that have been involved with the participant will be invited to the staffings.

(3) If these participants are unable to attend the case staffing, the Program Eligibility Specialist will obtain information regarding their involvement and the participant's activities and progress by phone, email, etc.

(4) During the staffing, all information to be used to determine if a hardship extension is appropriate will be collected.

(b)(1) Cases in deferred status and not counted in the state count should be staffed at six-month intervals based on the federal count, as they are subject to the federal time limit.

(2) Therefore, these cases should be staffed every six (6) months in the same manner as the cases that are subject to the state count.

(c) Case staffings at 42, 48, and 54 months.

(1)(A) The report provided to the local office each month listing cases and the number of months a participant has received transitional employment assistance (TEA) will be used to identify the cases that have reached forty-two (42), forty-eight (48), fifty-four (54), and fifty-eight (58) months on the federal count.

(B) The local office will use the information on the report to schedule case staffings.

(C) Prior to scheduling a staffing, the Program Eligibility Specialist should ensure that the count on the report and on the TEA payment count (TEPC) screen is the correct count according to the information that is contained in the case record.

(D) If the count is not correct, the local office contacts the Temporary Assistance for Needy Families Policy Unit to request a TEPC count correction.

(2)(A) Cases that reach the forty-second month due to being in deferred status will have subsequent staffings at forty-eight (48), fifty-four (54), and fifty-eight (58) months unless the circumstances change.

(B) If the circumstances are expected to change earlier, the staffing schedule can be adjusted accordingly.

(C) These case staffings will be completed in the same manner as the three-month, six-month, and ten-month staffings until the case reaches the fifty-eighth month.

(D) The decision to extend beyond the sixty-month time limit will be made following the fifty-eight-month case staffing.

(E) For the forty-two-month, forty-eight-month, and fifty-four-month case staffings, the Program Eligibility Specialist will complete form TEA-196, Pre-Staffing Summary Report, prior to the staffing and form TEA-197, Case Management Staffing Documentation.

(F) Even though no extension decision will be made during these staffings, form TEA-198, Time Limit Case Review Checklist, will be completed for documentation.

(3)(A) Cases that reach the forty-second month due to being extended beyond the twelve-month time limit will also have subsequent staffings at forty-eight (48), fifty-four (54), and fifty-eight (58) months.

(B) The Program Eligibility Specialist will complete form TEA-196, Pre-Staffing Summary Report, prior to the staffing.

(C) The Program Eligibility Specialist will complete form TEA-197, Case Management Staffing Documentation and TEA-198, Time Limit Case Review Checklist, during the staffing.

(D) The information obtained during the staffing and documented on these forms will be used when determining whether or not to grant another extension.

(4) Decisions to grant extensions to the cases following the forty-two-month, forty-eight-month, and fifty-four-month staffings will be based on extension reasons listed in 20 CAR § 503-109.

(d) Case staffing at 58 months.

(1) A case staffing will be completed during the fifty-eighth month of cash assistance to determine if a hardship extension to the sixty-month time limit will be given.

(2) The Program Eligibility Specialist will complete forms TEA-196, Pre-Staffing Summary Report, TEA-197, Case Management Staffing Documentation, and TEA-175, 58th Month Time Limit Case Review, during the staffing.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-115. Making the hardship extension decision.

(a) Following the fifty-eight-month case staffing, the initial decision of whether or not to grant a hardship extension to the sixty-month time limit and the length of the extension will be made by a local area panel consisting of the:

- (1) Area operations chief;
- (2) Local office manager;
- (3) Supervisor; and
- (4) Program Eligibility Specialist.

(b) The decision to extend or close the case will be made in accordance with the hardship extension reasons in 20 CAR § 503-116.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-116. Local area panel decision to extend beyond the sixty-month time limit.

(a)(1) If the local area panel's decision is to extend the sixty-month time limit, the decision will be sent for review and approval to the state-level review panel.

(2)(A) The local office manager or designee will send the local area panel's request for approval of the extension and the recommended length of the extension

period via form TEA-176, Request for Approval of 60 Month Time Limit Extension, to the Temporary Assistance for Needy Families Policy Unit.

(B) A copy of form TEA-175, 58th Month Time Limit Case Review, must be sent with the TEA-176, Request for Approval of 60 Month Time Limit Extension.

(3) The request for the state-level approval must be sent within five (5) working days of the local panel's decision.

(b) State-level panel review and approval.

(1) The state-level review panel consists of the:

(A) Deputy Director;

(B) Assistant Director of Temporary Assistance to Needy Families;

(C) Temporary Assistance to Needy Families division chief; and

(D) Temporary Assistance for Needy Families Policy Unit manager.

(2) Upon receipt of the request, the panel will provide a decision via form TEA-176, Request for Approval of 60 Month Time Limit Extension, within five (5) working days from the date of receipt.

(3) Upon receipt of the state level panel's decision, the local office will notify the participant of the decision via form TEA-177, Notice of Time Limit Determination.

(c) Local area panel's decision to close the case.

(1) If the local area panel determines to not extend beyond the sixty-month time limit, the decision will not be sent for a state-level review.

(2) The local office will:

(A) Notify the participant of the decision via form TEA-177, Notice of Time Limit Determination; and

(B) Take the appropriate action.

(3) TEA-178, Final Notice of Time Limit Determination, will be sent when the case is closed.

(d) Extended time limit supportive services.

(1)(A) Supportive services will be provided to a participant whose case has been extended so that he or she can participate in the required activities.

(B) For example, a participant who is participating in an Arkansas Rehabilitation Services sheltered workshop may receive transportation assistance, if needed.

(2)(A) Extended support services (ESS) will be available to a participant who has earnings and whose case is closed due to reaching the sixty-month federal limit.

(B) This includes:

(i) ESS employment bonus, if one (1) has not been received in the past twelve (12) months;

(ii) ESS transportation assistance payment;

(iii) Case management services;

(iv) Job retention assistance; and

(v) ESS childcare assistance, if needed.

(3) Extended support services will be provided if a participant finds employment during the extension period and the case is closed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-117. Changes occurring during the extension period.

(a) Monthly contact, via phone contact, office visit, or home visit will be maintained with the participant during the extension period to determine if services are needed and are being provided.

(b) If the circumstances for which the extension was granted change, a determination will be made as to what action will be taken on the case.

(c) If the participant is now able to engage in a work activity as a result of the change, the local office may decide to leave the case open, provided the family is otherwise eligible, for a period of time that will be determined on a case-by-case basis to allow the family time to transition off transitional employment assistance (TEA) cash assistance.

(d) An employment plan will be developed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-118. Termination of cash assistance.

(a) A case will be closed:

(1)(A) When the participant has requested closure.

(B) Advance notice will be given if required.

(C) See 20 CAR § 503-302;

(2) Upon notice from another state agency that the participant is being certified for assistance in that state;

(3) When the Department of Human Services has factual information that a participant fails to meet any eligibility requirement;

(4) When a participant has failed to furnish requested information or comply with procedures necessary to establish eligibility after specific written notice (TEA-1 or system generated) has been sent;

(5)(A) When the family of any individual who pleads guilty or nolo contendere to, or is found guilty of, an intentional program violation (IPV).

(B) A ten-day notice will be sent to the participant stating that the case will be closed due to an (IVP).

(C) Also, that the case will remain closed until the resulting overpayment, e.g., the total amount of assistance received to which the family was not entitled, has been repaid to the state with interest.

(D) This requirement may be waived by the Director of the Division of County Operations or his or her designee.

(E) Refer to 20 CAR § 503-1101 et seq., for detailed policy and procedures concerning IPV disqualifications; or

(6)(A) If at any point it is determined that a family is no longer eligible for transitional employment assistance (TEA) benefits due to earnings.

(B) An advance notice of closure will be required.

(C) In addition, the family's eligibility for extended support services will be determined.

(D) Refer to 20 CAR § 503-213.

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

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-119. Monitoring successful employment outcomes.

(a)(1) Since the intended outcome of the Transitional Employment Assistance Program is that participants will enter and retain employment, it is important for that outcome to be monitored.

(2) Therefore, a thirty-day follow-up should be completed for all transitional employment assistance (TEA) participants who become employed and remain on cash assistance.

(b)(1) The purpose of the contact is to find out if the participant is still employed and to determine if any other services are needed.

(2) It can also serve as follow-up encouragement to the participant regarding the advantages of ongoing employment.

(3) The Program Eligibility Specialist will conduct the thirty-day follow-up.

(c) The contact may be by letter, phone call, or face-to-face and should be documented in the case record or other local office database or system.

(d) If a participant is within the six (6) months of their TEA case closure due to employment, the Program Eligibility Specialist should inform the participant about the Arkansas Work Pays Program.

(e) **Note.** Refer to 20 CAR § 503-120 for follow-up procedures on cases that close due to employment.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-120. Employment follow-ups.

(a)(1) One of the most important aspects of case management is the follow-up after a participant has entered employment.

(2) The follow-up with the participant or employer should occur soon after employment begins and then continue periodically throughout the extended case management period.

(b) At a minimum, the employment follow-up contacts will occur according to the following schedule:

(1) Initial follow-up within five (5) days of participant entering employment or agency learns of employment;

(2)(A) Thirty-day follow-up thirty (30) calendar days following the initial follow-up.

(B) The job retention employment follow-up database letter will be mailed to all employed transitional employment assistance (TEA) participants and former participants thirty (30) days after employment has begun or the case was closed due to employment.

(C) The post-employment supportive services information attachment must be mailed with the job retention employment follow-up database letter; and

(3) Ongoing follow-ups every ninety (90) days during the remaining extended case management period.

(c) The following information will be discussed during the follow-ups as appropriate:

(1) **Employment information — Participant.** Verify employment information, e.g., name of employer, employer address, job title, start date, hourly wage, hours worked per week, length of employment, etc.;

(2) **Employer.**

(A) Advise employer of eligibility for tax credit, if appropriate.

(B) If the employment was developed by TEA, then during the placement remind the employer to contact the Program Eligibility Specialist if problems begin to surface;

(3) **Extended support services (ESS).**

(A) Ensure participant has information on available ESS services, e.g., child care, transportation, employment bonus, etc.

(B) Follow up with service providers to determine if any problems have arisen;

(4) **Counseling/coaching.** Provide encouragement to the participant, discuss any problems he or she may be having on the job, remind him or her not to quit their job without contacting TEA program staff first, etc.; and

(5) **Other.** Follow up with the employer or providers to determine if any problems have arisen.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-121. Engaging the participant in work activities.

(a)(1) Based on information gathered during the assessment and employment planning, the participant is immediately engaged in work or one (1) or more work-related activities designed to move him or her into full-time employment in the shortest possible time.

(2) When a transitional employment assistance (TEA) participant is referred to another agency for services or is already engaged in activities with another agency, the Program Eligibility Specialist should document that the participant is in a TEA work activity that appropriately reflects the services being provided by the other agency.

(b) Work activity requirements — Minimum hours.

(1) The goal of the Transitional Employment Assistance Program is to assist families in becoming self-sufficient by increasing their job skills.

(2)(A) A "work-eligible individual" is an adult or minor head of household parent who is receiving TEA cash assistance.

(B) All work-eligible members are required to work or participate in work activities that are designed to lead to full-time employment.

(C) In addition, all minor parents are required to participate in educational activities as their work participation requirement.

(3) **Note.** A nonparent adult caretaker who has chosen not to be included as an eligible member is not required to participate in work activities.

(c) **Single-parent cases.**

(1) The participant will engage in work or work-related activities for the number of hours, up to forty (40) hours per week, that are determined to be appropriate based on the work activity and the participant's individual circumstances.

(2)(A) However, a single parent must be engaged in work activities a minimum of thirty (30) hours per week.

(B) At least twenty (20) of these hours must be in one (1) or more core activities.

(3) For a single parent with a child under the age of six (6), the participant must be engaged for at least twenty (20) hours, all of which will be in a core activity.

(d) **Two-parent cases.**

(1) In two-parent families:

(A)(i)(a) Both parents must be engaged for a minimum of thirty-five (35) hours per week if no federally funded child care is provided.

(b) At least thirty (30) of the thirty-five (35) hours must be in one (1) or more core activities.

(ii)(a) If federally funded child care is provided, the two-parent family must be engaged for a total of fifty-five (55) hours.

(b) At least fifty (50) of the fifty-five (55) hours must be in one (1) or more core activities;

(B)(i) If one (1) parent is deferred, then the other parent must be engaged for a minimum of thirty-five (35) hours.

(ii) At least thirty (30) of the thirty-five (35) hours must be in one (1) or more core activities; and

(C)(i) If one (1) parent is an individual with disabilities, then the minimum is thirty (30) hours per week for the parent who is not the individual with disabilities.

(ii) These hours should be in core activities only.

(2) Refer to 20 CAR § 503-123 for a list of core and noncore activities.

Example 1:

Fifty-five-hour rule, neither parent deferred: One (1) parent could be involved in forty (40) hours of work activities, while the second parent would only be required to participate fifteen (15) hours per week.

Example 2:

Thirty-five-hour rule, neither parent is an individual with disabilities but one (1) can be deferred: Both parents are job ready, but child care is needed. While the first parent is engaged in twenty (20) hours of employment, the second parent is at home providing child care. When the first parent isn't engaged in employment, he or she can take care of the children. The second parent may then share in the participation requirement by doing the remaining fifteen (15) hours of required work activities while the first parent is providing child care.

(e) Note.

(1) A job-ready person is defined as one who has no physical, mental, or skill barriers that prevent employment.

(2) In addition, the individual has the educational background and experience to gain and maintain employment.

(f) The minimum number of required hours may be in a single work activity or a combination of allowable activities.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-122. Work participation exemptions/deferrals.

(a) If a participant claims an inability to engage in work activities, the Program Eligibility Specialist will discuss the reasons why the participant believes he or she is unable to participate.

(b) If a participant is exempt or deferred from work participation requirements:

(1) The exemption or deferral will be granted as soon as it is established but no later than thirty (30) days from the date it is claimed;

(2) The time limit will not count in the months he or she is exempt/deferred;

(3)(A) The appropriate exempt/deferral reason will be applied.

(B) See the Resource Section for a list of codes; and

(4) The Program Eligibility Specialist will advise the participant that the deferred/exempt months do not count towards the twelve-month time limit.

(c) Work participation exemptions.

(1) The only persons who may be considered exempt, and therefore are not required to participate in work activities while exempt, are parents who are caring for a child:

(A) Under three (3) months of age; or

(B) Between three (3) and twelve (12) months of age if child care for such child is not available, as determined by the local office.

(2) A parent may be exempted for the above reason for a maximum lifetime limit of twelve (12) months.

(d) Work participation deferrals.

(1)(A) A participant will be temporarily deferred from participation any time he or she meets the criteria for one (1) of the deferral situations listed below:

(i)(a) An individual with disabilities (parent or caregiver) is any participant who alleges he or she is unable to engage in employment activities due to a short-term disability.

(b) A participant who alleges a long-term disability with an expected duration of six (6) months or longer is required to apply for Social Security or Supplemental Security Income disability benefits.

(c) See subsection (f) of this section for detailed information on medical disability verification;

(ii) A woman in the third trimester of pregnancy;

(iii)(a) A parent or caregiver who is caring for individuals with disabilities (child or adult relative) who are living in the home.

(b) **Note.** If the family member will require care for an extended period of time, the Program Eligibility Specialist should explore other resources or available services, e.g., a home health aide, that would enable participation;

(iv)(a) Supportive services necessary to engage in an activity are not available, e.g., child care, transportation.

(b) The local office will make the determination as to whether a particular supportive service is necessary for participation;

(v) The person is unable to participate in work activities due directly to the effects of domestic violence;

(vi)(a) The person is unable to participate due to circumstances beyond his or her control.

(b) This decision will be made at the local office level.

(c) Circumstances include, but are not limited to, natural disasters;

(vii) In two-parent families, one (1) parent may be deferred from participation to care for the minor child or children, when appropriate; and

(viii) A parent or caregiver over sixty (60) years of age.

(B) While in deferred status, the participant may elect to participate in a work activity or another appropriate activity if he or she voluntarily chooses to do so.

(C) Supportive services will be provided for the deferred individual who chooses to participate in a work activity.

(2) **Note.**

(A) Any month a participant is deferred or exempt from work participation activities will not count toward the state's twelve-month time limit.

(B) Also, there is no limit on the length or the number of deferrals a participant can receive, provided requirements are met.

(C) Therefore, an exempt/deferred individual automatically receives a month-for-month extension to the twelve-month time limit for each deferred/exempt month.

(3) A review of the deferral will be made at least once a month by phone or mail.

(e) Verifying deferral reasons.

(1) If a participant meets one (1) of the deferral reasons, verify the reason for deferral and document the case record accordingly.

(2) A participant who alleges that he or she is needed in the home to care for individuals with disabilities (child or adult relative) will be required to provide medical verification of the relative's disability and the need for the individual to care for the relative.

(3) For medical deferrals (illness or incapacity to last no more than six (6) months):

(A) A doctor's statement or other medical documentation should be obtained;

(B) The statement should clearly state or otherwise indicate that the person is unable to engage in work activities because of the medical condition; and

(C) Whenever possible, give an estimated length of incapacity.

(4) Note.

(A) A participant who is deferred and provides additional medical statements advising that the illness or incapacity will last longer than the initial six (6) months will be referred to the medical review team.

(B) See subsection (f) of this section.

(f) Medical review team (MRT) referral process.

(1) The Program Eligibility Specialist will follow the process outlined in this section if the participant alleges a long-term disability as a barrier to participating in a work activity.

(2)(A) A participant who has been seeing a medical provider for an alleged disabling condition will not be required to have the DCO-107, Confidential Report of Medical Examination of Patient, completed by the provider.

(B) Instead, the Program Eligibility Specialist will obtain a completed and signed DHS-1400, Provider Agreement.

(C) The completed DCO-108, Social Report, and the signed DHS-1400 will be sent to the medical review team (MRT).

(D) The medical provider's name and address and the date of service must be included with the referral to the MRT.

(E) The MRT will request the medical information directly from the provider.

(3)(A) A participant who is Medicaid eligible and who has not seen a medical provider for the disabling condition within the past twelve (12) months will be required to see a medical provider and provide the information regarding the name and address of the provider and the date the participant was last seen by the medical provider.

(B) Upon receipt of this information, the Program Eligibility Specialist will send the completed DCO-108 and the signed DHS-1000 to the MRT.

(4)(A) A participant who is not Medicaid eligible and who has not seen a medical provider within the past twelve (12) months will be referred to the MRT.

(B) A completed DCO-108 and a signed DHS-4000 will be sent to the MRT.

(C) The local office will advise the MRT that the participant is not Medicaid eligible and has not seen a medical provider.

(D) The MRT will refer the participant to a medical provider.

(5)(A) If there is an appeal pending, a doctor's statement must be in the case and the participant should be deferred until the case has reached the final appeal and been denied or decided not to appeal anymore and thus becomes mandatory.

(B) If the appeal has not been filed, the Program Eligibility Specialist will notify the MRT that the Social Security Administration has denied the participant's claim.

(g) Holidays.

(1)(A) Participants engaged in work activities will be allowed ten (10) holidays and up to an additional eighty (80) hours of excused absences in a twelve-month period, with no more than sixteen (16) hours of excused absences in any month.

(B) Once the participant has exhausted the allowed excused absences, good cause can be documented if deemed appropriate, but the hours cannot count as actual participation hours.

(2) The approved holidays are as follows:

- (A) New Year's Day;
- (B) Dr. Martin Luther King Jr.'s Birthday;
- (C) Washington's Birthday;
- (D) Memorial Day;
- (E) Independence Day;
- (F) Labor Day;
- (G) Veterans Day;
- (H) Thanksgiving Day;
- (I) Christmas Eve; and
- (J) Christmas Day.

(h) Excused absences.

(1) Missed hours of work may be counted as actual hours of work participation under the excused absence policy if all of the following criteria are met:

(A) The participant was actually scheduled to work for the period of the absence;

(B) No more than sixteen (16) of these hours will count as actual hours in any month; and

(C) No more than eighty (80) of these hours will count as actual hours in a year (twelve-month period).

Example: Mr. Waters was scheduled to work Monday through Friday but does not report to work Wednesday, Thursday, or Friday due to illness. Mr. Waters' employer will

not be paying him for the missed days. The Program Eligibility Specialist verifies that Mr. Waters has not received prior excused absence credit in that month. The Program Eligibility Specialist can credit Mr. Waters with two (2) days of excused absences (sixteen (16) hours of actual participation). The third missed day cannot count as actual hours of participation. In the case narrative, the Program Eligibility Specialist should clearly document which days and how many hours of excused absences or holiday time are being counted as actual hours of participation.

(2) **Note.** Paid leave time is an acceptable substitute for actual working hours.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-123. Allowable work activities.

(a) Based on information gathered during the assessment and employment planning, the participant is immediately engaged in:

(1) Work; or

(2) One (1) or more work-related activities designed to move him or her into full-time employment in the shortest possible time.

(b)(1) Each work activity in this section will:

(A) Have daily supervision; and

(B) Require verification at least biweekly.

(2) Daily supervision means that a responsible party, e.g., site supervisor, has daily responsibility for oversight of the participant's participation and not necessarily daily, in-person contact with the participant.

(3) Within each work activity, types of allowed verification are discussed.

(c) The participant will be engaged in one (1) or more of the following activities:

(1) Unsubsidized employment (core);

- (2) Subsidized private sector employment (core);
- (3) Subsidized public sector employment (core);
- (4) On-the-job training (core);
- (5) Job search and job readiness (core);
- (6) Work experience (core);
- (7) Community service (core);
- (8) Career and technical education (core);
- (9) Providing childcare services to a community services participant (core);
- (10) Education directly related to employment (noncore);
- (11) Job skills training (noncore); or
- (12) Attendance at secondary school (noncore).

(d)(1) Core work activities that are listed above will count for the first twenty (20) hours of the thirty-hour requirement.

(2) The noncore activities can count for the remainder of the hours once the core requirement is met.

Example: If a participant is assigned twenty (20) hours of career and technical education (core), then ten (10) hours can be assigned to job skills (noncore).

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-124. Unsubsidized employment.

(a) Unsubsidized employment is a core activity defined as full-time or part-time employment in the public or private sector that is not directly supplemented by Temporary Assistance for Needy Families or any other public program.

(b)(1) Verification of earnings must be documented in ANSWER and the case record.

(2) Acceptable documentation may include:

(A) Check stubs;

- (B) Timesheets;
- (C) Form TEA-97, Verification of Earnings; or
- (D) Statements signed by the employer.

(c) College work study.

(1)(A) Participants attending college who are involved in work study may have hours counted toward their TEA participation requirement as employment.

(B) For reporting purposes, work study will be shown as unsubsidized employment.

(2) The work study hours may be used alone if sufficient to meet minimum participation or in conjunction with other employment or activity hours.

(3)(A) Verification of participation should be documented biweekly or based on pay schedule.

(B) Types of verification include:

- (i) Paystubs;
- (ii) Payroll reports; or
- (iii) Use of TEA-97, Verification of Earnings.

(4) The hourly wages cannot exceed the work study award.

(d) Self-employment.

(1) Self-employment is defined as income generated from working for oneself rather than for others.

(2) The number of hours of self-employment counted towards participation is determined by calculating the participant's gross income, minus business expenses, divided by the federal minimum wage.

(3)(A) Participants must provide documentation of verified gross income, minus business expenses.

(B) This includes:

- (i) Copies of money orders or checks; and
- (ii) Other forms of proof of income or expenditures.

(C) Participants must provide biweekly verification.

Example: Ms. Jones, a single parent, states she is taking care of the neighbor's child while they are working. Ms. Jones claims she makes one hundred dollars (\$100) per week and has no expenses. The minimum wage during her time of employment is six dollars and fifty-five cents (\$6.55) per hour. To verify Ms. Jones' hourly participation, divide one hundred dollars (\$100) by six dollars and fifty-five cents (\$6.55). The total hours of participation would be fifteen (15). Therefore, Ms. Jones would need an additional work activity for the remaining fifteen (15) hours.

- (D) Types of biweekly verification needed to show participation include:
- (i) Invoices;
 - (ii) Paystubs; and
 - (iii) Form TEA-97, Verification of Earnings.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-125. Subsidized employment — Private and public.

(a)(1) The subsidized employment work activity is a core activity defined as employment for which the employer receives a subsidy from Temporary Assistance for Needy Families or other public funds to offset some or all of the wage and costs of employing a participant.

(2) It is also designed to provide trained participants with actual work experience.

(3) The person may be hired by a private or public sector employer.

(4) Employers are asked to hire participants in positions that would normally call for an employee with experience.

(b)(1) Subsidized employment is limited to a maximum of six (6) months during a twelve-month period.

(2) However, the local office manager may approve extensions of up to ninety (90) days with appropriate justification and documentation.

(3) The level of participation in this activity must be at least the minimum number of hours per week as required in 20 CAR § 503-121(b) with a maximum not to exceed forty (40) hours per week.

(c)(1) In situations in which a person with job skills has been unsuccessful in obtaining unsubsidized employment and the family is nearing the end of its time limit on cash assistance, subsidized employment may be appropriate.

(2) However, a participant may be engaged in subsidized employment at any time.

(3) While working in a subsidized job, a portion of the person's wages (up to half) may be paid by the TEA program.

(d) A transitional employment assistance (TEA) participant in subsidized employment shall be eligible for the same benefits as a nonsubsidized employee who performs similar work.

(e)(1) Prior to engaging a participant in a subsidized employment placement with a particular employer, the local office will develop a written contract with the employer.

(2) In accordance with Acts 2007, No. 514, this contract may include, but is not limited to, provisions addressing any of the following:

(A) Payment schedules for any subsidy or incentive, such as deferred payments, based on retention of the participant in employment (see examples below);

(B) Durational requirements for employer to retain the participant in employment;

(C) Training to be provided to the participant by the employer;

(D) Contributions, if any, made to the participant's individual development account; and

(E)(i) Weighting of incentive payments proportionally to the extent to which the participant has limitations associated with the long-term receipt of TEA assistance and difficulty in sustaining employment.

(ii) In establishing incentive payments, the Department of Human Services shall consider the extent of the participant's:

- (a) Prior receipt of assistance;
- (b) Lack of employment experience;
- (c) Lack of education;
- (d) Lack of job skills; and
- (e) Other factors.

Example 1:

Incentive payment: Employer will receive fifty dollars (\$50.00) for each participant who stays on the job at least six (6) months.

Example 2:

Deferred payments: Half of wages paid to participant by employer will be reimbursed by the agency after participant has been on the job for sixty (60) days.

(f)(1) For information on developing contracts on subsidized employment, the Program Eligibility Specialist should contact the Temporary Assistance for Needy Families Policy Unit of the Department of Human Services.

(2) Local offices can use TEA-1438, Subsidized Employer Contract.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-126. On-the-job training.

(a)(1) On-the-job training (OJT) is a core activity defined as training in the public or private sector given to a paid employee engaged in productive work and that provides knowledge and skills essential to the full and adequate performance of the job.

(2) The OJT work activity is designed to provide participants with training that will be essential to permanent employment.

(3)(A) Under OJT, the participant is hired by a private or public employer.

(B) While engaged in productive work, the participant receives training that provides knowledge or skills essential to the performance of that job.

(b)(1) Participants in this work activity will receive training and supervision in an occupation for which an employer would normally hire skilled workers.

(2) While participating in OJT, the person will be paid at the same rate as other employees performing the same or similar jobs.

(c)(1) The local office may develop its own OJT worksites or accept placements at worksites developed by other agencies.

(2) Participant must comply with all worksite requirements in order to be in compliance with TEA.

(3) Failure to be in compliance without good cause could result in imposition of the noncompliance sanction.

(d)(1) At worksites developed by the local office, up to half of the wages paid by the employer may be reimbursed by the Transitional Employment Assistance Program.

(2) Local offices should use TEA-1437, On-the-Job Training Agreement, when setting up worksites.

(3) The signed agreement must be in place before the participant can engage in the OJT work activity.

(4) The participant will be required to verify hours of participation.

(5) Refer to 20 CAR § 502-511.

(e)(1) Participation in the OJT work activity is limited to a maximum of six (6) months during a twelve-month period.

(2) The local office manager may approve a one-time extension of up to ninety (90) days for participation in OJT.

(3) The level of participation in this activity must be at least the minimum number of hours per week as specified with a maximum of forty (40) hours per week.

(f) Upon completion of the OJT assignment, it is anticipated that the participant will be hired as a regular employee.

(g) **On-the-job training worksite development.**

(1) The local office will have responsibility for marketing and developing OJT worksites for the Transitional Employment Assistance Program.

(2)(A) Local office staff will negotiate OJT/employment agreements with employers in their area, i.e., city, county, multi-county.

(B) Private and public employers may be used when developing OJT agreements.

(C) Form TEA-1437, On-the-Job Training Agreement, will be used to outline the proposal.

(3) In negotiating agreements, the local office will ensure that the employer understands that the purpose of the agreement is to:

(A) Provide an opportunity for transitional employment assistance (TEA) participants to obtain training and job supervision;

(B) Encourage their participation by providing a mechanism by which TEA participants become self-sufficient employees; and

(C) Provide employment to participants upon satisfactory completion of the on-the-job training.

(4) The local office representative and employer will complete and sign the Form TEA-1437, On-the-Job Training Agreement.

(h) Approval process/procedures for OJT/employment agreements.

(1)(A) Once the TEA-1437, On-the-Job Training Agreement, has been negotiated, it will be submitted to the local office manager for approval.

(B) The local office manager will review and make a decision within three (3) working days.

(2)(A) The local office will monitor the participation at the OJT employment site through contact with the training supervisor.

(B) This contact will be conducted at least once each month either by telephone or in person.

(i) Monitoring and employer billing/reimbursement for OJT.

(1)(A) The local office will monitor participation through contact with the employer.

(B) This contact may be by phone or on-site visits to the worksites.

(C) At a minimum, participation should be checked at least biweekly while the participant is engaged in this activity.

(2)(A) Participation will be documented biweekly using the TEA-1407, Participant Time Card/Progress Report.

(B) Both the employer and participant will sign the TEA-1407, Participant Time Card/Progress Report.

(C) The document will be submitted biweekly to the Program Eligibility Specialist.

(D) The time card/progress report will document the participant's actual hours, performance, progress, and intensity of the supervision and instruction provided.

(E) Employers are also requested to provide an overall evaluation of the participant's performance in this report.

(F) The signed document will be retained in the participant's case file.

(3) Employers will submit monthly billing to the local office by the fifth working day of the month following the month of service.

(4) The rate of reimbursement by TEA to employers will be limited to no more than fifty percent (50%) of the wages paid by the employer to the participant during the period of the OJT.

(5)(A) Billing for reimbursement will be submitted on the TEA-187, Billing and Routing Sheet.

(B) The participant's name, number of hours/day worked, rate of pay, and total owed will be included on the bill.

(C) The TEA-187 will be completed with an original and two (2) copies.

(D) Employers will submit the bill to the local office.

(E) The local office manager will review and approve, by signature and date, billings submitted by the employer.

(F) Review and approval will be completed within three (3) working days of receipt by the local office manager.

(G) Upon approval by the local office manager the reimbursement will be keyed to the WISE system.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-127. Job search and job readiness.

(a) Job search and job readiness assistance is a core activity defined as seeking or obtaining employment or the preparation for seeking or obtaining employment.

(b) Job search activities may include:

- (1) Making contact with potential employers;
- (2) Applying for vacancies; and
- (3) Interviewing for jobs.

(c) Job readiness activities may include:

- (1) Classes or workshops where participants can improve their employability skills;
- (2) Resume writing classes;
- (3) Workplace etiquette classes;
- (4) Interviewing classes; and
- (5) Life skills classes.

(d)(1) Arkansas uses the family violence option for victims of domestic violence in order to modify program requirements and extend time limits to help victims of domestic violence.

(2) The Department of Human Services works with service providers, other agencies, advocate groups, etc., to ensure that participants who are victims of domestic violence receive the needed assistance.

(e)(1) Job readiness activities also include:

- (A) Substance abuse treatment;
- (B) Mental health treatment, including mental health treatment needed to address domestic violence; or
- (C) Rehabilitation activities.

(2) Such treatment or therapy must be determined to be necessary and documented by a qualified medical or mental health professional or treatment provider.

(f) Supervision of this activity is the responsibility of the Program Eligibility Specialist and is provided via weekly scheduled contact with the participant as well as daily access to the Program Eligibility Specialist to provide the participant the opportunity to seek guidance in job search and to report on progress.

(g)(1) The instructor or activity leader will provide daily supervision of job readiness activities through the provision of guidance and instruction.

(2) For mental health, substance abuse, and domestic violence treatment activities, the treatment provider will provide daily supervision and maintain regular contact with the Program Eligibility Specialist.

(h) Job search and job readiness time limits.

(1) Job search and job readiness assistance is limited to six (6) weeks in the preceding twelve-month period, of which no more than four (4) weeks may be consecutive.

(2) For the purposes of the six-week limit:

(A)(i) One (1) week equals twenty (20) hours for a work-eligible, single custodial parent with a child under the age of six (6).

(ii) Thus, six (6) weeks equals one hundred twenty (120) hours; and

(B)(i) One (1) week equals thirty (30) hours for all other work-eligible participants.

(ii) Thus, six (6) weeks equals one hundred eighty (180) hours.

(3) By defining six (6) weeks as one hundred twenty (120) hours for a single custodial parent of a child under age six (6) or one hundred eighty (180) hours for all other work-eligible individuals, participants can be engaged in this work activity for limited periods of time without using an entire week for purposes of the six-week limit.

(4) For the purposes of counting the four-week limit:

(A)(i) One (1) week equals seven (7) consecutive days.

(ii) In other words, any hours of participation in job search and job readiness assistance during the course of a seven-day period is considered a full week for the four-week limit; and

(B)(i) Once the participant has been engaged in this activity for four (4) consecutive weeks, additional hours of participation will not count towards the work participation rate for one (1) week (seven (7) consecutive days).

(ii) In other words, after completing four (4) consecutive weeks, the participant must take a week's break from the activity (seven (7) consecutive days) in order for additional hours of participation to count.

(5)(A) Program Eligibility Specialists will manually track weeks in which verified hours of participation are reported in the preceding twelve-month period.

(B) If a participant has any verified hours of participation during a seven-day period, a count of one (1) week will be documented for that participant.

(C) This will continue for each week in the preceding twelve-month period.

(6) Note.

(A) If the state meets federal requirements and the local office has the written prior approval of the Assistant Director for the Temporary Assistance for Needy Families Program, job search and job readiness assistance may be twelve (12) weeks in the preceding twelve-month period, of which no more than four (4) weeks may be consecutive.

(B) For the purposes of the twelve-week limit:

(i)(a) One (1) week equals twenty (20) hours for a work-eligible, single custodial parent with a child under the age of six (6).

(b) Thus, twelve (12) weeks equals two hundred forty (240) hours; and

(ii)(a) One (1) week equals thirty (30) hours for all other work-eligible participants.

(b) Thus, twelve (12) weeks equals three hundred sixty (360) hours.

(C)(i) By defining twelve (12) weeks as two hundred forty (240) hours for a single custodial parent of a child under age six (6) or three hundred sixty (360) hours for all other work-eligible individuals, participants can be engaged in this work activity for limited periods of time without using an entire week for purposes of the twelve-week limit.

