

ARKANSAS REGISTER

Transmittal Sheet



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

For Office
Use Only:

Effective Date 9/7/98 Code Number 016.20.98--028

Name of Agency Division of County Operations

Department of Human Services

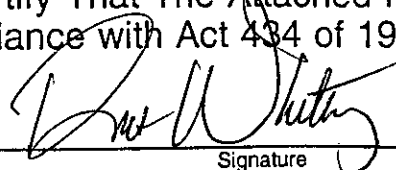
Contact Person Roy Kindle, Assistant Director, DCO Phone 682-8251

Statutory Authority for Promulgating Rules Arkansas Act 1058 of 1997; the Arkansas Personal Responsibility and Public Assistance Reform Act

	Date
Intended Effective Date	Legal Notice Published 7-29-98
<input type="checkbox"/> Emergency	Final Date for Public Comment 8-27-98
<input checked="" type="checkbox"/> 10 Days After Filing	Filed With Legislative Council 7-27-98
<input type="checkbox"/> Other	Reviewed by Legislative Council 9-3-98
	Adopted by State Agency 9-8-98

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
Title
7-19-98
Date

FILED
REGISTER DIV.
53 AUG 28 PM 4:01
STATE OF ARKANSAS

MANUAL TRANSMITTAL

Arkansas Department of Human Services Division of County Operations

☒ Policy ☐ Form ☐ Policy Directive

Issuance Number: TEA 98-11

Transitional Employment Assistance Manual

Issuance Date:

From: Ruth Whitney
Director

Expiration Date: Until Superseded

Subj: New Policy

<u>Pages to be Deleted,</u>	<u>Dated</u>	<u>Pages to be Added,</u>	<u>Dated</u>
None		TEA 9000 - 9253.2 Pages	7/24/98
		Form DHS-199	7/98
Table of Contents Pages		Table of Contents Pages	

Summary of Changes

TEA 9000-9253.2 is a new section of policy which provides procedures for determining and reporting overpayments in the Transitional Employment Assistance program. Also form DHS-199, Benefit Overpayment Report, has been developed to be used for reporting overpayments in the TEA, Food Stamp, and Medicaid programs. This form will be issued to the IMF Forms Manual. Implementation procedures are as follows:

Ineligible AFDC Cases That Converted to TEA

Overpayments for ineligible AFDC cases that converted to TEA will be processed. Counties will apply the AFDC and TEA policy respectively when preparing the overpayment.

Occurrence of TEA Overpayments beginning July 1, 1997 and continuing

TEA overpayments that occurred on or after July 1, 1997 will be determined and reported as they are discovered in accordance with the TEA overpayment policy.

Inquiries to: Linda Greer, TEA Unit, 682-8257 Lorie Williams, TEA Unit, 682-8256
Ron Johnson, TEA Unit, 682-8182 Renee Green, TEA Unit, 682-8266

FILED
L. REGIS-
TER DIV.
22 AUG 28
AM 4:01
STATE
OF ARKANSAS

9000 Overpayments

9010 *Definition of Overpayment*

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

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

Notes:

1. By definition, no "overpayment" exists if the recipient does not present the warrant or check for payment or does not access any portion of a month's payment added to his or her EBT account; and
2. Calculations to determine overpayments must be in accordance with eligibility requirements and budgetary procedures and allowances in effect at the time of such overpayment, not the time of discovery and computation.

9020 *Definition of Fraud*

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

9020.1 Fraud-Legal Provision

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

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

9020.2 Guilty of Intentional Program Violations

If a family is found guilty of an Intentional Program Violation, the family will be ineligible for TEA assistance until the resulting overpayment has been repaid to the State with interest. Refer to TEA 8102.

9030 *Types of Overpayments*

The following types of overpayments will be reported:

- ◆ TEA Cash Assistance
- ◆ Reimbursements for Work Related Activity Expenses
- ◆ Relocation Assistance
- ◆ Child Care (See Note Below)

Note: If a worker discovers a possible child care overpayment, the information will be provided via memo to the Child Care Eligibility/Family Support Unit, Division of Child Care and Early Childhood Education, Slot 4400. The Child Care Eligibility/Family Support Unit will determine and process all Child Care overpayment.

