

## **921 KAR 2:500. Family Alternatives Diversion (FAD).**

RELATES TO: KRS 205.200, 205.2003, 205.211, 42 U.S.C. 601-619

STATUTORY AUTHORITY: KRS 194A.050(1), 205.200(2)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 194A.050(1) requires the secretary to promulgate all administrative regulations authorized by applicable state laws necessary to operate the programs and fulfill the responsibilities vested in the cabinet or to qualify for the receipt of federal funds and necessary to cooperate with other state and federal agencies for the proper administration of the cabinet and its programs. KRS 205.200(2) requires the cabinet to prescribe, by administrative regulation, the conditions of eligibility for public assistance, in conformity with the Social Security Act, 42 U.S.C. 601-619, and federal regulations. This administrative regulation establishes requirements for the Family Alternatives Diversion Program (FAD).

### **Section 1. Definitions.**

- (1) "Benefit group" means a group that meets the eligibility requirements established in 921 KAR 2:006.
- (2) "Kentucky Transitional Assistance Program" or "K-TAP" means a money payment program for children who are deprived of parental support or care in accordance with 921 KAR 2:006.
- (3) "Overpayment" means a FAD benefit received by an individual who:
  - (a) After an initial determination of eligibility is determined to be ineligible for the program and erroneous benefits were received by the individual; or
  - (b) Is determined eligible for the program and refuses to apply the benefit to the provider of the service needed to resolve the short-term emergency as indicated by the individual at the time of the application.
- (4) "Self-supporting" means an individual who:
  - (a) Is employed in accordance with 921 KAR 2:006, Section 1; or
  - (b) Shall be employed in accordance with 921 KAR 2:006, Section 1, within the subsequent three (3) months.
- (5) "Unsubsidized child care" means child care for which financial assistance is not provided.

### **Section 2. Eligibility for FAD.**

- (1) To qualify for FAD benefits, the benefit group shall:
  - (a) Meet monthly income and resource requirements in the month of application as established in 921 KAR 2:016, Sections 3, 4(1), 5(1) and (2), and 7;
  - (b) Meet the technical requirements of K-TAP in accordance with 921 KAR 2:006 except for the thirty (30) day unemployment requirement for unemployed parent cases as described in 921 KAR 2:006, Section 10(7)(e);
  - (c) Not be currently receiving ongoing K-TAP benefits;
  - (d) Have a verified short-term need to include:
    1. Car repair, to be:
      - a. Completed by a mechanic who is employed by a garage;
      - b. Completed by a vocational school automotive program; or
      - c. The responsibility of the FAD recipient, if a payment is made for a new or used automotive part;
    2. Other transportation assistance;
    3. Unsubsidized child care;
    4. Utilities payment assistance;
    5. Housing payment assistance; or
    6. Items required for employment; and
  - (e) Be determined by the cabinet to be self-supporting if the short-term need is met.

- (2) The cabinet shall use the FA-1, Family Alternatives Diversion (FAD) Determination, to determine if a potential K-TAP applicant's eligible benefit group for FAD is a family eligible to receive FAD benefits.
- (3) The K-TAP eligible benefit group shall be notified of the option to decline FAD benefits in lieu of applying for ongoing K-TAP benefits.
- (4) FAD shall be utilized instead of K-TAP if:
  - (a) Requested by the benefit group; and
  - (b) The benefit group is deemed eligible for FAD.
- (5)
  - (a) The benefit group's countable gross income shall include earned and unearned income in accordance with 921 KAR 2:016, Sections 4 and 5.
  - (b) The benefit group's gross income shall be computed using the best estimate of income for the month of application in accordance with 921 KAR 2:016, Section 10.
  - (c) The benefit group's total gross earned and unearned income as determined in paragraph (b) of this subsection shall be compared to the maximum gross income scale for K-TAP in accordance with 921 KAR 2:016, Section 9(2)(b).
  - (d) If the benefit group's total gross earned and unearned income exceeds the maximum gross income limit for the appropriate benefit group size, pursuant to 921 KAR 2:016, Section 9(2), the family shall not be eligible for a FAD payment.
- (6)
  - (a) The FAD eligibility period for an approved FAD application shall be a three (3) consecutive month period beginning with the date of FAD approval.
  - (b) One (1) or more checks with a combined total of up to \$1,300, to the extent funds are available, may be issued to resolve a short-term need as specified in subsection (1) (d) of this section during the three (3) month eligibility period.
  - (c) An adult member of a benefit group shall not be approved for FAD more than once during a twenty-four (24) month period.
  - (d) An adult member of a benefit group shall not be approved for FAD more than twice in a lifetime.
  - (e) If the adult member of a benefit group has voluntarily quit employment, the adult member shall not be eligible to receive FAD, unless the adult meets criteria specified in 921 KAR 2:370, Section 6(1)(a) through (k).

