

Notice of Rulemaking Hearing  
The Tennessee Department of Human Services  
Division of Adult and Family Services

There will be a hearing before the Tennessee Department of Human Services to consider the promulgation of amendments to rules pursuant to Tennessee Code Annotated §§ 4-5-201 et seq. and 71-1-105(12). The hearing will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, Tennessee Code Annotated, § 4-5-204 and will take place in the 2nd Floor, BoardRoom, Citizens Plaza Building, 400 Deaderick Street, Nashville, Tennessee at 1:30p.m. CDT on, Tuesday, July 19, 2005.

Any individuals with disabilities who wish to participate in these proceedings (to review these filings) should contact the Department of Human Services to discuss any auxiliary aids or services needed to facilitate such participation. Such initial contact may be made no less than ten (10) days prior to the scheduled meeting date (the date the party intends to review such filings), to allow time for the Department of Human Services to determine how it may reasonably provide such aid or service. Initial contact may be made with the Department of Human Services' ADA Coordinator, Fran McKinney, Citizens Plaza Building, 400 Deaderick Street, 3rd Floor, Nashville, Tennessee 37248, telephone number (615) 313-5563 (TTY)-(800) 270-1349.

For a copy the proposed rule contact: Phyllis Simpson, Assistant General Counsel, Department of Human Services, Citizens Plaza Building, 400 Deaderick Street, 15<sup>th</sup> Floor, Nashville, TN 37248-0006, telephone number (615) 313-4731.

Substance of Proposed Rules  
of  
The Tennessee Department of Human Services  
Adult and Family Services Division

Chapter 1240-1-50  
Financial Eligibility Requirements  
Families First Program

Amendments

Rule 1240-1-50-.20 Standard Of Need/Income, is amended by deleting the Rule in its entirety and by substituting instead the following language so that, as amended, the rule shall read:

1240-1-50-.20 Standard Of Need/Income. The following table shows the maximum income level, consolidated standard of need, and the possible standard payment amounts and differential grant payment amounts (maximum payment per assistance group size) to be used in the Families First program to determine eligibility and amount of payment.

(1) Families First Cash Assistance Standards

- (a) Consolidated Need Standard (CNS). The Department has developed a consolidated standard of need based on size of the assistance group (AG), which indicates the amount of income the assistance group would need to meet subsistence living costs according to allowances set by the state for items including food, clothing, shelter and utilities, transportation, medical care, personal incidentals, and school supplies. The CNS is used as the basis for determining the gross income standard (GIS), the standard payment amount (SPA), and the Differential Grant Payment Amount (DGPA).
- (b) Gross Income Standard (GIS). This standard is set at One Hundred Eighty-Five Percent (185%) of the consolidated need standard. If the gross countable income of an assistance group exceeds this standard, the Assistance Group (AG) is not eligible for Families First.
- (c) Standard Payment Amount (SPA). Tennessee does not meet One Hundred Percent (100%) of need as defined by the consolidated need standard. Rather, a maximum payment by family size, dependent on available State and Federal funds is paid, except in the instances specified in 1240-1-50-.20(e).
- (d) Differential Grant Payment Amount (DGPA). A Families First Assistance Group which meets any one of the criteria for exemption from Time Limited Assistance as specified in 1240-1-51-.01(4)(a) through (d), will be eligible for a grant based on the Differential Grant Payment Amount (DGPA), which is a maximum payment by family size, dependent on funds available, except in the instances specified in subparagraph (e) below.
- (e) Family Benefit Cap
  - 1. No additional benefits will be issued due to the birth of a child when the birth occurs more than ten (10) calendar months after the later of:
    - (i) the date of application for Families First, or

- (ii) the date of implementation of the Families First program (September 1, 1996), as provided by T.C.A. § 71-3-151, unless:
    - (I) the child was conceived as the result of verified rape or incest;
    - (II) the child is the firstborn (including all children in the case of a multiple birth) of a minor included in the Families First grant who becomes a first-time minor parent;
    - (III) the child does not reside with his/her parent;
    - (IV) the child was conceived in a month the AG was not receiving Families First; or
    - (V) the child was already born prior to the later of the date of application for Families First or the date of implementation of Families First, and the child has entered or returned to the home.
2. The additional child will be included in the need standard for the purpose of determining Families First eligibility. The income of the child, including child support, will be applied against the need standard in determining the Families First payment amount for the family. The child will be considered a Families First recipient for all other purposes, including Medicaid/TennCare coverage.
  3. The family benefit cap will not apply to a subsequent period of eligibility for families who reapply for Families First subsequent to receipt of cash assistance for an eighteen (18)-month eligibility period during which the child was born, as long as the reason for prior case closure was other than a failure to comply with work or child support enforcement requirements or other Personal Responsibility Plan provisions, and the parent/caretaker had cooperated with the Department as defined in departmental policies for the Families First program.
    - (i) Departmental policies and rules with which the parent/caretaker must cooperate include, but are not limited to:
      - (I) Child support cooperation requirements, such as identifying the absent parent, meeting with child support enforcement staff, submitting a child for blood testing, and testifying in court if necessary;
      - (II) Carrying out and fulfilling Personal Responsibility Plan provisions and requirements; or
      - (III) Carrying out and fulfilling Work Plan provisions and requirements.
- (f) An assistance payment is determined as follows:
    1. If the assistance group's net income (after allowable exclusions and deductions) equals or exceeds their consolidated need, the assistance group is not eligible.
    2. If the assistance group's net income is less than their consolidated need, the monthly grant amount is the smaller of a maximum payment amount by family size (SPA or DGPA, as appropriate) or the deficit if it is ten dollars (\$10) or more. If the deficit is one dollar (\$1) - nine dollars (\$9), the AG is eligible for Medicaid (TennCare) only, and is deemed to be a Families First recipient group.