(ii) In order for the participant to utilize the entire twelve-week period, it is mandatory that a week break is taken every four (4) weeks.

(i) Job search and job readiness documentation/verification.

(1)(A) For job search activities, participants are provided with and required to use a TEA-1446, Job Search Report, for the purpose of:

- (i) Documenting job seeking activities and employer contacts; and
- (ii) Verifying expenses.

(B) For job readiness activities, written verification in the form of attendance records will be:

- (i) Signed and submitted by the instructor or facilitator of the workshop or class; and
- (ii) Placed in the participant's case record.

(2)(A) Actual hours of job search, as a countable activity, must identify employment opportunities, applications, and participation in employment interviews.

(B) The participant must maintain daily documentation of all related contacts.

(C) Countable job search requires contact with potential employers:

- (i) In person;
- (ii) By internet; or
- (iii) By phone.

(D)(i) The participant is required to maintain a log of the daily contacts.

(ii) The log will:

(a) Be submitted to the Program Eligibility Specialist on at least a biweekly basis; and

(b) Provide:

- (1) The date of contact;
- (2) The position that was available and of interest;
- (3) The name of employer; and
- (4) Contact information.

(iii) The Program Eligibility Specialist will file the log in the participant's case record.

(3)(A) Actual hours of job readiness, as a countable activity, must be provided via written verification in the form of:

(i) Attendance records submitted by the instructor or facilitator of the workshop or class; or

(ii) In the cases of substance abuse/mental health treatment/domestic violence treatment, written confirmation of attendance provided by the treatment provider.

(B) This documentation is provided to the Program Eligibility Specialist on a biweekly basis and retained in the participant's file.

(4) **Note.** Travel time between interviews may count as part of a job search and job readiness assistance activity, but not the travel time to the first job search interview or the time spent returning home after the last one.

(5)(A) Program Eligibility Specialists will verify the validity of the job search employment contact information by conducting weekly random reviews/follow-up with employers.

(B) Based on these weekly reviews any necessary corrections, deletions, or additions to information contained or omitted in the state's monthly participation rate calculation will be amended accordingly within the established timeframes for Temporary Assistance for Needy Families reporting.

(6) The Program Eligibility Specialists' supervisor will complete additional quality reviews as part of the case review process.

(7) The verification review will include, but is not limited to:

- (A) Contact of the employers to verify the documented information;
- (B) Written proof that an application has been filed; and

(C) Notification of scheduled interviews.

(8) When submitted documentation is incomplete and/or written verification does not validate the activity, the hours will not be considered as countable toward the work participation rate.

(j) Job orders and referrals.

(1)(A) A job order is an agreement with an employer to interview/hire transitional employment assistance (TEA) participants.

(B) The job order may be for unsubsidized or subsidized employment or unsalaried community service and work experience.

(C) Form TEA-1416, Job Order, will be used to obtain information about the job opening or openings from the employer.

(D) The results of the referrals made will be tracked by using the job order form.

(2)(A) When a participant is referred to an employer for unsubsidized employment, the participant will be given a TEA-1431, Job Referral, and a postage-paid, self-addressed envelope.

(B) The participant will give these to the employer.

(C) The employer will:

(i) Complete his or her part of the form, providing the results of the interview; and

(ii) Mail the form back to the Transitional Employment Assistance Program.

(D) If the card is not returned, the local office should contact the employer for the information.

(k) Job bank.

(1) Each local office will maintain a job bank that can be used for referrals.

(2) To develop a job, the local office can interview participants and/or collect data from their case records or employment plans.

(3)(A) The job bank can consist of a card file or a computer database, e.g., Arkansas JobLink.

(B) It should be organized and divided by job titles.

(C) The names of interested or experienced participants and pertinent information about them should be contained under each job title.

(D) This will assist staff in matching the needs of employers and participants.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-128. Work experience.

(a)(1) Work experience is a core activity defined as supervised, unpaid work in the public or private sector in exchange for assistance.

(2) It provides a participant with the opportunity to gain the general skills, knowledge, and work habits necessary to obtain a job.

(3) The purpose of the work experience is to improve the employability of those participants who cannot secure unsubsidized full-time employment.

(4) The maximum allowable period is three (3) months.

(5)(A) Decisions to extend a work experience activity will be made at the local office level.

(B) Extensions must be documented in the case file.

(b) Single-parent households assigned to a work experience activity are required to participate at a minimum of thirty (30) hours per week, but no more than forty (40) hours per week.

(c)(1) Two-parent families assigned to a work experience are treated exactly the same as described for single parents, except for changes in the minimum number of hours.

(2) The minimum number of hours may be less than thirty (30) hours per week if the individual is engaged in another work activity that is counted toward his or her participation requirement, e.g., part-time employment or substance abuse, mental health, or rehabilitation services that include work experience activities as a part of treatment.

(d) Employment/job skills to be taught include, but are not limited to:

- (1) Learning how to follow instructions and take orders;
- (2) The importance of getting to work on time;
- (3) Learning how to dress for the job;
- (4) Learning how to work with others;
- (5) Learning to work dependably;
- (6) Improving work habits; and
- (7) Improving one's self-image, etc.

(e) Work experience may also include:

- (1) Vocational training in a specified area;
- (2) Unpaid work study;
- (3) Training-related practicums;
- (4) Unpaid internships; and
- (5) Work experience activities that are part of substance abuse, mental health,

or rehabilitation services.

(f)(1) Work experience may be developed by the local office, or the office may accept placements at sites developed by other agencies as long as they meet the TEA policy on site development and have TEA-1408, Work Activity Site Agreement, on file.

(2) Exceptions to this requirement include training-related practicums and internships.

(3) Work experience sites may be public or private nonprofit agencies.

(4) For information on work experience site development, refer to subsection (j) of this section.

(g)(1) Participants engaged in this work activity may include:

(A) Any person who has not been successful in obtaining employment;

and

(B) Those the Program Eligibility Specialist determines would benefit from work experience.

(2) The participant will be assigned to a work experience site that is expected to enhance his or her employability.

(h)(1) Each person placed at a work experience site must complete a TEA-1406, Work Site Participant Agreement.

(2) For other agency worksites, the Program Eligibility Specialist should contact that agency for a progress report on the participant.

(i)(1) The site supervisor must agree to provide supervision through general employment and job-specific instruction and supervision.

(2) Both the site supervisor and participant will sign the TEA-1407, Participant Time Card/Progress Report.

(3) The document will be submitted biweekly to the Program Eligibility Specialist.

(4) The time card/progress report will document the:

(A) Participant's actual hours, performance, and progress; and

(B) Intensity of the supervision and instruction provided.

(5) Site supervisors are also requested to provide an overall evaluation of the participant's performance in this report.

(6) The signed document will be retained in the participant's case file.

(j) Work experience site development.

(1)(A) The purpose of work experience sites is to provide participants with meaningful job skills in an actual work environment.

(B) This purpose should be stressed to potential site supervisors to ensure they are aware of the agency's expectations relative to supervision of the TEA participant.

(C) It is also expected that the site supervisor will derive no direct benefit as a result of the participant's participation in work experience.

(2) Work experience sites may be developed with:

(A) Public government entities (city, county, state, and federal agencies);

(B) Private not-for-profit agencies;

(C) Community and charitable organizations; or

(D) Private for-profit employers.

(3)(A) The TEA-1416, Job Order, will be used to take the job opening information.

(B) The TEA-1408, Work Activity Site Agreement, will be used in developing work sites.

(4) Prior to assignment of a participant to a work experience site, the site supervisor will be made aware of the following assurances that must be provided to regular employees:

(A) No currently employed worker or position will be displaced/partially displaced, or have normal work shift hours, wages, or employment benefits reduced as a result of activities by Transitional Employment Assistance Program participants;

(B) The placement of TEA participants will not impair existing contracts for services or collective bargaining agreements;

(C)(i) Supervisors will not fill any established, unfilled position or vacancy with a TEA participant when regular workers are laid off from the same or similar positions at the site.

(ii) Currently employed workers will not be terminated in order to fill vacancies with TEA participants; and

(D) The placement of TEA participants will not infringe upon the promotional opportunities of any currently employed individual at the worksite.

(5)(A) Local office staff will be responsible for discussing these assurances with the site supervisor prior to finalizing the site agreement.

(B) It will be the responsibility of the site supervisor to make employees aware of these assurances.

(6) The site supervisor must agree to provide to the participant the same benefits (breaks, lunches, days off, etc.) and the same working conditions provided to employees performing comparable tasks.

(7) The TEA-1406, Work Site Participant Agreement, must be signed by the participant before participating in work experience.

(k) Monitoring work experience site.

(1) The local office may monitor participation:

(A) Via the TEA-1407, Participant Time Card/Progress Report; and
(B) Through monitoring (on-site visit) worksites developed by the local office.

(2) The site supervisor will submit the TEA-1407 biweekly to report progress.

(3) For other agency sites, the Program Eligibility Specialist should contact that agency for a progress report on the participant.

(l) Injuries at the work experience worksite.

(1) If a participant is injured at a work experience worksite, the agency provides medical insurance coverage.

(2) If an injury occurs, the following steps should be taken to access medical benefits:

(A) The participant will notify the local office;

(B) The local office will:

(i) Notify the Temporary Assistance for Needy Families Policy Unit via email as soon as they become aware of the injury; and

(ii) Provide the name and address of the participant;

(C) The Temporary Assistance for Needy Families Policy Unit will send a claim form to the participant for completion;

(D) The participant will be requested to return the claim form to the insurance company for processing; and

(E) Upon receipt, the Temporary Assistance for Needy Families Policy Unit will submit the claim form to the insurance company for processing.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-129. Community service.

(a) Community service is a core activity defined as a structured program in which transitional employment assistance (TEA) participants perform work for the direct benefit of the community with public and nonprofit organizations.

(b)(1) Community service activities must be supervised on a daily basis.

(2) Daily supervision means that a responsible party, e.g., site supervisor, has daily responsibility for oversight of the participant's participation and not necessary daily, in-person contact with the participant.

(c)(1) All assignments must be preapproved by the Program Eligibility Specialist and can be self-initiated.

(2) Participants who have been court ordered to complete community service activities are allowed to use the court-ordered activity as their program-mandated activity.

(d)(1) In order to count hours of participation, community service programs must:

- (A) Be structured;
- (B) Provide a direct benefit to the community; and
- (C) Improve the employability of the participant.

(2) In addition, the participant's employment plan must match the employment goal.

(e) Examples of allowable community service programs include, but are not limited to:

- (1) Habitat for Humanity;
- (2) AmeriCorps;
- (3) Volunteer in Service to America Program; and
- (4) Head Start parent volunteer.

(f)(1) Community service programs do not include activities that primarily benefit a family or participant and serve no direct benefit to the community.

(2) Such activities include:

- (A) Substance abuse treatment;
- (B) Mental health activities;
- (C) Rehabilitation activities;
- (D) Domestic violence counseling; and
- (E) Caring for individuals with disabilities (family members).

(g)(1) Community service worksites must have a TEA-1408, Work Activity Site Agreement, prior to the placement of the participant.

(2) Verification of participation is via the TEA-1407, Participant Time Card/Progress Report, and will be provided biweekly.

(3) The form requires:

(A) The supervisor's signature; and

(B) An evaluation of participant's performance.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-130. Career and technical education (formerly known as vocational education).

(a)(1) It is the goal of the Transitional Employment Assistance Program that all participants receive services that best prepare them for long-term economic self-sufficiency.

(2) To that end, transitional employment assistance TEA participants will be encouraged and allowed to participate in education and training activities as a component of their individual employment plan.

(b) TEA participants who have been assessed to meet the minimum educational requirements for a particular course of career and technical education shall be allowed and encouraged to pursue the training as their work activity.

(c) Career and technical education must meet at least one (1) of the following requirements:

(1) Be on the statewide or appropriate area list of occupations in the Projected Employment Opportunities List published by the Labor Market Information Section of the Division of Workforce Services;

(2) Be on the list for another area within the state to which the TEA participant 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; or

(4) Be in an occupation in local demand but not shown on the Projected Employment Opportunities List if the local demand is documented or will be documented by the area workforce development board.

(d)(1) Career and technical education is a core activity that cannot exceed twelve (12) months with respect to any participant.

(2) It is defined as organized educational programs directly related to the preparation of participants for employment in current or emerging occupations requiring training.

(3) This also includes baccalaureate or advanced degrees.

(e) Career and technical education training must be provided by educational or training organizations such as:

(1) Vocational-technical schools;

(2) Community colleges;

(3) Postsecondary institutions;

(4) Proprietary schools;

(5) Nonprofit organizations; and

(6) Secondary schools that offer vocational education.

(f)(1) Distance learning is allowed when provided by an accredited program recognized by the Department of Education and/or Division of Higher Education.

(2) Distance learning programs should have the ability to provide reports of participant's progress and time spent by the participant accessing the online distance learning program.

(3) This documentation will be provided to the Program Eligibility Specialist no less than biweekly.

(4) If the program is unable to provide documentation, the activity will not count towards the work participation rate.

(g)(1) Unsupervised participation in educational and training activities, homework time, or study time may be reported as participation.

(2) Monitored study sessions may be included and reported as participation in educational and training activities only if the education or training provider is able to verify attendance and participation.

(h) Education and training included as a part of this activity include, but are not limited to:

- (1) Associate's degree programs;
- (2) Bachelor's degree programs;
- (3) Advanced degree programs (e.g., master's, PhD);
- (4) Instructional certificate programs;
- (5) Industry skill certifications;
- (6) ESL (English as a second language) that is necessary or a regular part of the work activity;

(7) Vocational rehab activities that are organized educational programs directly related to preparing individuals for employment in current or emerging occupations; and

(8)(A) Basic and remedial education that is necessary or a regular part of the work activity.

(B) The education provider must submit official documentation indicating that a participant requires this instruction to participate in the program.

(C) The education provider will determine the duration of these activities.

(i) Participation hours will be calculated based on the participant's course syllabus.

(j)(1) The total study time, supervised and unsupervised, counted for participation cannot exceed the hours required or advised by the education provider.

(2) Sufficient documentation must be provided to the Program Eligibility Specialist for this participation to be included in the work activity hours.

(3) One (1) hour of unsupervised study time will be counted for every credit hour the individual is enrolled and participating.

(k)(1) At least biweekly, participants must submit written verification to Program Eligibility Specialists that identifies the number of actual hours of attendance for each day in a week.

(2) The career and technical education provider, acting as supervisor, and the participant must sign the written verification.

(3) The signed form will be retained in the participant's case file.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-131. Providing childcare services for participant enrolled in community service.

(a)(1) This core activity is defined as structured activities in which a participant provides unpaid child care to enable another Temporary Assistance for Needy Families participant to participate in a community service program.

(2) The program must be designed to improve the employability of the participant who engages in this activity.

(b) This definition does not include:

(1) Providing child care to a Temporary Assistance for Needy Families participant who is engaged in any activity other than community service; or

(2) One (1) parent in a two-parent family providing child care for his or her own child while the other parent participates in community service.

(c)(1) Participants will report countable hours of participation via the TEA-1407, Participant Time Card/Progress Report.

(2) The report lists hours for every day of every week in each month.

(3) This report is submitted to the Program Eligibility Specialist.

(d)(1) The participant providing child care must provide this service in a structured, supervised setting.

(2) The on-site supervisor will provide written verification of actual hours of participation.

(3) This supervisor will sign the TEA-1407, Participant Time Card/Progress Reports.

(4) The participant will submit the form to the Program Eligibility Specialist no less than biweekly, and the form will be retained in the participant's case file.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-132. Education directly related to employment.

(a)(1) Education directly related to employment is a noncore activity defined as an educational program that is related to a specific:

- (A) Occupation;
- (B) Job; or
- (C) Job offer.

(2) This activity is for participants who are lacking a high school diploma or a certificate of high school equivalency.

(3) Supervised and unsupervised time is included in the definition.

(b) Education directly related to employment includes:

- (1) Courses designed to provide the knowledge and skills for specific occupations or work settings;
- (2) English for speakers of other languages;
- (3) Basic education;
- (4) Education leading to a GED or a high school equivalency diploma when it is a prerequisite for employment by an employer; and
- (5) Distance learning programs that meet the qualifications discussed below.

(c) Distance learning programs will be counted if the education provider can submit:

- (1) Weekly reports verifying the actual time the participant spent in the activity; and
- (2) Documentation that this training is required for a specific occupation.

(d)(1) Unsupervised participation in educational and training activities, homework time, or study time may be reported as participation.

(2) Monitored study sessions may be included and reported as participation only if the education or training provider is able to verify attendance and participation.

(e)(1) The total study time, supervised and unsupervised, counted for participation cannot exceed the hours required or advised by the education provider.

(2) Sufficient documentation must be provided to the Program Eligibility Specialist for this participation to be included in the work activity hours.

(3) One (1) hour of unsupervised study time will be counted for every credit hour the participant is enrolled and participating.

(f)(1) The education provider and participant will complete and sign TEA-1407, Participant Time Card/Progress Report, showing actual hours.

(2) The report will be submitted biweekly and include all of the supervised time spent in this activity.

(g) All documentation will be maintained in the participant's file.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "GED" means General Educational Development.

20 CAR § 503-133. Job skills training.

(a) Job skills training is a noncore activity defined as training or education required by an employer to provide a participant with the ability to obtain employment or to advance or adapt to the changing demands of the workplace.

(b) Job skills training includes:

(1) Customized training that meets the needs of a specific employer;

(2) General training that prepares a participant for employment;

(3) Literacy or language instruction, if it is focused on skills needed for employment or is a part of the job training; and

(4)(A) Vocational education training that continues after the twelve-month time limit, if it fits in the definition of this activity.

(B) This includes all actual hours spent in class and supervised and unsupervised time spent in other activities required for the approved training program.

(c)(1) Unsupervised participation in educational and training activities, homework time, or study time may be reported as participation in educational and training activities.

(2) Monitored study sessions may be reported as participation only if the education or training provider can verify attendance and participation.

(d)(1) The total study time counted for participation cannot exceed the hours required or advised by the education provider.

(2) Sufficient documentation must be provided to the Program Eligibility Specialist for this participation to be included in the work activity hours.

(3) One (1) hour of unsupervised study time will be counted for every credit hour the participant is enrolled and participating.

(e)(1) Participants must submit a TEA-1407, Participant Time Card/Progress Report, to the Program Eligibility Specialist at least biweekly.

(2) The report will log daily hours of participation.

(3) The training provider and the participant must sign the report before it is submitted to the Program Eligibility Specialist.

(4) The Program Eligibility Specialist will file the report in the case file.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-134. Attendance at secondary school.

(a)(1) Attendance at a secondary school is a noncore activity defined as high school attendance or participation in a GED preparation class.

(2) This activity may be assigned to participants who lack a high school diploma or a GED.

(b) As a condition of eligibility for Temporary Assistance for Needy Families cash assistance, a teen parent who does not have a high school diploma or a GED will participate in this activity.

(c)(1) Unsupervised participation in educational and training activities (vocational education, job skills related to employment, education related to employment, and

secondary school), homework time, or study time may be reported as participation in educational and training activities.

(2) Monitored study sessions may be reported as participation only if the education or training provider can verify attendance and participation.

(d)(1) The total study time counted for participation cannot exceed the hours required or advised by the education provider.

(2) Sufficient documentation must be provided to the Program Eligibility Specialist for this participation to be included in the work activity hours.

(3) One (1) hour of unsupervised study time will be counted for every credit hour the participant is enrolled and participating.

(e)(1) At least biweekly, participants are required to submit the TEA-1407, Participant Time Card/Progress Report, to the Program Eligibility Specialist.

(2) The report will identify the number of actual hours the participant attended school or GED class each day in a week.

(3) The school or GED preparation provider, acting as supervisor, and the participant must sign the time card/progress report.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "GED" means General Educational Development.

20 CAR § 503-135. Minor parent participation requirements.

(a)(1) For purposes of this section, "minor parent" means a parent under age eighteen (18).

(2) The minor parent participation requirement applies to both the non-head of household minor parent and the head of household minor parent.

(b)(1) The Program Eligibility Specialist will assist minor parents in preparing themselves for entrance into the labor market.

(2) Emphasis will be on the minor parent completing his or her basic education.

(c) Objectives:

(1) To enable more minor parents in the Transitional Employment Assistance Program to complete high school or its equivalent, thus providing them the minimum level of education needed to become productive citizens;

(2) To provide minor parents with skills and training necessary to allow them to support themselves and their families;

(3) To reduce the prevalence of welfare dependency and promote self-sufficiency among minor parents; and

(4) To reduce the number of pregnancies occurring among Arkansas's teenage population.

(d) **Minor parent deferrals.** A minor parent receiving transitional employment assistance (TEA) benefits is required to participate unless he or she is unable to because one (1) of the following temporary deferrals exists:

(1) The minor parent's child is under three (3) months of age;

(2) The minor parent is in the third trimester of pregnancy;

(3) The minor parent is ill or incapacitated which is verified by a physician; or

(4) Child care or other necessary support service arrangements cannot be made.

(e) **Assessment.**

(1)(A) The assessment process is the same for head of household minor parents as is for adults.

(B) Refer to 20 CAR §§ 502-303 – 502-308.

(2) The objective of the assessment is to identify any life conditions that prevent the minor parent from completing basic education (high school level) or achieving the goal of self-sufficiency through employment.

(3)(A) The parent, or other adult with whom the minor parent is living, is required to accompany the minor parent to the orientation/assessment session.

(B) This is to ensure that the adult relative has a clear understanding of what is expected of the minor parent and the importance of cooperation.

(C) **Note.** If the minor parent is not required to live with a parent or other adult, then this requirement will not apply.

(4)(A) The Program Eligibility Specialist should maintain close contact with the minor parent and assist with supportive services and any other needs that will direct him or her toward self-sufficiency.

(B) The Program Eligibility Specialist should also provide in-depth counseling and guidance to minor parents as needed.

(5)(A) In cases of abuse/neglect or homelessness of teen parents, a referral to the Division of Children and Family Services should be made.

(B) If the minor parent is under sixteen (16) years of age, a referral should be made if sexual abuse is suspected.

(6)(A) If it is determined during assessment that a minor parent is already in school, the process will still be completed.

(B) The Program Eligibility Specialist will discuss the existing childcare arrangements and any areas of concern.

(C) The level of education, school attended, method of transportation, and cost if any, and cost of child care will be obtained from the participant for documentation purposes.

(D) Information regarding services being received from other agencies will also be obtained and documented.

(E) An explanation of other services available will also be given and a referral or referrals made, if necessary.

(7) If it is determined during assessment that a minor parent is not in school, the Program Eligibility Specialist will discuss with the minor parent and adult relative the:

(A) Importance of enrolling in school;

(B) Time frame for which the minor must be enrolled; and

(C) Date verification of enrollment is due in the local office.

(8) Minor parents engaged in the education activity must:

(A) Maintain satisfactory attendance as determined by the school; and

(B) Comply with all activities required by the institution.

(9)(A) A schedule of follow-up contacts will be developed with dates of contact identified, reasons for contact, and method and place of contact mutually understood between the Program Eligibility Specialist and the minor parent.

(B) Each contact will be documented.

(C) The minor parent will:

(i) Be responsible for obtaining written progress reports from their institution of learning; and

(ii) Provide the reports to the local office at agreed upon intervals.

(f) Employment/education plan.

(1) The employment/education plan is developed jointly by the minor parent and the Program Eligibility Specialist from information obtained during the assessment.

(2)(A) The employment/education plan outlines a series of activities and services necessary for a minor parent to complete basic education and/or obtain full-time employment.

(B) If the Program Eligibility Specialist cannot print the electronic version of the employment/education plan, then the TEA-181, Employment Plan, must be filled out and a copy given to the participant.

(3) The plan identifies:

(A) The minor parent's education and employment goals;

(B) Problems that, if not addressed, may prevent the minor parent from remaining in school and/or becoming employed;

(C) Program services the minor parent will need in order to remain in school or accept employment; and

(D) Specific tasks to be performed by both the Program Eligibility Specialist and the minor parent.

(4) The plan will also include tentative completion dates for each activity listed in the employment/education plan.

(5) During the employment/education planning interview, the Program Eligibility Specialist and the minor parent will:

(A) Discuss any problems; and

(B) Identify specific actions required to eliminate the problems.

(6) The employment/education plan will be reassessed and updated as necessary.

(g) Family planning referral.

(1)(A) It will be explained to the minor parent and adult relative that family planning services, such as those offered by county health units, are a vital part of minor parent participation.

(B) It will also be explained why the referral should be made (to prevent subsequent pregnancies).

(C) If the referral is accepted, the Program Eligibility Specialist will:

(i) Call a local family planning provider;

(ii) Identify himself or herself; and

(iii) State the need to refer a minor parent for family planning services.

(D) If needed, the Program Eligibility Specialist may arrange transportation.

(2)(A) The dates, times, and addresses of the clinics will be given to the participant in writing.

(B) When more than one (1) day and time of clinic services is available, the minor parent will be urged to select a day and time most convenient to their participation.

(C) The referral information, date and time participant is scheduled to attend, will be shown in the narrative.

(3)(A) A TEA-3350, Referral for Services, will be completed for all referrals for family planning services.

(B) Other relevant information will be documented in the case narrative.

(h) Minor parent referrals to other agencies.

(1)(A) In the event a member of a minor parent's household is in need of a particular service, the Program Eligibility Specialist may give information about the availability of the service, identifying the agency and location.

(B) If the family member's need for the service creates a problem to the participant's education goal, a formal referral using TEA-3350 will be made.

(2)(A) For minor parent case heads in need of housing assistance, the Program Eligibility Specialist will contact the local housing authority on behalf of the participant stating the problem or problems and needs of the family.

(B) The information obtained will be explained to the participant and the importance of cooperating with the housing agency will be emphasized.

(C) Housing needs will be addressed only through referral services.

(3)(A) Minor participants under age sixteen (16) who become parents should be referred to the Division of Children and Family Services if sexual abuse is suspected and for direct services, i.e., day care, family planning, protective services, and services to unmarried parents.

(B) Follow-up will be made periodically with the division, on behalf of the participant, to monitor progress and continuity.

(4)(A) If the participant is in need of mental health services, the Program Eligibility Specialist will contact the appropriate agency for dates, times, and address of the agency.

(B) This information will be given to the participant and documented in the case record.

(i) **Minor parent activities.**

(1) Minor parents must be engaged in education or vocational education training in order to receive cash assistance.

(2) Teen parents sixteen (16) through seventeen (17) years of age can be engaged in:

(A) Education;

(B) Vocational education training; and

(C) Employed activities.

(3) Teen parents employed through a program at school will be assigned to the education activity.

(4) Teen parents who find employment on their own:

(A) Must still be engaged in education; and

(B) Will be assigned to dual activities (education/employed).

(5) The minor parent is not required to participate in any other work activities once the education track has been completed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-136. Minor parents supportive services.

(a) All supportive services provided under transitional employment assistance (TEA) are available to minor parents with the exception of any that require the participant to have income or sign a legally binding contract.

(b) Minor parent childcare case management.

(1)(A) Minor parents will be provided with information about child care and, if appropriate, referrals to suitable facilities will be made.

(B) The Program Eligibility Specialist should assist the minor parent, when needed, to ensure that child care is suitable.

(2) The following factors should be considered when selecting a childcare provider:

(A) The child's age and/or special needs;

(B) Location and hours the facility provides care;

(C) Transportation needs;

(D) Match between childcare provider and child; and

(E) Possibility of caring for all children in the family in one (1) location.

(3) A contingency plan for child care will be developed in case the primary services break down.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-137. Minor parent noncompliance.

(a)(1) Failure to comply occurs when a minor parent who is subject to the minor parent work activity requirement fails to satisfactorily participate without good cause in education or vocational education training.

(2) A minor parent who is subject to the minor parent work activity requirement is a minor parent who has at least one (1) child who is also included in the transitional employment assistance (TEA) cash assistance case.

(3) **Note.** Refer to 20 CAR § 503-224(c) for good cause procedures.

(b) Minor parent noncompliance sanction.

(1) If good cause is not established and the minor parent does not state a willingness to cooperate, the noncompliance sanction will be as follows:

(A) First three (3) months of noncompliance, TEA payment reduced by twenty-five percent (25%) of the amount for which the family is eligible; and

(B) Subsequent months of noncompliance, TEA payment will be reduced by fifty percent (50%) of the amount for which the family is otherwise eligible.

(2) **Note.** The case will not be closed due to the noncompliance of a minor parent.

(3)(A) The Program Eligibility Specialist will maintain contact with the minor parent during the months that he or she is under a work requirement noncompliance sanction.

(B) The purpose of the contacts will be to counsel and encourage the minor parent to come into compliance.

(C) The Program Eligibility Specialist will:

(i) Discuss any problems or issues that may be preventing participation in education or vocational education training activities; and

(ii) Attempt to find solutions.

(4) The case record will be clearly documented to reflect the contacts that are made or attempted.

(5) The sanction will be lifted and the TEA payment increased to the amount for which the family is eligible at any time following two (2) weeks of full compliance.

Authority. Arkansas Code § 20-76-401.

Subpart 2. Work Activity Supportive Services

20 CAR § 503-201. Work activity supportive services generally.

(a) Some participants, or other household members, will need additional assistance or services to help solve problems that may delay or adversely affect the participants' employment or employment-related activities.

(b) Some assistance may be available under:

(1) The Transitional Employment Assistance Program (child care, transportation, etc.); or

(2) Other programs administered by the Department of Human Services.

(c) The Program Eligibility Specialist may have to refer participants to other agencies or organizations to obtain additional services using TEA-3350, Referral for Services.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-202. Transportation.

(a) Availability of transportation is important for the participant's self-sufficiency.

(b)(1) The participant should be encouraged to make transportation arrangements for work activities.

(2) If arrangements cannot be made, the Program Eligibility Specialist will explore options with the participant.

(c) **Participant reimbursement.**

(1)(A) It is expected that the participant will make his or her own transportation arrangements.

(B) If the person does not have access to transportation, he or she will be encouraged to seek rides with family members or other persons at no cost.

(2)(A) Each transitional employment assistance (TEA) cash assistance participant may receive payments or reimbursements for transportation expenses incurred during the calendar month.

(B) Payment for transportation is limited to expenses associated with required TEA activities.

(3)(A) Payments should not exceed a total of two hundred dollars (\$200) per month.

(B)(i) Such payments will be allowed only when there is a direct connection between the excessive transportation expense and whether the participant will be able to accept or retain a job.

(ii) See subsection (e) of this section.

(4)(A) If the payment exceeds two hundred dollars (\$200), the local office manager must submit written justification prior to keying to WISE.

(B) To do so, the local office manager must complete a written justification and email or fax it to the Temporary Assistance for Needy Families Policy Unit.

(5)(A) Transportation payments or reimbursements will normally be made to employed persons only until the first full paycheck has been received.

(B) The local office manager may approve a continuation of transportation assistance past the first full paycheck in limited situations.

(C) See discussion below concerning employed participants and subsection (e) of this section.

(6)(A) Payment for transportation will normally be based on the lower of:

(i) A mileage reimbursement rate equal to the rate available to state employees; or

(ii) Actual expenses.

(B)(i) However, the local office manager may approve higher actual expenses on a case-by-case basis in situations in which it is appropriate.

(ii) See subsection (e) of this section.

(C) The minimum mileage reimbursement payment will be three dollars (\$3.00) for a one-way trip.

Example 1: A participant is traveling five (5) miles roundtrip for an educational work activity, and the current state mileage rate is forty-two cents (\$0.42) per mile. The reimbursement calculation is actual mileage multiplied by the state mileage rate. In this case, the reimbursement is $5 \times \$0.42 = \2.10 roundtrip. The Program Eligibility Specialist will submit reimbursement for three dollars (\$3.00) since the actual reimbursement amount is less than the minimum amount of three dollars (\$3.00) that can be paid.

Example 2: A participant is traveling twenty (20) miles roundtrip for an educational work activity and the current state mileage rate is forty-two cents (\$0.42) per mile. The reimbursement calculation is actual mileage multiplied by the state mileage rate. In this case, the reimbursement is $20 \times \$0.42 = \8.40 roundtrip. The Program Eligibility Specialist will submit reimbursement for eight dollars and forty cents (\$8.40) since the actual reimbursement is greater than the minimum amount that can be paid.

(7) If a participant is in job search, then the trip to the first job search location and trip home from the last job search location will not be counted in the amount to be paid.

(8) Participants claiming payment or reimbursement for transportation costs must submit a TEA-1430, Transportation Billing/Routing Sheet, to the local office.

(9)(A) Former TEA participants who are employed will be expected to arrange and pay for their transportation expenses to and from work from their paychecks.

(B) The earned income deductions allowed from a person's gross earnings in determining eligibility are intended, in part, to cover those expenses.

(C) However, a newly hired person will not have a paycheck available immediately.

(D) Therefore, transportation payments or reimbursements may be provided to a newly hired former TEA participant until he or she has received his or her first full paycheck.

(E)(i) However, in situations in which the lack of transportation assistance will result in a former TEA participant having to terminate his or her employment, the local office manager may approve payments or reimbursements to continue past the first full paycheck.

(ii) See subsection (e) of this section for an example of such a situation.

(d) Provider reimbursement.

(1)(A) When transportation is provided by individuals or entities operating as established businesses, the provider must enter into an agreement with the local office via form TEA-1432, Memorandum of Agreement (MOA) to Provide Transportation Services for TEA Participants.

(B) A copy of the completed TEA-1432 will be forwarded to the Temporary Assistance for Needy Families Contract Unit of the Department of Human Services for their records.

(C) The provider will be reimbursed at the rate as specified in the MOA.

(2)(A) When transportation is provided by individuals, including relatives or friends, who are not operating as established businesses, the provider must submit his or her Social Security number via the W-9 form.

(B) Reimbursement will be at the current state employee mileage rate.

(3) Transportation providers who have a signed transportation MOA (TEA-1432) and prior authorization via form TEA-1427, Provider Service Authorization, will

claim payment or reimbursement for services provided by submitting an invoice and a TEA-1430, Transportation Billing/Routing Sheet, to the local office as specified in the MOA.

(4)(A) If transportation cannot be secured after all efforts by the participant and the local office has been exhausted, the participant can be temporarily deferred from participation.

(B) However, since the federal time limit count continues during the deferral, the local office should determine if there are any appropriate activities in which the participant can participate.

(5) Transportation is a supportive service that may provide assistance with transporting participants in an allowable activity.

(e) Exceptions to transportation maximums or limits.

(1) There may be situations:

(A) In which a participant needs a transportation payment or reimbursement in excess of two hundred dollars (\$200) for the month;

(B) In which an employed participant needs continued transportation assistance in order to retain employment; or

(C) When a higher rate or fee is deemed appropriate.

(2)(A) Exceptions in these situations may be approved by the local office manager but will be limited to situations in which the participant will likely be unable to accept an offered job, retain a job, or otherwise engage in work activities unless the exception is allowed.

(B) Examples of such situations include, but are not limited to, the following.

Example 1: During the first two (2) weeks of the month, Ms. Jones was engaged in job search and job readiness and was reimbursed one hundred fifty dollars (\$150) for transportation. As a result of job search, she found a job but will not receive a paycheck until the following month. In the

meantime, she will need another one hundred fifty dollars (\$150) for transportation to the job for the remaining two (2) weeks of this month or she will not be able to accept the job. This will mean her total transportation expenses will exceed two hundred dollars (\$200) for the month. However, since she will not be able to accept the job without the additional transportation expense, the amount in excess of two hundred dollars (\$200) is approved.

