

ARKANSAS REGISTER

Transmittal Sheet



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SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS

Sharon Priest
Secretary of State
State Capitol Rm. 01
Little Rock, Arkansas 72201-1094

For Office
Use Only: Effective Date _____ Code Number 016.20.95--021

Name of Agency Department of Human Services

Department Division of County Operations

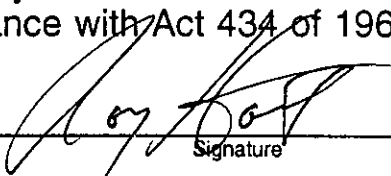
Contact Person Roy Kindle, Jr. Phone 682-8251

Statutory Authority for Promulgating Rules Agriculture Appropriations Bill (P.L. 104-37)

	Date
Intended Effective Date	Legal Notice Published <u>11/20/95</u>
<input type="checkbox"/> Emergency	Final Date for Public Comment <u>12/20/95</u>
<input type="checkbox"/> 10 Days After Filing	Filed With Legislative Council <u>11/18/95</u>
<input checked="" type="checkbox"/> Other	Reviewed by Legislative Council <u>12/07/95</u>
(mandated by P.L. 104-37) <u>December 1, 1995</u>	Adopted by State Agency <u>12/30/95</u>

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with Act 434 of 1967 As Amended.


Signature

682-8375
Phone Number

Director, Division of County Operations
Title

12/20/95
Date



Arkansas Department of Human Services

Division of County Operations

Donaghey Plaza South
P.O. Box 1437 - Slot 316
Little Rock, Arkansas 72203-1437
TDD (501) 682-8275

December 30, 1995

The Honorable Sharon Priest
Secretary of State
State Capitol Building - Room 256
Little Rock, AR 72201

Dear Mrs. Priest:

We are requesting APA promulgation for FSC 95-25. The Division of County Operations amends the Food Stamp Certification manual to implement changes in the standard deduction from \$138 to \$134. This change is mandated by the Agriculture Appropriations Bill (P.L. 104-37).

Please inform me if you have a question about this rule.

Sincerely,



Roy Hart
Director

RH:bid

Enclosures

cc: file

MANUAL TRANSMITTAL

Arkansas Department of Human Services

Division of County Operations

☒ Policy ☒ Form ☐ Executive Directive Issuance Number FSC 95-25

Food Stamp Certification Manual
Food Stamp Forms Manual

Issuance Date 12-01-95

From: Roy Hart
Director

Expiration Date Until
Superseded

Subj: Revised Standard Deduction

<u>Pages to be Deleted.</u>	<u>Dated</u>	<u>Pages to be Added.</u>	<u>Dated</u>
Front 6210 - 6300	10-1-95	Front 6210 - 6300	12-1-95
Back 6300 - 6400	10-1-95	Back 6300 - 6400	12-1-95

Appendix D	10-1-94	Appendix D	10-1-95

SUMMARY OF CHANGES

Standard Deduction - As required by the Agriculture Appropriations Bill (P.L. 104-37), the standard deduction has been changed from \$138 to \$134.

Inquiries to: Betty Helmbeck, Food Stamp Section, 682-8284

FOOD STAMP CERTIFICATION MANUAL 6210 - 6300 DATE: 12-1-95	SECTION: DEDUCTIONS SUBJECT: STANDARD DEDUCTION
-----------------------------------------------------------------	----------------------------------------------------

6210 Farm Loss Deduction

The losses from a farming enterprise operated by a household member may be deducted from the household's other countable income. FSC 5640.1 contains instructions for applying the Farm Loss deduction.

6300 The Standard Deduction

A uniform standard deduction is applied to all households regardless of size, type of income or household composition. See Appendix D for the current standard deduction.

The standard deduction is applied in the following manner on the Food Stamp Authorization document, DCO-233, when there is both earned and unearned income in the household.