### Section 3. Authorization of a FAD Payment.

- (1) The amount of the eligible FAD payment shall be issued in one (1) or more checks to:
  - (a) A vendor; or
  - (b) The eligible FAD benefit group and vendor, as a two (2) party check.
- (2) Except for payments for purchases of merchandise or goods, a FAD payment shall not be issued to a vendor of services who is required and fails to provide signed documentation of:
  - (a) A tax identification number or Social Security number; and
  - (b) Verification of services.
- (3) Total payments during the three (3) month FAD eligibility period shall not exceed \$1,300, to the extent funds are available.

### Section 4. Coordination with K-TAP and Other Benefit Programs.

- (1) Receipt of a FAD payment shall exclude the benefit group from receiving ongoing K-TAP benefits for twelve (12) months unless nonreceipt would result in:
  - (a) Abuse or neglect of a child, as determined pursuant to KRS 600.020(1); or
  - (b) The parent's inability to provide adequate care or supervision due to the loss of employment through no fault of the parent.
- (2) A benefit group shall not be eligible to receive Work Incentive (WIN), K-TAP, or FAD funds concurrently.

(3) An application shall be taken or a referral made for the following benefits as needed for a FAD eligible family:

- (a) Supplemental Nutrition Assistance Program (SNAP);
- (b) Medicaid;
- (c) Child care; and
- (d) Child support.

(4) For a FAD eligible benefit group, a referral shall be made as needed for other services offered through other state agencies, contractors, or charitable organizations to include the following services:

- (a) Job search;
- (b) Job readiness assessment;
- (c) Life skills; and
- (d) Other food benefit programs.

#### Section 5. Overpayments.

(1) The cabinet shall recover the amount of an overpayment, including assistance paid pending the outcome of a hearing, from the claimant-payee.

(2) An overpayment shall be recovered through:

- (a) Repayment by the claimant-payee to the cabinet; or
- (b) Cabinet initiation of a civil action in the court of appropriate jurisdiction after the claimant-payee has exhausted or abandoned the administrative and judicial remedies specified in 921 KAR 2:055.

Section 6. Hearing Rights. Hearing rights for FAD shall be the same as hearing rights for a K-TAP recipient in accordance with 921 KAR 2:055.

#### Section 7. Incorporation by Reference.

(1) The "FA-1, Family Alternatives Diversion (FAD) Determination", 04/11, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department for Community-Based Services, 275 East Main Street, Frankfort, Kentucky 40621, Monday through Friday 8 a.m. to 4:30 p.m.

(25 Ky.R. 2075; Am. 2913; eff. 6-16-1999; Recodified from 904 KAR 2:500, 7-8-1999; 26 Ky.R. 1732; eff. 5-10-2000; 29 Ky.R. 831; 1666; eff. 12-18-2002; 30 Ky.R. 2411; 31 Ky.R. 97; eff. 8-6-2004; TAm eff. 10-27-2004; TAm eff. 1-27-2006; 37 Ky.R. 1909; eff. 4-1-2011; 42 Ky.R. 607; eff. 11-18-2015.)