9040 *Determining the Overpayment Amount to be Reported*

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

9041 *TEA Cash Assistance*

When it is determined that a client has received a TEA cash assistance payment to which he or she was not entitled, an overpayment report may be required. An overpayment report will begin with the second month following the month in which the change causing the ineligible or reduced payment occurred. 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.

Overpayments Income

TEA 9041.1

9041.1 Income

To determine an overpayment involving income, the caseworker will determine the monthly gross and net income as outlined in the TEA 2300 sections (Determining

Income Eligibility). Unless a significant change occurred in the income during the overpayment period, the same monthly net income will be used to determine income eligibility for all overpaid months. In addition, the same gross monthly income will be used to determine if an eligible family was eligible for a full or reduced payment unless a significant change occurred during the overpayment period. (Refer to TEA 4120 for the definition of a significant change in income.) It is not necessary to verify the actual income in each month of the overpayment period.

If earned income is involved, both the 20% and 50% earned income deductions will be allowed when determining income eligibility for the overpayment period.

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: Ms. Jones started working in August. She reported the employment in November. When determining the monthly income, allowing the 20% and 50% earned income deductions, 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.

EXAMPLE 2: Mrs. Davis and her two children are receiving TEA benefits in the amount of \$204. Mrs. Davis became employed in November and gross earnings are \$550 per month. She reported her employment in January of the following year. After allowing the recipient earned income deductions, she is income eligible based on the \$223 income standard. However, when determining the payment amount, the gross earnings exceed \$446 (gross income trigger). Therefore, the family was only eligible for a reduced payment of \$102. The overpayment will be completed beginning with the month of January and continuing through the last overpaid month.

9041.2 Resources

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

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

9041.3 Household Member

In cases in which a required member has been improperly excluded from the assistance unit, an overpayment will be determined only if inclusion of such person's needs, income, and resources would have rendered the unit ineligible, or eligible for a reduced payment when the full payment was received.

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

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

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

9042 *Reimbursements/Activity Related Expenses*

When it is determined that a recipient 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.

EXAMPLE : Ms. Smith received \$100 in May to purchase uniforms for her new job. It was later determined that she did not start work and did not purchase the uniforms. The \$100 payment for uniforms received in May will be reported as an overpayment.

9043 *Relocation*

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

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

9100 *Procedure for Reporting and Collecting Overpayments*

9101 *Responsibility of County Office*

The county office is responsible for preparing and submitting overpayment reports to the Central Office Overpayments Unit, slot 3005.

9101.1 Recording Information in the Case Narrative

When an overpayment is discovered, the worker will record in the case record the amount of the overpayment, the date the overpayment began, the reason(s) why the overpayment occurred, and any other pertinent information. If the overpayment occurred because the recipient provided false or incomplete information or failed to report a change in circumstances within ten days, the recipient will be advised of the possible consequences (request for repayment and/or prosecution for fraud) and asked to explain his/her action(s) or failure to act. His/her explanation will be recorded in the case record. When all information is recorded, the case record will be referred to the ES County Supervisor or his or her designee for concurrence as to the correctness of the overpayment determination.

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

9101.2 Referral to Division of Administrative Services Overpayment Unit

All cases involving incorrect payment as described in TEA 9040 will be referred to the Overpayment Unit, Central Office. The referral form will be the original DCO-199. The appropriate sections must be completed. In addition, the worker must attach a copy of the DCO-7(s) containing the budget calculations used to establish the overpayment amount.

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

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

If the case is selected for further fraud investigation, the Overpayment Unit will not pursue recovery until notification from the Fraud Unit that the case has been declined for prosecution, agreement reached with client and case not going to court

(signed agreement), or the case has been adjudicated. The stipulations of the court order will be given to the Overpayment Unit by memorandum from the Fraud Unit.