Example 2: An employer has entered into an agreement to hire persons who successfully complete a six-week job skills training program. Ms. Madison is a good candidate for this training, but her transportation expenses to and from the training site would exceed two hundred dollars (\$200) during the first month. Since the employer has made an offer of employment to persons who successfully complete the training and the Program Eligibility Specialist thinks Ms. Madison will do that and then will have a job upon completion of the training, she will not be able to accept (or even be offered) the job, so transportation to the training is directly connected to acceptance of an offered job.

Example 3: Mr. Anderson has started to work part time (six (6) hours per day, five (5) days per week) at minimum wage. Although this job is in the town nearest to his home, he still must drive thirty (30) miles one (1) way to get there for a total of sixty (60) miles per day. If transportation assistance is not continued after he receives his first full paycheck, he will end up having to spend almost all of his take-home pay to meet his transportation expenses. Since

his TEA cash assistance payment is being reduced to the fifty percent (50%) level due to his gross earnings, he has indicated he will not be able to continue this job under these circumstances. Since this is the only available and nearest job for him at this time, it is determined that transportation assistance should be continued so that he can retain this job and ultimately increase his work hours or pay, find a better paying job, or possibly move closer to the job.

Example 4: The prevailing rate for taxi service in the county is at a higher rate than what would be allowed using the mileage reimbursement rate. However, there is no other means of transportation available to the participant in order for her to engage in work experience. Both the Program Eligibility Specialist and participant have attempted to find a less expensive transportation arrangement but have been unsuccessful in doing so. The total amount of her transportation costs using the taxi service would not exceed two hundred dollars (\$200) per month. Therefore, since she will not otherwise be able to engage in any work activity, the higher actual expense of the taxi service is allowed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-203. Vehicle down payment assistance.

(a) The purpose of this section is to provide policy and procedures for assisting an employed TEA participant and former participant with the down payment on a vehicle.

(b)(1) The availability of transportation plays a significant role in an employed participant's ability to retain employment.

(2) While a participant may be able to arrange for transportation in order to participate in job search and job readiness, he or she may not be able to secure long-term transportation needed in order to retain employment.

(3) There are also situations in which a participant may:

(A) Have previously had transportation, but the transportation is no longer available;

(B) Own a vehicle that needs repair and the cost to repair it will exceed the value of the vehicle; or

(C) Have been riding with someone who changed jobs or work shifts.

(4) In these and other situations, the local office may determine that the only feasible solution to a participant's transportation needs is for the participant to have his or her own reliable transportation.

(c) When the local office has determined that transportation is not available to meet an employed participant's needs, assistance with the down payment on a vehicle may be authorized for participants who meet the requirements listed in the following sections.

(d) Vehicle down payment assistance general requirements.

(1)(A) The participant is expected to assume some responsibility towards the purchase of a vehicle.

(B) TEA funds will not be used to fully purchase a vehicle.

(C) Therefore, the local office will use the following requirement when approving vehicle down payment assistance.

(2)(A) One-time assistance with the down payment on a vehicle will not exceed seventy-five percent (75%) of the purchase price, up to a lifetime maximum of two thousand five hundred dollars (\$2,500).

(B) If a participant does not use the full two thousand five hundred dollars (\$2,500), they will not be able to receive assistance again to use the remaining balance.

(e) Participant requirements.

(1)(A) The Program Eligibility Specialist must determine if participant is eligible and preapprove before the process can begin.

(B) The Program Eligibility Specialist should verify the participant has not received prior vehicle down payment assistance and is within twelve (12) months of case closure due to employment.

(2)(A) In two-parent cases, the Program Eligibility Specialist will determine if the budget unit already has a vehicle.

(B) If the two-parent household does not have a vehicle and has never received prior vehicle down payment assistance, then down payment assistance can be approved if other requirements are met.

(C) The Program Eligibility Specialist should verify whether the participant has had previous down payment assistance by reviewing the RSRH screen (Reimbursement History) in WISE.

(3)(A) The Program Eligibility Specialist will be responsible for completing the TEA-1409, Household Income and Expense Work Sheet, with the participant.

(B) Participant must have at least two hundred dollars (\$200) remaining in the budget before preapproval can be given.

(C) This is to ensure the participant can at least make one (1) payment if an emergency should arise.

(4)(A) The Program Eligibility Specialist can only use earned and/or unearned income as defined in 20 CAR §§ 502-504 and 502-509.

(B) Any disregarded income cannot be used in figuring the household budget.

(5) When the participant is determined to be eligible, the Program Eligibility Specialist will then review the TEA-1410, Participant Vehicle Down Payment Assistance Agreement, with the participant.

(6) Prior to providing assistance with the down payment of a vehicle, the local office will determine that a participant meets all of the following requirements.

(7) The participant:

(A) Must be a current TEA participant with employment or employed former TEA participant within the first twelve (12) months of case closure due to employment;

(B) Must provide proof of a valid driver's license;

(C)(i) Must be currently employed for sixty (60) days at the same job.

(ii) Limited exceptions to this requirement may be made following the employed sixty-day exception procedures below;

(D) Has not received vehicle down payment assistance before;

(E) Must be insurable;

(F) Must be able to pay at least one hundred dollars (\$100) of the down payment prior to purchase of the car; and

(G) Must sign form TEA-1410, Participant Vehicle Down Payment Assistance Agreement.

(8)(A) Prior to approving the down payment assistance, the Program Eligibility Specialist will determine if a participant can afford the vehicle by calculating a household budget with the participant using form TEA-1409, Household Income and Expense Work Sheet.

(B) The participant should have at least a minimum of two hundred dollars (\$200) of remaining income.

(9) The participant's monthly payment on the vehicle cannot exceed two hundred dollars (\$200) per month, and the length of the loan agreement cannot exceed thirty-six (36) months.

(10)(A) In addition, the Program Eligibility Specialist should determine if the vehicle is a good value.

(B) The Program Eligibility Specialist can deny the request for assistance with the down payment if it is determined the vehicle is not a good value.

(C) Some factors to consider when determining if a vehicle is a good value are gas mileage and amount of mileage on the odometer.

(D) Also, vehicles that are fully loaded with optional equipment may not be a good value due to the extra cost optional equipment tends to add to the purchase price.

(E) The decision on the practicality of the vehicle must be made on a case-by-case basis.

Example 1: The Program Eligibility Specialist has determined that Ms. Brown is eligible for vehicle down payment assistance. Ms. Brown is requesting assistance to purchase a 1999 Trans Am that has one hundred thirty-five thousand (135,000) miles on the odometer. While the purchase price of the car is in the range that policy allows, other factors must be considered when determining if the car is a good value. Factors to consider for this car are the high mileage, high cost of insuring a sports or luxury car, low gas mileage, and Ms. Brown's family size. Ms. Brown has four children. Therefore, the Trans Am is not a good value for the participant.

Example 2: Mr. and Mrs. Jones close their two-parent case due to employment. They are employed in different areas and therefore cannot use the same vehicle. Mr. or Mrs. Jones can apply for vehicle down payment assistance as long as they have never received prior vehicle down payment assistance.

(f) Employed sixty-day exception.

(1) To request approval for an exception to the employment requirement, the local office must submit a request for approval along with justification for the request to the area operations chief.

(2)(A) Prior to submitting the request, the Program Eligibility Specialist will complete the TEA-1409, Household Income and Expense Worksheet, with the participant to determine if the participant can afford monthly payments on a vehicle.

(B) This should be done prior to the participant choosing a specific vehicle.

(3) The area operation chief's approval must be made in writing.

(4) It is expected that no more than twenty percent (20%) of the vehicle down payment assistance approved in an area will be for exception situations.

(g) Vendor requirements.

(1)(A) The participant will be allowed to choose from whom he or she wishes to purchase a vehicle.

(B) If the local office has a list of vehicle vendor agreements already on file, the Program Eligibility Specialist could provide the participant with the list.

(C) However, if the vendor the participant chooses does not have an agreement in place, the participant will be notified and vendor will need to complete the TEA-1411, Vehicle Vendor Agreement.

(D) One (1) agreement per vendor location needs to be in place at the local office.

(2) However, the vendor chosen must comply with the requirements listed below:

(A) The vendor must sign and return the TEA-1411, Vehicle Vendor Agreement, which is a binding agreement that stipulates that the terms and conditions of the sale will meet or exceed the requirement that the sale price of the vehicle does not exceed the value of the vehicle as listed on the approved websites the local office currently uses for vehicle value determination;

(B) In addition, whether or not the vendor finances the vehicle purchase, the terms of the loan must meet or exceed the following:

(i) The maximum monthly payment does not exceed two hundred dollars (\$200) per month;

(ii) The length of loan period does not exceed thirty-six (36) months;

(iii) Will not permit the participant to take possession of the vehicle until the participant has provided vendor with proof of insurance;

(iv) Will not permit the participant to take possession of the vehicle until the down payment has been received by the vendor;

(v) A grace period of at least ten (10) days must be provided before late fees are imposed; and

(vi) The vehicle will not be repossessed until at least ten (10) days after the second monthly payment is missed; and

(C) In addition, the vendor must:

(i) Provide vehicle maintenance information as required in the TEA-1411, Vehicle Vendor Agreement, to the participant prior to purchase of a vehicle; and

(ii) Agree to Department of Human Services billing procedures.

(3)(A) Once the participant has been approved and the vehicle has been approved, the Program Eligibility Specialist will send the TEA-1415, Approved Vehicle Description, to inform vendor of down payment assistance approval.

(B) However, the vendor will not release vehicle to the participant until proof of insurance is provided and down payment received.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-204. Sales tax assistance.

(a) The Program Eligibility Specialist can preapprove one (1) lifetime sales tax payment for a current or former transitional employment assistance (TEA) participant who is currently engaged in an allowable work activity.

(b) In the case of a former TEA participant, the assistance must be requested within twelve (12) months of case closure.

(c) The Program Eligibility Specialist should verify whether the participant has had previous sales tax assistance by reviewing the RSRH screen (Deposit History) in WISE.

(d) The participant will need to show the following information before approval can be made:

(1) Loan agreement showing vehicle value;

(2) Proof of vehicle value (www.kbb.com or www.edmunds.com);

(3) Valid driver's license; and

(4) Proof of insurance.

(e)(1) The participant will take the TEA-187, Billing/Routing Sheet, to the local revenue office to complete both pages, showing the actual sales tax amount.

(2) The Program Eligibility Specialist will approve and send for processing.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-205. Vehicle tags assistance.

(a) The Program Eligibility Specialist can preapprove one (1) lifetime vehicle tags payment for a current or former transitional employment assistance (TEA) participant who is currently engaged in an allowable work activity.

(b) In the case of a former TEA participant, the assistance must be requested within twelve (12) months of case closure.

(c) The Program Eligibility Specialist should verify whether the participant has received previous vehicle tags assistance by reviewing the RSRH screen in WISE.

(d)(1) The participant will take the TEA-187, Billing/Routing Sheet, to the local revenue office to complete, showing the actual cost of the vehicle tags.

(2) The Program Eligibility Specialist will approve and send for processing.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-206. Insurance assistance.

(a)(1) The Program Eligibility Specialist can preapprove one (1) lifetime payment of vehicle insurance for a current or former TEA participant who is currently engaged in an allowable work activity.

(2) The lifetime payment may cover up to six (6) months of insurance but cannot exceed six (6) months.

(3) In the case of a former participant, the assistance must be requested within twelve (12) months of case closure.

(4) The Program Eligibility Specialist should verify whether the participant has had previous insurance assistance by reviewing the RSRH screen in WISE.

(b)(1) If the participant is purchasing a vehicle, the required documentation will be the same as if the participant was receiving vehicle down payment assistance from the program.

(2) The participant will be encouraged to contact as many insurance providers as possible and to submit the lowest two (2) quotes for review.

(3) The Program Eligibility Specialist and supervisor will review to determine if the insurance quotes are reasonable.

(c)(1) A budget must be completed for employed participants only.

(2) The Program Eligibility Specialist, along with the participant, will complete the TEA-1409, Household Income and Expense Worksheet, to show the participant can afford the expense without assistance.

(3)(A) The Program Eligibility Specialist will calculate the budget using countable earned and unearned income.

(B) See 20 CAR §§ 502-504 and 502-509.

(4) Any disregarded income cannot be used in figuring the household budget.

(d) The Program Eligibility Specialist may preapprove one (1) lifetime assistance payment that is limited to one (1) policy period for a participant who cannot pay the insurance due to an emergency, if the participant:

(1) Has never received prior insurance assistance; and

(2) Can show ability to normally make the insurance payments.

(e)(1) The Program Eligibility Specialist, with the participant, will complete the TEA-1409, Household Income and Expense Work Sheet.

(2) The participant should have at least two hundred dollars (\$200) remaining in the budget in order for assistance to be approved.

(f)(1) If the Department of Human Services does not have a TEA-1400, Provider Agreement, on file for the insurance provider, the provider must complete the form before insurance can be approved.

(2) The department will send payment for insurance directly to provider.

(3) If the policy is cancelled for any reason, the provider must send a check to the department for the amount paid on the policy by the department.

(4) The provider must reference the participant's name and check number of the original insurance check.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-207. Vehicle repair assistance.

(a) When a transitional employment assistance (TEA) participant or former participant has a vehicle that needs repair, the local office may determine the best solution to the participant's transportation problem is to repair the vehicle.

(b)(1) Prior to approving assistance for the repair of a vehicle, it must be determined that the vehicle is worth repairing.

(2) To ensure this, the local office will:

(A) Require two (2) quotes of the cost of the repair;

(B) Determine the value of the vehicle; and

(C)(i) Determine that the repair costs do not exceed the vehicle's value by fifty percent (50%) or a total of one thousand dollars (\$1,000) maximum.

(ii) **Exception.** If the quoted cost of repairs exceed the vehicle's value by fifty percent (50%) or one thousand dollars (\$1,000), the participant may receive assistance with the repair cost up to the maximum amounts if the participant pays for the difference and provides a receipt to the Program Eligibility Specialist verifying the additional cost has been paid by the participant prior to approval of the assistance.

(c) In addition, the participant and the provider must meet the requirements in the following subsections.

(d) **Participant requirements.**

(1) Assistance for the repair of a TEA participant's or former participant's vehicle may be approved provided all of the following requirements are met.

(2) The participant must:

(A) Be a current TEA participant who is a mandatory work participant who is unable to begin or continue to participate in a specific work activity due to

transportation problems or an employed former participant whose TEA cash assistance case was closed due to employment within the past twelve (12) months;

- (B) Provide proof of a valid driver license;
- (C) Provide proof of liability insurance; and
- (D) Pay the first twenty-five dollars (\$25.00) of the repair cost.

(e) Vendor requirements.

(1)(A) The participant should be allowed to choose where he or she wishes to have the vehicle repaired.

(B) However, the provider selected must be willing to meet the following requirements.

(2) The vendor must:

- (A) Warrant the repairs in writing for thirty (30) days;
- (B) Provide a written quote in advance of authorization;
- (C) Not begin repair work on the vehicle until written authorization is provided by the Program Eligibility Specialist; and
- (D) Agree to Department of Human Services billing procedures.

(3)(A) Once the TEA-1400 has been approved, the Program Eligibility Specialist can approve repairs to the vehicle.

(B) The Program Eligibility Specialist will send a TEA-1427, Provider Service Authorization, to the provider showing approval has been given for repairs.

(C) The provider will at this time submit the TEA-187, Billing/Routing Sheet, and company invoice for payment approval.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-208. Activity-related expenses.

(a) Activity-related expenses are payments made to assist current transitional employment assistance (TEA) participants with expenses that may arise during a documented work activity.

(b)(1) Payment or reimbursement up to a cumulative amount of two hundred dollars (\$200) may be made for expenses related to a participation in TEA work activities, i.e., multiple expenses may add up to two hundred dollars (\$200).

(2) Prior to approving the payment or reimbursement, the Program Eligibility Specialist must review the current case and verify that the participant is eligible for assistance and has not already exceeded the two hundred-dollar limit.

(3) If the participant has exceeded the two hundred-dollar cumulative limit, the Program Eligibility Specialist will advise the participant about other options available in the area.

(c)(1) The two hundred-dollar cumulative limit may be exceeded on a case-by-case basis as determined at the local office level.

(2) If the reimbursement will exceed the two hundred-dollar limit, the local office manager must submit written justification prior to keying to WISE by faxing the TEA-187, Billing/Routing Sheet, along with written justification to the attention of the Temporary Assistance for Needy Families Policy Unit of the Department of Human Services.

(d) **Note.** The two hundred-dollar cumulative limit will reset if the TEA case closes and is later reopened.

Example: Mrs. Washington received two hundred dollars (\$200) in activity-related expenses to purchase uniforms in July 2007. She closed her TEA case in December 2007 and reopened in March 2008. Mrs. Washington may receive activity-related expenses up to two hundred dollars (\$200) because her case reopened.

(e)(1) Examples of items for which payment/reimbursement may be made are listed below.

(2) The Program Eligibility Specialist may approve an item for reimbursement at his or her discretion.

(3) Even though an item is listed, this should not be the sole reason for approving the reimbursement.

(f)(1) Some activity-related expenses include, but are not limited to:

- (A) Uniforms;
- (B) Shoes;
- (C) Criminal background checks in relation to work site or employment;
- (D) Drug test in relation to work site or employment;
- (E) Driver's license fees; and
- (F) Tires.

(2) **Note.** Layaway deposits are not reimbursable.

(g)(1) The Program Eligibility Specialist may approve medical items not covered by Medicaid if necessary for the participant to engage in employment.

(2) State funds may be used to pay for dental services such as:

- (A) Fillings;
- (B) Extractions; and
- (C) Root canals.

(3) State funds may also be used to:

- (A) Pay for eye exams; and
- (B) Obtain corrective lenses or contacts.

(4) The Program Eligibility Specialist must determine that the service is needed in order for the participant to engage in employment.

(5) The code ST (State Medical) will be used to authorize these services.

(6) **Note.** Eyeglasses, dentures, and employee-required exams such as drug testing and physicals are paid through WISE using the MS code (Medical Services).

(h) The Program Eligibility Specialist will document in the approved case management system the following information:

- (1) Reason for expense;
- (2) Amount for expense; and
- (3) Provider to be paid.

(i)(1) The participant must provide proof, e.g., invoice, bill, etc., to verify the cost of the needed items.

(2) Once the required information is provided, the Program Eligibility Specialist will authorize the payment by keying in all appropriate information to the RSRP screen.

(j) If paying a provider directly, the provider will complete the TEA-1400, Provider Agreement, if not already on file, the TEA-187, Billing/Routing Sheet, and provide company invoice before payment can be authorized.

(k) The Program Eligibility Specialist will complete the TEA-1427, Provider Service Authorization, to authorize expense or service.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-209. Emergency rent and utilities assistance.

(a)(1) Assistance with rent and utilities is not considered an allowable supportive service expense.

(2) Rent and utilities are basic living expenses for which the monthly cash grant is intended and are not solely associated with a work activity.

(3) However, on a rare occasion under an emergency situation, assistance with rent and/or utilities may be provided on a one-time basis when it is determined the assistance is necessary for the participant to participate in an assigned work activity or to accept or retain employment.

(b) Emergency assistance with rent and/or utilities may be approved one (1) time and only when the participant requesting the assistance is:

(1) A current mandatory transitional employment assistance (TEA) participant who is unable to begin or to continue to participate in a work activity due to a shelter crisis; or

(2) An employed former participant whose TEA cash assistance case was closed due to employment within the past twelve (12) months and is at risk of losing employment due to a shelter crisis.

(c) In addition, the participant requesting the assistance must:

- (1) Provide verification of an eviction and/or shut off notice; and
- (2) Be able, under normal circumstances, to continue to pay the rent and utilities along with other monthly expenses.

(d)(1) Prior to approving a rent or utility assistance payment, the Program Eligibility Specialist and the participant will complete a TEA-1409, Household Income and Expense Worksheet, to determine if the participant will be able to continue to pay the current rent amount and utilities based on the participant's income and other expenses.

(2) If it is determined that the participant will be able to continue to pay the current rent amount and or utilities once the crisis is alleviated, a one-time assistance payment may be approved.

(e)(1) If it is determined that the participant cannot afford to continue to pay the current rent amount or utilities, the Program Eligibility Specialist will explore with the participant other community resources that may provide emergency shelter assistance.

(2) In addition, the Program Eligibility Specialist will discuss with the participant options for preventing a future shelter crisis, for example moving to less expensive housing, eliminating some optional monthly expenses, e.g., cable television, etc.

(f) Examples of emergencies include, but are not limited to:

- (1) A utility cut-off notice when the utility is required to run a medically necessary device, e.g., an oxygen machine;
- (2) Crisis created by buying a medically necessary prescription drug not covered by Medicaid; and
- (3) Natural or other disasters that cause displacement from place of residence.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-210. Educational expenses.

(a)(1) The purpose of educational expenses is to cover costs not covered by financial aid.

(2) The participant must explore all other options before requesting assistance.

(3) The Program Eligibility Specialist should advise the participant to visit the educational institution's financial aid office.

(b) **High school and other basic education.** Costs for books and other necessities associated with obtaining a high school diploma, GED, basic skills, literacy, etc., may be paid by transitional employment assistance (TEA).

(c) **Career and technical education.**

(1) TEA funds may be used to pay for tuition, fees, books, etc., only when no other funding sources are available and with the approval of the local office.

(2) This may include college expenses in those situations in which a college course of study is considered as career and technical education (see 20 CAR § 503-134) and no other financial assistance is available to meet those expenses.

(d) **Jobs skills training.** The costs associated with this activity may be paid by TEA funds.

(e) **College courses.** TEA funds may be used to pay for books and/or tuition for a nonvocational college course of study when the following criteria are met:

(1) The adult (student) is working at least twenty-five (25) hours per week in college work study or other unsubsidized employment;

(2) There is no other financial assistance available to pay the college costs, e.g., PELL grant, etc.; and

(3) The student has enough time left of his or her twenty-four-month time limit to complete the course of study before TEA cash assistance ends.

(f)(1) In order to use TEA funds to pay for educational expenses, the Program Eligibility Specialist will have to agree that the course of study being pursued by the participant is appropriate based on the participant's employment plan.

(2) Once a course of study has been approved and begun, TEA funds will not be used to pay for a new course of study if the participant does not complete the prior course unless the Program Eligibility Specialist determines there was a valid reason for the noncompletion.

(g) **Note.**

(1) Educational expenses do not cover incidentals that are not considered necessities for completing a course of study or obtaining a degree.

(2) Incidentals include, but are not limited to, caps and gowns and invitations.

(h)(1) Participants engaged in career and technical education are expected to explore all possible sources for financial assistance with their educational needs and provide information regarding that as requested by the local office.

(2) The Program Eligibility Specialist will provide reasonable assistance needed by the participant to ensure that all appropriate resources have been explored.

(3) The assistance provided by the Program Eligibility Specialist should be that which is needed to ensure the participant is able to begin the course of study (listing funding sources, listing type of financial assistance, contacting schools, etc.).

(4) If it is determined that TEA funds should be used for career and technical educational expenses, the Program Eligibility Specialist will document that career and technical education is the most appropriate activity and that no other funding is available.

(i) The request to use TEA funds to pay for tuition, fees, books, etc., for career and technical education or college courses must be approved by the local office manager.

(j)(1) The participant will need to provide information to the Program Eligibility Specialist to verify financial aid is not available and reasonable assistance is needed.

(2) The Program Eligibility Specialist and supervisor will review participant's request for assistance before approval can be given.

(k) The Program Eligibility Specialist will document all information obtained by the participant for approval by the local office manager.

(l)(1) If it is determined the participant request is reasonable, educational assistance can be approved.

(2) The Program Eligibility Specialist will complete and provide TEA-1427, Provider Service Authorization, to the educational expense provider to show approval of expense.

(3) The provider will complete the TEA-1400, Provider Agreement, and the TEA-187, Billing/Routing Sheet, and submit all required documentation before payment can be processed.

Example 1: Ms. Smith would like to become a nursing assistant and has found out that a Certified Nursing Assistant (CNA) course is currently being taught at the local community college but that there is no financial aid available for this course. If the Program Eligibility Specialist agrees that the proposed course of study is appropriate and has validated that no other funding is available, then the Program Eligibility Specialist may submit a request to the local office manager for approval to use TEA funds to pay for needed training expenses.

Example 2: Ms. Jones is in her second semester of her junior year at University of Arkansas at Little Rock with a political science major. She is currently working twenty-five (25) hours per week at a nearby restaurant. It is verified that there is no other financial assistance available to pay for her current semester's books and tuition and therefore, she has requested for TEA to pay those costs for her so she can continue her education. She has only received TEA cash assistance for one (1) month so it is feasible that she can obtain her degree before her time limit is reached. Because she meets the criteria listed above and the local office has determined her college costs should be paid, TEA funds can be used to pay those costs.

(m) Educational expenses under this section are in addition to any other activity-related expenses described in 20 CAR § 503-208, e.g., transportation, child care, etc.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "GED" means General Educational Development.

20 CAR § 503-211. Relocation assistance.

(a)(1) One-time-only cash assistance to help a transitional employment assistance (TEA) participant family move from an area of limited job opportunities to a new location within Arkansas for full-time employment may be available on a limited basis.

(2) Relocation assistance is not intended to move a family to a new location if there are jobs available in the county or area in which they already live.

(3) Relocation assistance should be used only in situations in which there is no, or very limited, employment opportunities in the county or surrounding area.

(4) In addition, before relocation assistance is provided, the participant must have a bona fide offer of full-time employment in the new locality.

(b) The local office manager will review and approve any relocation assistance payments made.

(c)(1) The relocation assistance amount will be the actual cost of relocation up to a maximum of two thousand dollars (\$2,000).

(2) This could include moving expenses, first month's rent, utilities, etc.

(3) Because the amount which may be authorized to relocate a family can be significant, Program Eligibility Specialists should carefully assess the family's circumstances and amount needed to relocate before requesting approval of the payment from the local office manager.

(d) Once approval of the payment is received from the local office manager, form TEA-187, Billing/Routing Sheet, will be completed and keyed to the WISE system to authorize the payment.

(e) The Program Eligibility Specialist will notify the participant that the relocation assistance payment has been approved.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-212. Childcare assistance.

(a) Childcare assistance will be guaranteed for eligible participants to the extent that it is necessary for a participant to participate in any transitional employment assistance (TEA) activity.

(b)(1) Child care will be guaranteed for the following children for whom the TEA participant exercises care and responsibility:

(A) A child under the age of thirteen (13);

(B) A child under the age of eighteen (18) who is physically or mentally unable to care for himself or herself as verified by a physician or a licensed/certified psychologist;

(C) A child under the age of eighteen (18) who is under court-ordered supervision; and

(D) A child under age eighteen (18) who would be required to be included in the TEA grant, if not for the receipt of Supplemental Security Income or foster care payments.

(2)(A) A child described above who is living in the home of the TEA participant and for whom he or she exercises care and responsibility will be covered by the childcare guarantee regardless of whether the child is included in the TEA cash assistance unit.

(B) This includes "family cap" children.

(3) The age limits listed above apply to all eligible children where child care is paid by the Department of Human Services.

(4) Subdivisions (b)(1)(C) and (D) of this section must be verified by the participant by providing necessary proof to the Program Eligibility Specialist.

(c) Guidelines for payment of childcare services.

(1) Child care, including relative care, for TEA participants will be purchased from eligible providers through the Department of Human Services Child Care Certificate Program.

(2)(A) The county cap rate is the local market rate determined and established by the Division of Child Care and Early Childhood Education of the Department of Human Services.

(B) The county cap rate is based on:

- (i) An eight-to-ten-hour day of care; and
- (ii) Established rates per child.

(3) The maximum absentee days that may be paid by TEA each trimester are as follows:

(A) For the months of July through October – twelve (12) absentee days, not to exceed six (6) days in any month;

(B) For the months of November through February – sixteen (16) absentee days, not to exceed eight (8) days in any month; and

(C) For the months of March through June – twelve (12) absentee days, not to exceed six (6) in any month.

(4) In situations where care exceeding ten (10) hours per day is required, extended care will be provided.

(5) **Note.** Providers will not charge TEA participants for registration or activity fees.

(6) Childcare payments authorized to individuals providing care will be accomplished utilizing the Division of Child Care and Early Childhood Education Automated Child Day Care System.

(d) Notifying the provider when services are changing/terminated.

(1) When childcare services change or terminate, the Program Eligibility Specialist will notify the provider of the change or termination via Form TEA-1404, Termination or Change of Service, within ten (10) days of the date the change or termination is determined.

(2) The Program Eligibility Specialist may advise the provider in person or by telephone in addition to the written notice.

(3) A copy of the TEA-1404, Termination or Change of Service, will be sent to the participant at the same time the form is sent to the provider.

(e) Deobligation of certificate.

(1) When it becomes necessary for the Program Eligibility Specialist to deobligate a certificate, the information will be given to appropriate personnel for processing.

(2) In all situations, the case narrative will be documented.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-213. Extended support services (ESS).

(a)(1) Extended support services (ESS) are available to certain families who lose eligibility for TEA due to earnings.

(2) These services are:

- (A) Child care;
- (B) ESS employment bonus and transportation assistance;
- (C) ESS job retention;
- (D) ESS case management services; and
- (E) Medicaid.

(3) Eligibility for these services will be determined by the Program Eligibility Specialist.

(b) Extended support service child care (ESS/CC).

(1)(A) Eligibility for extended child care will be determined if a TEA case closes while the participant is employed.

(B) This includes cases involving earned income but which close at the participant's request.

(C) An application is not needed to determine eligibility.

(2)(A)(i) Childcare assistance is available to help meet childcare expenses for a child for whom child care would be guaranteed while the family was receiving TEA cash assistance.

(ii) Refer to 20 CAR § 503-212.

(B) Child care will also be available to a child who is born or enters the home after the transitional employment assistance (TEA) case closes but during the ESS childcare period provided the child is one described in 20 CAR § 503-212.

(3)(A) For ESS/CC cases, the county cap rate will apply to the total charges by the provider.

(B) The county cap rate is the sum of the amount paid by TEA and the amount assessed the participant.

(C) Refer to 20 CAR § 503-212(c).

(4)(A) ESS childcare assistance will be available for a lifetime limit of two (2) years (twenty-four (24) cumulative months).

(B) The first year (twelve (12) months) of ESS child care will be at no cost to the participant.

(C)(i) The second year (thirteen (13) to twenty-four (24) months) will be on a cost sharing basis that is based on the Division of Child Care and Early Childhood Education's current fees.

(ii) Refer to Appendix C.

(5)(A) Any month in which a childcare provider bills the Department of Human Services for five (5) or more days will count as a month toward a participant's twenty-four (24) cumulative months of ESS child care.

(B)(i) If more than one (1) child receives child care services, at least one (1) of the children must receive childcare services for five (5) days for the month to count toward the limit.

(ii) See example below.

(C) A day in which any part of the day is billed counts towards the limit.

(6)(A) For purposes of the lifetime count, this policy is retroactive to September 2001.

(B) Any month, beginning with September 2001, in which five (5) or more days were billed for a child will count toward the lifetime limit.

Example: The participant has two (2) children who received childcare services at a local daycare center. Both children were at the daycare center for three (3) days during the month for which the services were billed. This will not count as a month towards the participant's twenty-four-month lifetime limit as neither child received at least five (5) days of childcare services.

(7) If a participant has not needed child care prior to obtaining employment, but later requests child care to accept or maintain employment, the participant may receive ESS childcare assistance.

(c) Minimum hours of work requirement.

(1) To receive ESS childcare assistance at no cost during the first twelve (12) months at least one (1) of the following conditions must be met:

(A) Earnings alone caused the family to be income ineligible for TEA; or

(B) The participant is employed an average minimum of twenty (20) hours per week.

(2) To receive ESS childcare assistance during the second year, a participant must be employed an average of twenty-five (25) hours per week.

(3) Note.

(A) Income is not considered the first year, just required hours.

(B) When the participant makes an initial request for ESS child care, their declaration of the number of hours worked is accepted.

(C) The Division of Child Care and Early Childhood Education worker will only verify hours the second six (6) months of the first year.

(D) During the second year, the division worker will verify both hours and income because hours of employment and income are both considered when determining where the participant falls on the fee scale.

(E) If the verified hours are less than twenty (20) or the earnings are not sufficient to cause TEA ineligibility, the ESS childcare assistance case will be closed.

(4) The participant will be advised of the minimum hours of work requirement prior to authorization of the ESS child care via form DCO-1413, Notice of ESS Child Care Lifetime Limit and Minimum Hours of Work Requirement.

(5) At each authorization the participant will be notified via DCO-1412, TEA Notice of Child Care Action, of the number of months remaining in his or her lifetime limit.

(d) Verification of hours of employment.

(1) Local offices responsible for keying child care will follow the procedures outlined in this section.

(2)(A) At the initial request for ESS childcare assistance, the participant's declaration regarding the number of hours worked per week or the amount of earnings received will be accepted.

(B) However, prior to renewal of the authorization for the second six (6) months of the first twelve (12) months, the hours of employment or earnings must be verified.

(C) Form TEA-1414, ESS Child Care Request for Verification of Earnings and Hours of Employment, will be sent to the participant to request the verification.

(D) If the verified hours of employment are less than twenty (20) hours per week and the earnings are not sufficient to cause TEA ineligibility, the ESS childcare case will be closed after appropriate notice.

(3)(A)(i) The participant must return the completed form TEA-1414, ESS Child Care Request for Verification of Earnings and Hours of Employment, and provide verification of income and number of hours of employment per week for the second year of ESS childcare assistance.

(ii) See subsection (e) of this section.

(B) If the verified hours of employment are less than the required minimum hours the ESS childcare case will be closed after appropriate notice.

(4) Failure to verify income and the hours of employment will result in the ESS childcare case being closed after appropriate notice.

(5)(A) The participant will be advised of the closure via TEA-1412, Child Care Notice of Action.

(B) The childcare provider must also be notified that the childcare case is being closed via TEA-1404, Termination or Change of Service.

(e) Division of Child Care and Early Childhood Education fees.

(1)(A) The fee scale is used by the worker in the second year of ESS/CC to determine the percentage of the childcare payment for which the family will be responsible.

(B) See Appendix C.

(2) This will be determined using earnings information reported by the participant for each employed TEA adult participant and verified by the worker.

(3) The fee scale is used as follows:

(A) Take the total gross wages for each adult participant and multiply by:

(i) Four and three hundred thirty-four thousandths (4.334) if paid weekly;

(ii) Two and one hundred sixty-seven thousandths (2.167) if paid biweekly;

(iii) Two (2) if paid semi-monthly; or

(iv) One (1) if paid monthly;

(B) Total the monthly earned income for all employed TEA adult participants;

(C)(i) The parent or caretaker relative who is employed at least thirty (30) hours per week will receive a one hundred dollar (\$100) work-related deduction from his or her gross income.

(ii) If the adult participant is employed less than thirty (30) hours per week, no deduction is allowed;

(D) Add the unearned income to the earned income total, after appropriate deductions;

(E) Use the total income amount in subdivision (e)(3)(D) of this section to determine which income group the family belongs, according to family size (parents or caretaker relative and siblings); and

(F)(i) The fee percentage the participant will be required to pay can be found on the bottom row of the scale.