In the case of an AG receiving Families First because one or both parents are unemployed, if the Principal Wage Earner (PWE) receives Unemployment Compensation (UC) the UC benefit is deducted from the grant amount determined after deducting all other countable income from the CNS, to determine the actual amount of Families First payment for the AG.

3. The minimum monthly grant which can be paid is ten dollars (\$10).

(g) Families First Need/Payment Standards

1. Tables

TABLE I

Number of Persons in Assistance Group	1	2	3	4	5	6	7	8	9	10
Gross Income Standard	1141	1469	1743	1972	2163	2322	2455	2570	2671	2760
Consolidated Need Standard	617	794	942	1066	1169	1255	1327	1389	1444	1492
Maximum Payment (SPA)	95	142	185	226	264	305	345	386	425	467

Minimum Families First Payment is \$10 per month for any Assistance Group

Number of Persons in Assistance Group	11	12	13	14	15	16	17	18	19	20
Gross Income Standard	2842	2917	2988	3056	3119	3176	3228	3269	3299	3310
Consolidated Need Standard	1536	1577	1615	1652	1686	1717	1745	1767	1783	1789
Maximum Payment (SPA)	508	549	589	630	670	711	750	790	831	871

Minimum Families First Payment is \$10 per month for any Assistance Group

TABLE II

Number of Persons in Assistance Group	1	2	3	4	5	6	7	8	9	10
Gross Income Standard	1141	1469	1743	1972	2163	2322	2455	2570	2671	2760
Consolidated Need Standard	617	794	942	1066	1169	1255	1327	1389	1444	1492
Maximum Payment (DGPA)	140	192	232	242	291	305	345	386	425	467

Minimum Families First Payment is \$10 per month for any Assistance Group

Number of Persons in Assistance Group	11	12	13	14	15	16	17	18	19	20
Gross Income Standard	2842	2917	2988	3056	3119	3176	3228	3269	3299	3310
Consolidated Need Standard	1536	1577	1615	1652	1686	1717	1745	1767	1783	1789
Maximum Payment (DGPA)	508	549	589	630	670	711	750	790	831	871

Minimum Families First Payment is \$10 per month for any Assistance Group

2. The Families First standard payment amount (maximum payment) for an assistance group of three (3) persons represents 19.6% of the consolidated need for an assistance group of that size. The Families First maximum differential grant payment amount for an assistance group of three (3) persons represents 24.6% of the consolidated need for an assistance group of that size. The payments for groups composed of different numbers of recipients represent an upward or downward adjustment of the percentage in the preceding sentences which is necessary to maintain the payment at a level not more or less than that paid in fiscal year 2004-2005.
3. Standard for Families First Transitional Services
  - (i) Families First assistance groups and other low income families may receive transitional services after the Families First case closes.
  - (ii) For purposes of this Part, "transitional services" is defined as services to assist the customer in attaining long-term self-sufficiency.
  - (iii) Transitional services will be provided subject to the continued availability of state and/or federal funding.
  - (iv) In order to receive these services, the assistance group's gross monthly income must meet a standard of need.
  - (v) The standard of need for transitional services under this Part is defined as Two Hundred Percent (200%) of the Federal poverty level for the assistance group family size. The standard of need for this Part does not apply to Transitional Child Care or Transitional Medicaid.

Authority: TCA §§ 4-5-201 et seq.; 71-1-105; 71-3-151—71-3-165, 71-3-154(i); 71-3-155(e)-(g); Senate Bill 2315/House Bill 2331 (2005); 42 USCA §§ 601 et seq.; 45 CFR 233.20; and 42 USCA § 1315.

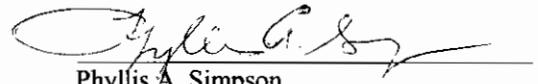
Legal Contact or Party who will approve final copy:

Phyllis Simpson  
Assistant General Counsel  
Citizens Plaza Building, 15<sup>th</sup> Floor  
400 Deaderick Street  
Nashville, Tennessee 37248-0006  
(615) 313-4731

Contact for disk acquisition:

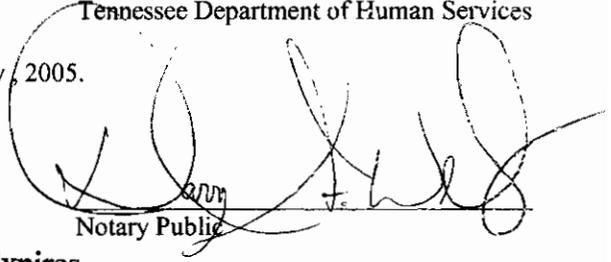
Darryl F. Wells  
Legal Assistant  
Citizens Plaza Building, 15<sup>th</sup> Floor  
400 Deaderick Street  
Nashville, Tennessee 37248-0006  
(615) 313-4731

I certify that this is an accurate and complete representation of the intent and scope of rulemaking proposed by the Department of Human Services.



Phyllis A. Simpson  
Assistant General Counsel  
Tennessee Department of Human Services

Subscribed and sworn to before me this 31<sup>st</sup> day of May, 2005.



Notary Public

**My Commission Expires**

My commission expires on the \_\_\_\_\_ day of August 20, 2006.

The notice of rulemaking set out herein was properly filed in the Department of State on the 31 day of May, 2005.



Riley C. Darnell  
Secretary of State

By: 

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