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

**9102 *Responsibility of the Division of Administrative Services
Overpayment Unit***

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

- ◆ Administrative error.
- ◆ Misunderstanding of state policies or laws by the client.
- ◆ Willful withholding or incorrect statement of factual information by the client.

A Review Official in the Overpayment Unit will:

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

9103 *Collections*

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

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

1. Client has been sentenced;
2. Client'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;
5. Civil court action initiated with results.

The Division of Administrative Services, Cash Receipts Unit, Slot 3001, will be responsible for receiving and processing all monies collected.

9200 Recoupment and Recovery

9201 Definitions

Recovery - Regaining monies lost by the Arkansas Department of Human Services as a result of a recipient receiving payments to which he or she was not entitled.

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

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

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

9202 General Policy Statement

Overpayments and ineligible payments made to recipients of TEA are subject to recovery action.

The policy of this State is that recovery of overpayments will be pursued. An effort will be made to recover all reported overpayments. There will be no distinction between willful and non-willful withholding of information by the recipient, 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 client.

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

1. Recovery may be made from income, liquid resources, or a reduction in the current TEA assistance payment.
2. The amount to be recouped from the TEA payment will not exceed 10% of the family's full payment level.
3. Recovery will be made from the individual who caused the overpayment, or if the person responsible for the overpayment has left the household, recovery will be made from any other adult individual who was a member of the overpaid assistance unit.
4. Recovery of any reported overpayment will be made regardless of the cost effectiveness.
5. In all situations in which an overpayment has occurred and the recipient is currently receiving TEA cash assistance, recoupment of the overpayment will be initiated unless the recipient makes full restitution.
6. The amount of an outstanding overpayment will be used to offset an outstanding underpayment if the family has both.
7. When a former recipient with an outstanding overpayment reapplies and is found eligible, recoupment will be reactivated based on the recipient's current level of payment, income, and liquid resources.

9203 *Recovery Procedure*

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

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

9204 *Recoupment Restrictions*

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

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

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

9205 *DAS Overpayments Processing Unit Responsibility*

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

1. Send a 10 day advance notice to the client direct from the Overpayment Unit, explaining the recoupment decision, and the amount that will be deducted from the payment so the recipient will know the reason for the payment change.
2. Initiate recoupment by reducing the grant if the client does not request an Administrative Hearing during the 10 day advance notice period.
3. Advise the local office of:
 - a. The total amount to be recouped;
 - b. The amount of monthly deduction;
 - c. The number of months deductions will be made; and
 - d. The effective dates.

9206 *Keeping DAS Processing Unit Informed*

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

1. Hardship situation;
2. Acquisition of resources or income that may increase the client's ability to repay;
3. Death;

4. Change of address;
5. Recertification of case after closure.

9207 Contacts With Clients

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

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

Arkansas Department of Human Services
Overpayment Unit
P. O. Box 1437 Slot 3005
Little Rock, Arkansas 72203-1437

9250 *State Income Tax Refund Interception*

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

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

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

9251 *Cases Eligible for Intercept*

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

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

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

9252 *Allocation of State Tax Refund*

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

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

9253 *State Tax Refund Intercept (STRI) Hearing Procedures*

9253.1 *Requesting and Scheduling a Hearing*

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

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

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

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

9253.2 Conducting a STRI Hearing

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

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

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

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

County: _____
Date: _____

 Initial Report
 Amended Report

SECTION 1: GENERAL INFORMATION

CATEGORY: _____ Referred As: _____ Suspected Fraud _____ Non-Fraud

CASEHEAD: _____ SSN: _____ CASE NUMBER: _____

ADDRESS: _____ CITY: _____ STATE _____ ZIP CODE: _____

<u> </u> Earned Income	<u> </u> Understated Liability	<u> </u> Resources
<u> </u> Unearned Income	<u> </u> Untimely Notification by Agency	<u> </u> Household Composition
<u> </u> Incorrect Action By Agency	<u> </u> Other (Explain in Section 3)	

SECTION 3: EXPLAIN THE REASON FOR THE OVERPAYMENT (NOTE: THIS SECTION MUST BE COMPLETED IN ALL INSTANCES.