(ii) A different fee rate is found beneath each income level and ranges from zero percent (0%) to full rate.

(iii) Refer to Appendix C.

(f) **Participant's responsibility to pay ESS fees to provider.** The following will be explained to the participant:

(1) The participant's responsibility for paying registration and activity fees, as determined by the provider;

(2) The amount the participant is expected to pay to the provider (fee scale);

(3) The participant's responsibility for making timely payments to the childcare provider;

(4) When and how often payments will be made will be based on arrangements made between the participant and provider; and

(5) Failure to pay required fees may result in termination of ESS/CC benefits.

(g) **When the participant fails to pay required fees.**

(1) When the childcare provider notifies the local office that the participant has failed to pay the required fee, the worker will obtain the following information from the provider:

(A) Total amount of delinquent fee;

(B) Time period for which fees are owed; and

(C) Date last payment was made by the participant.

(2)(A) Using the above information, the worker will notify the participant that the ESS/CC case will be closed within ten (10) calendar days of the date of the notice.

(B) The notice will include the reason or reasons why the action is being taken and steps the participant can take to avoid the action.

(3) To avoid closure the participant must:

(A) Pay all delinquent fees to the provider prior to expiration of the notice and provide proof to the local office; or

(B) Make satisfactory arrangements with the provider to repay the delinquent fees and provide proof of arrangements.

(4)(A) If the participant pays all fees or makes satisfactory arrangements with the provider to pay the delinquent amount and provides proof to the local office (statement, receipt from provider) prior to expiration of the notice, ESS/CC will continue and no further action is required.

(B) The case record will be documented accordingly.

(5) If the participant fails to respond to the notice, the worker will:

(A) Close the case; and

(B) Notify the participant and the provider via TEA-1404, Termination or Change of Service.

(h) Notifying provider when services are changing/terminated.

(1)(A) When childcare services change or terminate, the worker will notify the provider of the change or termination via form TEA-1404, Termination or Change of Service, within ten (10) days of the date the change or termination is determined.

(B) The worker may advise the provider in person or by telephone in addition to the written notice.

(2) A copy of the TEA-1404, Termination or Change of Service, will be sent to the participant at the same time the form is sent to the provider.

(i) **Notifying the provider when participant's share of fee changes.** If at any time the participant's share of the child care cost changes (increases/decreases) from the amount previously keyed, the information will be entered in the Kid Care System.

(j) Deobligation of certificate.

(1)(A) When it becomes necessary for the worker to deobligate a certificate, the information will be entered into the Kid Care System.

(B) This applies to local offices that key child care.

(2) In all situations, the case narrative will be documented in ANSWER and Kid Care.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-214. ESS Medicaid.

(a) In certain situations, a family that becomes ineligible for transitional employment assistance (TEA) benefits due to employment may receive up to one (1) year of extended Medicaid coverage.

(b) Refer to the Medical Services Policy Manual, 2061.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-215. Employment bonus.

(a)(1) Transitional employment assistance (TEA) cases that close due to employment, by agency determination or participant request, or have reached the time limit and the individual is employed will be eligible to receive an employment bonus payment, unless the family has already received an employment bonus within the preceding twelve (12) months.

(2) The purpose of the payment is to help the employed participant meet work-related expenses during the first full month of employment following the termination of regular cash assistance to better enable him or her to retain the job.

(b) The amount of the bonus payment will be equal to the amount of the last regular TEA cash payment and it will not count toward the participant's twelve-month time limit.

(c)(1) When a case is closed for payment with one of the action reasons specific to the employment bonus, the system will automatically issue the bonus payment to the family in the month following the effective month of closure.

(2)(A) If a system-generated notice of closure is not sent, the local office should include the information regarding the employment bonus in their manual notice of closure so that the participant will know its purpose and be expecting it.

(B) The system-generated closure notice for an employment bonus closure code will include that information.

(d)(1) Only one (1) employment bonus may be authorized to a participant within a preceding twelve-calendar-month period.

(2) Therefore, if a participant who received an employment bonus returns to TEA cash assistance, such participant cannot receive another employment bonus for at least twelve (12) months even if the case closes due to employment before then.

Example: Ms. Jones started to work in January 2008 and requested her case be closed due to her new employment effective February 2008. Her case was closed in ANSWER in January 2008 with an employment bonus action reason. The bonus payment was issued to Ms. Jones in February 2008. In November 2008 Ms. Jones loses her job, reapplies for TEA cash assistance, and is recertified in December 2008. She finds another job in January 2009 and again her case is closed due to employment effective for February 2009. However, she cannot receive an employment bonus for February 2009 because she received one (1) within the preceding twelve (12) months , i.e., the prior February of 2008.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-216. Transportation bonus.

(a)(1) Transitional employment assistance (TEA) cases that close due to employment, by agency determination or at participant request, or have reached the

time limit and the participant is employed will automatically be eligible to receive one (1) month of extended support transportation bonus.

(2) The payment will assist the participant in meeting transportation expenses.

(b) The extended support transportation bonus will:

(1) Be in the amount of two hundred dollars (\$200); and

(2) Not count toward either the state or federal time limit.

(c)(1) When a case is closed due to earnings, the Program Eligibility Specialist will use the closure codes specific to allowing this extended support service.

(2) Verification of earnings is not required.

(3) The system will automatically issue to the participant's electronic benefits transfer (EBT) account the first month of extended transportation benefit in the month following the month of case closure.

(4) There is no limit to the number of times an individual may receive the extended support service transportation bonus.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-217. Extended support services employment bonus and transportation examples.

(a) The following are situations in which extended support services (ESS) employment bonus and/or transportation assistance will be authorized.

(b) **Note.** A system edit will prevent more than one (1) employment bonus from being issued in any twelve-month period.

Example 1: Ms. Manning reported that she found a job and requested her TEA case be closed. The participant's statement that she is employed may be accepted without verification.

Example 2: An anonymous telephone call is received in the local office reporting that Ms. Smith is working. A ten-day notice is sent to Ms. Smith

requesting that she contact the local office concerning the report. Ms. Smith calls the local office and states that she is working and no longer wants TEA benefits. Ms. Smith's case will be closed, and the ESS transportation bonus will be authorized.

Example 3: Ms. Davis reported that she was employed. Based on her earnings, she was no longer eligible for TEA cash assistance. The TEA case was closed, and the ESS employment transportation bonus was authorized.

Example 4: Ms. Long is in her twelfth month of TEA cash assistance. After her ten-month case staffing, it was determined that her time limit will not be extended. Ms. Long is working, but her earnings are not enough to cause ineligibility. Because she has earnings when her TEA case is closed, she is eligible for the ESS employment bonus and transportation assistance.

(c) In the following example, an ESS employment bonus and transportation assistance will not be authorized.

Example: A telephone call was received in the local office reporting that Mr. Jones was employed. A ten-day notice was sent to Mr. Jones to contact the local office concerning the report. Mr. Jones did not contact the local office. The TEA case was closed for failure to respond to the notice. Even though this was a report of employment, the ESS employment bonus and transportation assistance will not be authorized because Mr. Jones did not confirm that he was employed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-218. Extended support services job retention.

(a)(1) Those participants who become ineligible for continued transitional employment assistance (TEA) cash assistance benefits due to employment may receive, during the twelve-month period following case closure, cash payments for the purpose of enabling the participant to retain his or her job.

(2) The participant must show that there is an immediate job-related need that, if not resolved, will result in the termination of his or her job.

(3) In addition, there must be no other local resources available to meet the need.

(4) All extended support services (ESS) job retention services must be preapproved.

(b)(1) The amount of the payment will be the actual amount needed to resolve the job-related need.

(2) If the payment exceeds two hundred dollars (\$200), the local office manager must submit written justification prior to keying to WISE.

(3) To do so, the local office manager must complete a written justification and email or fax to the Temporary Assistance for Needy Families Policy Unit of the Department of Human Services.

(c) The ESS job retention payment will not count toward the participant's maximum twelve-month limit.

(d) The following are examples of situations in which a former participant would need assistance in retaining a job.

Example 1: Ms. Smith started to work in July 1998, and her TEA case closed in December. Ms. Smith is still employed in February 1999.

However, her car has broken down and is in need of repairs in order for her to continue to work. All other resources have been exhausted, and her case closed within the prior twelve (12) months. In this instance, Ms.

Smith may receive an extended support service job retention payment to

repair her car.

Example 2: Mr. Jones has been employed since March, and his TEA case closed in September. Mr. Jones has not received any assistance for the past eleven (11) months. In order for this former participant to remain employed, he must purchase a special type of uniform. Mr. Jones states that after his expenses are met, he has very little or nothing left over for extras. All other local resources have been exhausted. In this instance, Mr. Jones may be paid an extended support services job retention payment to purchase the special uniform.

(e)(1) Although more than one (1) job retention payment may be made during the twelve-month period, Program Eligibility Specialists should be alert to situations in which a participant requests multiple payments throughout the year.

(2) Job retention payments should not become a substitute for regular cash assistance payments or be viewed as an additional year of cash assistance.

(f) Prior to authorizing any job retention payment, it must be clearly established that:

(1) A job-related need exists; and

(2) Failure to meet that need will most likely result in the participant's job being terminated.

(g) In addition, job retention payments may not be used to provide ongoing assistance with basic needs such as rent or utilities since that type of assistance must be counted for purposes of the time limit.

(h) Job retention payments will be authorized through the WISE reimbursement system using the close override feature.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-219. Extended case management services.

(a)(1) Case management is the process of coordinating and brokering the multiple services needed to achieve progress toward self-sufficiency.

(2) Program Eligibility Specialists serve as a point of contact for participants and a point of accountability for management.

(3) The Program Eligibility Specialist has overall responsibility for participants from initial assessment until case closure.

(b) One (1) aspect of case management is to provide the participant with sufficient information on what to expect regarding changes and challenges in the world of work.

(c)(1) Extended case management services will be provided to participants whose cases are closed due to employment.

(2) Case management services may be provided for up to a maximum of twelve (12) calendar months after the participant's cash assistance case has closed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-220. Individual development account (IDA).

(a)(1) The Family Savings Initiative Act, Acts 1999, No. 1217, provides for the establishment of individual development accounts (IDAs).

(2) Acts 2007, No. 252, transferred the Family Savings Initiative to the Division of Workforce Services.

(3) The purpose of the individual development account is to provide an opportunity for low-income and low-asset families to accumulate assets.

(4) IDAs are savings accounts that are available to transitional employment assistance (TEA) participant families and families whose income is below one hundred eighty-five percent (185%) of the federal poverty level.

(b) Acts 1999, No. 1217, establishes the general operating guidelines for the IDA program as follows:

(1) Account contributions shall be matched at a rate of three dollars (\$3.00) for each one dollar (\$1.00) contributed by the account holder with matching dollars not

to exceed two thousand dollars (\$2,000) per account holder or four thousand dollars (\$4,000) per household;

(2) IDA program participants must be a resident of the state with:

(A) Gross household income from all sources equal to or less than one hundred eighty-five percent (185%) of the federal poverty level; and

(B) A net worth of ten thousand dollars (\$10,000) or less disregarding the primary dwelling and one (1) motor vehicle owned by the household; and

(3)(A) IDAs may be used for any of the following qualified purposes:

(i) Qualified first-time home buyer;

(ii) Business capitalization account;

(iii) Post-secondary educational expenses;

(iv) Individual retirement account; and

(v) Purchase or repair of an automobile, if not the sole purpose of the

IDA.

(B) If federal Temporary Assistance for Needy Families funds are used as match, only the purposes in subdivisions (b)(3)(A)(i), (ii), and (iii) of this section are allowable.

(c) The value of the IDA is not considered when determining the participant's eligibility for:

(1) The Transitional Employment Assistance Program;

(2) The Supplemental Nutrition Assistance Program, formerly known as food stamps; and

(3) Family-related Medicaid programs.

(d)(1) IDAs are available through agencies that have contracted with the Department of Human Services to offer the service.

(2) Eligible families who express an interest in opening an IDA account will be referred to the local IDA agency.

(3) The IDA agency representative will meet with the potential account holder and explain the requirements of the IDA account.

(4) The potential account holder will be required to sign an agreement with the IDA agency.

(e) The Program Eligibility Specialist should explain what an IDA is, the benefits of opening an IDA, and the location of the local IDA agency to the participant.

(f) Participation in the IDA program is voluntary, therefore, there will be no sanctions imposed on TEA participants who fail to comply with an IDA account agreement.

(g) The counties in which the IDA program is available should coordinate with their local IDA agency for referral procedures.

(h) **Emergency withdrawals.**

(1) An emergency withdrawal may be made from an IDA account for the following unforeseeable emergencies and hardship reasons:

(A) Unexpected illness or accident of the IDA participant or dependent resulting in medical expenses not covered by insurance or compensation;

(B) Damage or destruction to participant's primary residence and the repair is not covered by insurance;

(C) To prevent the eviction of the participant from his or her primary residence;

(D) Funeral expenses for which the participant is financially responsible that are not covered by insurance;

(E)(i) Separation or divorce by the participant.

(ii) Qualifying expenses may include:

(a) Attorney fees;

(b) Court costs; and

(c) Expenses previously covered by income of spouse;

(F) To pay for normal monthly expenses, such as housing, utilities, food, etc., if the IDA participant unexpectedly loses his or her job; and

(G) Other critical need cases as approved by the IDA agency program manager.

(2) If an unforeseeable emergency is caused by any of the following, the IDA participant will not qualify for an emergency withdrawal of funds from his or her IDA account:

(A) Normal monthly expenses, except when the IDA participant unexpectedly loses his or her job;

(B) Normal maternity leave;

(C) Loss of overtime or holiday pay;

(D) Elective or cosmetic surgery or orthodontia; or

(E) Annual tax liability.

(i) **Emergency withdrawal limitations.**

(1) Three (3) emergency withdrawals will be allowed during participation in the IDA program.

(2) The Program Eligibility Specialist should explain that more than three (3) emergency withdrawals will result in the participant being removed from program participation.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-221. Provider eligibility guidelines for nonchildcare providers.

(a) Individuals providing supportive services to transitional employment assistance (TEA) participants are required to meet established guidelines.

(b) Providers must have on file the following:

(1) One (1), or all, if appropriate, of the following provider agreements:

(A) TEA-1400, Provider Agreement, Signature Page (nontransporting providers); or

(B) TEA-1432, Memorandum of Agreement to Provide Transportation Services for TEA Participants (transporting providers);

(2) Proof of:

(A) Employer identification number;

(B) Social Security number; or
(C) Federal tax identification number;
(3) Form W-9, Request for Taxpayer Identification Number and Certification;
and

(4) Internal Revenue Service Letter 147C, EIN Previously Assigned.

(c) **TEA provider agreement.** The purpose of form TEA-1400, Provider Agreement, the TEA-1432, Memorandum of Agreement to Provide Transportation Services for TEA Participants, and the TEA-1411, Vehicle Vendor Agreement, is to supply all providers with a complete, detailed explanation of the TEA payment system and the responsibilities of the Department of Human Services and the provider.

(d) **TEA Provider Agreement (TEA-1400).**

(1) Form TEA-1400, Provider Agreement, will be provided to:

(A) All individuals who provide services, other than individuals who transport TEA participants; and

(B) All individuals designated as a potential provider of services for participants.

(2) A TEA-1400 is valid for up to two (2) years, based on state fiscal year, and each provider will be required to sign a new agreement at the end of the second fiscal year.

(3) Program Eligibility Specialists will, when requested, give technical assistance to a provider regarding any portions of the agreement when an explanation is requested.

(4)(A) The original TEA-1400 will be filed in a central location in the local office.

(B) A copy will be:

(i) Sent to the Temporary Assistance for Needy Families Contracts Unit of the Department of Human Services;

(ii) Filed in the participant's TEA case record; and

(iii) Given to the provider.

(C) Once a valid TEA-1400 is on file, the provider does not have to sign another TEA-1400 if he or she begins providing services to another participant.

(e) Memorandum of Agreement to Provide Transportation Services For TEA Participants (TEA-1432).

(1)(A) The purpose of the TEA-1432, Memorandum of Agreement to Provide Transportation Services for TEA Participants, is to provide the transportation provider and the local office with a written agreement that details the responsibilities of the:

- (i) Provider;
- (ii) Participant; and
- (iii) Department of Human Services.

(B) In addition, the memorandum of agreement (MOA) provides the provider with procedures for payment.

(2)(A) The local office and the TEA transportation provider will enter into an MOA.

(B) If the provider is providing transportation services for more than one (1) TEA participant, only one (1) signed TEA-1432 is required for that provider.

(C) The original TEA-1432 will be filed in a central location at the local office, and a copy will be given to the transportation provider.

(D) A copy will also be provided to the Central Office Temporary Assistance for Needy Families Contracts Unit of the Department of Human Services.

(E)(i) The provider information will be documented in the TEA participant's case record.

(ii) If there are any issues with the agreement, the local office will receive assistance from the Temporary Assistance for Needy Families Policy and Contract Units.

(3) The Program Eligibility Specialist will refer the TEA participant to the transportation provider via form TEA-1427, Provider Service Authorization.

(4)(A) Form TEA-1433, Participant Rights and Responsibilities for Transportation Assistance, will be sent to the provider with the TEA-1427.

(B) The provider is responsible for giving a copy of the information sheet to the participant on the first day the transportation services are provided.

(f) TEA Vehicle Vendor Agreement (TEA-1411).

(1) The purpose of the TEA-1411, Vehicle Vendor Agreement, is to provide the local office, the vendor, and the participant with a binding written agreement that details the terms and conditions of the sale of a vehicle for which the department is providing down payment assistance.

(2) In addition to the TEA-1411, the vehicle vendor must sign a TEA-1400, Provider Agreement, if one (1) is not already on file in the local office.

(g) Employer identification number (EIN).

(1)(A) An employer identification number (EIN) is a federal number obtained from the Internal Revenue Service.

(B) Anyone operating an established business (i.e., taxi company, bus service, etc.) and conducting business with the Department of Human Services in a provider capacity must have or obtain a federal tax ID/EIN number from the Internal Revenue Service prior to becoming a provider.

(2)(A) The vendor must provide proof of the number to the Program Eligibility Specialist.

(B) Acceptable proof may be:

(i) A certificate issued by the Internal Revenue Service; or

(ii) Other correspondence received from/sent to the Internal Revenue Service.

(3) The Program Eligibility Specialist will provide information to customer/prospective providers relative to obtaining EIN/federal tax identification number.

(h) Social Security number (SSN).

(1) A Social Security number (SSN) is required of providers, e.g., relative, friends, neighbor, etc., who do not operate an established business.

(2) The provider will be required to:

(A) Have/obtain an SSN; and

(B) Furnish proof of the number.

(3) Acceptable proof of an SSN includes, but is not limited to:

(A) The individual's Social Security card issued by the Social Security Administration;

(B) Any correspondence from the Social Security Administration with the number referenced; or

(C) Tax returns.

(4) This proof must be provided prior to any services being authorized.

(i) Request for Taxpayer Identification Number and Certification (W-9).

(1)(A) All nonchildcare providers paid with TEA funds must have a completed/signed W-9 form on file.

(B) Providers will complete and sign this form:

(i) During completion of TEA-1400; or

(ii) When proof of EIN/SSN is submitted.

(C) The individual signing the form must be the same person who signed the TEA-1400.

(2) If a provider already has a signed W-9 on file in the local office, it will not be necessary to submit another form.

(3) Department of Human Services staff will make certain that all information on the W-9 form is the exact same as the information on the Internal Revenue Service verification document.

(j) Potential provider fails to meet eligibility.

(1) When the potential provider fails to meet the provider eligibility guidelines, Department of Human Services staff will explain to the participant the reason or reasons why and what must be accomplished in order for the individual to become a provider.

(2) Participants in need of immediate services will be provided with information relative to eligible providers who have met all requirements and can be used until the designated provider satisfies all requirements.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-222. Services not paid by TEA.

When the participant has made transportation or other arrangements that will be provided at no cost or will be paid by another agency, the Program Eligibility Specialist should obtain a written statement from the participant or document the arrangements in the narrative.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-223. Authorizing supportive services.

(a)(1) The following must be obtained from the provider before any services are authorized:

- (A) Proof of EIN/SSN;
- (B) Signed W-9; and
- (C) Signed signature page of TEA-1400.

(2) Services cannot be authorized until all necessary information has been submitted.

(3) **Note.** New providers must be added to the PEPU (Provider Update) screen on WISE.

(b) Provider Service Authorization — TEA-1427.

(1) Form TEA-1427, Provider Service Authorization, authorizes transportation services and provides proof of arrangements via a written and signed agreement between the:

- (A) Participant;
- (B) Provider; and
- (C) Program Eligibility Specialist representing transitional employment assistance (TEA).

(2)(A) Form TEA-1427, Provider Service Authorization, is the only form that will be used to authorize nonchildcare services by providers paid through the WISE payment system.

(B) TEA will not be liable to pay for any services rendered by a provider without written authorization via form TEA-1427.

(c) Beginning date of nonchildcare services.

(1)(A) The period of authorization for transportation/other services is listed on the TEA-1427 as "for the period _____ through _____".

(B) The service is considered authorized by the local office upon signature on the TEA-1427 by the Program Eligibility Specialist.

(C) Prior to signing the form, the Program Eligibility Specialist must verify the provider has met all requirements in order to be paid by the Department of Human Services.

(2)(A) The effective date of service for TEA participants begins the first date transportation or other nonchildcare services are required by the participant provided all provider requirements have been met as of that date.

(B) Otherwise, the effective date will be the first date all provider requirements are met.

(d) Utilizing the provider agreement/amendment sheet.

(1)(A) The local office manager or designee will use the amendment to the TEA-1400, Provider Agreement, when it is deemed appropriate.

(B) This includes, but is not limited to, an increase or decrease in the transportation rate.

(2)(A) The local office manager or designee will use discretion when using the provider agreement amendment as this form is not intended as a means of giving providers rate raises.

(B) See 20 CAR § 503-221(d) for routing instructions.

(e) Payments/reimbursements.

(1)(A) Participants and providers will be required to complete form TEA-187, Billing/Routing Sheet, relative to payment/reimbursement for records of expenses.

(B) Form TEA-187 will be used by participants and providers to document and bill for payment or reimbursement of expenses.

(C) Document the case narrative of any information relative to the method of payment or reimbursement.

(2) Form TEA-187 will be fully completed and signed by the participant and/or provider prior to any payment or reimbursement being made.

(3) Form TEA-1430, Transportation Billing/Routing Sheet, will be completed for transportation reimbursements.

(f) Use of the WISE system.

(1) The Program Eligibility Specialist will utilize instructions contained in the online WISE help when authorizing reimbursement payments and generating checks for participants and providers.

(2) If a provider is providing services for more than one (1) participant, a separate entry for each person must be keyed to RSRP (Reimbursement Authorization) in order for a check to be generated.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "EIN" means employer identification number.

"SSN" means Social Security number.

20 CAR § 503-224. Employment services — Noncompliance.

(a)(1) The purpose of the noncompliance process is to encourage the participant to comply with the work activity requirement.

(2) It is expected this process will assist the participant in successfully reaching the goal of full-time employment while safeguarding the health and wellbeing of the children.

(b) **Defining failure to comply.** Failure to comply occurs when a person who is required to participate in the program:

- (1) Fails to participate in a work activity;
- (2) Refuses to accept employment;
- (3) Terminates employment without good cause; or
- (4) Otherwise fails to comply with his or her employment plan.

(c) **Good cause.**

(1)(A) The noncompliance process will be stopped if the participant demonstrates that he or she had good cause for not complying.

(B) The determination of good cause is a local office decision.

(2) Good cause for failure to comply will be found to exist if:

(A) The participant is the parent or other relative personally providing care for a child under age six (6) years and child care is not available;

(B) Child care, or day care for any incapacitated individual living in the same home as a dependent child, is necessary for a participant to engage in a work requirement or continue in the program or to accept employment and such care is not available;

(C) Transportation is unavailable;

(D) The working conditions would be a risk to the participant's health or safety;

(E) The worksite is only available because of a labor dispute;

(F) The participant was subject to discriminatory practices based on:

(i) Age;

(ii) Sex;

(iii) Race;

(iv) Religion;

(v) Disability;

(vi) Political affiliation;

(vii) Veteran status;

(viii) Color; or

(ix) National origin;

(G) The offer of employment is not a specific job at a stated wage that meets the federal minimum wage; or

(H) The failure to participate was due to events beyond the participant's control, which include, but are not limited to:

- (i) Inclement weather;
- (ii) Family emergency;
- (iii) Natural disaster;
- (iv) A short-term illness that temporarily prevents employment; or
- (v) Mail loss.

(d) **Determining good cause.** Once failure to comply with transitional employment assistance (TEA) work requirements has been established, the Program Eligibility Specialist will:

(1)(A) Contact the participant to give him or her an opportunity to explain why he or she failed to comply and make a determination of good cause, if appropriate.

(B) This contact should be in writing, i.e., TEA-1.

(C) If the contact is made by phone or face-to-face, the case record must be documented accordingly.

(D) The Program Eligibility Specialist should provide the participant, at a minimum, the following information:

(i) The specific act of noncompliance;

(ii) A reasonable time, e.g., ten (10) days if contacting the participant by mail, to establish good cause prior to applying the sanction;

(iii)(a) If the sanction is imposed, it will result in the cash assistance payment being:

(1) Suspended;

(2) Reduced; or

(3) Terminated.

(b) **Note.** Suspended is defined as a period in which the family's financial assistance shall be held pending compliance, after which the family's assistance may be:

(1) Reduced;

(2) Lost; and/or

(3) Paid at the regular grant amount; and

(iv) That the sanction months in which benefits are received will continue to count toward the individual's twelve-month time limit;

(2)(A) Make a determination as to whether or not a good cause exists.

(B)(i) If the participant contacts the local office and good cause is determined to exist, then:

(a) All noncompliance procedures will stop; and

(b) The participant will be rescheduled for an appropriate activity.

(ii) **Note.** Any time a participant meets a deferral reason, the noncompliance process will be stopped.

(C)(i) If good cause does not exist but the participant states a willingness to cooperate, the participant will be required to engage in an appropriate activity for a period of two (2) weeks.

(ii) If the participant does not satisfactorily complete the two (2) weeks of participation, then the noncompliance sanction process will proceed.

(iii) **Note.**

(a) If the Program Eligibility Specialist becomes aware that the participant had good cause for failing to complete the two (2) weeks of participation, consideration of that will be given.

(b) However, it is not necessary to formally provide the person with an opportunity to show he or she had good cause in this situation;

(3)(A) In the event good cause is not established and the participant does not state a willingness to cooperate, the cash assistance payment will be suspended, reduced, or terminated in accordance with the noncompliance sanction.

(B) Refer to 20 CAR § 503-225; and

(4) An adequate notice, Form TEA-1421, Notice of Work Activity Non-Compliance Sanction, will be sent to the participant advising that a sanction is being imposed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-225. Noncompliance sanction.

(a)(1) An act of noncompliance opens the initial sanction process.

(2) The sanction process is as follows:

(A) Transitional employment assistance (TEA) benefits will be suspended for one (1) month;

(B) If the participant fails to comply after the benefits have been suspended, the suspended payment will be lost;

(C) In addition to losing the suspended payment, the monthly benefit amount will be reduced by twenty-five percent (25%) for up to three (3) months of noncompliance;

(D)(i) If the participant's noncompliance continues after the fourth month, a second suspension period will be imposed for two (2) months.

(ii) The suspended benefits are at the full payment level;

(E) If the participant fails to comply after the benefits have been suspended a second time, two (2) payments will be lost;

(F) In addition to losing the suspended payments, the monthly benefit amount will be paid at the fifty percent (50%) reduced level for up to three (3) months; and

(G) Case closure.

(b) **Note.** If during the suspension period or periods the participant becomes compliant within fifteen (15) business days of the suspension period and maintains compliance for two (2) weeks, the suspended TEA payment will be paid to the participant.

Example:

Suspend 1: If a participant fails to engage in their assigned activity during the month of May, a TEA-1 is sent on June 2. But the household does not make any contact before the end of the ten (10) days, so a TEA-1421, Notice of Work Activity Non-Compliance Sanction, will need to be sent out on June 13. If the participant does not comply within fifteen (15) business days, the participant has lost that month's assistance.

(c)(1) Attempts will be made to complete a face-to-face meeting with the participant during the thirty (30) days of suspension.

(2) The purpose is to explain the reason for noncompliance, penalty, and to discuss what is necessary to be compliant.

(3)(A) If necessary to accomplish the face-to-face interview, a home visit will be completed during the thirty-day suspension unless compliance occurs.

(B) The purpose of the home visit is to:

(i) Counsel and encourage the participant to come into compliance;

and

(ii) Assess the safety and wellbeing of the children.

(C) Forms TEA-1420, Sanction Documentation Checklist, and TEA-1422, Child Health and Safety Screening Checklist, will be completed during the home visit.

(d) **Note.** The case will not be suspended or closed due to the noncompliance of a minor parent.

(e) **Participant becomes compliant within the initial fifteen-business-day notice period.** The two (2) suspended payments shall be released if the participant:

(1) Comes into compliance within fifteen (15) business days of the imposition of the infraction; and

(2) Complies for a period of two (2) consecutive weeks.

Example 1:

Suspend 2: A participant is put into Suspend 2 for June and July.

The participant does not comply until the month of July, which is the second month of Suspend 2. Since the participant did not comply within the initial fifteen-day notice period or within the first suspension period, the participant will lose both months of payment.

Example 2:

Suspend 2: A participant is put into Suspend 2 for June and July. The participant comes into compliance during the month of June, which is the first month of Suspend 2. Since the participant complied within the first suspension period, the participant will receive both months of payment.

(f) Participant does not comply.

(1)(A) Participants shall lose the two (2) suspended payments at full grant amount and continue in noncompliance status at fifty percent (50%) for up to three (3) months.

(B) After this noncompliance, the case will be closed.

(2) Note.

Flow of noncompliance:

Suspension

25%

25%

25%

Suspension

Suspension

50%

50%

50%

Case Closure

(3) The participant will be sent an advance notice of closure via form TEA-1421, Notice of Work Activity Non-Compliance Sanction, if the decision has been made to close the case.

(4) If the participant appeals any of the sanction actions within ten (10) days of the date of the action, the TEA payment will be restored to the amount it was prior to that appeal pending the administrative hearing decision.

(5) If good cause is determined to exist at any time, the sanction will be lifted.

(6) **Note.**

(A) If the noncomplying participant is the minor parent of one (1) or some of the children included in the case, the case will not be closed.

(B) Refer to 20 CAR § 503-137.

(g) **Home visits and contacts during the noncompliance sanction.**

(1) The primary purpose of the home visit is to:

(A) Discuss with the participant the importance of coming into compliance;

(B) Encourage compliance;

(C) Identify any previously unknown barriers; and

(D) Complete a basic screening on the safety and wellbeing of the children.

(2) **Thirty days after either suspension of benefits.**

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

(ii) **Note.** A case will not be closed solely because a home visit could not be completed.

(B)(i) Contact will be made with the participant during the thirty (30) days of suspension.

(ii) This contact should preferably be a face-to-face contact in the office but may be made by phone or a visit to the family's home.

(C) If a deferral reason is established at any time during the infraction, the Program Eligibility Specialist will lift the sanction.

(3) Last month of noncompliance.

(A)(i) A home visit will be completed.

(ii) The purpose of this visit is to:

(a) Collect information on the safety and wellbeing of the children; and

(b) Discuss with the participant the importance of coming into compliance and that the next level of the sanction is case closure.

(B) A case will not be closed until:

(i) A home visit has been completed; or

(ii) Every attempt has been made to complete the visit.

(C)(i) A case staffing will be completed during the last month of noncompliance.

(ii) The case staffing will be completed whether or not the local office was successful in completing a home visit.

(4)(A) Since the time-limit clock continues to run during the noncompliance months, it is of the utmost importance for the Program Eligibility Specialist to attempt to contact and counsel the sanctioned participant during this time.

(B) The purpose of the contact and counseling is to encourage and ultimately get the sanctioned participant into compliance and moving toward self-sufficiency before his or her sanction progresses further and the case is closed due to the sanction or reaching the time limit.

(5) During the home visits and contacts, the following items should be discussed with the sanctioned participant and documented on the TEA-1420, Sanction Documentation Checklist:

(A) Emphasize that the time-limit clock continues to run even though the grant has been reduced and inform the participant of the number of months remaining in the time limit;

(B) Assess how well the children's basic needs are being met on the reduced payment;

(C) Discuss any known problems or issues that are preventing the participant from complying and attempt to find solutions to those to encourage the participant to attempt compliance again, e.g., ongoing transportation or child care arrangement problems, learning disability, etc.;

(D) Discuss any problems or issues that may not have been apparent previously that may be preventing the participant from complying, e.g., a domestic violence situation, substance abuse, etc.;

(E) Discuss what actions the participant is taking on his or her own to ready the family for self-sufficiency when cash assistance is no longer available; and

(F) Offer the participant the opportunity to come into compliance to have the sanction lifted.

(6)(A) Form TEA-1422, Child Health and Safety Screening Checklist, will also be completed documenting information regarding the health and safety of the children.

(B) The case record will be clearly documented to reflect that the contacts were made or attempted.

(C) If, at any time, the participant states his or her willingness to comply, the Program Eligibility Specialist will engage the participant in an appropriate activity.

(h) Lifting the sanction.

(1) Following the imposition of a noncompliance sanction, the sanction will be lifted when the participant:

(A) Comes into compliance within fifteen (15) business days of the imposition of the infraction and complies for a period of two (2) consecutive weeks; or

(B) Meets a deferral reason.

(2) **Note.** "Imposition of a noncompliance sanction" means the TEA payment was in suspension or reduced by twenty-five percent (25%), fifty percent (50%), or the case was closed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-226. Reapplication after closure.

(a) Cases closed due to noncompliance.

(1)(A) If a participant whose case has been closed due to noncompliance reapplies for transitional employment assistance (TEA), the application will be held until he or she has complied for two (2) weeks.

(B) Supportive services will be provided to these participants so that the work activity requirement can be met prior to approval of the application.

(2) If the applicant does not participate for two (2) weeks, the TEA application will be denied.

(3) If the applicant participates for two (2) weeks, the application will be approved for full payment.

(4)(A) A subsequent act of noncompliance by the participant will result in:

(i) The reduction of the TEA payment to the fifty percent (50%) level;

or

(ii) Case closure.

(B) The decision will be made at the discretion of the local office based on the home visit and case staffing.

(b) Cases closed due to other reason while under noncompliance.

(1) If a sanctioned participant reapplies for TEA and the participant's case was closed while in sanction status, the applicant will be required to comply for two (2) weeks prior to approval of the application.

(2) If the applicant complies for two (2) weeks, the application will be approved for full payment.

(3) If the applicant refuses to comply, the application will be approved at the reduced payment level the individual was at when the case closed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-227. Cooperation with quality assurance.

(a) A family must cooperate with the Quality Assurance Unit if the case is selected for a Transitional Employment Assistance Program review.

(b) Failure to cooperate will cause the entire family to be ineligible.

(c) Upon notification from the Quality Assurance Unit that a family has failed to cooperate, a ten-day notice will be issued to the family stating that the transitional employment assistance (TEA) case will be closed unless cooperation occurs.

(d)(1) If the family contacts the office stating a willingness to cooperate, a referral will be made to the Quality Assurance Reviewer.