1. Calculate the net earned income (field 37) by applying the earned income/deduction as described in FSC 6200 above.
2. Total all unearned income. Enter this figure in field 49.
3. Calculate gross income by adding together net earned income and total unearned income. Enter this figure in field 51.
4. Subtract the standard deduction in field 52 from the gross income (field 51). The figure obtained will be adjusted gross income. Enter this figure in field 53.

Example - The household has one member with gross earnings of \$795. Two members each receive an AFDC grant of \$142. The calculations which follow are based on deduction amounts in effect 12-1-95.

1. Calculate net earned income (field 37). Gross earned income \$795 x 20% = \$159 earned income deduction. \$795 gross earned income - \$159 earned = \$636 net earned income.
2. Calculate total unearned income (field 49). \$142 AFDC + \$142 AFDC = \$284
3. Calculate total gross income (field 51). \$636 net earned income + \$284 total unearned income = \$920 gross income.
- * 4. Subtract the standard deduction (field 52). \$920 total gross income - \$134 standard deduction = \$786 adjusted gross income.

**

When there is only earned income in the food stamp budget, the gross income (field 51) will consist of the amount calculated as the net earned income in field 37.

**

Effective 12-1-95, the standard deduction is reduced to \$134 as mandated by P.L. 104-37.

FOOD STAMP CERTIFICATION MANUAL 6300 - 6400 DATE: 12-1-95	SECTION: DEDUCTIONS SUBJECT: DEPENDENT CARE DEDUCTION
-----------------------------------------------------------------	-------------------------------------------------------------

- * Example: The household reports only earned income of \$795. The caseworker calculates the earned income deduction as \$159 and \$636 as the net earned income in field 37. \$636 will be entered as the total income in field 51 and the \$134 standard deduction will be subtracted from this figure ($\$636 - \$134 = \$502$) to obtain the adjusted gross income in field 53.

When there is only unearned income in the food stamp budget, the gross income (field 51) will consist of the amount calculated as the total unearned income in field 49.

- * Example: The household reports only unearned income of two AFDC checks. They total \$284. \$284 will be entered as the gross income in field 51 and the \$134 standard deduction will be subtracted from this figure ($\$284 - \$134 = \$150$) to obtain the adjusted gross income in field 53.

6400 The Dependent Care Deduction

Dependent care costs are payments for the actual care of a child or other dependent person (e.g. an incapacitated adult). Payments are deductible only when necessary for a household member to:

1. Accept or continue employment; or
2. Pursue education preparatory for employment; or
3. Comply with the Project SUCCESS Employment and Training (E & T) Program requirements; or
4. For those individuals not subject to the E & T requirements, an equivalent effort to seek employment. (An individual's statement that they are seeking employment will be adequate to establish an equivalent effort.)

The dependent care deduction will include costs such as baby sitter or day care fees or the cost of an attendant for an incapacitated adult.

Dependent care costs may not exceed a maximum allowable amount determined by Federal law. See Appendix D to this manual for the current maximum allowable amount.

Example - (Based upon the maximum allowable amount of \$175 per dependent effective 9/1/94.) A household reports that a member is employed. This member has two children aged 2 and older. The member pays \$45 per week per child to a day care center.

Calculated prospectively, dependent care costs would be $\$45 \times 4.334 = \195 per child reduced to the maximum allowable amount of \$175 per dependent. ($\$175 \times 2 = \350 total dependent care costs.)

APPENDIX D

CURRENT STANDARDS

Current Standard Deductions

Type of Deduction	Amount	Effective Date
1. Earned Income	20%	5-01-86
** 2. Standard	\$134	12-01-95
3. Utility Standard	\$166	10-01-95
4. Homeless Household Shelter Estimate	\$143	10-01-95
5. Maximum Shelter	\$247	10-01-95 - 12-31-96
6. Maximum Dependent Care		
Per Dependent - Under Age Two	\$200	9-01-94
Per Dependent - Age Two and Older	\$175	9-01-94