Overpayment Discovery Date / /
Date Change Occurred / /

Date Change Reported / /
Customer Never Reported

SECTION 5: FOOD STAMP OVERPAYMENT CALCULATIONS (Attach Forms DCO-233 or copy of WFSM screen with budget indicated, and 1700 if fraud is suspected.)

CORRECTED BENEFITS:

[illegible]

SECTION 6 TEA OVERPAYMENT CALCULATIONS (Attach DCO-7 Budget Sheet(s), and Form 1700 if fraud is suspected.)

[illegible]

SECTION 7 MEDICAID OVERPAYMENT CALCULATIONS (Attach Appropriate Budget Sheet(s), and form 1700 if fraud is suspected.)

[illegible]

County Office Worker Signature/Worker # **Date**

Supervisor Signature _____ Date _____

For Overpayment Unit Use Only:

Claim #: _____ Type: _____ Demand Code _____

Processed by: _____

INSTRUCTIONS

DHS-199

Purpose

This form is used by the local DHS County Offices to report overpayments in the Food Stamp, Transitional Employment Assistance and Medicaid programs. (Refer to Food Stamp Policy 15000, TEA Policy 9000, and Medical Services Policy 8000.)

Completion

The county name and date will be entered on the form. The worker will check the appropriate line advising if it is an initial or amended overpayment report. Each section is self-explanatory. Only applicable sections need to be completed. The worker and supervisor must sign the report.

Routing and Retention

The completed form will be sent to the Central Office Overpayments Unit, Slot 3005. A copy will be filed in the case record. The copy must be retained until the overpayment is paid in full.

DEPARTMENT of Human Services

DIVISION of County Operations

PERSON COMPLETING THIS STATEMENT Roy Kindle, Assistant Director
Office of Program Planning & Development

TELEPHONE: 682-8251

FAX NO. 682-1597

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 - Proposed TEA Overpayment Policy 9000-9253.2 and Form DHS-199, Benefit Overpayment Report

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?
Yes X No _

We expect savings from processing overpayments because this will allow the agency to recover erroneously made payments of cash assistance to TEA recipients. However, we cannot estimate the savings at this time since we have no history yet of potential overpayments in the TEA program on which to base an estimate.

2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
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.

1998-1999 Fiscal Year

General Revenue
Federal Funds
Cash Funds
Special Revenue
Other
Total *

1999-2000 Fiscal Year

General Revenue
Federal Funds
Cash Funds
Special Revenue
Other
Total *

*We do anticipate minimal costs for implementing this policy. However, exact figures are not known. We expect these minimal costs to be offset by program savings from overpayment recoveries.

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

1998-99 Fiscal Year

None

1999-2000 Fiscal Year

None

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

We do anticipate minimal costs for implementing this policy. However, exact figures are not known. We expect costs to be offset by program savings through the overpayment recovery process.

FILED
AR. REGISTER DIV.
98 AUG 28 PM 4:02
SHARON J. JEST
SECRETARY OF STATE
STATE OF ARKANSAS
BY _____

NOTICE
OF

RULEMAKING

Pursuant to Arkansas Act 1058 of 1997: the Arkansas Personal Responsibility and Public Assistance Reform Act, the Director, Division of County Operations issues proposed TEA

Overpayment Policy and Form DHS-199, Benefit Overpayment Report, to provide procedures for determining and reporting overpayments of cash assistance in the Transitional Employment Assistance (TEA) program.

Copies of the proposed change may be obtained by writing the Division of County Operations, P.O. Box 1437, Slot 1220, Little Rock, AR 72203, Attention: Office of Program Planning & Development. All comments must be submitted in writing to the address indicated above no later than 30 days from the date of this notice.

If you need this material in a different format, such as large print, contact our Americans with Disabilities Act Coordinator at 682-8920 (voice) or 682-8933 (TDD).

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and Operates, manages, and delivers services without regard to age, religion, disability, political affiliation, veteran status, sex, race, color or national origin.

/s/ Ruth Whitney
Director
6845973