(2) The closure will be delayed pending notification from the Quality Assurance Reviewer as to whether the participant actually cooperated.

(e)(1) If the participant did not cooperate, then the case will be closed.

(2) The participant will be notified of the closure but the notice need not be another advance notice.

Authority. Arkansas Code §§ 20-76-401, 20-76-401.

20 CAR § 503-228. Failure to comply with non-work-related aspects of the personal responsibility agreement.

(a) **Child support.**

(1) Failure to comply with child support requirements will result in a twenty-five percent (25%) reduction in the transitional employment assistance (TEA) payment.

(2) The Department of Human Services worker will:

(A) Determine if a parent or other adult caretaker relative has failed to comply with child support requirements;

(B) Determine if the participant had a satisfactory reason for the act of noncompliance;

(C) Provide the participant an opportunity to appeal the noncompliance decision prior to notifying the Department of Human Services; and

(D) Notify the county office in writing to impose the noncompliance sanction if a parent or other adult relative fails to comply with child support requirements.

(3) The Department of Human Services worker will:

(A)(i) Take action to reduce the payment by twenty-five percent (25%).

(ii) See subdivision (a)(5) of this section;

(B) Send an adequate notice (ten-day advance is not required) to the parent stating the action being taken is due to his or her failure to cooperate with the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration; and

(C) Advise the participant of his or her right to request an administrative hearing of the payment reduction.

(4)(A) However, the payment reduction is the only appealable issue to the Department of Human Services.

(B) Since the Office of Child Support Enforcement made the noncompliance decision and has already provided the participant an opportunity to appeal it, the noncompliance decision is not an appealable issue with the Department of Human Services.

(5) **Note.** If a sanction for noncompliance with another requirement has been imposed, the payment will not be reduced.

(6) **Note.**

(A) Each participant is given an opportunity to claim "good cause" for not cooperating in child support activities before he or she is required to cooperate.

(B)(i) However, if a participant who has failed to cooperate makes a good cause claim, the county office will follow the procedures for determining good cause even though the claim was not made before cooperation was required.

(ii) See 20 CAR §§ 502-313 – 502-319.

(C) If it is determined that good cause exists, then the sanction will not be imposed.

(D) The county office will notify the Office of Child Support Enforcement that good cause exists and that, as a result, child support activities in relation to that particular absent parent should be terminated.

(b) Lifting the child support sanction.

(1) A child support sanction may be lifted at any time a parent or other adult caretaker relative complies with the Office of Child Support Enforcement.

(2) If the parent or other adult caretaker relative wishes to have the sanction lifted by complying with the Office of Child Support Enforcement:

(A) A referral will be made to the Office of Child Support Enforcement;
and

(B) Notification from the Office of Child Support Enforcement that he or she has cooperated must be received prior to the assistance being restored to the full amount.

(3)(A) If a participant whose cash assistance payment was reduced due to noncooperation with the Office of Child Support Enforcement states a willingness to cooperate and appears at the Office of Child Support Enforcement office, but the reason for noncooperation was that the participant had previously failed to appear in court, then he or she must actually appear at the next scheduled court date the Office of Child Support Enforcement arranges in order to be fully cooperating.

(B) In this situation, the payment will remain at the reduced amount until he or she appears at the scheduled court date.

(C) The Office of Child Support Enforcement 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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-229. School attendance.

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

(b)(1) For purposes of this section, school attendance relates only to children and not minor parents.

(2) Refer to 20 CAR § 503-135 for minor parent education requirements.

(c)(1) During the application process, the Department of Human Services worker may accept the participant statement that all school-age children are enrolled in and satisfactorily attending school.

(2) 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 (1) or more children in the family has failed to enroll or attend school regularly.

(3) 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.

(d)(1) "Satisfactory attendance" is defined in accordance with the school's definition of attendance.

(2) 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.

(3) Form 65 may be completed by the school to verify attendance.

(4) Phone contact or other documentary evidence from the school may also be accepted.

(d) If a child is being homeschooled verification that there is an approved homeschooling application on file with the school superintendent may be required if the participant's homeschooling allegation appears questionable.

(e) If the child is not enrolled in school:

(1) A ten-day notice will be issued to the participant stating that the child will be dropped from the TEA case unless verification is received that the child is attending school;

(2) The unearned income and resources of the child will be counted in determining continued eligibility; and

(3) 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 thirty (30) days.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-230. Immunizations.

(a)(1) Immunizations of preschool-age children is a requirement for transitional employment assistance (TEA).

(2) Exemptions to this requirement due to religious beliefs or medical problems may be approved as described below.

(b)(1) During the application process, verification of immunizations for children age two (2) months to five (5) years is requested.

(2) Each preschool-age child included in the assistance unit must meet the immunization requirement or be exempted from it as described below.

(3) Noncompliance with the immunization requirement, for any or all of the children, will result in a twenty-five percent (25%) reduction in the payment amount for which the family is otherwise eligible.

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

(1) Verification must be provided by the thirtieth day;

(2) If the parent does not bring the verification, the worker will issue a ten-day notice stating that unless verification of the immunizations is received, the TEA cash assistance payment will be reduced;

(3) The family may provide the child's immunization (shot) record or verification from the local health department or physician; and

(4) See Appendix A for the American Academy of Pediatrics Immunization Schedule, which identifies the age and type of immunization the child should have.

(d) **Exemptions due to religious beliefs or medical problems.**

(1) 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 Department of Health.

(2)(A) To obtain such exemption, the parent must request a Religious Exemption Application or Medical Exemption Application from the department.

(B) The address is:

4815 West Markham
Little Rock, AR 72205

(C) The toll-free telephone number is 1-800-482-5400.

(3) Upon completion, the application must be submitted to the department at the above address for a decision.

(4)(A) The decision will be sent directly to the parent, parents, or caretaker relative.

(B) The normal processing time is two (2) weeks.

(5)(A) The parent, parents, or caretaker relative must provide verification of the decision within thirty (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.

(B) Failure to provide such verification will result in the TEA cash assistance payment being reduced after appropriate notice.

(6) If, however, a decision remains pending from the department at the end of the thirty (30) days, verification of pending status will be obtained by the applicant from the department and provided to the case worker.

(7) **Note.** Requests can be made only to the Central Office of the Department of Health listed above, not to the local health units.

Authority. Arkansas Code § 20-76-401.

Subpart 3. Continuing Eligibility

20 CAR § 503-301. Continuing eligibility generally.

(a) The Division of County Operations has a continuing responsibility to:

(1) Provide assistance for eligible participants as adequately as funds will permit; and

(2) Ensure that no ineligible participant continues to receive assistance.

(b) Both the county office and the participant have the responsibility to ensure that information upon which a participant's eligibility is based is current and complete.

(c) During follow-up contact with the transitional employment assistance (TEA) participant, the worker will ensure that the requirements in the following sections continue to be met.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-302. Timely (advance) and adequate notice for reduction, hold, or termination of assistance.

(a) 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.

(b)(1) "Timely" or an "advance" notice is one that is mailed at least ten (10) days before the date of action, that is, the date upon which the action would become effective.

(2) Except that in instances of probable fraud, the notice is timely if it is mailed at least five (5) days before the date of action.

(3) Day one (1) is considered the day following the day the notice is sent.

(c) "Adequate" is a written notice that includes:

(1) A statement of what action the agency intends to take or has taken;

(2) The reasons for the intended agency action;

- (3) The specific policy supporting such action;
- (4) An explanation of the person's right to request a hearing; and
- (5) The circumstances under which assistance is continued if a hearing is requested.

(d)(1) If an administrative hearing is not requested within the advance notice period, then the action will be taken.

(2) If a hearing is requested within the advance notice period, the Family Support Specialist will:

(A) Forward a copy of the DCO-1 to the Central Office of the Division of County Operations; and

(B) Delay action pending the hearing unless the participant specifically requests assistance not be continued pending the hearing.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-303. When a timely (advance) notice is not required.

(a) Advance notice is not required when:

(1) The agency has factual information confirming the death of the transitional employment assistance (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 or she no longer wishes assistance or that gives information that requires termination or reduction of assistance, and the participant has indicated that he or she understands the consequences of supplying such information;

(3) The participant has been admitted or committed to an institution, thereby rendering him or her ineligible;

(4) The participant has been placed in a long-term care facility;

(5)(A) The participant's whereabouts are unknown and agency mail directed to him or her has been returned by the post office indicating no known forwarding address.

(B) The participant's check must be made available to him or her if his or her 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 or her 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; or

(9) The sanction for noncooperation with child support requirements is imposed following a determination of such noncooperation by the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration.

(b)(1) In the above situations, an adequate notice is still required.

(2) If the participant requests a hearing within ten (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.

Authority. Arkansas Code § 20-76-401.

Subpart 4. Nonwork Participation Eligibility Requirements

20 CAR § 503-401. Periodic reviews.

(a) Time-limited cases.

(1) During employment updates and other periodic contacts with the participant, the Program Eligibility Specialist will ensure that participants continue to meet eligibility requirements that are subject to change, e.g., child in the home, income, etc.

(2) If it is determined that a family's circumstances have changed, continued eligibility will be determined.

(3) The participant will also be reminded of his or her responsibility to report changes within ten (10) days.

(b) Non-time-limited cases.

(1) Cases that are not subject to the time limit will be reviewed by mail on a yearly basis.

(2) Upon approval of transitional employment assistance (TEA), the worker will advise the participant of this timeframe and his or her responsibility to report changes within ten (10) days.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-402. Resources.

(a) Newly acquired resources should be reported to the county office within ten (10) days of receipt.

(b) Resources will be verified according to the same standard used to determine original eligibility.

(c) If the total countable resources available to the unit are over the limit of three thousand dollars (\$3,000), the transitional employment assistance (TEA) case will be closed.

(d) A timely notice will be required prior to case closure.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-403. Income.

(a)(1) The worker will discuss income changes during periodic contacts with the participant.

(2) The participant will be advised that he or she must report changes within ten (10) days.

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

(c) 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; or
- (5) Start or termination of an unearned source of income.

(d)(1) When a change in income is due to termination of employment or a reduction of earnings, the worker will determine the reason for the change to ascertain whether it meets the requirements of good cause.

(2) Refer to 20 CAR § 503-224(c).

(e) Verification of a change in income is required.

(f)(1) A decrease in payment or case closure requires a timely notice.

(2) If the case remains eligible but the payment increases, an adequate notice will be sent.

(g)(1) In certain situations, extended support services may be authorized when a transitional employment assistance (TEA) case is closed due to earnings.

(2) Refer to 20 CAR § 503-213.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-404. Recomputing income.

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

(b)(1) If the net countable income exceeds two hundred twenty-three dollars (\$223) (Income Eligibility Standard), the family is no longer eligible.

(2) See Example 1.

(3) Refer to 20 CAR § 502-517(e).

(c)(1) If the net countable income does not exceed two hundred twenty-three dollars (\$223) and the gross countable income does not exceed four hundred forty-six dollars (\$446), the assistance payment will remain the same.

(2) See Example 2.

(3) Refer to 20 CAR § 502-518.

(d)(1) If the net countable income does not exceed two hundred twenty-three dollars (\$223) but the gross countable income exceeds four hundred forty-six dollars (\$446), the assistance payment will be reduced by fifty percent (50%).

(2) See Example 3.

(3) Refer to 20 CAR § 502-518.

Example 1: Mrs. Jones receives two hundred eighty-six dollars (\$286) per month in assistance for herself, her husband, and three (3) children. Mr. Jones started to work, and his monthly gross earnings computed to be seven hundred fifty-four dollars (\$754). The income eligibility budget is as follows: $\$754$ (gross earnings) \times $80\% = \$603.20 - \361.92 (60% of $\$603.20$) $= \$241.28$. Since the net countable income of two hundred forty-one dollars and twenty-eight cents ($\$241.28$) exceeds the income eligibility standard of two hundred twenty-three dollars (\$223), the family is no longer eligible.

Example 2: Mr. Thomas receives assistance for himself and one (1) child of one hundred sixty-two dollars (\$162). He started to work, and his monthly gross earnings computed to be four hundred dollars (\$400). The income eligibility budget is as follows: $\$400$ (gross earnings) \times $80\% = \$320 - \192 (60% of $\$320$) $= \$128$. Since the net countable income is less than the income eligibility standard of two hundred twenty-three dollars (\$223), the family remains eligible. The assistance payment of one hundred sixty-two

dollars (\$162) remains the same because the gross earnings of four hundred dollars (\$400) are less than four hundred forty-six dollars (\$446).

Example 3: Mrs. Hill receives assistance for herself and two (2) children of two hundred four dollars (\$204). She has found employment, and her monthly gross earnings are computed to be four hundred fifty dollars (\$450). The income eligibility budget is as follows: $\$450$ (gross earnings) \times 80% = $\$360$ - $\$216$ (60% of $\$360$) = $\$144$, which is less than the two-hundred-twenty-three-dollar standard. The family remains income eligible. Since the gross income is greater than the four hundred forty-six dollars (\$446) (refer to 20 CAR § 502-518), the assistance payment is reduced by fifty percent (50%). The new assistance payment will be one hundred two dollars (\$102).

(e)(1) Even if the family remains eligible, the participant may choose at any time to have his or her case closed.

(2) 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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-405. Child support income exceeds assistance payment.

(a)(1) The Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration sends the transitional employment assistance (TEA) family any current monthly child support collected that is in excess of the TEA payment.

(2) A printout is sent to the county office stating that the child support exceeds the TEA payment.

(3) If the total child support collected, alone or with other countable income, exceeds the income eligibility standard of two hundred twenty-three dollars (\$223), action to close the case will be taken.

(4) If the family remains eligible, however, then contact will be made with the participant to discuss options or alternatives to cash assistance that could benefit the family.

(5) The contact can be:

(A) By phone;

(B) In writing; or

(C) During in-person contacts with the participant.

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

(1)(A) Close the TEA case and receive the full child support.

(B) 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.

(C) Also, explain that Medicaid may continue and if the absent parent stops paying, reapplication for TEA can be made; or

(2)(A) Continue to receive TEA and the partial child support payments.

(B) Explain to the participant that if this option is chosen, the payments will continue to count toward the time limitation.

(c)(1) It will be the participant's decision as to which option is chosen.

(2) If there is no response from the participant, no further action will be taken on the case.

Example: The family's TEA payment is two hundred four dollars (\$204) per month. The absent parent is paying two hundred twenty dollars (\$220) per month in child support. The Office of Child

Support Enforcement is sending the participant sixteen dollars (\$16.00). 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 participant reapplies in the future, the time limit will pick up from where it previously ended.

(d)(1) Whichever option is chosen, the case worker should redetermine the family's Medicaid eligibility.

(2) The family may be eligible for three (3) months of extended Medicaid due to child support income or may be eligible in another Medicaid category.

(3) Please refer to the Medical Services Policy Manual, 20 CAR pt. 500.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-406. Household composition.

(a)(1) An eligible child must be living in the home in order for a family to continue to be eligible for transitional employment assistance (TEA).

(2) Family members must continue to live in the home with the child for continued individual eligibility.

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

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-407. Family cap provisions — Newborns.

(a)(1) A child who is born while the mother is receiving transitional employment assistance (TEA) cash assistance either for other children or as a minor child herself will not be included in the case for cash assistance purposes.

(2) 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.

(b)(1) This provision applies equally to:

(A) Applicants who are pregnant and deliver after certification; and

(B) Participants who become pregnant after certification.

(2) There are no exceptions.

(3) 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.

(c)(1) 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.

(2) His income and resources will not be considered for cash assistance.

(3) However, if he and the mother marry, he will be added (as the stepparent of the child or children receiving cash assistance) and his income and resources will then be considered.

(d)(1) The family cap provision does not apply to a child who moves into the home from another home.

(2) See 20 CAR § 503-408.

(e)(1) A separate Medicaid determination for the child may be required.

(2) Refer to Medical Services Policy Manual, 20 CAR pt. 500.

(3) Form DCO-115, OCSE Information Referral, will be completed for referral to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration, if appropriate.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-408. Adding other individuals.

(a)(1) A child or other adult who moves into the home and meets all eligibility requirements will be:

- (A) Added to the transitional employment assistance (TEA) case; and
- (B) Eligible for payment.

(2) The county will obtain a new DCO-180 and a skills assessment form, if appropriate, in order to obtain information needed to establish the person's eligibility and the continuing eligibility of other family members.

(3) **Note.**

(A) 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 (6) months.

(B) In addition, a child who was born within nine (9) months after case closure will not be added unless the case has been closed continuously for six (6) months.

(C)(i) This does not apply to a child who was under the family cap but was later added for payment.

(ii) He or she will continue to be eligible.

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

(b) **Procedures for adding a person.**

(1) Obtain and record sufficient information to verify all eligibility requirements for the person being added.

(2) Complete a new budget to determine the unit's continuing eligibility and grant amount.

(3) If appropriate, send notice to the individual advising of his or her work participation activities.

(4) Complete Form DHS-3350 for referrals to agencies for requested services such as family planning services.

(5)(A) Indicate on the DCO-56 for each child in the "EPSDT Indicator" field whether a child health screening was requested by the casehead for the child and arrange for a screening appointment if scheduling assistance was also requested.

(B) Refer to Medical Services Manual Policy, MS 1121.1-1121.4 for the periodicity schedule.

(6) Make any other necessary referrals to agencies or organizations to help meet a specific family need such as housing assistance.

(7)(A) If a child is being added for whom cooperation with the Office of Child Support Enforcement of the Division of Revenue of the Department of Finance and Administration is required, provide the casehead an opportunity to claim good cause (DCO-90) prior to requiring his or her cooperation.

(B) If good cause is not claimed or does not exist, then make the referral to the Office of Child Support Enforcement as follows:

(i)(a) If the child being added is the child of a parent who has already been referred to the Office of Child Support Enforcement on behalf of other children in the same case, enter the already assigned absent parent number to the child's member record on WAFM.

(b) No further action to generate a referral to the Office of Child Support Enforcement is required.

(c) However, if any new information on the absent parent has been obtained, WAPU should be updated to reflect such information; or

(ii) If a child to be added is the child of a parent who has not been referred to the Office of Child Support Enforcement on behalf of other children in the case, complete a DCO-115.

(C) If good cause is determined to exist, no referral to the Office of Child Support Enforcement will be made.

(8) Complete the DCO-56 to add the individual to the ACES system.

(9) In situations in which a system notice is not generated, notify the participant of the action by form DCO-1.

(c) Effective date of payment.

(1) 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.

(2) Applications to add people will be processed within thirty (30) days.

(3) Benefits will not be prorated.

(4) The grant amount will be adjusted based upon one (1) 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 22. Ms. Jones applied on July 23 to add her son to her TEA case. She completed the action on July 25. Ms. Jones currently receives a payment in the amount of two hundred four dollars (\$204), and her new payment amount will be two hundred forty-seven dollars (\$247). For the month of July, Ms. Jones will receive an additional forty-three dollars (\$43.00) (difference between two hundred forty-seven dollars (\$247) and two hundred four dollars (\$204)). If eligibility is not determined until August, benefits for her son will start in August. No retroactive benefits will be paid.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "ACES" means Automated Client Eligibility System.

"EPSDT" means early and periodic screening, diagnostic, and treatment.

20 CAR § 503-409. Dropping individuals from the TEA grant.

(a)(1) Individuals who become ineligible for transitional employment assistance (TEA) assistance, e.g., die, move from the home, reach the maximum age for a child, will be dropped.

(2) The casehead is eligible to receive assistance for the individual for the month in which the change occurs.

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

(c) 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 to determine the family's continuing eligibility and payment amount;

(3)(A) Give advance notice (system generated or DCO-1), if necessary.

(B) 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; and

(4) Complete the DCO-56 for keying to the Automated Client Eligibility System (ACES).

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-410. Marriage of the TEA parent.

When a transitional employment assistance (TEA) participant reports a marriage, the worker will:

(1) Require an application to add the new spouse to the unit unless the spouse is a Supplemental Security Income participant;

(2) Determine if the person married is employed or has any other income or resource;

(3) If the family remains eligible, determine the person's work participation requirements and advise the family of such requirements if appropriate;

(4) Record all pertinent information in the case narrative;

(5) Complete a new budget;

(6) Complete DCO-56 changing name of payee and grant amount, if necessary;

(7)(A) 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.

(B) Refer to Appendix V; and

(8) In situations in which a system notice is not generated, notify the participant by DCO-1, if appropriate.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-411. Appeal rights.

(a) If the decision is to close the case at the end of twelve (12) months and not allow an extension, the participant has the right to appeal that decision through the Office of Appeals and Hearings of the Department of Human Services.

(b) However, benefits will not be continued pending the hearing decision after the twelfth month.

(c) Retroactive payment may be made if the hearing decision overturns the case closure decision.

Authority. Arkansas Code § 20-76-401.

Subpart 5. Noneligibility Changes

20 CAR § 503-501. Change of address.

(a)(1) The participant is responsible for notifying the county office within ten (10) days of any change of address.

(2) It is important that the participant be advised of his or her responsibility to report any change of address within ten (10) days to ensure that the participant will receive appointments, notices, etc., in a timely manner.

(3) It is also important that any change of address reported be processed promptly by the county office.

(b)(1) To change an address:

(A) Record all pertinent information in the case record;

(B) Key the change to the automated system; and

(C) 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.

(2) 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) that may be indicated by a change of address.

(c) Change of address to another county.

(1) Records of active or closed cases and denied applications will be transferred upon the request of:

(A) The individual;

(B) His or her authorized representative; or

(C) Another county office.

(2) A participant may visit in another county within the state without transferring his or her case record, if absence from his or her home county will not exceed one (1) month.

(3)(A) If the absence will exceed one (1) month, the case will be transferred to the county in which the family is located.

(B) This is to ensure that work participation activities continue.

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

(d) To transfer an active case:

(1) Record pertinent information in case record;

(2)(A) Key the change to the appropriate automated system.

(B) **Note.** For cases that are being transferred from an ANSWER county to a non-ANSWER county or transferring from non-ANSWER to ANSWER county, refer to ANSWER Implementation Memo and the Transfer Database Procedures located on the

Division of County Operations homepage on Department of Human Services Gold for instructions; and

(3) Mail the case record to the appropriate office.

(e) To transfer a denied application or closed case:

(1) Record pertinent information in the case record; and

(2) Mail the case record to the appropriate county office with a memo of explanation.

(f) **Responsibilities of the receiving county.**

(1) For active cases being transferred, the receiving county will complete an employment update within thirty (30) days of receipt of the case record.

(2) The worker will send a notice to the participant advising them of the appointment date and purpose of the appointment.

(3) During this assessment, continued eligibility and work participation activities, if appropriate, will be determined.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-502. Absence from the state.

(a) If a participant is absent from the state for more than one (1) month, the case will be closed and the participant will be advised that he or she may reapply once he or she returns to Arkansas.

(b) When the county office receives information that a transitional employment assistance (TEA) participant is or will be absent from the state, the worker will ascertain, if possible:

(1) The out-of-state address; and

(2) 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.

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

(d)(1) 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 ten (10) days will be sent.

(2) The DCO-1 will advise the participant that if his or her absence from the state is only for one (1) month and he or she wishes his or her case to remain open, he or she should contact the county office prior to the end of the ten (10) days.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-503. Protective payment — Mismanagement.

(a)(1) When there is evidence that the transitional employment assistance (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.

(2) Protective payment due to mismanagement is intended to be a temporary measure designed to help the participant improve his or her management and use of money.

(b) If mismanagement is determined to exist and the Division of Children and Family Services is not already providing services to the family, a referral to the division or other appropriate services or treatment agency should be made to help the participant resolve his or her money management problems.

(c)(1) If, because of mental or physical incapacity, there is no substantial likelihood a participant will ever be able to manage his or her own affairs, a protective payment should not be recommended.

(2) Such persons should be referred to Legal Services for the appointment of a legal guardian.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-504. Determination of need for mismanagement protective payment.

(a)(1) The case record must clearly reflect the evidence upon which the worker's recommendation for protective payment is based.

(2) 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.

(3) Examples of such evidence are:

(A) Continued inability to plan for necessary expenditures;

(B) Continued evidence that:

(i) The children are not properly fed or clothed; and

(ii) Expenditures for them are made in such a way as to threaten

their chances for:

(a) Health;

(b) Growth; and

(c) Development;

(C) Persistent and deliberate failure to meet obligations for:

(i) Rent;

(ii) Food; or

(iii) Other essentials;

(D) Repeated evictions or incurrence of debts; and

(E) Drug abuse even if bills are being met (possibly by another relative).

(b) Standards for selection of protective payee.

(1) Persons who may be selected as protective payee.

(A) A protective payee may be a:

(i) Relative;

(ii) Friend;

(iii) Neighbor; or

(iv) Member of a community service group.

(B) 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.

(C) The individual selected to act as payee must:

(i) Show an interest and concern for the family;

- (ii) Have the ability to help the family make proper use of the assistance payment;
- (iii) Live near the family or have sufficient means of transportation to enable him or her to maintain close contact with them;
- (iv) Have the ability to establish and maintain a positive relationship with the family; and
- (v) Be a responsible and dependable individual, capable of fulfilling his or her responsibilities to the participant and the agency.

(D)(i) Except for those specified below, a Department of Human Services 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.

(ii) This would be more appropriate in mismanagement situations than in sanction cases.

(iii) Therefore, if such a protective payment is determined to be appropriate, then the staff member selected should be a Division of Children and Family Services employee providing protective services to the family.

(2) **Persons who may not act as protective payee.** The following individuals may not be selected as the protective payee:

(A) Any landlord, grocer, or other vendor of goods or services who deals directly with the participant;

(B) The Secretary of the Department of Human Services;

(C) The Director of the Division of County Operations;

(D) The worker establishing eligibility for the family;

(E) Any employee assigned to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration; or

(F) Any employee assigned to the Division of Finance of the Department of Human Services or any employee assigned the function of handling processes related to the participant.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-505. Authorization of mismanagement protective payment.

(a) Protective payment will be authorized by the County Administrator upon recommendation of the Economic Services Supervisor or his or her designee.

(b)(1) 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.

(2) It will also be used by the County Administrator to authorize a protective payee request.

(c)(1) Once authorization of the protective payee is received, the worker will notify the participant via Form DCO-1 that the transitional employment assistance (TEA) payment will be changed to a protective payment.

(2) This notice must meet the requirements of a timely and adequate notice and will include the name of the protective payee.

(d)(1) The worker will complete Form DCO-56 changing the payee to the protective payee and showing all appropriate data to reflect the protective payee status of the case.

(2) The protective payee's name will go in the guardian field of the Form DCO-56.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-506. Designation of emergency payee.

(a) 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:

(1) The payee has been removed from the home by:

(A) Death;

(B) Desertion;

(C) Imprisonment; or

(D) Confinement to:

(i) The Arkansas State Hospital;

- (ii) A residential substance abuse facility; or
- (iii) Another medical institution;

(2) Payments are on a temporary emergency basis for the child or children receiving transitional employment assistance (TEA) at the time the emergency occurred; and

(3) Payments are made only for the period of time necessary to make and carry out plans for the child or children, 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.

(b) No such temporary payment will be made for longer than ninety (90) days.

(c) The county will follow procedures outlined in the electronic benefits transfer (EBT) handbook for obtaining an EBT card for the emergency payee.

Authority. Arkansas Code § 20-76-401.

Subpart 6. Computer Matches

20 CAR § 503-601. Computer matches generally.

The worker will resolve any mismatches resulting from enumeration or covered computer matches.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-602. Social Security Administration verification of Social Security numbers — Resolving mismatches.

(a)(1) Each month, all Social Security numbers entered to ACES by county office staff (enumeration code "V") are submitted to the Social Security Administration to verify both that the number is valid and that it belongs to the individual entered.

(2) Records are matched for:

(A) Social Security number;

- (B) Name; and
- (C) Date of birth.

(3) If all match data agrees with Social Security Administration records, the enumeration code for the individual is changed by the system to an "S" and the Social Security number is no longer keyable by the county.

(4) If one (1) or more of the match items do not agree with Social Security administration records, the enumeration code will be changed to one (1) of the following mismatch codes:

- (A) Code 1, Social Security number not on Social Security Administration files;

- (B) Code 3, Name matches, date of birth does not match; or

- (C) Code 5, Name does not match, date of birth not checked.

(5) The county office will be notified of Social Security number mismatches via a system generated report entitled "SSNs Not Verified by SSA for Participants in County _____".

(6) The procedures described below will be followed to resolve mismatches.

(b) Social Security number or name mismatches (Code 1 or Code 5):

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

- (2)(A) If the number shown on the card is different from the number shown on ACES, make the necessary correction to ACES and change the enumeration code to "V".

- (B) The Social Security number will then be resubmitted to the Social Security Administration on the next tape;

- (3) If the name shown on the card is different from the name on ACES and the person says the name on the card is correct, change the name on ACES to agree with the card and change the enumeration code to "V";

- (4)(A) If the person says the name shown on the card is wrong, proof of the correct name should be obtained and ACES updated, if necessary.

(B) An SS-5 with the documents verifying the correct name attached should then be submitted to the Social Security Administration to correct their records.

(C) A DC0-12 should be sent with the SS-5 and documents to ensure that the documents are returned to the county office.

(D) The SS-5 and DC0-12 will be annotated by entering the Social Security number shown on ACES, preceded by the state BENDEX code (040), in the appropriate spaces.

(E) When the Social Security Administration's records are corrected, an update will be received via the enumeration process and the enumeration code will be changed automatically to "E"; and

(5) If the name and number on the card agree with the name and number on ACES, send a photocopy of the card and the latest DC0-56 turnaround form to the Systems Coordinator, Employment/Income Support Section, Department of Human Services Central Office.

(c) Date of birth mismatch:

(1) View or obtain a copy of the individual's birth certificate or other proof of age;

(2)(A) If the age documentation shows a date of birth different from that shown on ACES, make the necessary corrections to ACES and change the enumeration code to "Y".

(B) The Social Security number will then be resubmitted on the next tape; and

(3)(A) If the age documentation shows that the date of birth shown on ACES is correct, submit an SS-5 with the age documentation attached to correct the Social Security Administration's records.

(B) A DC0-12 will also be sent with the SS-5 and documents to ensure that the documents are returned to the county office.

(C) The SS-5 and DC0-12 will be annotated as for an original SS-5 by entering the Social Security number shown on ACES, preceded by the state BENDEX code (040), in the appropriate spaces.

(D) When the Social Security Administration's records are corrected, an update will be received via the enumeration system and the enumeration code will be changed automatically to "E".

Authority. Arkansas Code § 20-76-401.

Codification Notes. "ACES" means Automated Client Eligibility System.

"BENDEX" means Beneficiary Earnings and Data Exchange.

20 CAR § 503-603. Computer Matching and Privacy Protection Act of 1988, Pub. L. No. 100-503, requirements.

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

(b) Internal Revenue Service BENDEX wage and BENDEX error matches:

- (1) For the above matches, independent verification must occur;
- (2) A ten-day notice requesting verification will be sent to the household;
- (3) If the information provided results in a closure or a reduction, then a ten-day notice of adverse action will be issued; and
- (4) If the participant fails to respond to the ten-day notice requesting verification, the case will be closed at the expiration of the notice period.

(c) BENDEX change and Supplemental Security Income match:

(1) For the above matches, information is considered verified upon receipt; and

(2)(A) A ten-day notice to verify is not necessary.

(B) However, the worker will send a ten-day notice of adverse action to the household, if appropriate.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "BENDEX" means Beneficiary Earnings and Data Exchange.

Subpart 7. TEA Payment Actions

20 CAR § 503-701. Cancel and reissue of warrants.

(a) Warrants for incorrect amounts may, at the request of the participant, be canceled and reissued in the correct amount.

(b) The new warrant will be issued on the next available supplement.

(c) When a participant has received a warrant for an insufficient amount, the county office may advise the participant to cash the insufficient warrant, and process the deficiency in payment as a retroactive payment rather than authorizing a cancel and reissue.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-702. Procedure for replacing missing TEA warrants.

(a) A missing transitional employment assistance (TEA) warrant is defined as one (1) that:

(1) The participant has not received within three (3) working days from the first of the month; or

(2) Was received but was lost or stolen prior to the participant cashing or depositing it into a bank account.

(b) The following procedures shall be used in replacing such warrants:

(1) On or after the third working day of the month, participants who have not received their TEA warrant for that month must report such fact to the county office;

(2)(A) At the time of the report of the missing warrant, the county office will inquire to the TEA Pay History Screen (WADC) to determine if the warrant has been returned to the Central Office.

(B) If the warrant has been returned, it may be released via the Check Action Screen (WACA).

(C) Any address correction must be entered to WACE before the check is released via WACA;

(3)(A) If the warrant has not been returned to the Central Office, the county office will prepare Section A of Form DCO-80 and issue to the participant.

(B) The participant will be responsible for completion of sections B and C.

(C)(i) Section B will be completed by a member of an appropriate local law enforcement agency.

(ii) A local law enforcement agency is defined as a:

(a) Local municipal police department; or

(b) County sheriff's office in communities where there is no police department.

(D) The form will be returned to the county office;

(4)(A) Upon receipt of the completed DCO-80, forms AOS-2 (Notice of Lost Warrant) and AOS-3 (Bond for Reissuing Warrants) will be completed.

(B) Note that all forms must be notarized; and

(5)(A) Once all forms are completed, the county office will again inquire the TEA Pay History Screen (WADC) to determine if the check has been returned.

(B) If the check has been returned, destroy all forms and release the check via the Check Action Screen (WACA).

(C) If the check is still outstanding, forward all forms to the Secretary's Office of the Department of Human Services, Program Support, Slot # 3350.

(c) Warrants reported missing on the third working day of the month and determined uncashed by the office of the Auditor of State may be reissued beginning the fourteenth day of the month, but in any event such warrants must be reissued by the twenty-first day of the month.

(d) Subsequent reported missing warrants determined uncashed by the office of the Auditor of State may be reissued eleven (11) days after the initial report but must be reissued within eighteen (18) days after the initial report to the county office.

(e)(1) Warrants reported missing on the third working day of the month and determined cashed by the office of the Auditor of State shall be reissued by the twenty-first day of the month.

(2) Warrants reported missing subsequent to the third working day of the month and determined cashed by the office of the Auditor of State shall be reissued within eighteen (18) days from the date such fact was reported to the county office.

(3) The participant shall be instructed that if the original TEA warrant is received, the participant must immediately notify the county office.

(4)(A) If the Form DCO-80 has not been forwarded to the Secretary's Office of the Department of Human Services, Program Support, it should be voided and placed in the case record with a notation that the warrant was subsequently received.

(B) This form should be retained for one (1) year.

(C) If the Form DCO-80 has been forwarded to the Secretary's Office of the Department of Human Services, Program Support, then the warrant will be forwarded to this section and a duplicate warrant issued.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-703. Lost, stolen, and/or forged checks — Reimbursement, diversion, and relocation.

(a)(1) If a payee notifies the county office that a reimbursement, diversion, or relocation check has not been received, the worker will determine:

(A) If a check has been issued and mailed;

(B) If it has been at least ten (10) days since the check was issued and mailed; and

(C) The current status of the check.

(2) These determinations will be made utilizing the Check Register (RSCR) screen or by contacting the Program Support Unit of the Secretary's Office of the Department of Human Services.