Current SSI Maximum Payments

Type of Payment	Amount	Effective Date
SSI Only - Individual	\$458	1-01-95
SSI Only - Couple	\$687	1-01-95
SSA/SSI - Individual	\$478	1-01-95
SSA/SSI - Couple	\$707	1-01-95
SSI Only - Individual - Reduced	\$305.34	1-01-95
SSI Only - Couple - Reduced	\$458	1-01-95
SSA/SSI - Individual - Reduced	\$325.34	1-01-95
SSA/SSI - Couple - Reduced	\$478	1-01-95

Current Medicare Premium - \$46.10 (Part B only)

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE**

DEPARTMENT/AGENCY Human Services
DIVISION County Operations
DIVISION DIRECTOR Roy Hart
CONTACT PERSON Roy Kindle, Jr.
ADDRESS P.O. Box 1437, Little Rock, AR 72201
PHONE NO. 682-8251 Fax No. 682-1469

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms.
You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the
proposed citation after "Short Title of this rule" below.
- D. Submit two (2) copies of your proposed rule and mail or
deliver to:

Donna K. Davis
Subcommittee on Administrative Rules and Regulations
Arkansas Legislative Council
Bureau of Legislative Research
Room 315, State Capitol
Little Rock, AR 72201

- 1. What is the short title of this rule?
Food Stamp Certification Manual FSC 95-25
- 2. What is the subject of the proposed rule?
Change of the standard deduction from \$138 to \$134.
- 3. Is this rule required to comply with federal statute or
regulation? Yes X No

If yes, please provide the federal regulation and/or statute
citation.

- Agriculture Appropriation Bill (P.L. 104-37)
- 4. Was this rule filed under the emergency provisions of the
Administrative Procedure Act? Yes _____ No X

If yes, what is the effective date of the emergency rule?

When does the emergency rule expire?

Will this emergency rule be promulgated under the regular
provisions of the Administrative Procedure Act? Yes
No

5. Is this a new rule? Yes _____ No X
Does this repeal an existing rule? Yes _____ No X
If yes, please provide a copy of the repealed rule.
Is this an amendment to an existing rule? If yes, please attach a markup showing the changes in the existing rule and a summary of the substantive changes.
6. What state law grants the authority for this proposed rule?
If codified, please give Arkansas Code citation.
N/A
7. What is the purpose of this proposed rule? Why is it necessary?
It is necessary to comply with P.L. 104-37.
8. Will a public hearing be held on this proposed rule?
Yes _____ No X If yes, please give the date, time, and place of the public hearing?
9. When does the public comment period expire?
December 20, 1995.
10. What is the proposed effective date of this proposed rule?
December 1, 1995, as mandated by P.L. 104-37/APA effective December 30, 1995
11. Do you expect this rule to be controversial? Yes _____
No X If yes, please explain.
12. Please give the names of persons, groups, or organization which you expect to comment on these rules? Please provide there position (for or against) if known.

Mr. David J. Manley
Attorney at Law
Legal Services of Arkansas

PLEASE ANSWER ALL QUESTIONS COMPLETELY

July 28, 1995

DEPARTMENT Human Services
DIVISION County Operations
PERSON COMPLETING THIS STATEMENT Beverly Doyle
TELEPHONE NO 682-8284 FAX NO. 682-1469

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE FSC 95-25

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
Any increased cost will be negligible. All cost will be federal dollars.
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
N/A
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

<u>1995-96 Fiscal Year</u>	<u>1996-97 Fiscal Year</u>
General Revenue <u>-0-</u>	General Revenue <u>-0-</u>
Federal Funds <u>-0-</u>	Federal Funds <u>-0-</u>
Cash Funds <u>-0-</u>	Cash Funds <u>-0-</u>
Special Revenue <u>-0-</u>	Special Revenue <u>-0-</u>
Other <u>-0-</u>	Other <u>-0-</u>
Total <u>-0-</u>	Total <u>-0-</u>

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

<u>1995-96 Fiscal Year</u>	<u>1996-97 Fiscal Year</u>
N/A	N/A

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

<u>1995-96 Fiscal Year</u>	<u>1996-97 Fiscal Year</u>
N/A	N/A

July 28, 1995