(b) Procedure for replacing a missing transitional employment assistance (TEA) check:

(1)(A) If a TEA check has not been returned to the Secretary's Office of the Department of Human Services within ten (10) days of the check issue date and the payee states he or she has not received the check, the county office will:

(i) Complete section A of Form DHS-80, Claim of Lost, Stolen and/or Forged Assistance Warrant/Check; and

(ii) Issue to the payee at the time the report is received.

(B) The county office will fully explain the purpose and assure completion of all sections of the form.

(C) The payee will be responsible for completion of sections B and C.

(D) Section B will be completed by a member of an appropriate local law enforcement agency.

(E) Section C will be completed by the payee in the presence of a notary public.

(F) 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.

(G) **Note.**

(i) 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 required to have section B of form DHS-80 completed as stated on the form).

(ii) For completion of Form DCO-1461, the payee must have the individual who will act as surety present during the visit;

(2)(A) Forms DHS-80 and DCO-1461 along with a cover memo will be forwarded to the Secretary's Office of the Department of Human Services, Program Support Unit, Slot 3350, no later than the next working day following submission from the payee.

(B) If the payee cannot secure a surety, no replacement will be made.

(C) Representatives of the Department of Human Services will not act as a surety for a payee;

(3)(A) Upon receipt of the DHS-80 and DCO-1461, the Secretary's Office of the Department of Human Services will determine if all necessary information has been submitted.

(B) If the forms are not completed correctly or are incomplete, the Secretary's Office of the Department of Human Services will return the forms to the county office for necessary action;

(4)(A) Upon receipt of the original completed Lost, Stolen, and/or Forged Check forms from the county office (by mail only), the Secretary's Office of the Department of Human Services will verify the status of the check.

(B) If the check has not been returned or cashed, Program Support will initiate a stop payment if the check is fifteen dollars (\$15.00) or over.

(C) A stop payment action will not be made for checks which are less than fifteen dollars (\$15.00), but such checks will be canceled on the system by the Secretary's Office of the Department of Human Services.

(D) Canceled checks issued through the WISE system of less than fifteen dollars (\$15.00) 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 the Secretary's Office of the Department of Human Services.

(E) The county office will inform the payee to return the original check if it is received.

(F) **Note.**

(i) The Secretary's Office of the Department of Human Services will reissue checks of fifteen dollars (\$15.00) or more.

(ii) See subdivision (b)(6) of this section;

(5)(A) If the Secretary's Office of the Department of Human Services 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.

(B) 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 the Secretary's Office of the Department of Human Services to continue processing the replacement check; and

(6) The Secretary's Office of the Department of Human Services will reissue a replacement check to the payee within seven (7) working days from the date the completed forms are received.

(c)(1) 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.

(2) The county office will accept the check from the payee (write "void" across the check) and forward it to the Secretary's Office of the Department of Human Services, Program Support Unit, Slot 3350, along with a cover memo explaining the circumstances.

(3) All identifying information, e.g., payee, casehead if different, check number, etc. will be included in the memo.

(4) A copy of both the memo and the voided check will be retained in the county office.

(d) **Checks returned to the Secretary's Office of the Department of Human Services.** If a check has been returned by the post office to the Secretary's Office of the Department of Human Services, the following procedures will be followed:

(1)(A) Upon receipt of a returned check issued through the WISE System, the Secretary's Office of the Department of Human Services will access the Check Register (RSCR) screen and key "U" indicating the check was returned by the post office as undeliverable.

(B) This means that the check can only be mailed at the county's request.

(C) 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 the Secretary's Office of the Department of Human Services;

(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; and

(4)(A) If the check was returned due to an incorrect address, the county office will contact the Secretary's Office of the Department of Human Services by mail or fax with the correct mailing information no later than the following work day and request that the check be remailed to the correct address.

(B) For checks issued through the WISE system, the county offices will also update ACES to reflect the correct address.

(e) **Mutilated checks.**

(1) A check that has been damaged or marred to the point that it cannot be cashed is considered to be mutilated.

(2) If a mutilated check is brought to the county office by the payee, the following procedures will be followed:

(A) The mutilated check will be mailed to the Secretary's Office of the Department of Human Services, Program Support Unit, Slot 3350, along with a cover memo explaining the circumstances surrounding the check and authorizing reissuance; and

(B) The Secretary's Office of the Department of Human Services will complete the necessary steps to reissue the check to the payee.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-704. Holding the warrant.

(a) A warrant will be held when:

(1) The participant's whereabouts are unknown and agency mail directed to him or her has been returned by the post office indicating no known forwarding address;

(2) The participant requests in writing that his or her warrant be held; or

(3) At the discretion of the worker, if the participant has not provided verification of a work participation requirement.

(b)(1) Warrants will be held by updating the Check Action Screen (WACA) via Form DCO-61.

(2) Advance Notice (DCO-1) will be given as required.

(3) When a warrant is held, the case will be coded for appropriate follow-up action, e.g., release, closure, etc.

(c) No more than two (2) warrants will be held except under unusual circumstances.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-705. Release the warrant.

When a participant whose warrant is held provides all information necessary to reestablish his or her eligibility, his or her warrant will be released in the Check Action Screen (WACA).

Authority. Arkansas Code § 20-76-401.

Subpart 8. Marketing

20 CAR § 503-801. Marketing generally.

(a) Marketing activities for transitional employment assistance (TEA) are intended to make the community and the employment sector aware of program:

(1) Services;

(2) Activities; and

(3) Goals.

(b) Marketing has two (2) elements:

(1) Marketing the purpose, service, strengths, and record of TEA; and

(2) Marketing participant's talents, skills, and ability to meet identified employer needs.

(c) Marketing can be done directly or indirectly.

(d) Marketing includes, but is not limited to:

(1) Face-to-face contacts with employers;

(2) Mailouts (introductory letters, notes of appreciation, newsletters);

(3) Involvement with the chamber of commerce;

(4) Press releases;

(5) Networking with other employment agencies; and

(6) Speaking to civic organizations.

(e) The primary responsibility of the marketing specialist or other local office staff member, all staff involved with TEA should market the program.

(f) All local office staff can assist in job development by sharing potential job leads with the TEA supervisor and/or the marketing specialist.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-802. Marketing/sales approaches.

(a)(1) Many approaches can be taken to persuade someone to accept an idea or product.

(2) Marketing involves a degree of trial and error to find which approach will work with a certain employer.

(b)(1) Local office staff responsible for marketing should familiarize themselves with various marketing/sales techniques by researching the volume of current information available in:

(A) Magazines;

(B) Books;

(C) Newspapers; and

(D) Libraries.

(2) Information about the local labor market and the economy to understand the needs of employers in a particular area should also be researched.

(c)(1) This research should then be used to select or prioritize employers to contact.

(2) Small businesses should not necessarily be overlooked for larger companies.

(3) It is important that contact with all or as many employers as possible in the area eventually be made.

(4) Staff should not be disappointed if every marketing contact does not yield a job order.

(d) Local office staff should develop name recognition for transitional employment assistance (TEA) and should develop a long-term relationship with the employer.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-803. Work Opportunity Tax Credit.

(a)(1) On August 19, 1996, the President of the United States signed into law the Work Opportunity Tax Credit (WOTC) program.

(2) The Tax Relief and Health Care Act of 2006, Pub. L. No. 109-432, eliminated the Welfare-to-Work Tax Credit (WtWTC) by merging it into the WOTC and making the long-term Temporary Assistance for Needy Families participant another WOTC target group.

(3) On May 25, 2007, the President of the United States signed into law the Small Business and Work Opportunity Tax Act of 2007, Pub. L. No. 110-28, § 5031.

(4) The legislation extended the WOTC program and introduced new provisions to expand and streamline the WOTC program.

(5) The reauthorization applies to new hires that began work for an employer after December 31, 2007, and before September 1, 2011.

(b)(1) WOTC is a federal tax credit that encourages employers to hire targeted groups of jobs seekers by reducing the employer's federal income tax liability.

(2) The WOTC is forty percent (40%) of the first year qualified wages (up to six thousand dollars (\$6,000)) paid to eligible workers who are employed four hundred (400) or more hours and twenty-five percent (25%) for those employed at least one hundred twenty (120) hours, but less than four hundred (400).

(c)(1) The Welfare-to-Work Tax Credit is a federal tax credit that encourages employers to hire long-term family assistance participants.

(2) The WtWTC is thirty-five percent (35%) of the first year qualified wages (up to ten thousand dollars (\$10,000)) paid to eligible workers and fifty percent (50%) for the second year (up to ten thousand dollars (\$10,000)).

(d) The current Work Opportunity Tax Credit program will run through August 31, 2011.

(e) Individuals who qualify for the WOTC benefits are:

(1) A member of a family that is receiving or has received TEA for any nine-month period during the eighteen (18) months before the date of hire;

(2) A member:

(A) Of a family that received TEA/Aid to Families with Dependent Children for at least eighteen (18) consecutive months before the date of the hire;

(B) Whose family's eligibility expired under federal or state law after August 5, 1997; or

(C) Whose family received Temporary Assistance for Needy Families benefits for at least eighteen (18) months after August 5, 1997;

(3) An individual who received Supplemental Security Income benefits for any month during the sixty-day period before the date of hire;

(4) A veteran who is:

(A) In a family receiving assistance under the Supplemental Nutrition Assistance Program for at least a three-month period during the fifteen-month period ending on the hiring date;

(B) Entitled to compensation for a service-connected disability and is hired not more than one (1) year after being discharged or released from active duty in the United States Armed Forces; or

(C) Entitled to compensation for a service-connected disability and was unemployed for a period or periods totaling at least six (6) months, whether or not consecutive, in the one-year period ending on the hiring date;

(5) An ex-felon whose hiring date is within one (1) year after the conviction or release date;

(6) Any eighteen-to-thirty-nine-year-old, on hiring date, who resides within an empowerment zone, or rural renewal community;

(7) Any vocational rehabilitation referrals, including:

(A) An individual having a mental or physical disability constituting a substantial handicap to employment who was referred after completing or receiving rehabilitation services through a state plan, ticket to work program, or veterans program of vocational rehabilitation services; and

(B) Referrals receiving services through a state plan qualify for up to two (2) years after receipt of last services;

(8) A summer youth, which is an individual who:

(A) Is sixteen (16) or seventeen (17) years of age on hiring date;

(B) Resides within an empowerment zone; and

(C) Has not been an employee of the employer during any period prior to the ninety (90) days between May 1 and September 15; and

(9) An individual age eighteen (18) through forty (40) who is:

(A) A member of a family who received food stamp benefits for a six-month period before the date of hire; or

(B) No longer eligible for food stamps but received food stamps for at least three (3) months of the five-month period before the date of hire.

(f) Individuals who qualify for the Welfare-to-Work Tax Credit are:

(1) Members of a family that received TEA for at least eighteen (18) consecutive months before the date of hire or whose family's eligibility expired under federal or state law after August 5, 1997; and

(2) Members whose family received Temporary Assistance for Needy Families benefits for any eighteen-month period and who are hired within two (2) years after the end of the earliest eighteen-month period.

(g) **Other requirements.**

(1)(A) To qualify, an individual must either have been certified by the designated local agency as being WOTC eligible:

- (i) Prior to the hire date; or
- (ii) On or before the day of the job offer.

(B) A prescreening notice is completed by the employer for such individual.

(2)(A) In the case of the latter, employers have twenty-one (21) days after the individual begins work to submit to the designated local agency the prescreening form.

(B) Such request must:

- (i) Indicate why the employer believes the individual is eligible for the program; and
- (ii) Be signed, under penalty of perjury, by the employer and the employee.

(3) **Note.**

(A) If the individual was previously hired by the employer, the individual is considered a nonqualifying rehire.

(B) Therefore, the employer is not eligible for the Work Opportunity Tax Credit for this rehired employee.

(4) The employer then has six (6) months to:

(A) Gather supporting documents from either the employee or government agency; and

(B) Submit the same to the state job service office.

(h) The minimum work requirement is one hundred eighty (180) days (twenty (20) days for qualified summer youth) or four hundred (400) hours (one hundred twenty (120) hours for summer youth) of work.

(i) An agreement with the Department of Human Services gives the Division of County Operations the authority to provide WOTC certification to TEA participants.

(j)(1) Participants may be certified by the Program Eligibility Specialist.

(2) Certification should be done when the participant:

(A) Enters an activity that may lead to employment;

(B) Notifies the Program Eligibility Specialist he or she has a job interview or has been hired but has not started the job; or

(C) Is referred to a job.

(k) When discussing WOTC with employers, emphasis should be placed on the time frames for submitting the vouchers to ensure the employer gets the tax credit and that the voucher is returned to the following address listed on the form, not to the TEA program:

WOTC Unit, Department of Human Services

Post Office Box 2981

Little Rock, AR 72203

(l) See Work Opportunity Tax Credit Employer Guide for clarification and additional information.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "TEA" means transitional employment assistance.

Subpart 9. Fraud Investigations

20 CAR § 503-901. Purpose.

(a) The Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services identifies, investigates, and refers for prosecution any

individual accused of committing theft of property or theft of public benefits as defined by state law.

(b) This includes agency staff, participants, providers, or other persons who deliberately violate the rules of the Department of Human Services to defraud the state.

(c) The unit prepares the administrative disqualification file on persons accused of committing an intentional program violation.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-902. Organization.

The Fraud Investigation Unit is organizationally located within the Office of Security and Compliance of the Department of Human Services.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-903. Functions.

The Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services 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; and

(3) Refer to the prosecutor if facts are obtained which indicate that the accused person, by deception, received Department of Human Services moneys/benefits to which he or she was not entitled.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-904. Referral sources.

Reports of suspected fraud may be received from any source within the Department of Human Services, the general public, public officials, other public agencies, or by the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services itself.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-905. Reporting suspected fraud.

(a) Criteria for reporting suspected fraud:

(1) The suspected fraudulent act or acts resulted in a cumulative overpayment of two hundred dollars (\$200) or more; or

(2) Cases in which the participant is receiving assistance in two (2) or more:

(A) Names;

(B) Counties; or

(C) States.

(b) Referrals from Department of Human Services sources in which an overpayment has not been established are referred to the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services via the DCO-1700, Suspected Fraud Report.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-906. Review of case.

(a) When a referral is made to the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services, the circumstances will be reviewed to determine if the case warrants investigation toward criminal prosecution.

(b) If one (1) 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 five hundred dollars (\$500);

- (2) Age/education of the suspect is not conducive to proving criminal intent;
- (3) Statute of limitations has run on all evidence referred; or
- (4) Participant is permanently residing out of state.

(c) If one (1) or more of the following facts are present, the decision to investigate lies with the director of the Fraud Investigation Unit:

- (1) Fraud is not evident in referred material; or
- (2) Fraud resulted from failure to report child support payments.

(d)(1) Cases containing one (1) or more of the above facts may be referred for an administrative disqualification hearing.

(2) Decisions will be made on a case-by-case basis as the evidence supporting the case dictates.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-907. Case accepted for investigation.

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

(1)(A) The case record and any other pertinent information concerning the suspected participant will be requested from the local office manager.

(B) Department of Human Services offices, sections, and units must release any requested information to the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services; and

(2) The investigator assigned to the case will:

(A) Examine the case record and/or any other records on file within or outside the Department of Human Services for suspected false statements of:

- (i) Participants;
- (ii) Providers; or
- (iii) Other persons;

(B) Conduct a systematic inquiry to determine validity of allegations of criminal conduct and interview Program Eligibility Specialists 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;

(D) Examine the transitional employment assistance (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; and

(H) Notify the Department of Human Services referral source of the disposition of the investigation and return copies of the case record to the appropriate county or local office.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-908. Disposition of investigations.

(a) The Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services will notify the local office manager of the initial disposition of each referral.

(b) For cases referred for prosecution, the Fraud Investigation Unit will:

(1) Request the prosecuting attorney to file charges and send a copy of the request to the local office; and

(2) Advise the Overpayment Unit of the Secretary's Office of the Department of Human Services of the factual basis for the overpayment as well as submit overpayment calculation documents.

(c) For cases referred for an administrative disqualification hearing, the Fraud Investigation 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 the Office of Appeals and Hearings of the Department of Human Services for an administrative disqualification hearing.

(d) For cases containing a signed DHS-267, Waiver of Hearing and Disqualification Agreement, the Fraud Investigation Unit will:

(1) Advise the local office and the Overpayment Unit of the facts of the case;
and

(2) Send a copy of the DHS-267 and, if negotiated, a copy of the Repayment Agreement.

(e)(1) For cases administratively closed, the Fraud Investigation Unit will forward a memo to the local office and the Overpayment Unit explaining the reason for the closure.

(2) If an overpayment has been calculated, these documents will be forwarded to the Overpayment Unit.

(f) 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 Investigation Unit.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-909. Decision to prosecute.

(a) The director of the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services will present the original investigative report of any case deemed worthy of prosecution to the prosecuting attorney.

(b) The prosecutor has sole discretion to:

(1) Prosecute;

(2) Accept repayment in lieu of prosecution; or

(3) Decline to prosecute.

Authority. Arkansas Code § 20-76-401.

Subpart 10. Administrative Hearings (TEA)

20 CAR § 503-1001. Administrative hearings generally.

(a) The purpose of the hearing process is to provide a mechanism by which:

(1) An applicant may appeal the:

(A) Denial of transitional employment assistance (TEA); or

(B) Failure of the Division of County Operations to process the application

within specified times frames; and

(2) A recipient may appeal any agency action resulting in the suspension, reduction, or discontinuance of assistance.

(b) 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.

(c) A request for a hearing must be received in the Office of Appeals and Hearings of the Office of Chief Counsel of the Department of Human Services no later than thirty (30) days from the date on the notice of adverse action.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1002. Appeal process.

(a) A petitioner or his or 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 the Office of Appeals and Hearings of the Department of Human Services; or

(3) Completing, with assistance by the Division of County Operations as needed, a DHS-1200, Appeal for a Hearing Form.

(b)(1) The division office will assist the petitioner whenever necessary.

(2) However, the primary responsibility for providing all information relevant to the administrative appeal rests with the petitioner or his or her representative.

(c) The division will immediately forward requests for hearings to the Office of Appeals and Hearings.

(d) **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, the division must immediately notify the Office of Appeals and Hearings.

(e)(1) When an appeal is received in the Office of Appeals and Hearings, the division will be notified.

(2) A memorandum will be sent to the division office to:

(A) Provide notification that the appeal has been received;

(B)(i) Require the division to prepare and submit an administrative hearing file no later than seven (7) days after receiving the memorandum if the appeal was timely filed.

(ii) The hearing file must contain a County Statement (DHS-1203);
and

(C) Require that within three (3) business days of its receipt of the memorandum, the division 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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1003. Division of County Operations administrative hearing file.

(a)(1) When the Office of Appeals and Hearings of the Department of Human Services notifies the Division of County Operations 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.

(2) Each page in the hearing file shall be numbered.

(3) A copy of the division's administrative hearing file will be submitted to the Office of Appeals and Hearings within seven (7) days after receiving the memorandum from the Office of Appeals and Hearings.

(b) The division's 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.

(c) The following information must be included in the administrative hearing file:

(1) **Notice of action.**

(A) The file must include all notices sent to the petitioner regarding the action under appeal.

(B) The administrative hearing can include only the action specified on the notice of action.

(C) 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.**

(A) 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.

(B) Examples of documentary evidence include, but are not limited to:

(i) Verification obtained that resulted in the adverse action;

(ii) Any relevant correspondence;

(iii) A copy of the budget, if financial need is the issue;

(iv) Any information supplied by the petitioner; and

(v) Any other pertinent information; and

(3) **County statement (DHS-1203).**

(A) The file must include a copy of the county statement.

(B) The county statement must state the issue and must contain a summary of all facts and evidence supporting the county office's position.

(C)(i) All statements should be in simple language.

(ii) Ambiguous and technical language must be avoided.

(iii) Department of Human Services codes, abbreviations, and acronyms should not be used.

(D) All information will be provided in an alternative format if requested.

(d)(1) The county statement will summarize the basis for the division's action.

(2) However, the county statement is not evidence.

(3) Complete documentation is required in the division administrative hearing file to support the county statement.

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

(1) The original will be mailed to the petitioner prior to the date of the hearing;

(2) A copy will be sent to the appropriate Program Eligibility Analyst;

(3) A copy will be sent to the Office of Appeals and Hearings along with the division administrative hearing file;

(4) A copy will be sent to the Office of Chief Counsel; and

(5) A copy will be retained in the file at the county office.

(f) The petitioner or his or her representative will be advised by the Office of Appeals and Hearings that the division administrative hearing file can be reviewed at the county office.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1004. Subpoenas.

(a)(1) The Office of Appeals and Hearings of the Department of Human Services will provide notice to the parties of the process by which subpoenas may be issued.

(2) Each party must provide to the Office of Appeals and Hearings the correct name and contact information for any witness for which a subpoena is requested.

(b)(1) At the time the county's administrative hearing file is sent, the Division of County Operations must advise the Office of Appeals and Hearings of any witnesses to be subpoenaed to testify on behalf of the division.

(2) The reverse side of the county statement provides space for the caseworker to request subpoenas for witnesses.

(3) Department of Human Services employees will attend hearings without the requirement of a subpoena.

(4) The caseworker will be advised by the Office of Appeals and Hearings of any witnesses for which the petitioner has requested subpoenas.

(5) The division will have five (5) days from receipt of this notice to request subpoenas for rebuttal witnesses.

(c)(1) The Office of Chief Counsel of the Department of Human Services will issue the subpoenas pursuant to the terms of agreement and authority of Arkansas Code § 20-76-103 [repealed].

(2) Each subpoena must be served by the party requesting the subpoena.

Authority. Arkansas Code § 20-76-401.

Codification Notes. Arkansas Code § 20-76-103 was repealed by Acts 2011, No. 1139, § 4.

20 CAR § 503-1005. Continuation of assistance or service during the appeal process.

(a) If a petitioner files an appeal for a hearing within the ten-day advance notice period, or five (5) days in case of probable fraud, the case will remain open at the petitioner's request until the hearing case is closed by the Office of Appeals and Hearings of the Department of Human Services.

(b)(1) 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.

(2) The criteria for determining whether adverse action is taken prior to the rendering of the hearing decision will be based on whether or not a fact or judgment situation exists.

(3) If it is determined that the sole issue is one of state or federal law or policy, the proposed action will be taken.

(c) Examples of issues of fact:

(1) Verified earned or unearned income that caused net income to be in excess of the maximum income limitations; and

(2)(A) Protest of agency policy.

(B) The recipient agrees that his or her income or resources exceed the limitation but feels that the policy imposing these limitations is unreasonable.

(d)(1) 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.

(2) Examples of judgment are:

(A) Disability in MRT cases; and

(B) Value of real or personal property.

(e)(1) 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.

(2) If the decision by the hearing official is to reduce or terminate benefits, a Notice of Action will be prepared by the Division of County Operations and mailed for immediate action.

(3) This is not an additional ten-day notice.

(f) 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-day notice period, appropriate action will be taken.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "MRT" means medical review team.

20 CAR § 503-1006. Scheduling the hearing.

The Office of Appeals and Hearings of the Department of Human Services will schedule the hearing and send a letter to advise the petitioner of the:

- (1) Time, date, and place of hearing; and
- (2) Name of the hearing official who will conduct the hearing.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1007. Place of hearing.

(a) The hearing will normally be held by telephone in the Division of County Operations county office in the county in which the participant resides.

(b) The telephone hearing may be held in another location if, in advance of the hearing, the parties agree upon that location and notify the Office of Appeals and Hearings of the Department of Human Services.

(c) Upon advance request, hearings may be held:

- (1) In the Office of Appeals and Hearings office at 7th and Main streets in Little Rock, Arkansas; or
- (2) By video conference where available.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1008. Assistance in preparation of appeal.

The Division of County Operations will provide reasonable assistance to the petitioner in preparing for a hearing, if requested.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1009. Abandonment of the appeal.

(a) Regardless of whether the petitioner is represented, the petitioner must:

(1) Appear in person for all hearings regarding program eligibility or program services; or

(2) Show good cause why he or she cannot be present.

(b)(1) If any party fails to appear, either in person or by telephone, within fifteen (15) minutes after the hearing was scheduled to begin, the Office of Appeals and Hearings of the Department of Human Services will confirm that the party had proper notice of the hearing and will attempt to contact the absent party.

(2) The hearing official may allow an additional fifteen (15) minutes before beginning the hearing.

(c) When the hearing begins, the hearing official will identify for the record any party not present in person or by telephone.

(d)(1) 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.

(2) If the Division of County Operations does not appear, the hearing official may proceed with the hearing and may consider any hearing statements or other documents submitted by the agency.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1010. Withdrawal of the appeal.

(a) If a petitioner advises the county office that he or she wishes to withdraw the request for a hearing, he or she will be requested to sign a statement to this effect or to sign a DHS-1201, Withdrawal of Request for Fair Hearing.

(b) The Division of County Operations will provide this documentation to the Office of Appeals and Hearings and to the Office of Chief Counsel of the Department of Human Services.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1011. Division of County Operations hearing responsibilities.

(a) It is the responsibility of the Division of County Operations 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.

(b)(1) It is also the responsibility of the division 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.

(2) The representative will be familiar with the case and able to answer pertinent questions from the:

- (A) Petitioner;
- (B) Petitioner's representative; and
- (C) Hearing official.

(3) 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.

(c)(1) The county representative will ensure that all parties, representatives, and witnesses who have arrived at the Department of Human Services county office or other designated hearing location are escorted to the designated hearings room by the hearing start time.

(2) When a hearing is held in the department's county office, the county representative will ensure that the:

(A) Speaker telephone or video conferencing equipment is operational;
and

(B) Petitioner is comfortably seated in the room where the hearing will be held.

(d) The division may request legal assistance to prepare for the hearing and for representation at the hearing by contacting the Office of Chief Counsel of the Department of Human Services.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1012. Conducting the hearing.

(a)(1) The hearing will be conducted by a hearing officer from the Office of Appeals and Hearings of the Department of Human Services.

(2) No person having any part in making the decision being appealed may serve as the hearing official.

(b)(1) The petitioner may be accompanied by friends or other individuals and may be represented by a:

- (A) Friend;
- (B) Attorney; or
- (C) Other designated representative.

(2) The Division of County Operations will be represented by either the:

- (A) Caseworker responsible for the case;
- (B) Division's Program Eligibility Coordinator; or
- (C) Office of Chief Counsel of the Department of Human Services.

(c) 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:

- (1) Participant or his or her representative; and
- (2) Agency representative.

(d)(1) The hearing will be conducted in an informal but orderly manner and is recorded.

(2) The hearing official will explain the hearing procedure to the parties.

(3) The county statement will be read by the county representative.

(e)(1) The proponent of an adverse action shall have the burden of proof.

(2) The party with the burden of proof will present his or her case first.

(f)(1) When the petitioner presents his or her case, he or she may do so alone or with the aid of others.

(2) The petitioner or petitioner's representative will be given the opportunity to:

- (A) Present witnesses;

- (B) Advance arguments;
- (C) Offer evidence; and
- (D) Question or refute any testimony or evidence.

(3) 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.

(g) When the division presents its case, it will be given the opportunity to:

- (1) Present witnesses;
- (2) Advance arguments;
- (3) Offer evidence; and
- (4) Question or refute any testimony or evidence.

(h)(1)(A) Each party will be allowed to cross examine the other party and any witnesses.

- (B) Questioning of all parties will be confined to the issues involved.
- (C) Other eligibility factors may be reviewed when appropriate.

(2) When all relevant information has been obtained, the hearing official will issue a final order, which will include:

- (A) A finding of facts;
- (B) Conclusions of law; and
- (C) A decision.

(3) The final order will be mailed to the petitioner and a copy provided to the division.

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

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1013. Additional medical assessment.

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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1014. Hearing decision.

(a) The hearing official will prepare a final order based on the:

- (1) Evidence accepted into the record; and
- (2) Sworn record of testimony of the proceedings.

(b) The format will include:

- (1) An introduction;
- (2) Findings of fact;
- (3) Conclusions of law; and
- (4) A decision.

(c) The final decision will be made by the hearing official who will sign the final order.

(d) Final administrative action must be completed within ninety (90) days from the date of receipt of the appeal.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1015. Judicial review.

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 the Arkansas Administrative Procedure Act at Arkansas Code § 25-15-212.

Authority. Arkansas Code § 20-76-401.

Subpart 11. TEA Disqualifications — Intentional Program Violation

20 CAR § 503-1101. Intentional program violations generally.

(a) 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.

(b) The internal hearing is known as an administrative disqualification hearing.

(c) 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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1102. Definition of intentional program violation (IPV).

(a) An intentional program violation (IPV) of the Transitional Employment Assistance Program is defined as an action by an individual for the purpose of establishing or maintaining the family's eligibility for transitional employment assistance (TEA) or increasing or preventing a decrease in the amount of the grant that 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.

(b)(1) An IPV determination can be made only through the administrative disqualification hearing process or by a court of law.

(2) County office staff will not make IPV determinations.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1103. Disqualification sanction — Intentional program violation (IPV).

(a) The family of any individual who pleads guilty or nolo contendere to, or is found guilty of, an intentional program violation (IPV) 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; and
- (3) For more than two (2) offenses, permanently.

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

(c) Only IPVs committed against the Arkansas Transitional Employment Assistance Program will be considered in determining the applicable disqualification period in Arkansas.

(d)(1) 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.

(2) 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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1104. Fraudulent misrepresentation of residence.

(a) 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 (TEA) for a minimum period of ten (10) years beginning with the date of such conviction.

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

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1105. TEA administrative disqualification hearings.

(a)(1) The Office of Appeals and Hearings of the Department of Human Services conducts transitional employment assistance (TEA) administrative disqualification hearings and determines if intentional program violations have occurred.

(2) Administrative disqualification hearings will be conducted by a hearing officer who has no involvement in the case.

(b) Criteria for conducting an administrative disqualification hearing.

(1) Administrative disqualification hearings are conducted when documentary evidence is available to substantiate one (1) or more allegations that an individual has committed an intentional program violation or violations and, as a result of the alleged intentional program violation (IPV), has erroneously obtained TEA payments.

(2)(A) 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 four hundred dollars (\$400) unless the case is also being referred for a Food Stamp Administrative Disqualification Hearing.

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

(c) Consolidation of hearings.

(1) TEA Administrative Disqualification Hearings may be combined with other hearings, including Food Stamp Administrative Disqualification Hearings, if the:

(A) Factual issues arise out of the same or related circumstances; and

(B) Individual receives prior notice that the hearings will be combined.

(2) If hearings are combined, the time frames for conducting administrative disqualification hearings will be followed unless the household waives the thirty-day notice requirement for a disqualification hearing.

(d) Participation in the Transitional Employment Assistance Program during the hearing process.

(1) The county office may not disqualify an individual until the Office of Appeals and Hearings finds that the individual committed an intentional program violation.

(2) However, this does not preclude the county office from taking adverse action for other reasons.

Example: If a change in circumstances has occurred that 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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1106. Referral by the Overpayment Unit.

(a) A request for an administrative disqualification hearing is initiated by the Overpayment Unit of the Secretary's Office of the Department of Human Services:

- (1) Of its own volition;
- (2) At the request of the county office; or
- (3) At the request of the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services.

(b) The county office refers cases of suspected intentional program violations to the Overpayment Unit via an overpayment report form.

(c) The Overpayment Unit and Fraud Investigation Unit will review the form and determine if the case is to be referred for:

- (1) Possible prosecution;
- (2) An administrative disqualification hearing; or

(3) Nonfraud collection.

(d) 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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1107. Preparation of the administrative hearing file.

(a)(1) An administrative hearing file must be prepared on cases referred for an administrative disqualification hearing.

(2) The Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services will be responsible for preparing the hearing file for cases it has developed with a possible intentional program violation (IPV).

(3) The county office will be responsible for preparing the hearing file for all other cases referred for a disqualification hearing.

(b) The administrative hearing file will contain:

(1) A completed DHS-1208, Food Stamp/TEA Intentional Program Violation Statement; and

(2)(A) Any supporting documentary evidence upon which the suspected IPV was established.

(B) Examples of documentary evidence include:

- (i) Applications;
- (ii) Change report forms;
- (iii) Collateral statements;
- (iv) Copies of award letters; and
- (v) Verification of resources.

(c) **County office.**

(1) Upon receipt of the notification from the Overpayment Unit of the Secretary's Office of the Department of Human Services that a case has been referred

for an administrative disqualification hearing, the county office will prepare the administrative hearing file.

(2) A copy of the file must be submitted to the Office of Appeals and Hearings of the Department of Human Services within seven (7) calendar days of receipt of the referral notification.

(3) The original will be retained in the county office.

(d) Fraud Investigation Unit.

(1)(A) The Fraud Investigation Unit will prepare the administrative hearing file for cases it has developed with a possible IPV.

(B) The hearing file will be forwarded to the Overpayment Unit, which will send copies of the file, including documentation gathered by the Fraud Investigation Unit, to the:

(i) County office; and

(ii) Office of Appeals and Hearings.

(2)(A) The case record and original applications will be returned to the county office by the Fraud Investigation Unit.

(B) Neither the case record nor the applications should be destroyed as long as an administrative disqualification hearing is pending.

(3)(A) It is the responsibility of the county office to review this information prior to the hearing and to present the evidence at the hearing.

(B) If any questions arise after receipt of this documentation, the county office should contact the Fraud Investigation Unit prior to the date of the hearing to resolve the issue.

(C)(i) The DHS-1208 will contain the name of the fraud investigator who prepared the case.

(ii) If this individual is needed for inquiry or testimony at the hearing, the county office should contact the Director of the Fraud Investigation Unit directly to request whatever assistance is needed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1108. Waived hearings.

(a) Individuals accused of committing an intentional program violation may waive their right to an administrative disqualification hearing.

(b)(1) When a case is referred for an administrative disqualification hearing, the Office of Appeals and Hearings of the Department of Human Services must advise the individual that he or she may waive his or her right to an administrative disqualification hearing.

(2) 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.

(3) If the individual does not sign a waiver by the date specified on the notice, a hearing is scheduled.

(c) 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.

(d) The written waiver notification must contain the following information:

(1) The date by which the signed waiver must be received by the Office of Appeals and Hearings;

(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; and

(6) That the accused individual will be notified at least thirty (30) days in advance of the date the hearing is scheduled if he or she chooses not to waive the hearing.

(e)(1) The Office of Appeals and Hearings uses a form titled "Waiver of Right to an Administrative Disqualification Hearing" for this purpose.

(2) A copy of the signed waiver is sent to the county office upon receipt by the Office of Appeals and Hearings so that the appropriate disqualification sanction may be imposed.

(3) Refer to 20 CAR §§ 503-1103 and 503-1115.

(f) Waivers obtained by the Fraud Investigation Unit.

(1) The Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services 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 Office of Appeals and Hearings.

(2) Form DHS-267, Waiver of Hearing and Disqualification, is used for this purpose.

(3) Upon receipt of a signed DHS-267, the Fraud Investigation Unit will forward the form to the county office so that the appropriate disqualification sanction may be imposed.

(4) Refer to 20 CAR §§ 503-1103 and 503-1115.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1109. Advance notice and scheduling of hearing.

(a) The Office of Appeals and Hearings of the Department of Human Services must notify the accused individual at least thirty (30) days in advance of the date the hearing is scheduled.

(b) 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 intentional program violation (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:

(A) Made to the Office of Appeals and Hearings at least ten (10) days prior to the date of the scheduled hearing; and

(B) For good cause;

(6) If the accused individual fails to appear and later requests that the hearing be rescheduled, he or she must present good cause for failure to appear within ten (10) days of the date of the hearing;

(7) Establishment of good cause will be at the discretion of the Office of Appeals and Hearings;

(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:

(A) One (1) year for the first violation;

(B) Two (2) years for the second violation; and

(C) 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;

(10)(A) 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.

(B) If free legal advice is not available, the county office will provide the number of the lawyer referral service of the local bar association; and

(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.

(c)(1) 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 or her behalf at the hearing.

(2) A waiver of the right to subpoena witnesses is also included.

(d) The time and place of the hearing will be arranged so that it is accessible to the member of the household suspected of the (IPV).

(e)(1) The advance notice is sent by certified mail, return mail, return receipt requested.

(2) When the Office of Appeals and Hearings 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.

(3) When neither proof of receipt nor proof of refusal exists and the household member fails to appear, the Office of Appeals and Hearings has not met its regulatory obligation and cannot proceed with the hearing.

(f) **Postponement of hearing.**

(1) An accused individual may request a postponement of the scheduled hearing if the request is made at least ten (10) days in advance of the scheduled hearing and he or she shows good cause for the request.

(2) If the accused individual fails to appear but advises the Office of Appeals and Hearings not more than ten (10) days after the hearing date, he or she may be permitted to show good cause for the failure to appear.

(3) The Office of Appeals and Hearings determines whether or not good cause exists.

(4) If good cause is determined to exist, the hearing may be rescheduled within thirty (30) days.

(5) 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 one hundred twenty (120) days.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1110. Cancellation of a hearing by the county office.

(a) 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 Office of Appeals and Hearings of the Department of Human Services should be contacted immediately so that the hearing can be canceled and the case administratively withdrawn.

(b) This does not apply to cases prepared for a hearing by the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services.

(c) The county office may not cancel a hearing for a case prepared by the Fraud Investigation Unit.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1111. Review of the administrative disqualification file.

(a)(1) When the advance notice of the hearing is sent, the accused individual is advised that he or she has ten (10) calendar days from the date he or she signs the certified mail receipt to review the administrative file and request subpoenas.

(2) This ten-day limit applies only to the request for subpoenas.

(b)(1) The accused individual and/or caretaker relative may review the administrative file any time prior to, or during, the hearing.

(2) However, he or she may request subpoenas only during the ten (10) calendar days following the date the certified mail receipt is signed.

(c) The county office will provide free copies of the administrative hearing file if requested by the household or its representative.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1112. Requesting subpoenas.

(a)(1) The individual accused of the intentional program violation (IPV), the county office, or the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services may request that witnesses be subpoenaed to appear at an administrative disqualification hearing.

(2) The accused individual uses the attachment to the Advance Notice of Hearing to request that subpoenas be issued.

(3) The county office will:

(A) Be advised by the Office of Appeals and Hearings of the Department of Human Services of any witnesses the accused individual has requested; and

(B) Have five (5) days from receipt of this notice to request rebuttal witnesses.

(b)(1) The county office and/or Fraud Investigation Unit may use the reverse side of the County Statement (Form DHS-1208) to request subpoenas.

(2) If additional subpoenas are needed by the county office on cases prepared by the Fraud Investigation Unit, these may be requested by contacting the Office of Appeals and Hearings.

(c) The Office of Chief Counsel of the Department of Human Services will issue the subpoenas pursuant to the terms of agreement and authority of Arkansas Code § 20-76-408.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1113. Administrative disqualification hearing.

(a) **Attendance at hearing.**

(1) 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.

(2) The hearing may also be attended by friends and relatives upon request of the accused individual.

(3) If space limitations exist, the hearing officer has the authority to limit the number of persons in attendance at the hearing.

(b) **Rights of the accused individual during the hearing.** During the hearing, the accused individual has the right to:

(1) Examine the contents of his or 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 or her behalf during the hearing;

(3) Present his or 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; and

(6) Submit evidence to establish all relevant facts and evidence in the case.

(c) **Accused individual's representative.**

(1) The accused individual may designate in a signed statement the name of a representative to act on his or her behalf in viewing the hearing file and/or representing him or her at the hearing.

(2) This statement must be contained in the hearing file.

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

(d) **Role of the hearing officer.** 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 or her right to refuse to answer questions during the hearing;

(4) Regulate the conduct and course of the hearing consistent with due process to ensure an orderly hearing; and

(5) Order medical assessments at Department of Human Services expense if necessary to establish intent or lack of intent on the part of the accused individual.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1114. Hearing decision.

(a)(1) The hearing officer will prepare a decision based on the evidence presented.

(2) The format will consist of:

- (A) An introduction;
- (B) Findings of fact;
- (C) Conclusions of law; and
- (D) A decision.

(b) The final decision must be made within ninety (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.

(c) Absence of intentional program violation.

(1) If the decision is that an intentional program violation has not occurred, the accused individual will be so advised by the Office of Appeals and Hearings of the Department of Human Services in writing.

(2) A copy of the decision will be sent to the:

- (A) County office;
- (B) Overpayment Unit of the Secretary's Office of the Department of Human Services; and
- (C) Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services, only if this unit prepared the case for an administrative disqualification hearing.

(d) Finding of an intentional program violation.

(1) If it is determined that an intentional program violation occurred, the accused individual will be advised of this finding by the Office of Appeals and Hearings.

(2) Two (2) copies of the decision will be sent to the county office, one (1) copy to the Overpayment Unit, and one (1) copy to the Fraud Investigation Unit, only if this unit prepared the case for the administrative disqualification hearing.

(3) **Note.**

(A) The decision is being sent to the accused individual for information purposes only.

(B) The decision should also be attached to the notice of imposition of disqualification sanction sent by the county office.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1115. Imposing the disqualification sanction.

(a) When the county office receives a hearing decision finding that an intentional program violation has occurred, a period of disqualification from the Transitional Employment Assistance Program will be imposed against the family.

(b) The disqualification periods are as follows:

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

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

(d) 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) Complete and route Form DCO-56; and

(3)(A) Complete Form DCO-120, Notice of TEA Administrative Disqualification.

(B) **Note.** A timely notice, i.e., ten-day advance, is not required in this situation.

(C) This notice will be completed and routed to family even if the TEA case is already closed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1116. Court-imposed disqualifications.

(a) The county office will disqualify a family if a member has been found to have committed an intentional program violation (IPV) by a court of law in accordance with 20 CAR §§ 503-1103 and 503-1115.

(b) When a court finds that an individual has committed an IPV, the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services will inform the county office by memo, with a copy to the Overpayment Unit of the Secretary's Office of the Department of Human Services.

(c) The procedures relative to imposition of the disqualification are described in 20 CAR § 503-1115.

Authority. Arkansas Code § 20-76-401.

Subpart 12. Temporary Assistance for Needy Families Overpayments

20 CAR § 503-1201. Definition of overpayment.

(a)(1) Any payment received by or for a participant that is in excess of the amount that should have been paid is an overpayment.

(2) However, only those overpayments described in the following sections will be reported and collection pursued.

(b) An overpayment may result from the participant having:

(1) Given fraudulent information;

- (2) Withheld information;
- (3) Failed to report information; or
- (4) Failed to report a change in circumstances.

(c) An overpayment may also occur from:

- (1) The agency having made an error or having failed to take action; or
- (2) A combination of participant and agency.

(d) **Note.** 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.

(e) **Note.** 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.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "EBT" means Electronic Benefits Transfer.

20 CAR § 503-1202. Definition of fraud.

(a) 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 of the Division of County Operations.

(b) Fraud — Legal provision.

(1) Arkansas Code § 5-36-103 provides that a person commits theft of property if he or she knowingly obtains the property of another person by deception or by threat with the purpose of depriving the owner thereof.

(2) Only the courts can determine guilt under the statute and impose the legal penalty.

(3) The responsibility of the worker is to:

(A) Determine where there may be an "intent to defraud" on the part of the participant or other persons; and

(B) Report their findings to the Overpayment Unit of the Secretary's Office of the Department of Human Services.

(c) Guilty of intentional program violations.

(1) If a family is found guilty of an intentional program violation, the family will be ineligible for transitional employment assistance (TEA) cash assistance until the resulting overpayment has been repaid to the state with interest.

(2) Refer to 20 CAR § 503-1103.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1203. Types of overpayments.

(a) The following types of overpayments will be reported:

(1) Temporary Assistance for Needy Families cash assistance (Transitional Employment Assistance Program and Work Pays);

(2) Reimbursements for work-related activity expenses;

(3) Relocation assistance; and

(4) Child care (see note below).

(b) **Note.**

(1) 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.

(2) The Child Care Eligibility/Family Support Unit will determine and process all child care overpayments.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1204. Determining the overpayment amount to be reported.

(a) The policy, procedures, and income eligibility standards in effect at the time the participant was overpaid will be used to determine the overpayment amount.

(b) Form DCO-199 will be used to report overpayments in the transitional employment assistance (TEA) cash assistance and Work Pays programs.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1205. Temporary Assistance for Needy Families cash assistance — Overpayments.

(a)(1) When it is determined that a participant has received a transitional employment assistance (TEA) cash assistance or Work Pays payment to which he or she was not entitled, an overpayment report may be required.

(2)(A) An overpayment report will begin with the second month following the month in which the change causing the ineligible or reduced payment occurred.

(B) For situations in which the participant is ineligible at application, the overpayment will begin with the month of approval.

(3) 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.

(b) **Income.**

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

(2) **TEA.**

(A)(i) To determine a TEA overpayment involving income, the caseworker will determine the monthly gross and net income as outlined in 20 CAR § 502-501 et seq.

(ii) 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.

(iii) In 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.

(iv) Refer to 20 CAR § 503-403 for the definition of a significant change in income.

(v) It is not necessary to verify the actual income in each month of the overpayment period.

(B)(i) If earned income is involved, both the twenty percent (20%) and the applicable work incentive (fifty percent (50%) or sixty percent (60%)) earned income deductions will be allowed when determining income eligibility for the overpayment period.

(ii) The applicable work incentive deduction will be the percentage that was in effect during the particular over paid month.

(C) 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 10. Two (2) 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 twenty percent (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 (2) children are receiving TEA benefits in the amount of two hundred four dollars (\$204). Mrs. Davis became employed in November. Her gross earnings are five hundred fifty dollars (\$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 income standard of two hundred twenty-three dollars (\$223). However, when determining the payment amount, the gross earnings exceed four hundred forty-six dollars (\$446) (gross income trigger). Therefore, the family was only eligible for a reduced payment of one hundred two dollars (\$102). The overpayment will be completed beginning with the month of January.

(3) **Work Pays.**

(A)(i) To determine a Work Pays overpayment involving income, the worker will determine the monthly gross income for each month in which an overpayment exists.

(ii) 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.

(iii) There are no allowable work deductions for Work Pays.

(B) 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 nine hundred fifty

dollars (\$950) monthly. However, when verification of earnings was received in November, the October payment had been made and Ms. Brown's gross income was one thousand seven hundred seventy-five dollars (\$1,775). This exceeded the one hundred fifty percent (150%) FPL for her household size of two (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 one thousand nine hundred dollars (\$1,900), which is below the one hundred fifty percent (150%) FPL for her household size. In December, Ms. Wilson's income increased to two thousand one hundred fifty dollars (\$2,150), which is above the one hundred fifty percent (150%) FPL. The participant continued to receive a Work Pays payment for three (3) additional months. An overpayment will be calculated beginning with the payment received for the month of February.

(c) Resources (TEA cash only).

(1) 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 (3) children. In February, he received a cash inheritance of four thousand dollars (\$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.

(2) **Note.** There is no resource limit for Work Pays.

(d) **Household member.**

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

(2)(A) 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.

(B) The income and resources will be determined in accordance with TEA and Work Pays policy.

(C) See the examples below.

(3) **TEA.**

Example 1: Mr. Thomas receives TEA cash assistance for himself and three (3) 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 Social Security Administration benefits in the amount of forty-five dollars (\$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.

(4) Work Pays.

Example 1: Mr. Jackson was approved for Work Pays in July. He reported his household consisted of himself and his three (3) minor children, Linda, James, and Janice. He verified monthly earned income of one thousand five hundred dollars (\$1,500). During ongoing case management, the Program Eligibility 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 one hundred fifty percent (150%) FPL for three (3) people. 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 sixteen-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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1206. Reimbursements/activity-related expenses — Overpayments.

(a) 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.

(b) This also includes payments received in a month in which the individual was not eligible for Temporary Assistance for Needy Families cash assistance.

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

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

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1207. Relocation — Overpayments.

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 two

thousand dollars (\$2,000) 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 two thousand dollars (\$2,000) on repairs to his Camden home. Since he did not use the relocation payment to relocate, the relocation payment of two thousand dollars (\$2,000) must be reported as an overpayment.

Authority. Arkansas Code § 20-76-401.

Subpart 13. Procedure for Reporting and Collecting Overpayments

20 CAR § 503-1301. Responsibility for reporting the overpayment.

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

(b)(1) The Division of County Operations will complete and submit overpayments related to eligibility.

(2) Supportive services received during this period will also be determined by the Division of County Operations and included in the overpayment report.

(c) Overpayments related to supportive services only will be completed and submitted by the Department of Human Services.

(d) Recording information in the case narrative.

(1) When an overpayment is discovered, the worker will document in the narrative section of ANSWER:

- (A) The amount of the overpayment;
- (B) The date the overpayment began;
- (C) The reason or reasons why the overpayment occurred; and
- (D) Any other pertinent information.

(2)(A) If the overpayment occurred because the participant provided false or incomplete information or failed to report a change in circumstances within ten (10)

days, the participant will be advised of the possible consequences (request for repayment and/or prosecution for fraud) and asked to explain his or her actions or failure to act.

(B) His or her explanation will be recorded in the narrative section.

(C) 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.

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

(e) Referral to the Overpayment Unit of the Secretary's Office of the Department of Human Services.

(1)(A) All cases involving incorrect payment as described in 20 CAR § 503-1203 will be referred to the Overpayment Unit of the Secretary's Office of the Department of Human Services.

(B) The referral form will be the original DCO-199.

(C) The appropriate sections must be completed.

(2)(A) If fraud is suspected, form DHS-1700 will be submitted to the Overpayment Unit.

(B) 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.

(C) A memorandum will be attached to the DHS-1700 detailing the worker's efforts and explaining why they were unable to establish the overpayment.

(3)(A) The Overpayment Processing Unit will register all overpayment referrals.

(B) All cases of suspected fraud will be immediately brought to the attention of the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services.

(C) The manager of the Fraud Investigation Unit, or his or her designee, will screen all overpayment referrals at least weekly and select the appropriate referrals for further investigation.

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

(4) If the case is selected for further fraud investigation, the Overpayment Unit will not pursue recovery until notification from the Fraud Investigation Unit that:

(A) The case has been declined for prosecution;

(B) An agreement reached with the participant and the case is not going to court (signed agreement); or

(C) The case has been adjudicated.

(5) The stipulations of the court order will be given to the Overpayment Unit by memorandum from the Fraud Investigation Unit.

(6) 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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1302. Responsibility of the Overpayment Unit.

(a) The Overpayment Processing Unit of the Secretary's Office of the Department of Human Services 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; or

(3) Willful withholding or incorrect statement of factual information by the participant.

(b) A review official in the Overpayment Unit will:

(1)(A) Review information submitted by the local offices via DHS-199 and DHS-1700.

(B) Additional information from the local office may be requested when needed for a decision or further action; and

(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.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1303. Collections.

(a) The Overpayment Processing Unit of the Secretary's Office of the Department of Human Services will make the determination relative to the disposition of the claim when collection and/or fraud referrals are indicated.

(b) When an agreement is reached with the participant, either by the Fraud Investigation Unit of the Office of Security and Compliance of the Department of Human Services or Appellate Section of the Office of Chief Counsel of the Department of Human Services, the 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;
- (3) Voluntary agreement to repay has been reached;
- (4) Signed agreement to repay has been negotiated; or
- (5) Civil court action initiated with results.

(c) The Secretary's Office of the Department of Human Services, Cash Receipts Unit, WG2, will be responsible for receiving and processing all moneys collected.

Authority. Arkansas Code § 20-76-401.

Subpart 14. Recoupment and Recovery

20 CAR § 503-1401. Definitions.

As used in this subpart:

(1) "Hardship situation" means 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;

(2) "Recoupment" means 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;

(3) "Recovery" means regaining moneys lost by the Arkansas Temporary Assistance for Needy Families Program as a result of a participant receiving payments to which he or she was not entitled; and

(4) "Restitution" means securing a direct payment from an individual in the form of a cashier's check or money order made payable to the Department of Human Services for overpayments received.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1402. General policy statement.

(a) Overpayments and ineligible payments made to participants of Temporary Assistance for Needy Families cash assistance are subject to recovery action.

(b)(1) The policy of this state is that recovery of overpayments will be pursued.

(2) An effort will be made to recover all reported overpayments.

(3) There will be no distinction between willful and nonwillful 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.

(c) It is not the policy of this state to inflict hardship on individuals or their families by means of its recovery policies.

(d) Therefore, the following rules will be followed:

(1) Recovery may be made from:

(A) Income;

(B) Liquid resources; or

(C) A reduction in the current transitional employment assistance (TEA) or Work Pays assistance payment;

(2) The amount to be recouped from the TEA or Work Pays payment will not exceed ten percent (10%) of the family's full payment level;

(3) Recovery will be made from:

(A) The individual who caused the overpayment; or

(B) 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;

(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; and

(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:

(A) Payment;

(B) Income; and

(C) Liquid resources.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1403. Recovery procedure.

(a) All cases of ineligible payments and overpayments must be reported to the Overpayment Processing Unit of the Secretary's Office of the Department of Human Services as outlined in 20 CAR § 503-1204.

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

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1404. Recoupment restrictions.

(a)(1) Overlapping or duplication of transitional employment assistance (TEA) by Supplemental Security Income is not subject to recoupment or restitution.

(2) This will be handled by the Social Security Administration.

(b) Restitution of some or all of an overpayment can be accepted:

(1) Before or at the time of initiation of recoupment;

(2) While recoupment is in process; or

(3) After closure.

(c) 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 (\$1.00).

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1405. Overpayment Processing Unit responsibility.

If the decision is made by the Overpayment Processing Unit of the Secretary's Office of the Department of Human Services to recoup the overpayment by a deduction from the current assistance payment to the participant, the Overpayment Processing Unit will:

(1) Send a ten-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;

(2) Initiate recoupment by reducing the grant if the participant does not request an administrative hearing during the ten-day advance notice period; and

(3) Advise the appropriate office of the:

(A) Total amount to be recouped;

(B) Amount of monthly deduction;

- (C) Number of months deductions will be made; and
- (D) Effective dates.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1406. Keeping the Overpayment Processing Unit informed.

The appropriate office will promptly report, by memorandum to the Overpayment Processing Unit of the Secretary's Office of the Department of Human Services, any pertinent information (coming to its attention) that 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; and
- (5) Recertification of case after closure.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1407. Contacts with participants.

(a) If participants have questions concerning recovery letters received directly from the Overpayment Processing Unit of the Secretary's Office of the Department of Human Services, the county office will refer them to the Overpayment Processing Unit.

(b) If participants wish to make arrangements for repayment, the county office will explain that the final decision regarding recovery rests with the 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

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1408. State income tax refund interception.

(a) Acts 1983, No. 372, as amended (Arkansas Code § 26-36-318), and Acts 1985, No. 987, authorize the collection of Temporary Assistance for Needy Families overpayments through the interception of state income tax refunds.

(b) Acts 1985, No. 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.

(c)(1) A computer-generated notice (SS-XA) of the Department of Human Services' intention to intercept refunds will be mailed prior to the annual loading date (December 1).

(2) The SS-XA is sent on cases that have Overpayment Processing Unit debts listed.

(d)(1) The taxpayer has thirty (30) days from the date the notice was mailed to file a written request for a hearing (20 CAR § 503-1411).

(2) If no hearing is requested within thirty (30) days, revenue loading will be effected.

(3) Tax refunds will be mailed to the Secretary's Office of the Department of Human Services to be allocated within the Department of Human Services in order of priority.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1409. Cases eligible for intercept.

(a) In order for a case to be submitted for a state tax refund intercept, the following conditions must be met:

(1) The amount owed the state must be approved by the Overpayment Processing Unit of the Secretary's Office of the Department of Human Services;

(2) The taxpayer must have been notified of the overpayment in at least one (1) demand letter; and

(3) The overpayment must be at least twenty dollars (\$20.00).

(b) If the state tax refund due a taxpayer is less than twenty dollars (\$20.00), the Revenue Division of the Department of Finance and Administration will not intercept the refund.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1410. Allocation of state tax refund.

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

(1)(A) When only one (1) overpayment claim exists, the refund will be applied against that claim.

(B) Should the refund be larger than the claim, the balance will be returned to the tax payer by the Revenue Division of the Department of Finance and Administration; and

(2)(A) When more than one (1) claim exists with the food stamp, Temporary Assistance for Needy Families, and Medicaid programs, the refund will be applied against the oldest claim first until the entire amount is used or all claims are paid.

(B) Any balance after these claims are satisfied will be allocated to other Department of Human Services claims listed, if any.

(C) If there are no additional Department of Human Services claims, then the balance will be returned to the taxpayer.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1411. State tax refund intercept (STRI) hearing procedures.

(a) Requesting and scheduling a hearing.

(1)(A) The taxpayer has thirty (30) days from the mailing date of the intercept notice to file a written request for a hearing.

(B) All hearing requests will be sent to the Overpayment Processing Unit of the Secretary's Office of the Department of Human Services.

(C) A chronological register of the hearing results will be maintained to ensure each request is acted upon in a timely manner.

(D) After the identifying information is placed on the register, a copy of the request will be sent to the county office that originated the case and a copy sent to the hearing officer.

(2) Exception.

(A) 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.

(B) 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.

(3) If the taxpayer does not appear at the hearing or give notice of inability to appear at least twenty-four (24) hours before the hearing, the request will be considered abandoned.

(4)(A) In the event the taxpayer is unable to be present on the date the hearing is scheduled, the hearing may be rescheduled one (1) time at the taxpayer's request.

(B) After that, the request for hearing will be considered abandoned if the taxpayer does not appear at the hearing.

(C) The rescheduled rehearing must also be held within the thirty-day period from the date of the rescheduled hearing request.

(D) All rescheduling will be recorded on the chronological register.

(5)(A) Accompanying the hearing request, in a pending file, will be a set of hearing forms.

(B) The hearing forms packet will contain an acknowledgment letter (Form SS-RR) and a hearing statement (Form SS-1612).

(C) These forms will be completed when the hearing is scheduled and conducted.

(6) When the acknowledgment letter is mailed to the taxpayer:

(A) A copy is held in the pending file;

(B) A copy is sent to the hearing officer; and

(C) A copy is sent to the appropriate office.

(b) Conducting an STRI hearing.

(1)(A) It is the responsibility of the hearing officer to attend the hearing.

(B) If this is not possible, the hearing officer will designate a representative to attend the hearing.

(C) The hearing officer (or representative) will review the case prior to the hearing.

(2)(A) The hearing will be held in accordance with procedures established under the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq., to determine the validity of the claim.

(B) It will be determined at the hearing whether the claimed sum asserted as due and owing is correct.

(3)(A) In conducting the hearing, a representative from the appropriate office will explain the facts of the overpayment.

(B) The taxpayer will be given the opportunity to offer evidence and/or refute information presented by the agency.

(4)(A) In the event the taxpayer requires additional time to provide evidence that would affect the outcome of the hearing, the hearing officer will:

(i) Complete the hearing to the extent possible; and

(ii) Allow the taxpayer ten (10) days to submit the information to the appropriate office for final resolution of the case.

(B) The agency then has five (5) days to recalculate the claim and forward the results to the hearing officer.

(5)(A) Because of the limited time frame allowed by the Revenue Division of the Department of Finance and Administration, it may become necessary to conduct hearings by conference call between the Department of Human Services Central Office and the appropriate local office.

(B) It will be the hearing officer's responsibility to ascertain that all relevant information is obtained and the hearing statement is completed.

(C) 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.

Authority. Arkansas Code § 20-76-401.

Subpart 15. Arkansas Work Pays Program

20 CAR § 503-1501. Arkansas Work Pays Program generally.

(a)(1) Acts 2005, No. 1705, established the Arkansas Work Pays Program.

(2) The Arkansas Work Pays Program is an incentive program designed to encourage working Transitional Employment Assistance Program participants to remain employed after closure of the transitional employment assistance (TEA) case while increasing their hours of work and/or hourly wage.

(b)(1) Provided they meet Arkansas Work Pays Program eligibility requirements, families participating in the Arkansas Work Pays Program will receive:

(A) A monthly cash assistance payment in the amount of two hundred four dollars (\$204) for up to twelve (12) months;

(B) Case management;

(C) Supportive services; and

(D) Job retention and advancement services.

(2) The twelve (12) months will count toward the federal sixty-month time limit but not the state's TEA twenty-four-month limit.

(3) If the participant reaches sixty (60) months while participating in the Arkansas Work Pays Program, an automatic extension will be given to the sixty-month time limit.

(4) This work incentive program may be limited to three thousand (3,000) families.

(c)(1) The worker will explain the Arkansas Work Pays Program to the applicant and provide an Arkansas Work Pays Program pamphlet during the initial interview for TEA cash assistance.

(2) The Program Eligibility Specialist will discuss the Arkansas Work Pays Program with the participant during ongoing case management activities.

(3) When the TEA case closes due to employment, the participant will receive additional information about the Arkansas Work Pays Program, including an Arkansas Work Pays Program application.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1502. Arkansas Work Pays Program eligibility requirements.

(a) A participant must meet the following requirements:

(1) Be employed at least thirty (30) days prior to the date of the Arkansas Work Pays Program application;

(2) Have care and custody of a related minor child, including family cap child (20 CAR § 502-323(b)) and child receiving Supplemental Security Income;

(3) Be a resident of the State of Arkansas;

(4)(A) Meet the citizenship or alienage requirement.

(B) Refer to 20 CAR § 502-407;

(5) Apply for the Arkansas Work Pays Program within six (6) months of transitional employment assistance (TEA) case closure;

(6)(A) Received TEA cash assistance for at least three (3) months, including months of deferral.

(B) These months do not have to be consecutive.

(C) Months from other states do not count;

(7) Have not received more than twelve (12) months of Arkansas Work Pays Program benefits;

(8) Meet work hours requirement:

(A) For initial eligibility:

(i) Was engaged in paid work activities for a minimum of twenty-four (24) hours per week; and

(ii) Met the federal participation rate for the past month; and

(B) For ongoing eligibility, must:

(i) Be in paid work activities for a minimum of twenty-four (24) hours per week; and

(ii) 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;

(9)(A) Have income below one hundred fifty percent (150%) of the federal poverty level for the family size, including Supplemental Security Income and family cap children.

(B) Supplemental Security Income and family cap children are counted in the household size when determining federal poverty level (FPL), even if they are not part of the budget unit.

(C) **Note.**

(i) Stepparents with no child in common are not part of the Arkansas Work Pays Program budget unit.

(ii) Therefore, the income of the stepparent is disregarded;

(10) Comply with the Arkansas Work Pays Personal Responsibility Agreement;

(11) Comply with Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration requirements, including assignment of

support and cooperation in establishing paternity and/or support unless good cause exists; and

(12) Comply with drug screening and testing requirements.

(b) **Note.** If a participant has reached or exceeded the sixty-month federal time limit when the participant applies (or reapplies) for the Arkansas Work Pays Program, the application will be denied.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1503. Arkansas Work Pays Program application process.

(a)(1) For participants interested in applying for the Arkansas Work Pays Program, the application must be completed and submitted via mail, email, or fax to the Department of Human Services for initial eligibility determination.

(2) The Arkansas Work Pays Program applicant must sign the application.

(3) If it is a two-parent household, both parents must sign the form.

(b) In accordance with Acts 2015, No. 1205, drug screenings of applicants and recipients will be conducted as a part of the application process during the initial eligibility determination and during reevaluation (redetermination).

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1504. Determining initial eligibility.

(a) **Employed 30 days prior to application date.**

(1) For initial eligibility, the Program Eligibility Specialist will review the application to determine if the participant was employed at least thirty (30) days prior to the application date.

(2)(A) If the participant was not employed at least thirty (30) days prior to the application date, no initial interview will be scheduled.

(B) The application will be denied, and a TEA-1 will be sent as an adequate notice of the denial.

(3) No good cause will be given for not meeting initial eligibility.

(4) See 20 CAR §§ 503-302 and 503-303 for more information on adequate notices.

Example: An applicant submitted an application dated October 15. On the application, the applicant indicated employment began on September 16. Because the applicant was only employed twenty-nine (29) days, the application is denied.

(b) Automated system review.

(1)(A) If the participant was employed thirty (30) days prior to the application date, the Program Eligibility Specialist will review the following information in the automated system to further determine if the participant meets initial eligibility.

(B) Refer to 20 CAR § 503-1502.

(2) The participant must:

(A) Have care and custody of a related minor child, including family cap child and child receiving Supplemental Security Income;

(B) Meet the citizenship or alienage requirement;

(C) Apply for the Arkansas Work Pays Program within six (6) months of transitional employment assistance (TEA) case closure, unless the previous Arkansas Work Pays Program case closed due to insufficient hours;

(D)(i) Have received at least three (3) months of TEA cash assistance, including deferral and exemption months.

(ii) This includes TEA cases that close due to reaching the time limit or have been extended and earnings are included; and

(E) Not have received more than twelve (12) months of Arkansas Work Pays Program benefits.

(3)(A) If the participant fails to meet any of the initial eligibility requirements above at the time of application, the application will be denied.

(B) No initial interview will be scheduled.

(C) A TEA-1 will be sent as an adequate notice of the application's denial.

Example 1: Ms. Davis applied for the Arkansas Work Pays Program four (4) months after her TEA case closed. She received TEA cash assistance for nine (9) months. After reviewing additional eligibility information in the automated system, it was determined that Ms. Davis met the requirements. An initial interview can be scheduled.

Example 2: Ms. Wilson applied for the Arkansas Work Pays Program after her TEA case closed. She received TEA cash assistance for a total of two (2) months. Since she did not receive TEA for at least three (3) months, her application is denied.

(c) Income and work hours.

(1) If the participant meets the initial eligibility requirements discussed in subsections (a) and (b) of this section, the Program Eligibility Specialist will schedule an initial interview to review documentation of income and work hours for the thirty-day period prior to the date of application.

(2) No documentation of resources will be required, as the household's resources are totally disregarded.

(3) See subsection (g) of this section.

(d) Income.

(1)(A) The parent's gross earnings along with other countable income must be below the one hundred fifty percent (150%) federal poverty level for the family size.

(B) The federal poverty levels in the Appendix are updated annually.

(C) The following types of income are disregarded when determining initial (and ongoing) eligibility for the Arkansas Work Pays Program:

(i) Income of the child or children;

- (ii) Income of the stepparent with no child in common; and
- (iii) Child support.

(D) Refer to 20 CAR §§ 502-504 and 502-510 for unearned and earned income to disregard.

(2)(A) The Program Eligibility Specialist will deny the application if the participant fails to meet the income requirement upon receipt of initial work documentation.

(B) A TEA-1 will be sent as an adequate notice of the application denial.

(C) See 20 CAR §§ 503-302 and 503-303 for more information on adequate notices.

(3) To determine if the household meets the federal poverty level requirement for initial eligibility, the Program Eligibility Specialist will use one (1) of the appropriate calculations indicated below.

(4)(A) If the participant is paid weekly:

- (i) Total the gross income actually received in the thirty-day period;
- (ii)(a) Divide the total by four (4).
- (b) See note below; and
- (iii) Multiply by 4.334.

(B) **Note.** If the participant is paid weekly but received five (5) checks in the thirty-day period, divide total gross income by five (5) and multiply by 4.334.

(5)(A) If the participant is paid every two (2) weeks (biweekly):

- (i) Total the gross income actually received in the thirty-day period;
- (ii)(a) Divide the total by two (2).
- (b) See note below; and
- (iii) Multiply by 2.167.

(B) **Note.** If the participant is paid every two (2) weeks (biweekly) but received three (3) checks in the thirty-day period, divide total gross income by three (3) and multiply by 2.167.

(6) If the participant is paid twice a month (semi-monthly), total the gross income actually received in the thirty-day period, with no conversion.

Example: A participant who meets all the eligibility requirements applies on April 7. The Program Eligibility Specialist will verify the income for the period March 8 through April 6, which is the thirty-day period prior to the date of application.

(e) Work hours requirement.

(1)(A) For initial eligibility, the participant must provide verification of work hours for the thirty-day period prior to the date of application.

(B) The verification can be provided:

- (i) By fax;
- (ii) By mail;
- (iii) By email; or
- (iv) In person.

(C) The agency will accept verification of earnings from the employer, check stubs, payroll printouts, etc.

(D) If the information received is not accurate and would affect the participant's eligibility status, the supervisor (or designee) will be notified immediately.

(2)(A) The participant must be in a paid work activity, i.e., employed, at least twenty-four (24) hours per week.

(B) The participant must also meet the weekly federal participation requirement for the past thirty (30) days.

(C) The participant may be engaged in another countable work activity that, when combined with the paid work hours, will meet the federal Temporary Assistance for Needy Families work requirement for the family.

(3)(A) If the work hours requirement is met, the information will be documented in the automated system.

(B) If the work hours requirement is not met, the Arkansas Work Pays Program application will be denied.

(C)(i) A TEA-1 will be sent as an adequate notice of application denial.

(ii) See 20 CAR §§ 503-302 and 503-303 for information on adequate notices.

(4) The federal participation requirement is as follows:

(A)(i) Twenty-four (24) hours per week for a single-parent household with a child under the age of six (6), even if the child is not included in the budget unit.

(ii) All twenty-four (24) hours must be in a paid work activity;

(B)(i) Thirty (30) hours per week for a single parent with a child age six (6) or older.

(ii) If the household can only participate in a paid work activity for twenty-four (24) hours per week, all six (6) of the remaining hours must be in a core activity.

(iii) Noncore activities cannot be used for the remaining six (6) hours;

(C)(i) Thirty-five (35) hours per week for a two-parent household not receiving federally funded childcare.

(ii) If the household can only participate in a paid work activity for twenty-four (24) hours per week, six (6) of the remaining hours must be in a core activity.

(iii) The last five (5) hours may be core or noncore; and

(D)(i) Fifty-five (55) hours per week for a two-parent household receiving federally funded childcare.

(ii) If the household can only participate in a paid work activity for twenty-four (24) hours per week, twenty-six (26) of the remaining hours must be in a core activity.

(iii) The last five (5) hours may be core or noncore.

Example 1: Ms. Adams is a single parent with a child over the age of six (6). She applied for the Arkansas Work Pays Program on July 1. It has been verified that she has been employed since May. Check stubs submitted for the thirty-day period before the application date show she worked

thirty (30) hours per week. Ms. Adams meets the requirement to be employed (in a paid work activity) for twenty-four (24) hours per week. She also meets the federal participation requirement of thirty (30) hours per week. If otherwise eligible, the application may be approved.

Example 2: Mr. Thomas is a single parent with teenaged children. He applied for the Arkansas Work Pays Program on July 7 after receiving TEA for eight (8) months. His TEA case closed in April. He has been employed since March. Check stubs indicate he works twenty-four (24) hours per week. He also attends college at night and has only used two (2) months of career and technical education. He is taking a three-credit-hour course in management and will graduate in December. Mr. Thomas meets the work requirements. He is employed for twenty-four (24) hours per week. He is given three (3) hours of actual class time per week. He will also be given three (3) hours of homework/study time because he is taking three (3) credit hours. This brings his total countable hours to thirty (30) per week. If otherwise eligible, the application may be approved.

(f) Drug screening questionnaire requirements.

(1)(A) All applicants will be required to complete a drug assessment questionnaire (DAQ) as part of the initial eligibility determination process.

(B) The DAQ is a part of the Arkansas Work Pays Program application.

(2) Once the DAQ has been completed, the following actions will be taken:

(A) If the applicant answers "No" to all questions on the DAQ concerning illegal drug use, the application will be processed; or

(B) If the applicant answers "Yes" to any one (1) of the questions on the DAQ concerning illegal drug use, then the Program Eligibility Specialist must contact the Temporary Assistance for Needy Families Family Support Unit of the Department of Human Services for drug testing coordination.

(3) Refusal and/or failure, without good cause, to complete or submit a drug screening questionnaire during the initial eligibility process will result in denial of the application.

(4) Refer to 20 CAR § 503-1505 and 20 CAR § 503-1506(g).

(g) Scheduling the initial interview.

(1)(A) No later than two (2) business days from the date the application was received, the Program Eligibility Specialist will send a TEA-1 (Notice of Action) to schedule the initial interview.

(B) The notice must indicate what documentation should be brought to the interview in order to establish initial eligibility.

(2) During the initial interview, the Program Eligibility Specialist will:

(A) Present an overview of the program;

(B) Gather information; and

(C) Advise the participant of what and when information is needed.

(3)(A) If the participant misses the interview and does not contact the Program Eligibility Specialist to reschedule, the application will be denied.

(B) A TEA-1 will be sent as an adequate notice of the application denial.

(h) Rescheduling the initial interview.

(1) If the participant misses the initial interview, but it is rescheduled, the Program Eligibility Specialist will send a ten-calendar-day advance notice (TEA-1) to inform the participant of the:

(A) New appointment; and

(B) Penalties that may occur if they fail to attend as rescheduled (i.e., application denial).

(2) If a participant does not bring the requested documentation to the initial appointment:

(A) The Program Eligibility Specialist will provide the participant with a ten-calendar-day advance notice (TEA-1) requesting the exact documents needed to determine eligibility by the close of business on the tenth day; and

(B) If the documents are not provided, the application will be denied after the notice expires.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1505. Application disposal.

(a) The Department of Human Services worker will dispose of the application for the Arkansas Work Pays Program by either approval or denial within thirty (30) days from the date of application.

(b) If the application is denied for failure to meet any of the initial eligibility requirements, including failure to complete or submit a drug assessment questionnaire, a TEA-1 must be sent as an adequate notice.

(c) See 20 CAR §§ 503-302 and 503-303.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1506. Drug screenings.

(a)(1) In accordance with Acts 2015, No. 1205, drug screenings of Arkansas Work Pays Program applicants and participants will be conducted during initial eligibility determination and continued eligibility redetermination/reevaluation.

(2) The drug screenings will be used to determine whether there is a reasonable cause to believe the applicant or recipient engages in illegal drug use.

(3) Drug testing results and information will be kept confidential.

(b) **Note.**

(1) Employer-required drug screening and/or testing is separate from the Transitional Employment Assistance Program and Arkansas Work Pays Program drug screening and testing program.

(2) An employer's drug screening, testing, and/or test results cannot be used in place of this Arkansas Work Pays Program requirement.

(c) Exemptions from drug screening and testing.

(1) The following individuals are exempt from drug screening and testing requirements:

(A) A dependent child under the age of eighteen (18);

(B) A non-head-of-household minor parent who lives in the home of his or

her:

(i) Parent;

(ii) Legal guardian; or

(iii) Other adult relative; and

(C) An individual who is a participant in the Career Pathways Program or a Community Investment Initiative under the Arkansas Work Pays Program.

(2) **Exception.** A head-of-household minor parent who applies for the Arkansas Work Pays Program and does not live with a parent, legal guardian, or other adult caretaker relative is not exempt from the drug-screening requirement.

(d) Cooperation with drug testing.

(1)(A) If the drug assessment questionnaire (DAQ) indicates a reasonable suspicion that an applicant/participant has engaged in illegal use of drugs, that person will be required to take a drug test.

(B) The Program Eligibility Specialist will email the Temporary Assistance for Needy Families Family Support Unit of the Department of Human Services regarding the DAQ's indicated use of illegal drugs.

(C) The Temporary Assistance for Needy Families Family Support Unit will coordinate with the individual for drug testing and/or treatment.

(D) The Temporary Assistance for Needy Families Family Support Unit will notify the Program Eligibility Specialist regarding participation status.

(2)(A) If the otherwise eligible applicant or participant refuses and/or fails to cooperate with the drug testing process, the Arkansas Work Pays Program case will be closed.

(B) If the individual reapplies for the Arkansas Work Pays Program and is otherwise eligible, he or she must submit to a drug test.

(3) If the result of the drug test is negative the case will be approved/remain open.

(4) If the result of the drug test is positive:

(A)(i) A plan of action will be developed in coordination with the individual.

(ii) The plan of action will include a substance abuse evaluation to determine the appropriate drug treatment plan and/or recovery support group or resource.

(iii) Failure to cooperate with the plan of action will result in case closure; or

(B)(i) If an applicant/participant that is otherwise eligible fails a drug test but has a valid prescription for the drug in question, the Arkansas Work Pays Program application/case will not be denied/closed pending additional testing.

(ii) The same urine sample from the first positive test will be used to conduct a drug confirmation test.

(iii) The results of the confirmation will be used to determine final eligibility for Arkansas Work Pays Program benefits.

(e) Referral for substance abuse evaluation and drug abuse treatment.

(1)(A) If the results of the drug confirmation test indicate usage of drugs, the Program Eligibility Specialist will refer the applicant or participant who is otherwise eligible for a substance abuse evaluation.

(B) An appropriate drug treatment plan and/or recovery support group or resource will then be determined.

(C) The treatment period should not exceed six (6) months.

(2) If the substance abuse evaluation indicates that the applicant or participant who is otherwise eligible does not need drug abuse treatment and/or drug recovery support:

(A) No drug treatment will be required; and

(B) The applicant or participant will continue to be eligible and the Department of Human Services will move forward with eligibility determination/reevaluation based on Arkansas Work Pays Program requirements.

(3) If the substance abuse evaluation indicates that the applicant or participant who is otherwise eligible does need drug abuse treatment and/or drug recovery support:

(A) The Program Eligibility Specialist will coordinate with the Temporary Assistance for Needy Families Family Support Unit to make sure the applicant/participant is referred to an appropriate drug treatment facility and/or recovery support group or resource; and

(B) After the referral has been made, the applicant or participant that is otherwise eligible has ten (10) business days to provide the following information to the Program Eligibility Specialist, as required under the drug treatment plan:

- (i) Verification of enrollment in an approved drug treatment program;
- (ii) Verification of placement on a waiting list for an approved drug treatment program; or
- (iii) Verification of attendance at an approved drug recovery support group/resource meeting.

(f) Compliance with drug abuse treatment plan of action.

(1)(A) The approved drug treatment plan and/or drug recovery support should not exceed a period of six (6) months.

(B) The six-month period will begin with the:

- (i) Date of the first treatment session in the drug abuse treatment program; or
- (ii) First date of attendance at a drug recovery support group/resource meeting.

(2) In order for an applicant or participant who is otherwise eligible to receive a full Arkansas Work Pays Program payment during this six-month treatment period, he or she must:

(A) Comply with the drug abuse treatment/drug recovery plan of action;
and

(B) Submit bi-weekly documentation of attendance and participation.

(3)(A) If the drug treatment plan requires more than six (6) months of care, the applicant or participant who is otherwise eligible must submit to a drug test after six (6) months of treatment in order to determine continued Arkansas Work Pays Program eligibility.

(B) If the result of the drug test is negative, the case will be approved/remain open.

(C)(i) If the result of the drug test is positive, a drug confirmation test will be conducted in accordance with subsection (d) of this section.

(ii) The results of the confirmation will be used to determine final eligibility.

(4) If the applicant or participant who is otherwise eligible is placed on a waiting list for an approved drug treatment program and no other comparable program is available, he or she will receive full Arkansas Work Pays Program payments until an approved treatment program becomes available.

(5)(A) Failure to comply without good cause with the treatment plan will result in case closure.

(B) Refer to 20 CAR § 503-1521.

(g) Good cause for noncompliance with drug treatment/recovery support.

(1)(A) The Program Eligibility Specialist will determine whether an applicant or otherwise eligible participant has good cause for failure to begin, participate in, and/or complete the drug treatment/recovery support resource program.

(B) The Program Eligibility Specialist must consider the circumstances of each case as well as the specific requirements of a drug treatment/recovery support program.

(2) If it is determined that good cause exists, the Program Eligibility Specialist and immediate supervisor will work together with the Temporary Assistance for Needy Families Family Support Unit and/or drug treatment/recovery support program to

amend the plan so it allows the applicant or participant to complete the requirements in a manner consistent with his or her abilities.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1507. Career advancement plan.

(a)(1) Participants may need assistance increasing incomes while on a job.

(2) The participant may also need assistance learning the skills and behaviors to be a valued worker.

(b)(1) The Program Eligibility Specialist will work with the participant to create a career advancement plan.

(2) The plan will concentrate on:

(A) Retaining a job;

(B) Getting promoted;

(C) Earning a pay raise;

(D) Increasing hours; and

(E) Acquisition of benefits.

(3) The plan will be used and modified during the entire time the participant receives Arkansas Work Pays Program benefits.

(c)(1) No later than two (2) business days after the application is approved, the Program Eligibility Specialist will contact the participant to schedule an in-person career advancement plan meeting to occur at a later date.

(2) The career advancement plan interview should occur at a time and location agreed upon by both the participant and the Program Eligibility Specialist.

(3) See 20 CAR § 503-1504(f).

(d) The Program Eligibility Specialist must have bi-weekly contact with the participant.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1508. Reevaluation.

(a)(1) All Arkansas Work Pays Program cases will be reevaluated by the Department of Human Services processing unit every six (6) months to determine continued eligibility.

(2) The following criteria must be met:

(A) There must be an eligible child in the home; and

(B) The participant's gross earned income plus other countable income must be below the one hundred fifty percent (150%) federal poverty level for the family size.

(b)(1) The processing unit will also conduct yearly drug assessment reevaluations on all Arkansas Work Pays Program cases.

(2) Each nonexempt adult included in the Arkansas Work Pays Program budget unit must complete and return a separate drug assessment questionnaire (DAQ).

(3) Refer to 20 CAR § 503-1506(c) for a list of individuals who are exempt from drug screening and testing requirements.

(c)(1) The division's processing unit will mail a ten-day notice with a questionnaire to each nonexempt adult in the budget unit.

(2) The notice must indicate that:

(A) The questionnaire must be completed and returned in order to determine continued eligibility for the Arkansas Work Pays Program; and

(B)(i) The case will be closed if each questionnaire received in the household is not returned before the ten-day notice expires.

(ii) This action is based on 20 CAR § 503-1506, drug screenings.

(d) Once the DAQ has been completed and returned, the following actions will be taken:

(1) If all nonexempt participants in the budget unit answer "No" to all questions on the DAQ concerning illegal drug use, continued eligibility based on this requirement has been established; or

(2) If any nonexempt participant in the budget unit answers "Yes" to any questions on the DAQ concerning illegal drug use, then the Program Eligibility Specialist

must contact the Temporary Assistance for Needy Families Family Support Unit of the Department of Human Services for drug testing coordination.

(e) **Note.**

(1) Refusal by either nonexempt adult on the case to complete the DAQ will result in case closure.

(2) The case will also be closed if either nonexempt adult on the case fails to return an individual DAQ before the ten-day notice expires.

Example: In a two-parent/adult Arkansas Work Pays Program case, one (1) parent is completing all of the hours for the household. However, both parents/adults are included in the Arkansas Work Pays Program budget unit. A total of two (2) advance notices (TEA-1) and two (2) DAQs must be sent to the household for the purpose of establishing the household's continued eligibility. Both DAQs must be completed and returned before the ten-day notices expire in order for the case to remain open. The case will be closed in ten (10) days if one (1) adult or both adults fail to comply.

(f) Any case closure as a result of drug screening or drug testing may be appealed in accordance with the appeal procedures in 20 CAR § 503-1001 et seq.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1509. Arkansas Work Pays Program ongoing case management.

(a)(1) Case management is the process of coordinating and brokering the multiple services needed to achieve progress toward self-sufficiency.

(2) Case management will provide the participant with sufficient information on what to expect regarding changes and challenges in the world of work.

(3) The Program Eligibility Specialist will serve as a point of contact for participants and a point of accountability for the agency.

(4) The Program Eligibility Specialist has the overall responsibility for working with the participant from initial interview until case closure.

(b)(1) The Arkansas 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.

(2) Post-employment services are an essential tool in preventing participants from returning to TEA by helping them:

- (A) Keep their current jobs;
- (B) Gain skills for a career;
- (C) Move toward better jobs; and
- (D) Become self-sufficient.

(3) The intent is to provide services that will help participants increase their earnings and retain their jobs so they can advance.

(c)(1) Program Eligibility Specialists will build relationships with participants and assist them by guiding, supporting, and encouraging them to:

- (A) Be accountable;
- (B) Set goals; and
- (C) Make good decisions.

(2) The Program Eligibility Specialist will also provide participants with the following resources, as appropriate, to aid them in achieving their goals:

- (A) Developing a career advancement plan;
- (B) Identifying career ladders, either with:
 - (i) The participant's current employer; or
 - (ii) Another employer or industry;
- (C) Referral to Career Pathways Training Initiative;
- (D) Referral to other Temporary Assistance for Needy Families initiative providers;
- (E) Job search assistance through the Arkansas JobLink system;

- (F) Career counseling;
- (G) Working with employers to develop advancement strategies;
- (H) Removing specific barriers;
- (I) Coordinating work supports (e.g., childcare, Medicaid, employment expenses, supportive services);
- (J) Pursuing educational and/or training activities that develop or expand a participant's job expertise; and
- (K) Referral to other appropriate service providers in the workforce development system available through the Arkansas Workforce Centers.

(d) Case management services will be provided as long as the participant is Arkansas Work Pays Program-eligible, and up to twelve (12) months after the Arkansas Work Pays Program case has been terminated due to earnings in excess of the federal poverty level.

(e) **Note.**

- (1) Staffings are not required on Arkansas Work Pays Program cases.
- (2) However, cases will be reviewed/reevaluated every six (6) months to determine continued eligibility.

(f) Every six (6) months, the following criteria must be met:

- (1) There must be an eligible child in the home; and
- (2)(A) The participant's gross earned income plus other countable income must be below the one hundred fifty percent (150%) federal poverty level for the family size.

(B) See FPL calculations in 20 CAR § 503-1510, work verification.

(g)(1) Every year, based on the anniversary date of the case, the following criteria must be met: All adults who are not exempt from drug screening and testing requirements must submit a completed drug assessment questionnaire.

(2) Refer to 20 CAR § 503-1508.

(h) The Program Eligibility Specialist will also review the work documentation each month to determine if there is a need to update the budget.

(i)(1) An update to the budget is only necessary if there has been a significant change in income.

(2) A significant change is one in which the new wage is equal to or exceeds one hundred fifty percent (150%) of the current federal poverty level for the family size and is not based on a temporary fluctuation such as overtime, seasonal bonus, etc.

(3) See 20 CAR § 503-403 for more information about significant changes.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "FPL" means federal poverty level.

20 CAR § 503-1510. Work verification.

(a)(1) The participant must provide biweekly verification of work hours or pay stubs for each week of every month.

(2) The verification can be provided:

(A) By fax;

(B) By mail;

(C) By scan and email; or

(D) In person.

(3) The agency will accept verification of earnings from the employer, check stubs, payroll printout, etc.

(4) The Program Eligibility Specialist must enter actual work activity hours for each week into the automated system.

(5) If the participant fails to follow through on a required activity, then immediate contact is required.

(b) The participant must:

(1) Be in a paid work activity at least twenty-four (24) hours per week; and

(2)(A) Meet the weekly federal participation requirement in one (1) of the past three (3) months and three (3) of the past six (6) months.

(B) See 20 CAR § 503-1504(c), (d), and (e) for the federal work participation requirements.

(c)(1) The Program Eligibility Specialist will encourage the participant to engage in a paid work activity equal to the federal work activity requirement, if possible.

(2)(A) If the participant is only capable of engaging in a paid work activity for twenty-four (24) hours a week, the Program Eligibility Specialist will determine:

(i) What work activities are allowable in the Arkansas Work Pays Program case; and

(ii) The number of hours the participant can participate.

(B) This evaluation is necessary due to federal limitations on certain work activities.

(d)(1) The Program Eligibility Specialist will:

(A) Discuss allowable work activities with the participant; and

(B) Assign the participant to additional work activities needed to meet the weekly federal work participation requirement.

(2) See 20 CAR § 503-1511 for allowable work activities.

Example 1: Mr. Parent works fifteen (15) hours a week, and Mrs. Parent works twenty (20) hours per week. They do not receive federally funded childcare. They meet the work participation requirement for a two-parent household not receiving federally funded childcare.

Example 2: Mr. and Mrs. Worker receive federally funded childcare. Mr. Worker is employed for twenty-five (25) hours per week and takes a three-credit-hour class at the local college. Mrs. Worker is assigned to Work Experience for twenty (20) hours per week, and GED for four (4) hours per week. The Worker family has twenty-five (25) paid hours, twenty-six (26) core hours, and four (4) noncore hours. (The core hours include twenty (20) hours work

experience, three (3) hours of actual class time, and three (3) hours of study/homework time based on credit hours). They meet the federal participant requirement.

(e)(1)(A) The parent's gross earnings along with other countable income must be below the one hundred fifty percent (150%) federal poverty level for the family size.

(B) See Appendix B.

(2) The income of the child or children is disregarded.

(3) Unemployment insurance and child support are also disregarded when determining initial (and ongoing) eligibility for the Arkansas Work Pays Program.

(4) Refer to 20 CAR § 502-506 for unearned income to disregard.

(f) FPL calculation (ongoing eligibility).

(1)(A) If the participant is paid weekly:

(i) Total the gross income actually received in the month;

(ii)(a) Divide the total by four (4).

(b) See note below; and

(iii) Multiply by 4.334.

(B) **Note.** If the participant is paid weekly but received five (5) checks in the month, divide total gross income by and multiply by 4.334.

(2)(A) If the participant is paid every two (2) weeks (biweekly):

(i) Total the gross income actually received in the month;

(ii)(a) Divide the total by two (2).

(b) See note below; and

(iii) Multiply by 2.167.

(B) **Note.** If the participant is paid every two (2) weeks (biweekly) but received three (3) checks in the month, divide total gross income by three (3) and multiply by 2.167.

(3) If the participant is paid twice a month (semi-monthly), total the gross income actually received in the month with no conversion.

(4) **Note.** The Program Eligibility Specialist will review the work documentation each month to determine if there is a need to update the budget.

(5)(A) An update to the budget is only necessary if there has been a significant change in income.

(B) A significant change is:

(i) One in which the new wage is equal to or exceeds one hundred fifty percent (150%) of the current federal poverty level for the family size; and

(ii) Not based on a temporary fluctuation such as overtime, seasonal bonus, etc.

(C) See 20 CAR § 503-403 for more information on significant changes.

(g)(1) If the participant becomes unemployed while in the Arkansas Work Pays Program, the Arkansas Work Pays Program Eligibility Specialist should assist the participant to expeditiously find a new job.

(2) The participant should be referred to all available resources in the workforce development system that will assist them in becoming employed.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1511. Allowable work activities.

(a) For a description and additional information about the allowable work activities, refer to 20 CAR §§ 503-123 – 503-134.

(b)(1) Paid work activities:

(A) Unsubsidized employment (core); and

(B) On-the-job training (core).

(2) **Note.** In the Arkansas Work Pays Program, subsidized employment and on-the-job training are not allowable work activities if subsidized with transitional employment assistance (TEA) funds.

(c) Unpaid work activities:

(1) Job search and job readiness assistance (core);

(2) Work experience training (core);

- (3) Community service (core);
- (4) Career and technical education (core);
- (5) Providing childcare services for participants in community service (core);
- (6) Education directly related to employment (noncore);
- (7) Job skills training (noncore); and
- (8) Attendance at secondary school (noncore).

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1512. Supportive services.

(a) All Arkansas Work Pays Program participants may be eligible for extended supportive services such as:

- (1) Childcare;
- (2) Transitional Medicaid or ARKids First;
- (3) Mentoring;
- (4) Financial credit counseling;
- (5) Individual development accounts; and
- (6) Any job retention services offered by the Department of Human Services.

(b) Arkansas Work Pays Program participants whose transitional employment assistance (TEA) cases closed due to employment may be eligible for the following supportive services within twelve (12) months of TEA closure:

- (1)(A) Vehicle down payment assistance.
 - (B) See 20 CAR § 503-203;
- (2)(A) Vehicle repair.
 - (B) See 20 CAR § 503-207;
- (3)(A) Vehicle insurance.
 - (B) See 20 CAR § 503-206;
- (4)(A) Vehicle sales tax.
 - (B) See 20 CAR § 503-204;
- (5)(A) Vehicle tags.

(B) See 20 CAR § 503-205; and

(6)(A) ESS job retention.

(B) See 20 CAR § 503-218.

(C) **Note.**

(i) Extended supportive services (ESS) job retention supportive services are the same activity-related expenses listed in 20 CAR § 503-208.

(ii) In the Arkansas Work Pays Program, these services are used to help participants retain their current jobs.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1513. Payment.

(a) **Payment amount.**

(1) The Arkansas Work Pays Program payment amount is two hundred four dollars (\$204) monthly unless the participant is under a sanction.

(2) Arkansas Work Pays Program income will be countable in the same capacity as transitional employment assistance (TEA) cash in Supplemental Nutrition Assistance Program (food stamps) and Medicaid cases.

(3) All changes reported to the Program Eligibility Specialist will be entered in the automated system.

(b) **Payment authorization.**

(1)(A) The Program Eligibility Specialist will authorize the payment when verification of participation is received.

(B) The participant must provide verification of work hours such as payroll printouts, employer documents, or pay stubs for each week of the month.

(C) The verification may be submitted:

(i) By fax;

(ii) By mail;

(iii) By email; or

(iv) In person.

(2)(A) If the participant was in a paid work activity for at least twenty-four (24) hours per week and met the federal participation rate, full payment will be authorized.

(B) Refer to subsection (c) of this section.

(3)(A) If the participant does not meet the federal participation rate and good cause for noncompliance is established, a good cause payment will be authorized.

(B) Refer to subsection (c) of this section and 20 CAR § 503-1517.

(4) If the participant does not meet the federal participation rate and good cause is not established, a sanction payment may be authorized, except for the third consecutive sanction or third sanction out of the past six (6) months.

(5) No payment will be authorized for the:

(A) Third consecutive month of noncompliance; or

(B) Third month out of the past six (6) months.

(c) Payment process.

(1)(A) Families participating in the Arkansas Work Pays Program will receive a monthly cash assistance payment in the amount of two hundred four dollars (\$204), regardless of family size, for up to twenty-four (24) months, provided they meet the Arkansas Work Pays Program eligibility requirements.

(B) Arkansas Work Pays Program payments are made:

(i) Once per month; and

(ii) In the month following the month in which the participant participates.

(C) Payment will be made via the participant's electronic benefits transfer (EBT) card.

(2) For Temporary Assistance for Needy Families federal purposes, an Arkansas Work Pays Program case is considered cash assistance.

Example: Ms. Harris applies for the Arkansas Work Pays Program in July. In August, she provides verification of hours worked in July. The Program Eligibility Specialist determined that the participant

met the work requirement and authorizes payment for July (to be paid in August) by placing a check in the payment box on the Arkansas Work Pays Program payment screen in the automated system.

(3)(A) By the fifth workday of each month, the Arkansas Work Pays Program participant should provide documentation to the Program Eligibility Specialist regarding work activity hours for each week of the preceding month.

(B) If the participant provides documentation by the fifth workday of the month the Program Eligibility Specialist will:

- (i) Key the work hours into the automated system; and
- (ii) Select the full payment indicator.

(4)(A) The Program Eligibility 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.

(B) However, the Program Eligibility Specialist must key actual weekly hours into the automated system.

(5) By the fifth workday of the month, participants must submit sufficient documentation showing they met the twenty-four (24) paid hours/week work requirement and/or the federal work participation requirement.

(6)(A) If no documentation or insufficient documentation is received by the fifth workday of the month, the Program Eligibility Specialist will send a ten-calendar-day advance notice (TEA-1) on the next business day.

(B) The notice will:

- (i) Request proper documentation showing that participants met work requirements;
- (ii) Request that participants show good cause for not meeting work participation, if appropriate;
- (iii) Indicate that a home visit is required each month of noncompliance; and

(iv)(a) Indicate whether the cash assistance payment will be sanctioned by fifty percent (50%) or the case will be closed if information is not received or good cause is not established within ten (10) calendar days.

(b) See 20 CAR § 503-1519.

(7) If the requested information is submitted within ten (10) calendar days, the Program Eligibility Specialist will key the actual hours into the automated system and select the full payment indicator.

(8)(A) If the requested information is not submitted within ten (10) calendar days, the Program Eligibility Specialist will key the actual hours into the automated system and select the sanctioned payment indicator.

(B) Refer to 20 CAR § 503-1515 for noncompliance requirements.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1514. Arkansas Work Pays Program bonus.

(a)(1) As an incentive to participants to retain their jobs, each Arkansas Work Pays Program participant may receive preset bonus payments after meeting certain job retention targets.

(2) 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.

(3) All bonus payments will be made through the participant's EBT card but not counted as cash assistance.

(4) Bonuses will be keyed after the monthly cash assistance payment has been released.

(b)(1) The Program Eligibility Specialist will assess prior work participation and select the indicator in the automated system to trigger the appropriate bonus payment.

(2) The bonus payment indicator should be marked at the same time as the work participation is entered each month.

(3) See 20 CAR § 503-1513(c) for information on keying work participation hours.

(c) **Note.** Good cause months are classified as noncompliance and must be considered when determining if a participant is eligible for a bonus.

(d)(1) If the Arkansas Work Pays Program participant exits the program and reenters the program, the participant will be eligible for bonuses not already received when their Arkansas Work Pays Program eligibility has been reestablished.

(2) See 20 CAR § 503-1522 for the eligibility criteria for reentry to the Arkansas Work Pays Program.

(e) **Bonus 1, three (3) months job retention target.** Participants that meet the work participation requirements for three (3) consecutive months will receive a bonus in the amount of four hundred dollars (\$400).

(f) **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 six hundred dollars (\$600).

(g) **Bonus 3, twelve (12) months job retention target.** Upon closure of the Arkansas Work Pays Program case due to time limits, participants that have met the work participation requirements for twelve (12) out of twelve (12) months will receive an exit bonus in the amount of eight hundred dollars (\$800).

(h) **Earnings' bonus, case closure due to earnings.**

(1) The Arkansas Work Pays Program participant may receive an earnings' bonus of one thousand two hundred dollars (\$1,200) anytime within the twelve-month case time limit if their income exceeds one hundred fifty percent (150%) of the federal poverty level (FPL) for their family size.

(2)(A) The Program Eligibility Specialist will notify the supervisor if it appears that earnings exceed FPL.

(B) The supervisor will review the documentation and determine eligibility for the bonus.

(C) If it is determined that earnings exceed FPL, the Program Eligibility Specialist will send a ten-calendar-day advance notice of closure to the participant (TEA-1).

(D) Once the notice expires, the Program Eligibility Specialist will close the case.

(E) After case closure, the supervisor will authorize the bonus to be issued.

(3) **Note.** Temporary fluctuations such as overtime, seasonal bonuses, etc., will not be considered when determining eligibility for the earnings bonus.

(4) See 20 CAR § 503-1510 for more information on FPL calculations.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "EBT" means Electronic Benefits Transfer.

20 CAR § 503-1515. Noncompliance.

(a) Noncompliance occurs when a person who is required to participate in certain activities fails to do so.

(b) Below are two (2) reasons that an Arkansas Work Pays Program participant's case may be deemed in noncompliance.

(c) The participant:

(1) Fails to comply with the assigned work requirement; and/or

(2) Refuses to cooperate with the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1516. Compliance with the Office of Child Support Enforcement.

(a) The participant will be required to comply with the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration.

(b) Failure to comply without good cause will result in a twenty-five percent (25%) sanction being imposed.

(c) This sanction is an automatic system-generated sanction and requires no action on the part of the Program Eligibility Specialist.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1517. Good cause for work noncompliance.

(a) The sanction process will not be applied if the person demonstrates that he or she had good cause for not complying.

(b)(1) The determination of good cause is a decision made by each local office.

(2) For acceptable good cause reasons, refer to 20 CAR § 503-224(c).

(c) **Note.** Good cause months are classified as noncompliance and could result in case closure when determining if a participant has failed to comply for three (3) consecutive months or failed to comply for at least three (3) months out of the past six (6) months.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1518. Determining good cause for work noncompliance.

(a) Once failure to comply with Arkansas Work Pays Program requirements has been established, the following procedures will be followed:

(1)(A) Contact the participant to give him or her the opportunity to explain why he or she failed to comply and make a determination of good cause, if appropriate.

(B) This contact will be in writing.

(C) If the initial contact is made by phone or face to face, the TEA-1 must be mailed as a ten-calendar-day advance notice, and the case record must be documented accordingly.

(D) The Program Eligibility Specialist will provide the participant, at a minimum, the following information:

- (i) The specific act of noncompliance;
- (ii) A reasonable time to establish good cause prior to applying the sanction;
- (iii) That if the sanction is imposed, it will result in the Arkansas Work Pays Program payment being reduced;
- (iv) That the sanction months in which benefits are received will continue to count toward the participant's twelve-month time limit; and
- (v) A specific date and time for a home visit to be conducted before the notice expires;

(2) If the participant contacts the local office and good cause is determined to exist, then a good cause payment will be authorized; and

(3) In the event good cause is not established and the participant does not cooperate, the cash assistance payment will be reduced or cancelled, if appropriate.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1519. Noncompliance sanction.

(a)(1) If on the fifth workday of the month, verification of hours has not been received, a ten-calendar-day advance notice (TEA-1) will be sent on the sixth workday of the month requesting documentation.

(2) If the documentation is not received within the ten (10) calendar days provided in the sanction notice (and good cause is not established), either:

(A) A fifty percent (50%) sanction (reduction in benefits) will be imposed on the Arkansas Work Pays Program case; or

(B) The case will be closed.

(3) Refer to 20 CAR § 503-1513(c) for more information on applying the sanction.

(b) If a participant does not comply with both the work requirement and the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration, the sanction applied will not exceed fifty percent (50%).

(c)(1) If the participant fails to meet the participation requirements, then the participant will be sanctioned.

(2) Either a fifty percent (50%) sanction (reduction in benefits) will be imposed on the Arkansas Work Pays Program case or the case will be closed.

(d) Home visits will be required on Arkansas Work Pays Program cases when an act of noncompliance occurs (i.e., each month of noncompliance).

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1520. Lifting the sanction.

(a) If the participant fully participates in the next month following a sanctioned payment, the Program Eligibility Specialist will authorize a full payment.

(b) If the payment was reduced due to an Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration sanction, the participant must fully cooperate with the Office of Child Support Enforcement before full payment can be authorized.

(c) The Office of Child Support Enforcement sanction will be lifted upon receipt of Office of Child Support Enforcement documentation verifying cooperation.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1521. Case closure.

(a) An Arkansas Work Pays Program case will be closed if the participant fails to meet the general eligibility requirements, including, but not limited to, one (1) of the reasons listed below:

(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)(A) No eligible child in the home.

(B) **Note.**

(i) A child is considered to be living with a parent or relative even though the child or adult is temporarily absent from the home not to exceed forty-five (45) consecutive days.

(ii) This allows assistance to be continued during short periods of time in which the adult or child may not be in the usual family setting (e.g., a child may visit the noncustodial parent for up to forty-five (45) days).

(iii) It is not intended to provide assistance to an adult on behalf of a child who, on a regular basis, lives in another adult's home the majority of the time (e.g., resides with another relative during the week to enable either the child or parent to attend school in another location);

(4) Unable to locate;

(5) No longer a resident of the state;

(6) Income exceeds one hundred fifty percent (150%) of the federal poverty level for family size; or

(7)(A) Participant requested case closure.

(B) **Note.**

(i) A ten-calendar-day advance notice (TEA-1) must be sent if the participant does not submit a written closure statement:

(a) Waiving the right to a ten-day notice; and

(b) Indicating he or she understands the consequences of supplying such information.

(ii) After the advance notice expires, the case may be closed.

(b)(1) An Arkansas Work Pays Program case will also be closed due to noncompliance with drug screening and testing requirements.

(2) An Arkansas Work Pays Program case will be closed if a participant, who is otherwise eligible, fails to:

(A) Submit a completed drug screening questionnaire as part of the eligibility redetermination process, unless good cause has been established;

(B) Cooperate with drug testing and/or the assigned drug treatment plan of action, unless good cause has been established;

(C) Pass a subsequent drug test after completing drug treatment, with the positive drug test results having been validated by a confirmation test.

(3) Any denial of Arkansas Work Pays Program eligibility as a result of drug screening or drug testing may be appealed in accordance with the appeal procedures in 20 CAR § 503-1001 et seq.

(c) Refer to 20 CAR §§ 503-302 and 503-303 for information on sending advance or adequate notices in the above circumstances.

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1522. Reentry to the Arkansas Work Pays Program.

(a) Reentry into the Arkansas Work Pays Program is through the Transitional Employment Assistance Program.

(b) A participant can reenter the Arkansas Work Pays Program if they are within six (6) months of their last transitional employment assistance (TEA) case closure and all Arkansas Work Pays Program eligibility requirements are met.

(c)(1) A participant who leaves the Arkansas Work Pays Program due to insufficient work hours may reenter the program once they establish that they:

(A) Are in a paid work activity with a minimum of twenty-four (24) hours per week; and

(B) Met the federal work participation requirement for the past month.

(2) This means the six-month rule does not apply when Arkansas Work Pays Program cases close due to insufficient hours.

(3) Otherwise, reentry to the Arkansas Work Pays Program will occur through TEA eligibility and transition to the Arkansas Work Pays Program upon TEA case closure.

(d) **Note.**

(1) In order to close a case due to insufficient hours, the employer must be the party who limits the number of hours available for the participant to work (e.g., layoff, reduction of hours in work schedule, etc.).

(2) A case may not close due to insufficient hours if the participant limits the hours of work (e.g., quits employment, refuses to work a certain schedule, is a no show, is currently searching for a job, etc.).

Authority. Arkansas Code § 20-76-401.

20 CAR § 503-1523. Overpayment.

(a) Any payment received by or for a participant that is in excess of the amount that should have been paid is an overpayment.

(b) However, only those overpayments described in 20 CAR § 503-1201 et seq., will be reported and collection pursued.

Authority. Arkansas Code § 20-76-401.

Appendix B. Work Pays Income Limits

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/294/20CARpt.503AppendixB.pdf>